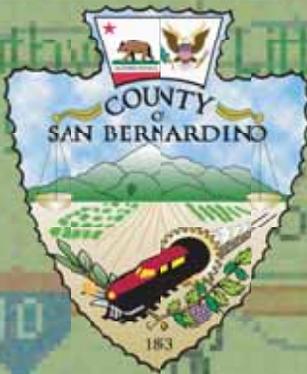


***San Bernardino County
State of California***

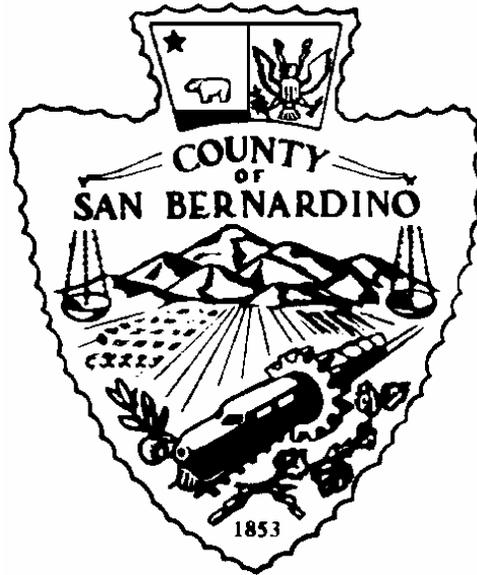
**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



***For the Year Ended June 30, 2005
Larry Walker, Auditor/Controller-Recorder***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2005**

**COUNTY OF SAN BERNARDINO
STATE OF CALIFORNIA
1853**



Supervisor Bill Postmus, Chairman.....First District
Supervisor Paul Biane, Vice Chair Second District
Supervisor Dennis HansbergerThird District
Supervisor Gary Ovitt..... Fourth District
Supervisor Josie GonzalesFifth District

Mark Uffer –County Administrative Officer

*Prepared by the Office of the Auditor/Controller-Recorder
Larry Walker, Auditor/Controller-Recorder*

**COUNTY OF SAN BERNARDINO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 JUNE 30, 2005**

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL..... 1

DIRECTORY OF ELECTED COUNTY OFFICIALS..... 10

DIRECTORY OF APPOINTED COUNTY OFFICIALS 11

ORGANIZATION CHART 12

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING..... 13

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT..... 16

MANAGEMENT’S DISCUSSION AND ANALYSIS 19

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Assets 38

Statement of Activities 39

Fund Financial Statements:

Balance Sheet – Governmental Funds..... 42

Statement of Revenues, Expenditures, and Changes in
 Funds Balances – Governmental Funds 43

Statement of Revenues, Expenditures, and Changes in Fund Balances
 – Budget and Actual on Budgetary Basis – General Fund 44

Statement of Net Assets – Proprietary Funds 45

Statement of Revenues, Expenses, and Changes in
 Fund Net Assets – Proprietary Funds 46

Statement of Cash Flows – Proprietary Funds 47

Statement of Fiduciary Net Assets – Fiduciary Funds 48

Statement of Changes in Fiduciary
 Net Assets – Investment Trust Fund 49

Notes to the Basic Financial Statements.....	51
--	----

SUPPLEMENTAL INFORMATION:

Combined Financial Statements - Nonmajor Governmental Funds:

Combined Balance Sheet – Nonmajor Governmental Funds	98
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	99

Combining Financial Statements – Nonmajor Governmental Funds:

Nonmajor Governmental Funds Descriptions	102
Combining Balance Sheet – Special Revenue Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds.....	112
Combining Balance Sheet – Debt Service Funds	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Funds.....	119
Combining Balance Sheet – Capital Projects Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	122
Combining Balance Sheet – Permanent Funds	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Permanent Funds	125

Combining Financial Statements – Nonmajor Enterprise Funds:

Nonmajor Enterprise Funds Description	127
Combining Statement of Net Assets – Nonmajor Enterprise Funds	128
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	130
Statement of Cash Flows – Nonmajor Enterprise Funds.....	132

Combining Financial Statements – Internal Service Funds:

Internal Service Funds Descriptions	133
Combining Statement of Net Assets – Internal Service Funds	134
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	136
Statement of Cash Flows – Internal Service Funds.....	138

TABLE OF CONTENTS

Combining Financial Statements – Agency Funds:

Trust and Agency Funds Descriptions	140
---	-----

Combining Statement of Changes in Assets and Liabilities – Agency Funds	141
--	-----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Budget and Actual on Budgetary Basis:

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Budget and Actual on Budgetary Basis – Certain Special Revenue Funds	143
---	-----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Budget and Actual on Budgetary Basis – Certain Capital Projects Funds	164
--	-----

STATISTICAL SECTION

GENERAL GOVERNMENTAL REVENUES BY SOURCE – LAST TEN FISCAL YEARS	170
---	-----

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION – LAST TEN FISCAL YEARS	172
---	-----

PROPERTY TAX LEVIES, COLLECTIONS AND DELINQUENCIES – LAST TEN FISCAL YEARS	174
--	-----

GROSS ASSESSED VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS.....	175
---	-----

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS – TAX RATE AREA 7000 – LAST TEN FISCAL YEARS.....	176
--	-----

COMPUTATION OF LEGAL DEBT MARGIN AND BONDED DEBT PER CAPITA – LAST TEN FISCAL YEARS.....	177
---	-----

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT	178
--	-----

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES – LAST TEN FISCAL YEARS.....	180
--	-----

SCHEDULE OF INSURANCE IN FORCE	181
--------------------------------------	-----

PUBLIC OFFICIAL BLANKET BOND	182
------------------------------------	-----

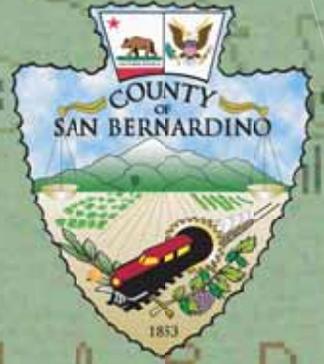
REVENUE BOND COVERAGE – LAST TEN FISCAL YEARS.....	183
--	-----

BUILDING PERMIT VALUATIONS, DWELLING UNITS AND BANK DEPOSITS – LAST TEN CALENDAR YEARS	184
---	-----

DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS	186
--	-----

PRINCIPAL TAXPAYERS	187
---------------------------	-----

MISCELLANEOUS STATISTICAL DATA.....	188
-------------------------------------	-----



Introductory Section

San Bernardino

Fontana

Rialto

Southwest Little League Park

Bloomington

Cotton



CREDIT AVENUE

AUDITOR/CONTROLLER-RECORDER COUNTY CLERK



COUNTY OF SAN BERNARDINO

AUDITOR/CONTROLLER • 222 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830

RECORDER • COUNTY CLERK • 222 West Hospitality Lane, First Floor
San Bernardino, CA 92415-0022 • (909) 387-8306 • Fax (909) 386-8940

LARRY WALKER

Auditor/Controller-Recorder
County Clerk

ELIZABETH A. STARBUCK

Assistant Auditor/Controller-Recorder
Assistant County Clerk

November 10, 2005

**THE HONORABLE BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO
County Government Center
385 North Arrowhead Avenue
San Bernardino, CA 92415-0110**

Honorable Board Members:

The Comprehensive Annual Financial Report of the County of San Bernardino for the fiscal year ended June 30, 2005 is submitted herewith in compliance with Section 25253 of the Government Code of the State of California and Article V, Section 8 of the Charter of the County of San Bernardino.

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

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data is presented in a manner designed to fairly set forth the financial position and results of operations of the County, and that all disclosures necessary to enable the reader to gain a full understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections:

- The Introductory Section includes this transmittal letter, the County's organizational chart, and a list of principal County officials.
- The Financial Section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, and supplemental statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with generally accepted accounting principles. The County's MD&A can be found immediately following the report of the independent auditors.
- The Statistical Section includes selected financial and demographic information of the County, generally on a multi-year basis, and is unaudited.

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 Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this 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.

THE REPORTING ENTITY AND ITS SERVICES

The County of San Bernardino, located in Southern California, was established by an act of the State Legislature on April 26, 1853, forming the County from the eastern part of Los Angeles County. The County is a charter law county divided into five supervisorial districts on the basis of population. The County encompasses an area of over 20,164 square miles and includes twenty-four incorporated cities. In terms of land area, it is the largest county in the contiguous United States. The County is also one of the fastest growing areas in the nation and is the fourth most populous of the 58 counties in California.

The County provides a wide range of services to its residents including police protection, criminal prosecution, medical and health services, education, senior citizen assistance, roads, library services, support for judicial institutions, airport service, 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, street lighting, and roads.

The accompanying Basic Financial Statements include all organizations and other entities, functions and activities of the County for which the County Board of Supervisors is financially accountable. Also included are numerous self-governed school and special districts, for which the County acts as depository. The financial reporting for these entities, which are governed and act independently of the County of San Bernardino, is limited to reporting, as Investment Trust Funds, the total amount of cash and investments and other assets collected for, disbursed by, and held for, these entities.

INTERNAL 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. The County's Internal Audits Division actively participates in evaluating and upgrading the internal accounting control system.

As a recipient of federal and state financial awards, the County also is 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 the 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 Trust Funds. Revenues are recognized when they are earned and become measurable and expenses are recorded when they are incurred.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Supervisors. Budgets are adopted for the General Fund, certain Special Revenue, Debt Service, 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 expenditure object 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 for ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations expire at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

CASH MANAGEMENT

The County Pool represents monies entrusted to the County Treasurer by the County of San Bernardino, and by school and special districts, and other entities within the County. State law requires that all operating monies of the County, school districts and certain special districts be held by the County Treasurer. In addition, there are approximately \$53.2 million in "discretionary deposits." The County Pool does not include investments of the Deferred Compensation program or the County Employees' Retirement Association, which are separately managed.

The County by law pools its cash to facilitate investment opportunities for increasing interest income. The County's pooled cash and investments include U.S. Government and agency securities, commercial paper, money market mutual funds, negotiable certificates of deposits and repurchase agreements. The average rate of return on investments during fiscal year 2004-05 was 2.37%.

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the pooled cash and investments held in the County Treasury are reported at their fair value at June 30, 2005, which is \$6.95 million less than amortized cost.

Monies deposited in the County Pool by the participants represent an individual interest in all assets and investments in the County Pool based upon the amount deposited. Interest income, gains and losses are distributed quarterly to the participants based on their average daily balance. Currently, Standard & Poor's Ratings Service rates this investment pool S1+ for market risk and AAAs for credit quality, which are the highest ratings attainable. Fitch's current rating for the County pool is AAA/V-1+, for meeting the highest credit quality standards for underlying assets, diversification, management and operational capabilities. Moody's Investors Service also rates the investment pool at its highest credit rating, Aaa, and safest market risk rating, MR1. Amounts held in the County investment pool are invested in the Pooled Investment Fund of the County ("County Pool"), which invests in securities according to the Investment Policy adopted by the Board of Supervisors for the County Treasurer-Tax Collector as authorized by Section 53601 of the Government Code of California.

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

The County's Investment policy does not allow investments in derivative instruments in the treasury pool. None of the securities held by the County Pool are considered structured notes that incorporate "derivative" features, i.e., interest rates tied to alternative indices, formulas or other pricing features. Derivative securities exclude traditional floating rate securities tied to indices such as LIBOR, T-Bills, Fed Funds, etc. In addition, the County Pool does not invest in, nor has it ever invested in, "inverse floaters" nor does it invest in reverse repurchase agreements.

The fair value of the Pool will depend upon, among other factors, the maturities and types of investments and general market conditions. The current (June 30, 2005) market value analysis indicates an unrealized loss of approximately \$6.95 million. Historically, the Pool has held most of its securities to their respective maturity dates.

CASH MANAGEMENT - Continued

At June 30, 2005, approximately \$53.2 million of the Pool assets are attributable to "discretionary" participants who are not legally required to deposit funds in the Pool. Such participants may withdraw their funds from the Pool upon 30 days' notice to the Treasurer, and only with prior approval of the Treasurer. The liquidity of the Pool will vary depending upon the mix and type of investments therein, and the net cash inflows and outflows at any given time. The Treasurer-Tax Collector manages the Pool to ensure sufficient liquidity exists, given reasonable anticipated cash needs. Current liquidity in the portfolio, consisting of cash, cash equivalents and investments with maturities of less than 60 days, is approximately \$846,933,950. The weighted average maturity of all investments at June 30, 2005 was 274 days, with an effective duration of 0.71 years.

The County believes that the County 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 scheduled withdrawals.

The County utilizes a Countywide banking program with a major bank, which is 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

The County maintained the top debt rating for short-term issues throughout fiscal year 2004-05. For other issues, Standard & Poor's rating is A with stable outlook, and Moody's rating is A2. The following is a summary of the County's short-term borrowing highlights of 2004-05.

SHORT-TERM BORROWING

In July 2004, the County issued Tax and Revenue Anticipation Notes totaling \$170,000,000. The notes were issued at a nominal rate of 1.50% and a true interest cost of 0.804%. Standard & Poor's Rating Service and Moody's assigned ratings of SP-1+ and MIG1 respectively. These notes matured on June 30, 2005. The proceeds of the notes were used to meet the County's cash flow needs including General Fund expenditures (both current and capital expenditures).

RISK MANAGEMENT

The County has self-insurance programs for public liability, unemployment insurance, employee dental insurance, hospital and medical malpractice liability and Workers' Compensation. Public Liability claims are self-insured up to \$1,000,000 per claim or occurrence. Excess insurance coverage over the SIR up to \$25,000,000 is with CSAC Excess Insurance Authority Liability Program II (CSAC EIA).

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction and Dishonesty Policy covering County monies and securities, also with CSAC EIA with a \$100,000 deductible and excess limit up to \$10,000,000 per claim or occurrence.

Workers' Compensation claims are self-insured up to \$2,000,000 per claim or occurrence. Excess limits up to \$2,000,000 for Employers' Liability and statutory Workers' Compensation limits are provided by an excess Workers' Compensation Insurance Policy through the CSAC EIA.

Property damage claims are insured with the CSAC EIA through the Property Program over a \$25,000 deductible.

The activities related to such programs are accounted for in the Risk Management Fund (an Internal Service Fund) except for unemployment insurance and employee dental insurance which is accounted for in the General Fund. The liabilities included in the Risk Management Fund are based on the results of actuarial studies and

RISK MANAGEMENT - Continued

include amounts for claims incurred but not reported and allocated loss adjustment expenses. It is the County's practice to obtain actuarial studies at least biennially. Revenues of the Risk Management Fund together with funds to be provided in the future, via the Security Payment Program or GIC, will provide adequate resources to meet public liability, workers' compensation, property and hospital and medical malpractice liabilities as they come due.

MAJOR INITIATIVES

Central Courthouse Seismic Retrofit/Remodel/Restoration Project

The Central Courthouse in downtown San Bernardino was constructed in 1926 and appears on the National Register of Historic Places. The building was constructed prior to modern earthquake design methods and is located in a region of high seismic exposure. Studies conducted in the late 1990's concluded that the building does not meet current code requirements and the performance in a major earthquake is expected to be poor.

The County will use a variety of funding sources to seismically retrofit the Central Courthouse, including a \$5 million Federal Emergency Management Agency (FEMA) grant, revenue generated by a \$35 surcharge on civil filings (\$1.9 million annually), and \$6.5 million in general fund monies, representing the County's portion of excess fines and forfeiture collections. The project will also include a seismic retrofit of the adjacent T-Wing as well as a partial remodel of the entire Central Court complex. In February 2003, the Board accepted a \$550,000 grant from the California State Department of Parks and Recreation, Office of Historic Preservation, to fund improvements to historical elements of the Central Courthouse including the restoration of the exterior, main foyer, first floor corridor, main stairwell and three historic courtrooms on the 3rd floor. The total project budget is currently estimated to be \$32 million. Even with the various funding sources identified, it was clear that the project could not be completed on a pay-as-you-go basis and in August 2003, the Board of Supervisors directed staff to structure a revenue bond financing secured by the filing fee surcharge to cover the shortfall in cash flow. The intent is to sell bonds just before construction begins.

Efforts to obtain relocation space for court functions during the seismic retrofit and remodel began in 2003. The result was the acquisition of a 104,000 square foot office building located at 303 W. 3rd Street in San Bernardino, just a short walk from the Central Courthouse. Improvements to the 303 Building are expected to be completed by July 2006. The total estimated cost for the acquisition of the relocation space plus improvements is expected to be \$21.9 million. The funding sources are \$5.7 million from the Central Courthouse project for relocation costs, \$14.7 million from the County general fund (including a one-time transfer to the County of \$5 million from the Court), and \$1.5 million from the Court for the lease of a portion of the 303 building. Civil court activities and related functions will move into the 303 building in September 2006, and then the retrofit, remodel and restoration of the Central Courthouse will be underway. The improvements are expected to take approximately 30 months to complete.

The completion of the seismic retrofit, remodel and historic preservation work will insure a safe, functional courthouse to be preserved and enjoyed by future generations in San Bernardino County.

Juvenile Detention and Assessment Center in Apple Valley

Since the late 1980's, the County had been challenged to provide adequate juvenile detention bed space. By 2000, overpopulation at the Central Juvenile Hall in San Bernardino was routinely exceeding the population of 277 beds authorized by the Board of Corrections (BOC). An update of the County's detention facilities needs assessment completed in 2001 determined that 24% of the offender population detained at the Central Juvenile Hall facility was made up of youth from the high desert communities. In September 2000, the BOC issued a Request for Proposal (RFP) to solicit written proposals from counties for the renovation and/or construction of local juvenile facilities. The county proposed a 200-bed facility in the high desert area. Such a complex would relieve overcrowding at Central Juvenile Hall in San Bernardino and the West Valley

Juvenile Detention Center in Rancho Cucamonga, and reduce driving time and cost related to the transport of in-custody juveniles.

The County set aside \$10 million for the project and in February 2001 issued a RFP for potential sites for a criminal justice center complex in the high desert. Various sites were considered and an 89 acre site located off Dale Evans Parkway in Apple Valley was selected. In May 2001, the County was awarded a \$19.3 million BOC grant. The county broke ground on the site in August 2002.

The facility was designed utilizing a nationally recognized design concept that optimizes the use of state of the art electronics, natural lighting and space that provides a safe and secure environment for staff assigned to the facility and minors detained pending juvenile court disposition. The facility consists of five buildings comprised of booking and holding, food preparation area, intake services, central control, visiting, administration, medical services and ten units containing sleeping, program, and multi-purpose rooms, recreation areas, classrooms and a warehouse.

The total project cost was \$31.8 million for acquisition of land and for improvements. In addition to the grant and funds previously set aside by the County, an additional \$2.5 million was funded from Criminal Justice Facility Reserves and interest. The project was completed in August 2004, on-time and within budget. The Probation Department moved the first juveniles from Central Juvenile Hall to the High Desert Juvenile Detention and Assessment Center in September 2004. Operational costs for 2004-05 were \$3.7 million and operational costs are estimated at \$20 million per year at full capacity.

The High Desert Juvenile Detention and Assessment Center in Apple Valley is expected to address the expanding population and growing juvenile justice system needs in the High Desert communities through at least the year 2010. The new center will improve operational efficiencies and communication between and within the justice system, and improve safety and security of the public, staff and offenders. The location of the facility provides local juvenile booking and detention services and local law enforcement are no longer forced to transport minors to a distant detention center for processing and detention.

Adelanto Jail Acquisition

A 1999 study projected that the daily average adult prison population of 4,900 inmates in San Bernardino County would nearly double by 2020 to approximately 9,300 inmates. By 2004, the daily average inmate population had reached 5,541 inmates, an increase of 66% over the ten-year period since 1994. With a current bed capacity of 5,228, the prison population situation had become critical.

The Sheriff's Department evaluated options, including the potential lease or purchase of one of two existing correctional facilities located in Adelanto. A high desert location was preferred since nearly 25% of the prison population comes from the high desert area.

On January 11, 2005, the Board of Supervisors approved a ten-year lease for the 120,000 square foot Maranatha prison facility in Adelanto including an option to purchase the property outright. The Board authorized the expenditure of \$3.2 million from the general fund for improvements required by the Board of Corrections. The lease would commence upon completion of the improvements projected to be in late 2005.

After completing the appraisal that substantiated the value of the facility and reviewing savings that could be realized with ownership versus leasing, staff recommended the county exercise its option to purchase the property as provided in the agreement for \$28,000,000. On April 5, 2005, the Board of Supervisors approved the acquisition of the prison facility. Funding sources for the acquisition include \$6 million from Proposition 172 funds, a one-time general fund allocation of \$19 million and \$3 million from the Sheriff's budget that would otherwise have been paid for lease payments in 2005-06. Savings from ownership are estimated to be nearly \$4 million per year. Annual operating costs are estimated at \$17.2 million. The county expects to complete the acquisition upon completion of the improvements estimated to be in December 2005.

The acquisition of this facility will provide a temporary solution to the problem of providing adequate inmate housing while other long-term solutions are pursued.

ECONOMIC CONDITION AND OUTLOOK

The County of San Bernardino is the largest county in the contiguous United States, consisting of 20,164 square miles. The County contains 24 incorporated cities, has a diverse population of more than 1.9 million and covers more territory than the states of Rhode Island, Delaware, Massachusetts, and New Jersey combined.

In 2004, the County's population grew to slightly more than 5% of the State's and according to the National Association of Counties; San Bernardino is still one of the fastest growing urban counties in the State of California. Since the 2000 Census, County population grew by 13.85%, while the State population grew by 8.68%

San Bernardino County continues to be one of the fastest growing and most populous counties in the State, ranking fourth after Los Angeles, Orange, and San Diego counties. While businesses continue to relocate to San Bernardino County for its available land, families look towards the affordable housing offered as compared to neighboring Los Angeles and Orange counties.

The County experienced another year of expansion and growth in 2004. Major economic indicators for job creation, income, retail sales, spending, and construction all show improvement from the previous year. The County's overall economy grew with a 4.45% increase in employment totaling 47,400 new jobs, an increase in population to 1,946,202, and an increase of 2.4% in per capita personal income.

Sales of new and existing homes in San Bernardino County continue to rise due to the increased demand for housing in the region. This demand is directly related to the job growth of the area and the continued migration of families from the higher priced coastal counties of California. The County is a major part of the growth engine of new housing in Southern California, a distinction that is expected to continue. Both real estate and construction principals optimistically forecast a continuing steady climb in home sales. Overall, residential building permits increased in San Bernardino County in 2004 by 52.6%. The County's incorporated areas saw increases from 8% in Yucaipa to 56.5% in Barstow. The largest increase in housing units permitted was located in the City of Rancho Cucamonga with over 3,500 permits issued in 2004.

At the end of 2004, the median price of a single family home in San Bernardino County increased 31.75% from the prior year. The highest price increase in the incorporated area of the County was in the City of Adelanto which was 50.6%. The smallest increase within the incorporated portions of the County was in the City of Chino Hills which was 22.40%.

With the expansion of many businesses and the influx of new families into San Bernardino County, educational institutions continue to advance the knowledge of the citizenry. Intercollegiate collaboration has created a diverse labor force that is comprised of a wide range of talent and skill levels. The Metrolink commuter rail service links San Bernardino County commuters to other rail and bus lines in the Los Angeles and Orange County areas-thereby allowing most of Southern California to benefit from the County's proficient workforce. The County's diverse labor force is one of its greatest economic assets, second only to its strategic location that is supported by a superb transportation network.

San Bernardino County's overall economy is sustained through its outstanding transportation network that includes Ontario International Airport, Southern California Logistics Airport, two major transcontinental railroads with inter-modal facilities and classification yards, and many miles of quality interstate highways. The strategic location of the region allows logistic distribution operations to be positioned within close proximity of the West's two largest ports: Los Angeles and Long Beach. Businesses located within the County effectively and efficiently serve markets throughout California, the Western US, and the Pacific Rim. Ensuring the County's role as a

major transportation center is its desirable Southern California location that allows the many cargo carriers entering or leaving California to pass through San Bernardino County on their way to the world.

A progressive approach to business and education, an attractive Southern California location, an unprecedented transportation network, and one of the last sources of affordable and available land within the greater Los Angeles area, assure San Bernardino County's economic viability in the twenty-first century.

INDEPENDENT AUDIT

The County's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants and independent auditors. The auditors' report is included in the financial section, which is an integral part of this Comprehensive Annual Financial Report.

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 of San Bernardino for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. This was the seventeenth consecutive year that the County has received this prestigious award.

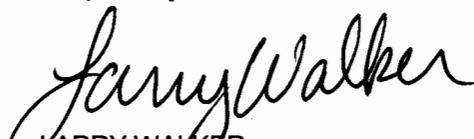
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to certificate program standards. Such reports must satisfy both generally accepted accounting principles 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.

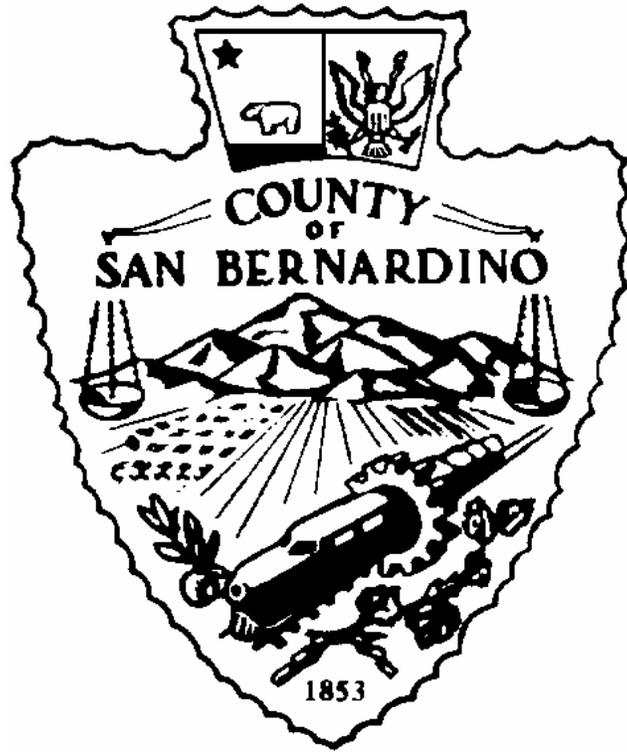
ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report and its timely issuance is the result of a concentrated, dedicated and coordinated effort by the entire Auditor/Controller staff. I would like to acknowledge the special efforts of the General Accounting, Internal Audits, and Reimbursable Projects staff and our independent auditors, Vavrinek, Trine, Day & Co., 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,



LARRY WALKER
AUDITOR/CONTROLLER-RECORDER



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

ELECTED

COUNTY SUPERVISOR, FIRST DISTRICT (CHAIR)BILL POSTMUS

COUNTY SUPERVISOR, SECOND DISTRICT (VICE CHAIR).....PAUL BIANE

COUNTY SUPERVISOR, THIRD DISTRICT DENNIS HANSBERGER

COUNTY SUPERVISOR, FOURTH DISTRICT GARY C. OVITT

COUNTY SUPERVISOR, FIFTH DISTRICTJOSIE GONZALES

ASSESSOR DONALD E. WILLIAMSON

AUDITOR/CONTROLLER-RECORDER LARRY WALKER

DISTRICT ATTORNEYMIKE RAMOS

SHERIFF GARY PENROD

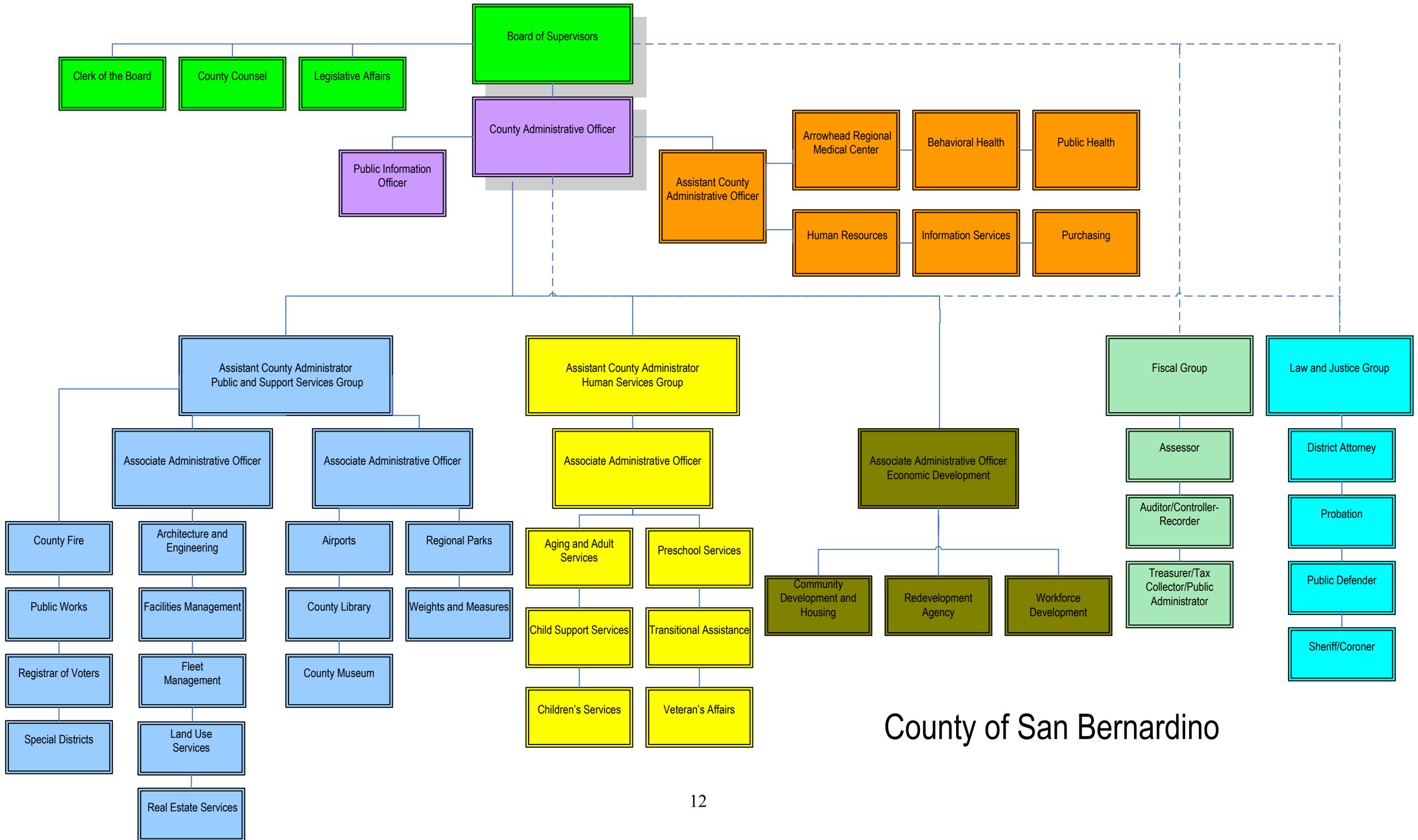
SUPERINTENDENT OF SCHOOLS DR. HERBERT R. FISCHER

TREASURER-TAX COLLECTOR.....RICHARD LARSEN

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

APPOINTED

AGING AND ADULT SERVICES.....	COLLEEN KRYGIER
AGRICULTURAL COMMISSIONER/SEALER.....	EDOUARD P. LAYAYE
AIRPORTS.....	BILL INGRAHAM
ARCHITECTURE AND ENGINEERING.....	CARL ALBAN
ARROWHEAD REGIONAL MEDICAL CENTER	JUNE GRIFFITH-COLLISON
BEHAVIORAL HEALTH	ALLAN RAWLAND
CHILD SUPPORT SERVICES.....	CONNIE BRUNN
CHILDREN'S SERVICES.....	CATHY CIMBALO
CLERK OF THE BOARD OF SUPERVISORS	DENA SMITH
COMMUNITY ACTION PARTNERSHIP	PATRICIA L. NICKOLS
COMMUNITY DEVELOPMENT & HOUSING.....	THOMAS R. LAURIN
COUNTY ADMINISTRATIVE OFFICER.....	MARK UFFER
COUNTY COUNSEL.....	RON REITZ
COUNTY LIBRARIAN	ED KIECZYKOWSKI
FACILITIES MANAGEMENT	DAVE GIBSON
FIRE DEPARTMENT/FIRE WARDEN.....	PETER R. HILLS
FLEET MANAGEMENT	ROGER G. WEAVER
HUMAN RESOURCES	ANDREW LAMBERTO
HUMAN SERVICES GROUP	LINDA HAUGAN
INFORMATION SERVICES (INTERIM)	STEPHEN HALL
LAND USE SERVICES	MICHAEL HAYS
LEGISLATIVE AFFAIRS	JIM LINDLEY
MUSEUM	ROBERT MCKERNAN
PRESCHOOL SERVICES	RON GRIFFIN
PROBATION.....	JERRY L. HARPER
PUBLIC DEFENDER (INTERIM).....	GERALD FARBER
PUBLIC HEALTH	JAMES FELTEN
PUBLIC & SUPPORT SERVICES GROUP	NORM KANOLD
PUBLIC WORKS	PATRICK MEAD
PURCHASING.....	AURELIO W. DE LA TORRE
REAL ESTATE SERVICES.....	DAVID H. SLAUGHTER
REDEVELOPMENT AGENCY	JOHN NOWAK
REGIONAL PARKS	THOMAS POTTER
REGISTRAR OF VOTERS	KARI VERJIL
RISK MANAGEMENT	LAURIE MILHISER
SPECIAL DISTRICTS	TOM SUTTON
TRANSITIONAL ASSISTANCE DEPARTMENT	NANCY SWANSON
VETERANS' AFFAIRS	BILL J. MOSELEY
WORKFORCE DEVELOPMENT.....	BARBARA HALSEY



County of San Bernardino

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Bernardino,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

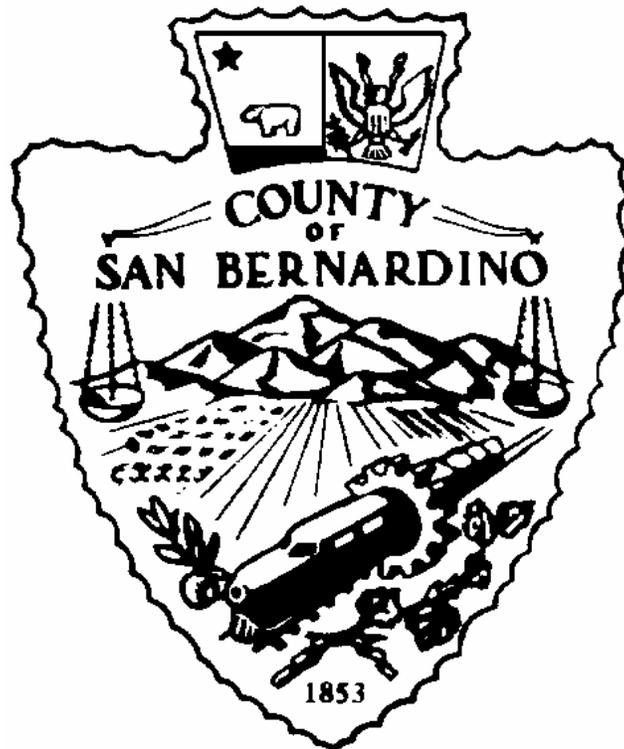


Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director





Financial Section

San Bernardino

Rialto

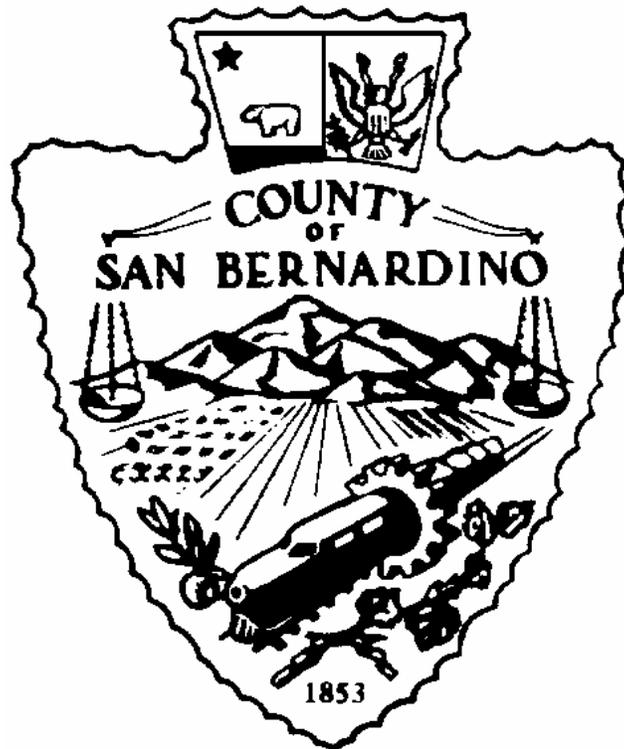
Fontana

Southwest Little League Park

Bloomington

Red Park

Colton





INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Board of Supervisors
County of San Bernardino, California

We have audited the accompanying financial statements of the governmental activities, business-types activities, discretely-presented component unit, each major fund, and the aggregate remaining fund information of the County of San Bernardino, California (the County), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Bernardino, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

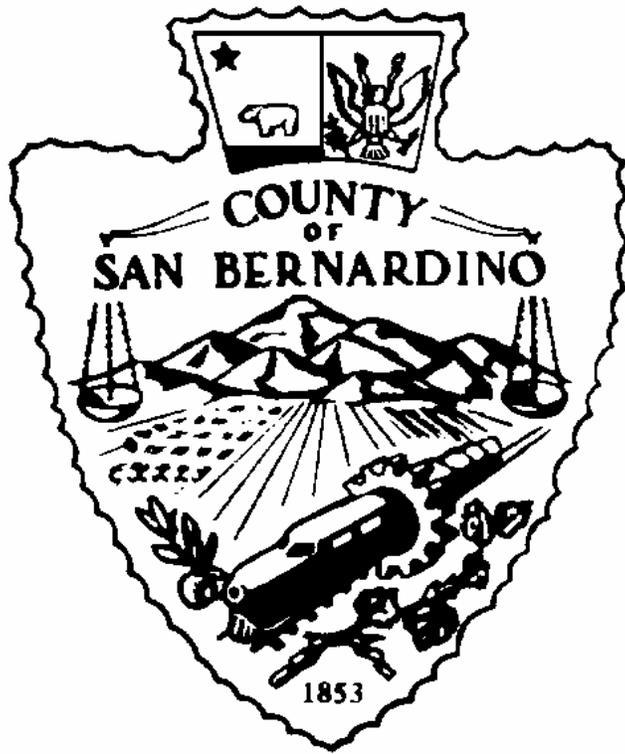
In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2005 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 19 through 36 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, and combining individual non-major fund statements and schedules, and statistical section as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining, individual non-major fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavnick, Truitt, Day & Co., LLP

Rancho Cucamonga, California
November 10, 2005





Management's Discussion and Analysis

Fontana-Moose
Little League Park
Fontana

Rialto

Southwest Little
League Park

Bloomington

Reid Park

Colton



Cedar Ave



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2005

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, 2005. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic statements following this section.

FINANCIAL HIGHLIGHTS (Amounts in thousands)

- The County's total net assets increased by \$190,061. The net increase is attributable to the \$163,939 increase in governmental activities net assets and the \$26,122 increase in business-type activities net assets.
- As of June 30, 2005, the County governmental funds reported combined fund balances of \$790,275, an increase of \$145,765 in comparison with the prior year. Approximately 83.8% of the combined fund balances, \$662,416 is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$403,769, or 23.3% of the total general fund expenditures.
- The County's total capital assets increased by \$75,765 in comparison with the prior year. (See further detail on page 34)
- The County's total long-term debt decreased by \$24,339 in comparison with the prior year. (See further detail on pages 34).

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

The statement of activities presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to 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 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 governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services. The business-type activities of the County include the Medical Center, the Crestline Sanitation District, the Water and Sewer Facilities, the Fire Protection Districts – Ambulance, the Waste Systems Division, the Museum Gift Shop, and the Regional Parks Snack Bar Operations.

Component units are blended in the basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provided services entirely to the County. The following component units have been blended into the basic financial statements: Fire Protection Districts, Flood Control District, Park and Recreation Districts, Crestline Sanitation District, County Service Areas, various Joint Powers Authorities, (“JPAs”) including a Public Benefits Corporation created for the benefit of the County, Inland Empire Facilities Corporation, San Bernardino County Financing Authority and the Crestline Financing Authority.

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.

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

Management's Discussion and Analysis (Amounts in thousands)

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 maintains thirty-three individual 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. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental fund financial statements can be found on pages 42 - 44 of this report.

Proprietary funds are maintained in two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The County uses enterprise funds to account for the Medical Center, the Crestline Sanitation District, the Water and Sewer Facilities, the Fire Protection Districts – Ambulance, the Waste Systems Division, the Museum Gift Shop, and the Regional Parks Snack Bar Operations. 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 printing services, records management, central mail services, telephone services, computer operations, vehicle services, self-insured worker's compensation, public liability, property conservation, and safety programs. 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 funds of the County. The County's six internal service funds 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.

The proprietary fund financial statements can be found on pages 45 - 47 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 48 - 49 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 51 - 96 of this report.

Management's Discussion and Analysis (Amounts in thousands)

Supplemental Information

The Supplemental Information section of this report contains the combining statements and additional budgetary comparison schedules as well as the statistical section. This section is presented to provide additional information that is useful to the users of these financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$1,633,746 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 1,884,406	\$ 1,849,704	\$ 321,240	\$ 316,083	\$ 2,205,646	\$ 2,165,787
Capital assets	1,186,626	1,169,750	598,811	608,456	1,785,437	1,778,206
Total assets	<u>3,071,032</u>	<u>3,019,454</u>	<u>920,051</u>	<u>924,539</u>	<u>3,991,083</u>	<u>3,943,993</u>
Current and other liabilities	145,494	267,088	46,027	43,065	191,521	310,153
Long-term Liabilities	1,391,245	1,382,012	774,571	808,143	2,165,816	2,190,155
Total liabilities	<u>1,536,739</u>	<u>1,649,100</u>	<u>820,598</u>	<u>851,208</u>	<u>2,357,337</u>	<u>2,500,308</u>
Net assets:						
Invested in capital assets, net of related debt	919,051	892,791	(45,032)	(60,294)	874,019	832,497
Restricted (Note 5)	465,540	400,271	47,908	45,523	513,448	445,794
Unrestricted	149,702	77,292	96,577	88,102	246,279	165,394
Total Net Assets	<u>\$ 1,534,293</u>	<u>\$ 1,370,354</u>	<u>\$ 99,453</u>	<u>\$ 73,331</u>	<u>\$ 1,633,746</u>	<u>\$ 1,443,685</u>

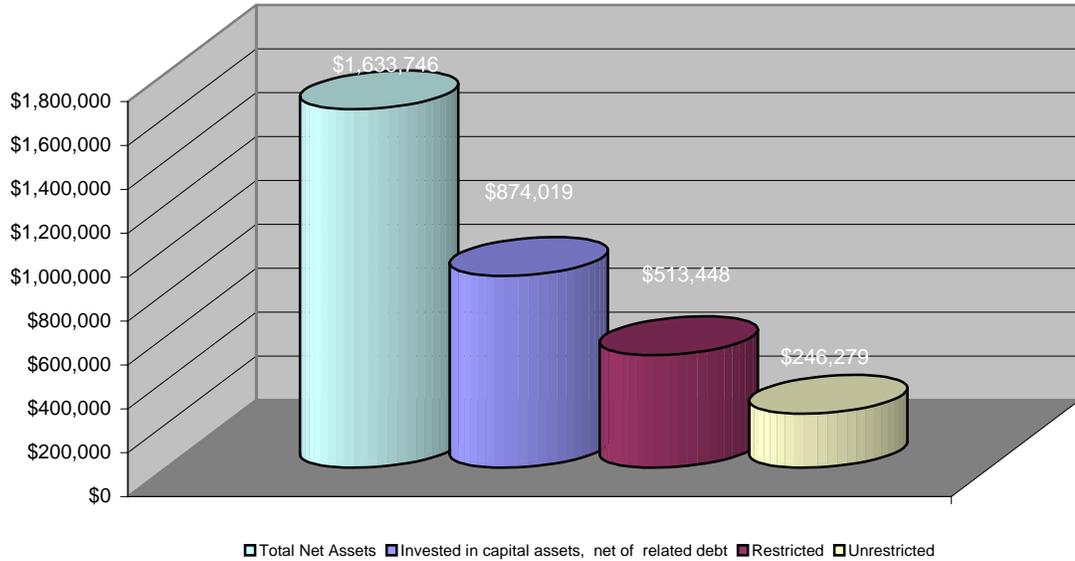
The largest portion of the County's net assets of \$874,019 reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of County net assets are restricted net assets of \$513,448. This category reflects external restrictions imposed by creditors, grantors, contributors, or laws and regulation of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

The final component of net assets is unrestricted net assets. Unrestricted net assets are resources that the County may use to meet its current and ongoing obligations to citizens and creditors. The unrestricted net assets balance increased by \$80,885 during the current year, primarily related to General fund revenues exceeding expenses in the amount of \$70 million. The \$70 million is due to the \$38 million received from the VLF loan; the \$11.3 million VLF "true-up"; \$6 million in continued growth in property tax; and \$15 million in excess Public Safety Tax monies.

Management's Discussion and Analysis (Amounts in thousands)

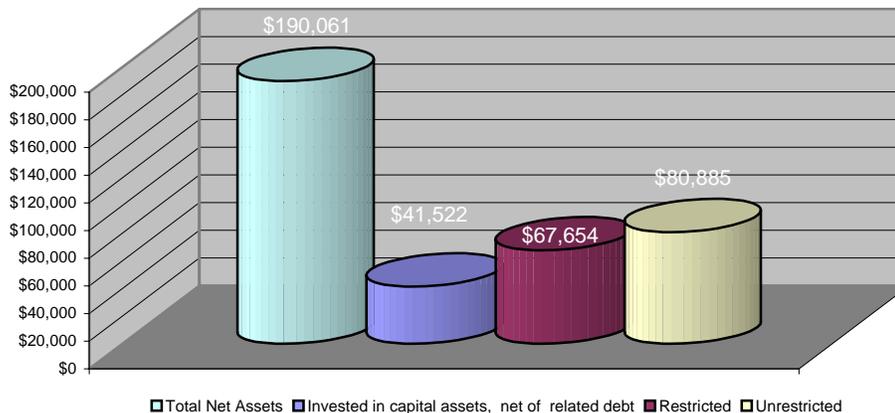
Net Assets



For business-type activities, the County reported a negative balance of \$45,032 invested in capital assets, net of related debt – an overall increase of \$15,262 from prior year. Although still negative, this balance is primarily due to the Medical Center's capital assets being depreciated faster than the related debt schedule payments.

During the current fiscal year, the County's net assets increased \$190,061 (\$163,939 in governmental activities and \$26,122 in business-type activities). Approximately \$70 million of the governmental activities increase has already been identified as outlined in the discussion regarding the General Fund's increase in unrestricted net assets. The remaining increase is mostly due to increases in other state and federal operating grants and in charges for services.

Increase in Net Assets



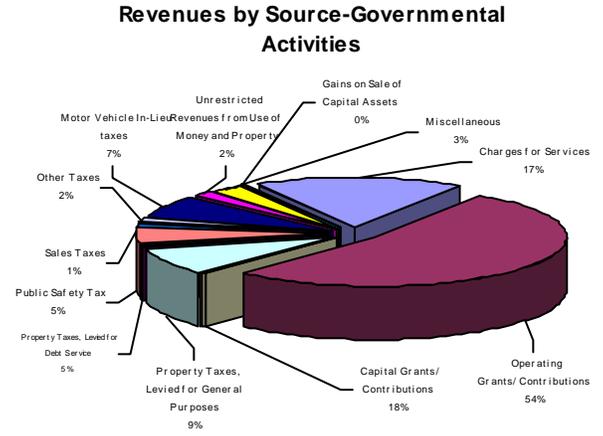
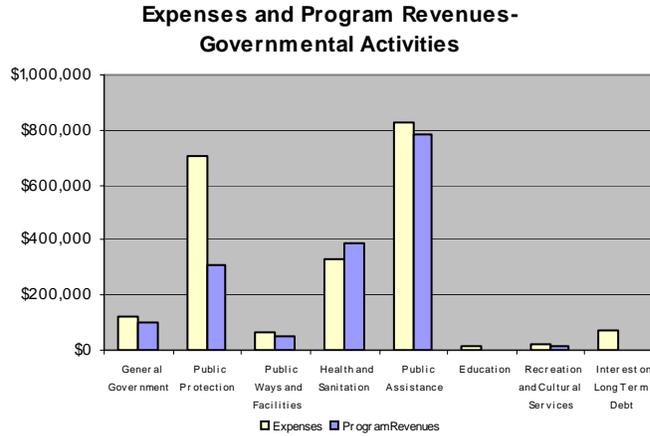
Management's Discussion and Analysis (Amounts in thousands)

The following table indicates the changes in net assets for governmental and business-type activities.

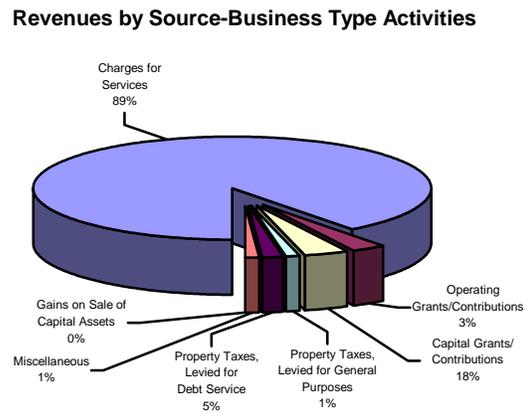
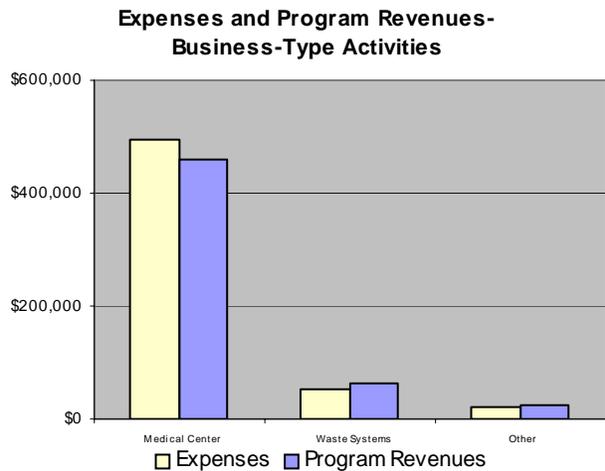
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues						
Charges for Services	\$ 408,884	\$ 377,393	\$ 511,368	446,481	\$ 920,252	\$ 823,874
Operating Grants/Contributions	1,238,663	1,189,309	15,761	14,776	1,254,424	1,204,085
Capital Grants/Contributions	6,129	10,608	20,259	22,166	26,388	32,774
General Revenue			-		-	
Property Taxes, Levied for General Purposes	213,644	206,860	5,432	5,837	219,076	212,697
Property Taxes, Levied for Debt Service	3,557	4,932	-	-	3,557	4,932
Public Safety Tax	125,222	110,188	-	-	125,222	110,188
Sales Taxes	26,683	22,285	-	-	26,683	22,285
Other Taxes	37,453	25,202	-	-	37,453	25,202
Motor Vehicle In-Lieu taxes	175,266	94,583	-	-	175,266	94,583
Unrestricted Revenues from Use of Money and Property	43,762	33,063	9,695	10,289	53,457	43,352
Miscellaneous	63,545	46,876	6,687	11,747	70,232	58,623
Gains on Sale of Capital Assets	4,857	5,051	20	34	4,877	5,085
Total Revenues	2,347,665	2,126,350	569,222	511,330	2,916,887	2,637,680
Expenses:						
General Government	125,760	132,933	-	-	125,760	132,933
Public Protection	702,624	656,464	-	-	702,624	656,464
Public Ways and Facilities	61,786	37,095	-	-	61,786	37,095
Health and Sanitation	329,669	328,530	-	-	329,669	328,530
Public Assistance	827,800	820,853	-	-	827,800	820,853
Education	16,243	10,357	-	-	16,243	10,357
Recreation and Cultural Services	21,185	22,284	-	-	21,185	22,284
Interest on Long Term Debt	72,041	42,678	-	-	72,041	42,678
Medical Center	-	-	496,437	456,087	496,437	456,087
Waste Systems	-	-	53,835	29,781	53,835	29,781
Other	-	-	19,446	19,827	19,446	19,827
Total Expenses	2,157,108	2,051,194	569,718	505,695	2,726,825	2,556,889
Excess (Deficit) before Transfers	190,557	75,156	(496)	5,635	190,061	80,791
Transfers	(26,618)	(24,063)	26,618	24,063	-	-
Increase in Net Assets	163,939	51,093	26,122	29,698	190,061	80,791
Net Assets -- Beginning of Year	1,370,354	1,319,261	73,331	43,633	1,443,685	1,362,894
Net Assets -- End of Year	\$ 1,534,293	\$ 1,370,354	\$ 99,453	\$ 73,331	\$ 1,633,746	\$ 1,443,685

Management's Discussion and Analysis (Amounts in thousands)

Governmental Activities increased the County's net assets by \$163,939. The overall increase in net assets is the result of ongoing and one-time revenues exceeding ongoing expenditures.



Business-type Activities increased the County's net assets by \$26,122 primarily due to activities of the Waste Systems Division which account for \$11,800 of the increase; while activities of the Medical Center account for another \$7,000 of the increase. In FY2005, the Waste Systems division's tonnage increased generating \$7,200 in additional revenues.



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 general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project funds. Included in these funds are the special districts governed by the Board of Supervisors. 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2005, the County's governmental funds reported a total fund balance of \$790,275, an increase of \$145,765 in comparison with the prior year. Approximately 83.8% of the total fund balance, \$662,416 constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has been committed: 1) to pay debt service of \$30,719; 2) to reflect inventories, prepaid assets and amounts due from other funds that are long-term in nature of \$2,756; 3) to liquidate contractual commitments of the period of \$84,557; and 4) to reflect the mandated 1% reserve for property tax losses of \$9,827.

The General fund is the chief operating fund of the County. At June 30, 2005, unreserved fund balance of the General fund was \$403,769 while total fund balance reached \$448,736. As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23.3% of total fund expenditures, while total fund balance represents 25.9% of the same amount.

County management also designates unreserved fund balance to a particular function, project or activity. Fund balance may also be designated for purposes beyond the current year; however, designated fund balance is available for appropriation at any time. Of the \$403,769 General fund unreserved fund balance, 28.0% is designated. The most significant designations include \$37,214 for General Purpose, \$32,075 for Medical Center Debt Service, \$9,433 for Teeter Plan (reserve for property tax losses), and \$7,000 for Future Retirement Rate. Unreserved undesignated fund balance at year-end was \$290,869.

Management's Discussion and Analysis
(Amounts in thousands)

Revenues for governmental functions totaled \$2,343,794 in fiscal year 2004-2005, which represents an increase of 10.15% from fiscal year 2003-2004.

The following table presents the amount of revenue from various sources as well as the increases from the prior year.

<u>Revenues</u>	<u>2004-05</u>		<u>Over (Under) 2003-04</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$ 400,646	17%	\$ 29,242	7%
Licenses, Permits and Franchises	20,964	1%	2,334	11%
Fines, Forfeitures and Penalties	18,744	1%	2,286	12%
Revenues From Use of Money and Property	44,205	2%	11,142	25%
Aid From Other Governmental Agencies	1,425,832	61%	127,067	9%
Charges for Current Services	369,176	16%	26,871	7%
Other Revenues	64,227	3%	17,073	27%
Total Revenues	<u>\$ 2,343,794</u>	<u>100%</u>	<u>\$ 216,015</u>	

The County's three major funding sources; taxes, aid from other governmental agencies, and charges for current services constitute 93.7% of all revenues.

Taxes increased by \$29,242. Increases in Public Safety Tax and Sales Taxes in amounts of \$15,034 and \$4,398, respectively, along with a continued rise in the assessed valuation and general growth contributed to the increase.

Aid from other governmental agencies increased by \$127,067. Included in this increase is \$37,300 received from the VLF loan and \$11,038 in VLF "true-up" per the State Controller's Office. The additional \$78,729 increase is due to additional program offerings.

Revenues from use of money and property increased by \$11,142 due to an additional \$3,200 earned from the 2004 POB interest rate swap, an additional \$1,275 transferred from Teeter and approximately \$4,996 in increased investment earnings resulting from higher interest rates.

Charges for current services increased by \$26,871 primarily due to fee and workload increases throughout County departments, \$22,180 of which was generated in the General Fund.

Other revenue increased by \$17,073 in the current year. The most significant increases include a \$2 million refund from the Retirement Board for FY04 retirement overpayment and \$3.8 million in GASB 31 fair value adjustments.

Management's Discussion and Analysis
(Amounts in thousands)

The following table presents expenditures by function compared to prior year amounts.

<u>Expenditures</u>	<u>2004-05</u>		<u>Over (Under) 2003-04</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent</u>
Current:				
General Government	\$ 123,212	6%	\$ (54,814)	-44%
Public Protection	686,856	32%	(173,076)	-25%
Public Ways and Facilities	47,364	2%	(10,212)	-22%
Health and Sanitation	329,595	15%	(57,154)	-17%
Public Assistance	826,829	38%	(97,071)	-12%
Education	15,912	1%	1,883	12%
Recreation and Cultural Services	18,490	1%	(1,055)	-6%
Debt Service				
Principal	31,887	1%	8,724	27%
Interest and Fiscal Charges	44,078	2%	17,351	39%
Capital Outlay	53,914	2%	(6,365)	-12%
Total Expenditures	<u>\$ 2,178,137</u>	<u>100%</u>	<u>\$ (371,789)</u>	

Total County expenditures decreased \$371,789 or 17.1% from fiscal year 2003-2004 to fiscal year 2004-2005. In the prior year, \$463,895 of 2004 Pension Obligation Bonds debt proceeds was transferred to the San Bernardino County Employees' Retirement Association (SBCERA). Discounting this event, total county expenditures increased by \$92,106 in 2004-2005. Of this amount, approximately \$36,000 is due to annual salary and benefit adjustments; \$17,000 is due to increased Public Protection expenditures caused by flooding damage experienced this year; and \$26,000 is due to increases in Debt Service payments, mostly generated by the 2004 Pension Obligation Bonds. Debt service principal payments increased by \$8,724; and debt service interest payments increased by \$17,351. Approximately \$15,000 of the increase in interest payments is attributed to the 2004 Pension Obligation Bond and the remaining amount is due to the overall increase in interest rates affecting the interest payments due on Certificates of Participation with variable interest rates.

Management's Discussion and Analysis
(Amounts in thousands)

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

Other Financing Sources (Uses)
Governmental Funds

	FY 2004-05	Increase/(Decrease) 2003-04	
		Amount	Percent
Transfers to Other Funds	\$ (198,539)	\$ (71,727)	57%
Transfers from Other Funds	172,054	69,158	67%
Long-term Debt Issued	940	(465,202)	
Issuance of Refunding Bonds	-	-	100%
Payment to Refunded Bonds Escrow Agent	-	-	100%
Inception of Capital Lease Obligations	796	(242)	-23%
Sale of Capital Assets	4,856	1,577	48%
Total Other Financing Sources and (Uses)	<u>\$ (19,893)</u>	<u>\$ (466,436)</u>	

Total Other Financing Sources and (Uses) increased by \$466,436.

Transfers to other funds increased by \$71,727 in 2004-05. The key elements of this increase are as follows:

- Increase of \$10,645 in transfers from the General Fund to the 2004 POB Pension Obligation Debt Service Fund.
- Increase of \$8,341 due to one-time transfers from the General Fund to Capital Project Fund for the acquisition of 303 West 3rd Street building in San Bernardino.
- Increase of \$25,629 due to one-time transfers from the General Fund to Capital Project Fund for deferred maintenance/infrastructure projects.
- Increase of \$6,709 in transfers from the General Fund to the Inland Empire Public Facilities Corporation for the lease payment.
- Increase of \$6,700 in transfers from the General Fund to Capital Project Fund for general funded projects, of which \$3,500 was for start-up repair costs at the Adelanto Detention Center.

Transfers from other funds increased by \$69,158 in 2004-05. The key elements of this increase are as follows:

- Increase of \$8,341 due to one-time transfers to Capital Project Fund from the General Fund for the acquisition of 303 West 3rd Street building in San Bernardino.
- Increase of \$25,629 due to one-time transfers to Capital Project Fund from the General Fund for deferred maintenance/infrastructure projects.
- Increase of \$6,709 in transfers to the Inland Empire Public Facilities Corporation from the General Fund for the lease payment.
- Increase of \$6,700 in transfers to Capital Project fund from the General Fund for general funded projects, \$3,500 in specific start-up repair costs for the Adelanto Detention Center.
- Increase of \$14,235 in transfers to the 2004 POB Pension Obligation Debt Service Fund from the General Fund and other governmental funds.

Management's Discussion and Analysis
(Amounts in thousands)

Long-term debt proceeds decreased by \$465,202 mostly due to last year's issuance of 2004 Pension Obligation Bonds with no such activity in the current year.

Sale of capital assets increased by \$1,577, resulting from a sale of land by the Flood Control District in the amount \$3,125 and other various transactions.

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

	Governmental Activities		Total Governmental Funds
	General Fund	Other Governmental Funds	
Revenues	\$ 1,955,101	\$ 388,693	\$ 2,343,794
Expenditures	(1,733,294)	(444,842)	(2,178,136)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	221,807	(56,149)	165,658
Total Other Financing Sources and (Uses)	(102,869)	82,976	(19,893)
Net Change In Fund Balance	118,938	26,827	145,765
Fund Balance, July 1, 2004	329,798	314,712	644,510
Fund Balance, June 30, 2005	<u>\$ 448,736</u>	<u>\$ 341,539</u>	<u>\$ 790,275</u>

In fiscal year 2004-05, the fund balance of the County's General Fund increased by \$145,765. This increase is the result of ongoing and one-time revenues exceeding ongoing expenditures.

Management's Discussion and Analysis
(Amounts in thousands)

Proprietary funds. County proprietary funds provide the same type of format found in the governmental-wide financial statements, but in more detail.

At June 30, 2005, the Medical Center had a total deficit in net assets of \$19,519. The net assets deficit is attributable to capital assets being depreciated faster than the related debt repayment.

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

	Business-Type Activities -- Enterprise Funds			Total Enterprise Funds
	Medical Center	Waste Systems Division	Other Enterprise Funds	
Revenues				
Net Patient Care and Services	\$ 427,102	\$ -	\$ -	\$ 427,102
Charges for Current Services	-	62,500	21,024	83,524
Other	13,443	740	2	14,185
Total Operating Revenues	<u>440,545</u>	<u>63,240</u>	<u>21,026</u>	<u>524,811</u>
Operating Expenses				
Professional Services	32,945	27,647	1,684	62,276
Salaries and Employee Benefits	150,913	4,759	7,342	163,014
Self insurance claims			-	-
Services and Supplies	257,125	15,324	6,732	279,181
Depreciation and Amortization	18,368	4,074	2,699	25,141
Other	5,861	-	672	6,533
Total Operating Expenses	<u>465,212</u>	<u>51,804</u>	<u>19,129</u>	<u>536,145</u>
Operating Income (Loss)	<u>(24,667)</u>	<u>11,436</u>	<u>1,897</u>	<u>(11,334)</u>
Nonoperating Revenues (Expenses)				
Interest Revenue	5,486	3,390	819	9,695
Interest Expense	(31,907)	(2,031)	(317)	(34,255)
Tax Revenue	1,464	-	3,968	5,432
Grant Revenue	20,259	-	2,318	22,577
Gain (Loss) on Sale of Capital Assets	-	-	20	20
Other Nonoperating Revenues	-	4,951	1,278	6,229
Other Nonoperating Expenses	682	-	-	682
Total Nonoperating Revenues (Expenses)	<u>(4,016)</u>	<u>6,310</u>	<u>8,086</u>	<u>10,380</u>
Income (Loss) Before Transfers	(28,683)	17,746	9,983	(954)
Transfers to Other Funds	(4,729)	(5,947)	(3,744)	(14,420)
Transfers from Other Funds	40,637	-	859	41,496
Change in Net Assets (Deficit)	7,225	11,799	7,098	26,122
Net Assets (Deficit), July 1, 2003, as Restated	<u>(26,744)</u>	<u>7,358</u>	<u>92,717</u>	<u>73,331</u>
Net Assets (Deficit), June 30, 2004	<u>\$ (19,519)</u>	<u>\$ 19,157</u>	<u>\$ 99,815</u>	<u>\$ 99,453</u>

The net increase in net assets was primarily due to activities in the Waste Systems Division. The key factor in the increase was a reduction in closure/post-closure costs due to an increase in landfill capacity. See Note 16 on page 90.

The non-major enterprise fund net assets increased by \$7,098 as a result of increased user fees over expenses.

Management's Discussion and Analysis

(Amounts in thousands)

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's final expenditure budget differs from the original budget by less than 1%. Supplemental net appropriations of \$611 were approved during the fiscal year. The significant components of this net increase are summarized below:

- On November 2, 2004, the Board adopted a budget amendment to increase the budgets of the Sheriff by \$3,135 and the Public Health Department by \$1,076. These increases were due to the acceptance of the Homeland Security grant.
- On November 2, 2004, the Board adopted a budget amendment to decrease the budgets of all General fund departments by \$4,952. This decrease was due to the savings in retirement costs due to the issuance of the 2004 Pension Obligation Bond.
- On November 2, 2004, the Board adopted a budget amendment to increase the budgets of the District Attorney by \$1,884 and the Public Defender by \$1,543. These increases were due to increases in District Attorney and Public Defender caseloads. Additionally, growth in Proposition 172 Public Safety Tax revenue was more than anticipated.
- On November 2, 2004, the Board adopted a budget amendment to increase the budget of the Sheriff by \$4,532. This budget amendment reflects increased Proposition 172 Public Safety Tax revenue and a State budget impact adjustment to restore funding for vacant positions and overtime in the Sheriff's Department.
- On November 2, 2004, the Board adopted a budget amendment to decrease the contingency budget by \$21,494. The majority of this amendment sets aside \$2,700 for workload adjustments, \$7,000 for future financing needs and \$3,000 for a business process improvement reserve. The remaining amount was appropriated to various General fund departments to offset increased caseloads and workloads.
- On November 23, 2004, the Board adopted a budget amendment to increase the Sheriff's budget by \$5,200. On February 1, 2005, the Board adopted a budget amendment to increase the Sheriff's budget by \$3,205. The combined budget amendments were used to purchase three new helicopters.
- On June 21, 2005, the Board adopted a budget amendment to increase the Human Services budget by \$15,275. This amendment was due to the State budget impacts.
- On June 21, 2005, the Board adopted a budget amendment to increase the Health Care Costs budget by \$14,200. This amendment appropriated \$4,200 for the Medical Center's annual lease payment due to a reduction in the State's portion. The remaining \$10,000 was appropriated for the SB 855 transfers to the State.

Management's Discussion and Analysis

(Amounts in thousands)

The County's final Other Financing Sources/Uses budget differs from the original budget by approximately 80%. Supplemental appropriations of \$51,659 were approved during the fiscal year. The significant elements of this increase are summarized below:

- On June 29, 2004, the Board adopted a fiscal year 2005 budget amendment to increase the Capital Improvement Program budget by \$8,341. This amendment is due to one-time transfers from the General Fund to Capital Project fund for the acquisition of 303 West 3rd Street building in San Bernardino.
- On November 30, 2004, the Board adopted a budget amendment to increase the Capital Improvement Program budget by \$25,629. This amendment is due to one-time transfers from the General fund to Capital Project fund for deferred maintenance/infrastructure projects

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 equity investment in capital assets for governmental and business-type activities as of June 30, 2005, amounted to \$874,019 - net of related debt. This investment in capital assets includes land, improvements to land, structures and improvements, equipment, construction-in-progress (CIP), and infrastructure less bonds and capital leases payable related to those assets.

Major capital asset events during the current fiscal year include the following:

- The Waste Systems Division had approximately \$10,292 in additions to CIP primarily comprised of the following projects: 1) The Mid Valley Expansion – Unit 3 Phase 4 liner project in the amount of \$4,405; 2) the Mid Valley Expansion – Unit 3 Phase 3 liner project in the amount of \$2,187; 3) the Mid Valley Expansion – Unit 3 Phase 5 liner project in the amount of \$1,025; 4) the Mid Valley Perchlorate/Groundwater Treatment Facility project in the amount of \$1,682.
- The Special Aviation fund had various projects in construction with a value in CIP of \$9,934. The majority of the CIP was attributed to projects at Chino Airport Facility.
- The Capital Improvement Fund has completed the Juvenile Hall Housing Facility Remodel project with a cost of \$27,195.
- The Flood Control fund has various flood control channel facilities under construction with a CIP value of \$32,568. The flood control facilities were primarily comprised of the West State Street Drain in the amount of \$14,445 and the San Timoteo project with a CIP value of \$6,634.

Management's Discussion and Analysis (Amounts in thousands)

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

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent
	2005	2004	2005	2004	2005	2004	of Change
Land	\$ 61,780	\$ 48,501	\$ 39,505	\$ 39,400	\$ 101,285	\$ 87,901	15.23%
Construction in progress	79,340	134,764	20,855	11,587	100,195	146,351	-31.54%
Improvements other than Buildings	128,484	119,526	219,074	215,496	347,558	335,022	3.74%
Structures and Improvements	500,855	450,983	508,765	508,061	1,009,620	959,044	5.27%
Equipment	201,980	197,780	100,433	100,784	302,413	298,564	1.29%
Capitalized Software	2,708	-	-	-	2,708	-	0.00%
Infrastructure	1,033,446	994,578	-	-	1,033,446	994,578	3.91%
Total	\$ 2,008,593	\$ 1,946,132	\$ 888,632	\$ 875,328	\$ 2,897,225	\$ 2,821,460	2.69%

Additional information on the County's capital assets can be found on Note 9 on pages 74-75 of this report.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB No. 34.

Long-term debt

Major long-term debt events during the current fiscal year include the following:

- Amortization of deferred amount of refunding and discounts totaling \$20,242.
- Principal payments made on debt for a total of \$58,131. The total includes \$54,331 in annual principal payments due, plus \$3,800 in prepayment of outstanding principal in Certificates of Participation.
- The beginning balance of the estimated liability for closure/postclosure care costs was reduced by \$8,716. Please refer to notes of the basic financial statements (Note 4) for further detail.

Long-term debt 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
	2005	2004	2005	2004	2005	2004	of Change
Certificates of Participation	\$ 212,704	\$ 225,523	\$ 645,146	\$ 670,652	\$ 857,850	\$ 896,175	-4.28%
General Obligation Bonds	-	-	2,045	2,321	2,045	2,321	-11.89%
Revenue Bonds	439,539	437,820	-	-	439,539	437,820	0.39%
Other Bonds and Notes Payable	484,409	484,755	4,435	3,836	488,844	488,591	0.05%
Compensated Absences	104,522	100,135	7,936	7,255	112,458	107,390	4.72%
Capital Lease Obligations	4,457	5,517	1,305	1,659	5,762	7,176	-19.70%
Estimated Liability for Litigation and Self-Insured Claims	115,714	101,709	-	-	115,714	101,709	13.77%
Estimated Liability for Closure/Postclosure Care Cost	-	-	113,704	122,420	113,704	122,420	-7.12%
Other Long-Term Debt	29,900	26,553	-	-	29,900	26,553	12.60%
Total	\$ 1,391,245	\$ 1,382,012	\$ 774,571	\$ 808,143	\$ 2,165,816	\$ 2,190,155	-1.11%

Additional information on the County's long-term debt can be found in Note 11 on pages 77-84 of this report.

Management's Discussion and Analysis

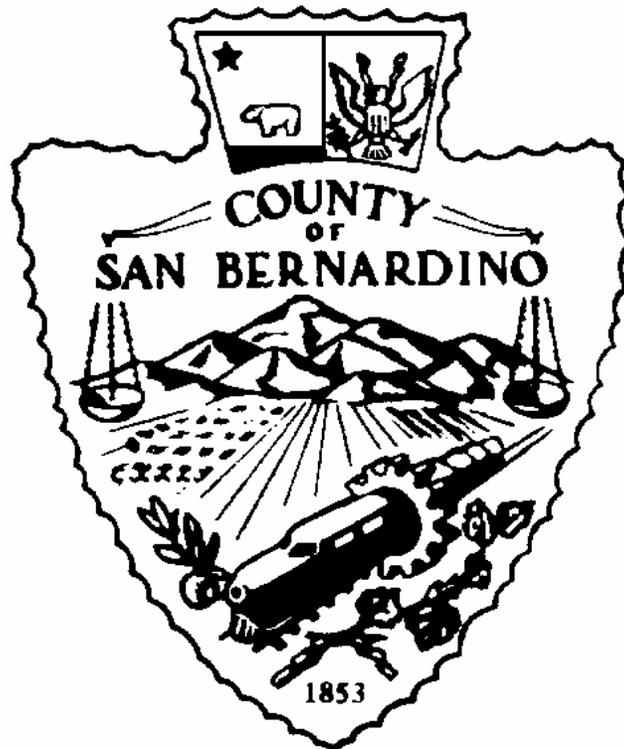
(Amounts in thousands)

ECONOMIC FACTORS AND FY05 BUDGETING

1. Property tax revenues have increased due to a rise in assessed valuation resulting from rising home prices and sales volume activity.
2. Sales of new and existing homes in the County continue to rise due to the increased demand for affordable housing in the region. This demand is directly related to the job growth of the area and the continued migration of families from higher priced coastal counties of California.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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, separate reports of the County's component units or need any additional financial information, contact the Auditor/Controller-Recorder Office, 222 W. Hospitality Lane, County of San Bernardino, California, 92415.





Basic Financial Statements

San Bernardino

Rialto

Fontana

Southwest Little League Park

Bloomington

Red Park

Colton



Government-Wide Financial Statements

Fontana-Moose
Little League Park
Fontana

Rialto

Southwest Little
League Park

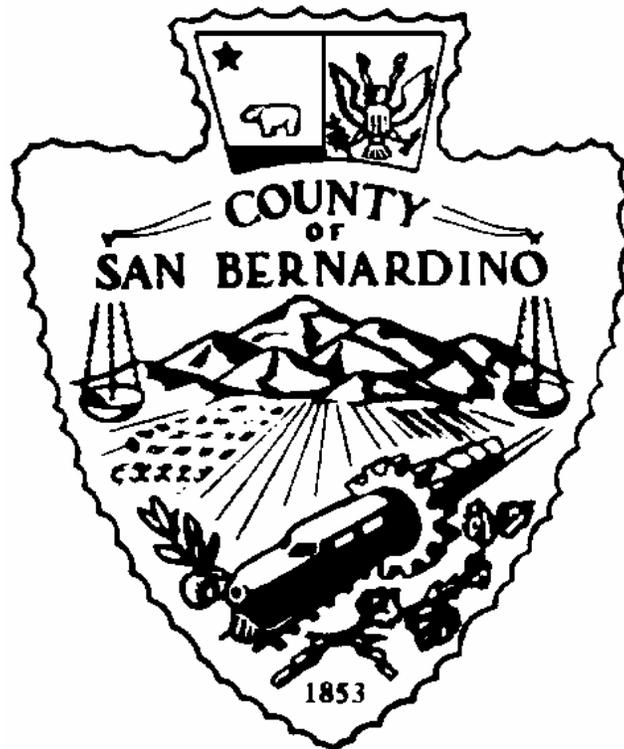
Bloomington

Reid Park

Colton



Cedar Ave

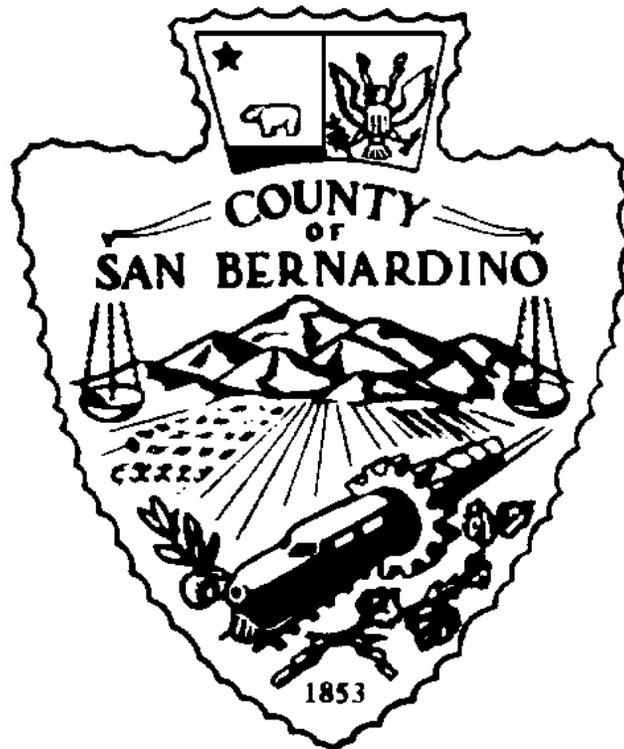


COUNTY OF SAN BERNARDINO
STATEMENT OF NET ASSETS
JUNE 30, 2005 (IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 SAN BERNARDINO
ASSETS				
CASH AND CASH EQUIVALENTS (NOTE 6)	\$ 725,232	\$ 79,767	\$ 804,999	\$ 77,686
INVESTMENTS	11,229	-	11,229	-
ACCOUNTS RECEIVABLE - NET (NOTE 2)	2,931	41,962	44,893	-
TAXES RECEIVABLE (NOTE 2)	22,572	679	23,251	-
INTEREST RECEIVABLE	2,594	799	3,393	-
LOAN RECEIVABLE	7,100	-	7,100	-
OTHER RECEIVABLES	2,684	-	2,684	-
DUE FROM OTHER GOVERNMENTS	238,531	19,095	257,626	5,065
INTERNAL BALANCES	15,599	(15,599)	-	-
DUE FROM PRIMARY GOVERNMENT	-	-	-	468
INVENTORIES	2,377	1,553	3,930	-
PREPAID ITEMS	1,604	12,952	14,556	16
DEFERRED CHARGES	6,898	1,783	8,681	-
RESTRICTED CASH AND INVESTMENTS (NOTE 6 & 8)	173	169,160	169,333	-
OTHER ASSETS	-	9,089	9,089	-
PREPAID PENSION ASSET	844,882	-	844,882	-
LAND (NOTE 9)	61,780	39,505	101,285	-
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 9)	1,662,785	727,839	2,390,624	-
EQUIPMENT (NOTE 9)	201,980	100,433	302,413	249
CAPITALIZED SOFTWARE (NOTE 9)	2,708	-	2,708	-
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 9)	(821,967)	(289,821)	(1,111,788)	(112)
CONSTRUCTION IN PROGRESS (NOTE 9)	79,340	20,855	100,195	-
TOTAL ASSETS	3,071,032	920,051	3,991,083	83,372
LIABILITIES				
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	40,584	22,441	63,025	2,136
SALARIES AND BENEFITS PAYABLE	50,699	8,952	59,651	77
DUE TO OTHER GOVERNMENTS	24,275	1,333	25,608	318
INTEREST PAYABLE	12,864	13,285	26,149	-
DEFERRED REVENUE	17,072	16	17,088	-
NONCURRENT LIABILITIES (NOTE 11):				
PORTION DUE OR PAYABLE IN ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	69,447	5,860	75,307	11
COP BONDS AND NOTES PAYABLE (NOTE 11)	33,337	29,970	63,307	-
CAPITAL LEASE OBLIGATIONS (NOTE 11 & 13)	1,172	366	1,538	-
OTHER LONG TERM LIABILITIES (NOTE 11)	809	-	809	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTE 11&16)	-	16,386	16,386	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTE 10&11)	36,826	-	36,826	-
PORTION DUE OR PAYABLE AFTER ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	35,075	2,076	37,151	31
COP BONDS AND NOTES PAYABLE, NET (NOTE 11)	1,103,315	621,656	1,724,971	-
CAPITAL LEASE OBLIGATIONS (NOTE 11 & 13)	3,285	939	4,224	-
OTHER LONG TERM LIABILITIES (NOTE 11)	29,091	-	29,091	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTE 11&16)	-	97,318	97,318	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTE 10&11)	78,888	-	78,888	-
	1,536,739	820,598	2,357,337	2,573
NET ASSETS:				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	919,051	(45,032)	874,019	137
RESTRICTED (NOTE 5)				
LEGALLY SEGREGATED SPECIAL REVENUE FUNDS FOR GRANTS AND OTHER PURPOSES	251,152	-	251,152	3,017
DEBT SERVICE	30,719	47,908	78,627	-
CAPITAL PROJECT FUNDS	59,186	-	59,186	-
PERMANENT FUNDS	482	-	482	-
STATE REALIGNMENT FUNDS	124,001	-	124,001	-
UNRESTRICTED	149,702	96,577	246,279	77,645
TOTAL NET ASSETS	\$ 1,534,293	\$ 99,453	\$ 1,633,746	\$ 80,799

COUNTY OF SAN BERNARDINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

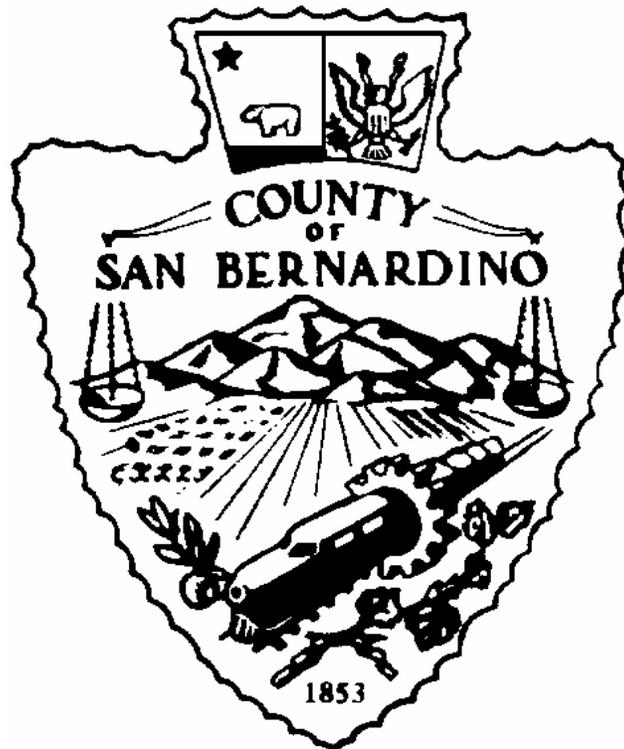
	PRIMARY GOVERNMENT						COMPONENT UNIT
	PROGRAM REVENUES			NET (EXPENSE)/REVENUE AND CHANGES IN NET ASSETS			FIRST 5 SAN BERNARDINO
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
FUNCTIONS/PROGRAMS							
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 125,760	\$ 93,122	\$ 8,646	\$ -	\$ (23,992)	\$ -	\$ (23,992)
PUBLIC PROTECTION	702,624	160,169	151,158	-	(391,297)	-	(391,297)
PUBLIC WAYS AND FACILITIES	61,786	3,416	41,539	6,129	(10,702)	-	(10,702)
HEALTH AND SANITATION	329,669	141,471	246,782	-	58,584	-	58,584
PUBLIC ASSISTANCE	827,800	2,356	785,408	-	(40,036)	-	(40,036)
EDUCATION	16,243	1,008	762	-	(14,473)	-	(14,473)
RECREATION AND CULTURAL SERVICES	21,185	7,342	4,368	-	(9,475)	-	(9,475)
INTEREST ON LONG TERM DEBT	72,041	-	-	-	(72,041)	-	(72,041)
TOTAL GOVERNMENTAL ACTIVITIES	<u>2,157,108</u>	<u>408,884</u>	<u>1,238,663</u>	<u>6,129</u>	<u>(503,432)</u>	<u>-</u>	<u>(503,432)</u>
BUSINESS-TYPE ACTIVITIES:							
MEDICAL CENTER	496,437	427,102	13,443	20,259	-	(35,633)	(35,633)
WASTE SYSTEMS	53,835	63,240	-	-	-	9,405	9,405
OTHER	19,446	21,026	2,318	-	-	3,898	3,898
TOTAL BUSINESS-TYPE ACTIVITIES	<u>569,718</u>	<u>511,368</u>	<u>15,761</u>	<u>20,259</u>	<u>-</u>	<u>(22,330)</u>	<u>(22,330)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,726,825</u>	<u>\$ 920,252</u>	<u>\$ 1,254,424</u>	<u>\$ 26,388</u>	<u>(503,432)</u>	<u>(22,330)</u>	<u>(525,761)</u>
COMPONENT UNIT							
FIRST 5 SAN BERNARDINO	\$ 18,095	\$ -	\$ 28,619	\$ -	\$ -	\$ -	\$ 10,524
GENERAL REVENUES:							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					213,644	5,432	219,076
PROPERTY TAXES, LEVIED FOR DEBT SERVICE					3,557	-	3,557
PUBLIC SAFETY TAX					125,222	-	125,222
SALES TAXES					26,683	-	26,683
OTHER TAXES					37,453	-	37,453
MOTOR VEHICLE IN-LIEU TAXES					175,266	-	175,266
UNRESTRICTED REVENUES FROM USE OF MONEY AND PROPERTY					43,762	9,695	53,457
MISCELLANEOUS					63,545	6,687	70,232
GAINS ON SALE OF CAPITAL ASSETS					4,857	20	4,877
TRANSFERS					(26,618)	26,618	-
TOTAL GENERAL REVENUES AND TRANSFERS					<u>667,371</u>	<u>48,452</u>	<u>715,823</u>
CHANGE IN NET ASSETS					163,939	26,122	190,061
NET ASSETS - BEGINNING					1,370,354	73,331	1,443,685
NET ASSETS - ENDING					<u>\$ 1,534,293</u>	<u>\$ 99,453</u>	<u>\$ 1,633,746</u>





Fund Financial Statements





COUNTY OF SAN BERNARDINO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005 (IN THOUSANDS)

	<u>GENERAL FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
CASH AND CASH EQUIVALENTS (NOTE 6)	\$ 306,003	\$ 321,054	\$ 627,057
INVESTMENTS (NOTE 6)	-	11,229	11,229
ACCOUNTS RECEIVABLES - NET (NOTE 2)	2,396	461	2,857
TAXES RECEIVABLE (NOTE 2)	17,486	9,708	27,194
INTEREST RECEIVABLE	2,376	218	2,594
LOANS RECEIVABLE	1,817	-	1,817
OTHER RECEIVABLES	2,353	331	2,684
DUE FROM OTHER FUNDS (NOTE 7)	39,293	15,661	54,954
DUE FROM OTHER GOVERNMENTS (NOTE 2)	199,170	23,054	222,224
INVENTORIES	295	214	509
PREPAID ITEMS	7	23	30
INTERFUND RECEIVABLE (NOTE 7)	-	400	400
RESTRICTED CASH AND INVESTMENTS (NOTES 6 & 8)	-	173	173
TOTAL ASSETS	<u>\$ 571,196</u>	<u>\$ 382,526</u>	<u>\$ 953,722</u>
LIABILITIES AND FUND BALANCES			
ACCOUNTS PAYABLE	\$ 26,987	\$ 9,628	\$ 36,615
SALARIES AND BENEFITS PAYABLE	41,415	7,471	48,886
DUE TO OTHER FUNDS (NOTE 7)	7,670	15,407	23,077
DUE TO OTHER GOVERNMENTS	22,059	2,216	24,275
OTHER ACCRUED LIABILITIES	-	809	809
DEFERRED REVENUE (NOTE 2)	24,329	4,806	29,135
INTERFUND PAYABLE (NOTE 7)	-	650	650
TOTAL LIABILITIES	<u>122,460</u>	<u>40,987</u>	<u>163,447</u>
FUND BALANCES (NOTE 5):			
RESERVED FOR:			
ENCUMBRANCES	33,021	51,536	84,557
PREPAID ITEMS	7	23	30
NONCURRENT INTERFUND RECEIVABLES	-	400	400
INVENTORIES	295	214	509
LOANS RECEIVABLE	1,817	-	1,817
DEBT SERVICE	-	30,719	30,719
TEETER	9,827	-	9,827
UNRESERVED, REPORTED IN:			
DESIGNATED	112,900	-	112,900
UNDESIGNATED			
GENERAL FUND	290,869	-	290,869
SPECIAL REVENUE FUNDS	-	204,808	204,808
CAPITAL PROJECTS FUNDS	-	53,357	53,357
PERMANENT FUNDS	-	482	482
TOTAL FUND BALANCES	<u>448,736</u>	<u>341,539</u>	<u>790,275</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 571,196</u>	<u>\$ 382,526</u>	

Amounts reported for governmental activities in the statement of net assets are different because (NOTE 4):

Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds. 1,167,594

Other long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 15,951

Net Pension Obligation Bond 848,853

Internal service funds that are used by management to charge the costs of general services, telephone services, computer operations, vehicle services, 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 assets. (4,524)

Interest Payable (12,864)

Long-term liabilities, including bonds payable, that are not due and payable in the current period and therefore are not reported in the funds. (1,270,992)

Net assets of governmental activities (page 38) \$ 1,534,293

**COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)**

	<u>GENERAL FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
TAXES	\$ 310,228	\$ 90,418	\$ 400,646
LICENSES, PERMITS AND FRANCHISES	20,729	235	20,964
FINES, FORFEITURES AND PENALTIES	8,797	9,947	18,744
REVENUES FROM USE OF MONEY AND PROPERTY	30,361	13,844	44,205
AID FROM OTHER GOVERNMENTAL AGENCIES	1,230,913	194,919	1,425,832
CHARGES FOR CURRENT SERVICES	333,342	35,834	369,176
OTHER REVENUES	20,731	43,496	64,227
TOTAL REVENUES	<u>1,955,101</u>	<u>388,693</u>	<u>2,343,794</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	111,340	11,872	123,212
PUBLIC PROTECTION	524,385	162,471	686,856
PUBLIC WAYS AND FACILITIES	2,106	45,257	47,364
HEALTH AND SANITATION	324,899	4,696	329,595
PUBLIC ASSISTANCE	744,837	81,992	826,829
EDUCATION	2,751	13,161	15,912
RECREATION AND CULTURAL SERVICES	11,024	7,466	18,490
DEBT SERVICE			
PRINCIPAL	288	31,599	31,887
INTEREST AND FISCAL CHARGES	2,505	41,573	44,078
CAPITAL OUTLAY	9,159	44,755	53,914
TOTAL EXPENDITURE	<u>1,733,294</u>	<u>444,842</u>	<u>2,178,136</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>221,807</u>	<u>(56,149)</u>	<u>165,658</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS (NOTE 7)	(146,382)	(52,157)	(198,539)
TRANSFERS FROM OTHER FUNDS (NOTE 7)	42,520	129,534	172,054
LONG-TERM DEBT ISSUED	-	940	940
INCEPTION OF CAPITAL LEASE OBLIGATIONS (NOTE 11)	393	403	796
SALE OF CAPITAL ASSETS	600	4,256	4,856
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(102,869)</u>	<u>82,976</u>	<u>(19,893)</u>
NET CHANGE IN FUND BALANCE	118,938	26,827	145,765
FUND BALANCE, JULY 1, 2004	329,798	314,712	644,510
FUND BALANCE, JUNE 30, 2005	<u>\$ 448,736</u>	<u>\$ 341,539</u>	<u>\$ 790,275</u>
NET CHANGES IN FUND BALANCES – TOTAL GOVERNMENTAL			\$ 145,765
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.			17,295
Internal service funds are used by management to charge the costs of general service group, telephone services, computer operations, vehicle services, risk management, and flood control equipment. The net revenues of the internal service funds is reported within governmental activities.			7,844
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			(986)
Expenses in the statement of activities that do not require the use of the current financial resources and, therefore, are not reported as expenditures in the governmental funds.			(17,198)
Amortization of the 95 POBs prepaid asset and the amortization of the 04 POB deferred costs.			(3,565)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds, report the effect of issuance costs, 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.			14,784
Changes in net assets of governmental activities (page 39)			<u>\$ 163,939</u>

COUNTY OF SAN BERNARDINO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
TAXES	\$ 260,590	\$ 296,940	\$ 310,228	\$ 13,288
LICENSES, PERMITS AND FRANCHISES	18,556	20,658	20,729	71
FINES, FORFEITURES AND PENALTIES	7,591	7,660	8,797	1,137
REVENUES FROM USE OF MONEY AND PROPERTY	24,377	25,990	30,361	4,371
AID FROM OTHER GOVERNMENTAL AGENCIES	1,114,107	1,176,413	1,230,913	54,500
CHARGES FOR CURRENT SERVICES	302,637	331,316	333,342	2,026
OTHER REVENUES	12,759	13,047	20,731	7,684
TOTAL REVENUES	1,740,617	1,872,024	1,955,101	83,077
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	224,693	165,222	112,948	52,274
PUBLIC PROTECTION	535,826	545,655	526,016	19,639
PUBLIC WAYS AND FACILITIES	2,496	2,117	2,116	1
HEALTH AND SANITATION	384,458	400,308	331,859	68,449
PUBLIC ASSISTANCE	759,187	774,592	745,621	28,971
EDUCATION	2,775	2,775	2,751	24
RECREATION AND CULTURAL SERVICES	10,668	11,629	11,075	554
DEBT SERVICE	-	-	-	-
PRINCIPAL	411	421	288	133
INTEREST AND FISCAL CHARGES	5,073	4,463	2,505	1,958
CAPITAL OUTLAY	4,631	23,647	21,504	2,143
TOTAL EXPENDITURE	1,930,218	1,930,829	1,756,683	174,146
EXCESS OF REVENUES OVER EXPENDITURES	(189,601)	(58,805)	198,418	257,223
OTHER FINANCING SOURCES (USES):				
TRANSFERS TO OTHER FUNDS (NOTE 7)	(120,576)	(173,573)	(146,382)	27,191
TRANSFERS FROM OTHER FUNDS (NOTE 7)	54,764	56,102	42,520	(13,582)
LONG-TERM DEBT ISSUED	-	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS (NOTE 11)	393	393	393	-
SALE OF CAPITAL ASSETS	730	730	600	(130)
TOTAL OTHER FINANCING SOURCES AND (USES)	(64,689)	(116,348)	(102,869)	13,479
NET CHANGE IN FUND BALANCE	(254,290)	(175,153)	95,549	270,702
FUND BALANCE, JULY 1, 2004	320,166	320,166	320,166	-
FUND BALANCE, JUNE 30, 2005	\$ 65,876	\$ 145,013	\$ 415,715	\$ 270,702

COUNTY OF SAN BERNARDINO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES --			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS				
	MEDICAL CENTER	WASTE SYSTEMS DIVISION	OTHER ENTERPRISE FUNDS		
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS (NOTE 6)	\$ 14,997	\$ 21,482	\$ 43,288	\$ 79,767	\$ 98,175
ACCOUNTS RECEIVABLE - NET (NOTE 2)	30,212	9,007	2,743	41,962	75
TAXES RECEIVABLE	-	679	-	679	-
INTEREST RECEIVABLE	-	799	-	799	-
DUE FROM OTHER FUNDS (NOTE 7)	2,184	945	409	3,538	365
DUE FROM OTHER GOVERNMENTS	17,568	4,782	894	23,244	618
INVENTORIES	1,471	-	82	1,553	1,868
PREPAID ITEMS	2,120	10,832	-	12,952	1,574
TOTAL CURRENT ASSETS	<u>68,552</u>	<u>48,526</u>	<u>47,416</u>	<u>164,494</u>	<u>102,675</u>
NONCURRENT ASSETS:					
DEFERRED CHARGES	-	1,783	-	1,783	-
RESTRICTED CASH AND INVESTMENTS (NOTE 6 & 8)	61,817	107,343	-	169,160	-
INTERFUND RECEIVABLE (NOTE 7)	-	-	-	-	1,000
OTHER ASSETS	9,089	-	-	9,089	-
LAND, STRUCTURE, IMPROVEMENTS, AND INFRASTRUCTURE	513,294	147,478	106,572	767,344	7,049
EQUIPMENT	95,079	1,726	3,628	100,433	51,805
ACCUMULATED DEPRECIATION AND AMORTIZATION	(150,353)	(85,516)	(53,952)	(289,821)	(39,867)
CONSTRUCTION IN PROGRESS	617	15,882	4,356	20,855	45
TOTAL NONCURRENT ASSETS	<u>529,543</u>	<u>188,696</u>	<u>60,604</u>	<u>778,843</u>	<u>20,032</u>
TOTAL ASSETS	<u>598,095</u>	<u>237,222</u>	<u>108,020</u>	<u>943,337</u>	<u>122,707</u>
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	13,017	8,849	575	22,441	3,969
SALARIES AND BENEFITS PAYABLE	8,656	287	9	8,952	1,813
DUE TO OTHER FUNDS (NOTE 7)	10,843	11,466	977	23,286	705
DUE TO OTHER GOVERNMENTS	-	1,292	41	1,333	-
INTEREST PAYABLE	13,140	54	91	13,285	-
DEFERRED REVENUE	-	-	16	16	300
COMPENSATED ABSENCES PAYABLE (NOTE 11)	5,647	207	6	5,860	1,986
BONDS AND NOTES PAYABLE (NOTE 11)	24,350	5,150	470	29,970	-
CAPITAL LEASE OBLIGATIONS (NOTE 11)	366	-	-	366	139
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS	-	16,386	-	16,386	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-	-	-	36,826
TOTAL CURRENT LIABILITIES	<u>76,019</u>	<u>43,691</u>	<u>2,185</u>	<u>121,895</u>	<u>45,738</u>
NONCURRENT LIABILITIES:					
INTERFUND PAYABLE (NOTE 7)	-	-	-	-	1,000
COMPENSATED ABSENCES PAYABLE	1,846	220	10	2,076	1,533
BONDS AND NOTES PAYABLE	538,810	76,836	6,010	621,656	-
CAPITAL LEASE OBLIGATIONS	939	-	-	939	72
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS	-	97,318	-	97,318	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-	-	-	78,888
TOTAL NONCURRENT LIABILITIES	<u>541,595</u>	<u>174,374</u>	<u>6,020</u>	<u>721,989</u>	<u>81,493</u>
TOTAL LIABILITIES	<u>617,614</u>	<u>218,065</u>	<u>8,205</u>	<u>843,884</u>	<u>127,231</u>
NET ASSETS					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	(96,740)	(2,416)	54,124	(45,032)	17,376
RESTRICTED FOR:					
DEBT SERVICE	47,908	-	-	47,908	-
UNRESTRICTED	29,313	21,573	45,691	96,577	(21,900)
TOTAL NET ASSETS	<u>\$ (19,519)</u>	<u>\$ 19,157</u>	<u>\$ 99,815</u>	<u>\$ 99,453</u>	<u>\$ (4,524)</u>

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

COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MEDICAL CENTER	WASTE SYSTEMS DIVISION	OTHER ENTERPRISE FUNDS		
OPERATING REVENUES:					
NET PATIENT CARE AND SERVICE CHARGES FOR CURRENT SERVICES	\$ 427,102	\$ -	\$ -	\$ 427,102	\$ -
OTHER	-	62,500	21,024	83,524	145,171
	13,443	740	2	14,185	-
TOTAL OPERATING REVENUES	440,545	63,240	21,026	524,811	145,171
OPERATING EXPENSES:					
PROFESSIONAL SERVICES	32,945	27,647	1,684	62,276	7,809
SALARIES AND EMPLOYEE BENEFITS	150,913	4,759	7,342	163,014	29,167
SELF-INSURANCE CLAIMS	-	-	-	-	44,893
SERVICES AND SUPPLIES	257,125	15,324	6,732	279,181	52,342
DEPRECIATION AND AMORTIZATION	18,368	4,074	2,699	25,141	5,356
OTHER	5,861	-	672	6,533	415
TOTAL OPERATING EXPENSES	465,212	51,804	19,129	536,145	139,982
OPERATING INCOME (LOSS)	(24,667)	11,436	1,897	(11,334)	5,189
NONOPERATING REVENUES (EXPENSES)					
INTEREST REVENUE	5,486	3,390	819	9,695	2,810
INTEREST EXPENSE	(31,907)	(2,031)	(317)	(34,255)	(20)
TAX REVENUE	1,464	-	3,968	5,432	-
GRANT REVENUE	20,259	-	2,318	22,577	44
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	-	20	20	407
OTHER NONOPERATING REVENUES	-	4,951	1,278	6,229	5
OTHER NONOPERATING EXPENSES	682	-	-	682	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(4,016)	6,310	8,086	10,380	3,246
CHANGE IN NET ASSETS (DEFICIT) BEFORE TRANSFERS	(28,683)	17,746	9,983	(954)	8,435
TRANSFERS TO OTHER FUNDS (NOTE 7)	(4,729)	(5,947)	(3,744)	(14,420)	(1,064)
TRANSFERS FROM OTHER FUNDS (NOTE 7)	40,637	-	859	41,496	473
CHANGE IN NET ASSETS	7,225	11,799	7,098	26,122	7,844
TOTAL NET ASSETS, JULY 1, 2004	(26,744)	7,358	92,717	73,331	(12,368)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2005	\$ (19,519)	\$ 19,157	\$ 99,815	\$ 99,453	\$ (4,524)

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

COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MEDICAL CENTER	WASTE SYSTEMS DIVISION	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIVED FROM PATIENT CARE AND SERVICES	\$ 424,978	\$ 57,109	\$ 20,500	\$ 502,587	\$ 145,756
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(278,091)	(43,407)	(8,624)	(330,122)	(93,044)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(148,950)	(4,769)	(7,523)	(161,242)	(28,610)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,063)	8,933	4,353	11,223	24,102
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
TAXES RECEIVED	1,464	-	3,968	5,432	-
GRANTS RECEIVED	-	-	1,821	1,821	-
OTHER NONOPERATING REVENUE	682	4,945	1,278	6,905	49
TRANSFERS RECEIVED	40,637	-	859	41,496	1,471
TRANSFERS PAID	(4,729)	(5,823)	(3,744)	(14,296)	(2,064)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	38,054	(878)	4,182	41,358	(544)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
STATE DEBT SERVICE FUNDING RECEIVED	20,259	-	-	20,259	-
ACQUISITION OF CAPITAL ASSETS	(2,737)	(10,506)	(2,294)	(15,537)	(5,489)
PRINCIPAL PAID ON CAPITAL LEASE OBLIGATIONS	(354)	-	(87)	(441)	(574)
INTEREST PAID ON CAPITAL LEASE OBLIGATIONS	-	-	(226)	(226)	(18)
PRINCIPAL PAID ON BONDS AND NOTES	(23,060)	(4,689)	-	(27,749)	-
INTEREST PAID ON BONDS AND NOTES	(32,420)	(1,844)	-	(34,264)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	585	20	605	959
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(38,312)	(16,454)	(2,587)	(57,353)	(5,122)
CASH FLOWS FROM INVESTING ACTIVITIES:					
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENTS	(2,640)	-	410	(2,230)	-
INTEREST ON INVESTMENTS	5,486	2,468	819	8,773	2,810
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,846	2,468	1,229	6,543	2,810
NET INCREASE IN CASH AND CASH EQUIVALENTS	525	(5,931)	7,177	1,771	21,246
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	76,289	134,756	36,111	247,156	76,929
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 76,814	\$ 128,825	\$ 43,288	\$ 248,927	\$ 98,175

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

OPERATING INCOME (LOSS)	\$ (24,667)	\$ 11,436	\$ 1,897	\$ (11,334)	\$ 5,189
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION	18,368	4,074	2,699	25,141	5,356
BAD DEBT EXPENSE	33,781	-	-	33,781	-
AMORTIZATION RELATED TO DEBT	2,871	-	-	2,871	-
CHANGES IN ASSETS AND LIABILITIES:					
ACCOUNTS RECEIVABLE	(39,034)	(3,314)	(198)	(42,546)	501
DUE FROM OTHER GOVERNMENTS	23,467	(2,924)	(390)	20,153	40
INVENTORIES	(122)	-	62	(60)	(94)
PREPAID ITEMS	(1,743)	1,020	-	(723)	(339)
DEFERRED CHARGES	-	154	-	154	-
ACCOUNTS PAYABLE AND OTHER LIABILITIES	(16,947)	6,958	539	(9,450)	(1,113)
SALARIES AND BENEFITS PAYABLE	1,241	39	(65)	1,215	320
DUE TO OTHER GOVERNMENTS	-	-	(75)	(75)	-
ESTIMATED LIABILITIES FOR CLOSURE/POST CARE CLOSURE COSTS	-	(8,716)	-	(8,716)	-
ESTIMATED LIABILITIES FOR LITIGATION AND SELF-INSURANCE CLAIMS	-	131	-	131	14,005
COMPENSATED ABSENCES PAYABLE	722	75	(116)	681	237
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (2,063)	\$ 8,933	\$ 4,353	\$ 11,223	\$ 24,102

BREAKDOWN OF CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	\$ 14,997	\$ 21,482	\$ 43,288	\$ 79,767	\$ 98,175
RESTRICTED CASH AND INVESTMENTS	61,817	107,343	-	169,160	-
CASH AND CASH EQUIVALENTS	\$ 76,814	\$ 128,825	\$ 43,288	\$ 248,927	\$ 98,175

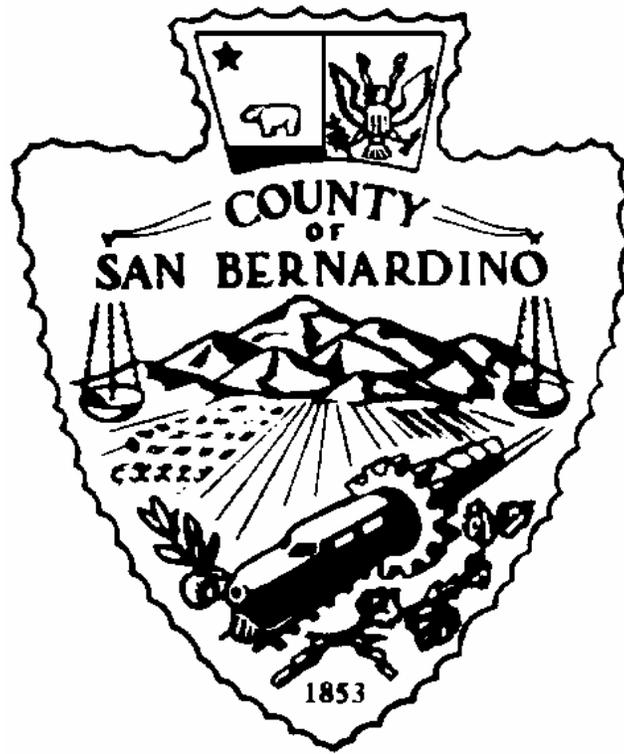
The notes to the basic financial statements are an integral part of this statement.

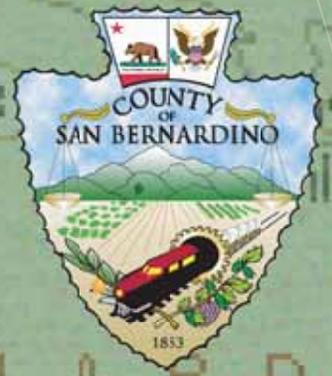
COUNTY OF SAN BERNARDINO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005 (IN THOUSANDS)

<u>ASSETS</u>	<u>TOTAL</u>	<u>INVESTMENT TRUST</u>	<u>AGENCY</u>
CASH AND CASH EQUIVALENTS (NOTE 6)	\$ 1,943,261	\$ 1,578,328	364,933
INVESTMENTS (NOTE 6)	7,212	-	7,212
ACCOUNTS RECEIVABLE - NET	53	53	-
TAXES RECEIVABLE	131,590	-	131,590
INTEREST RECEIVABLE	136	2	134
LOANS RECEIVABLE	45	45	-
DUE FROM OTHER FUNDS (NOTE 7)	12,981	11,446	1,535
DUE FROM OTHER GOVERNMENTS	169	169	-
INTERFUND PAYABLE	250	-	250
TOTAL ASSETS	<u>2,095,697</u>	<u>1,590,043</u>	<u>505,654</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES:			
DUE TO OTHER FUNDS (NOTE 7)	24,771	891	23,880
DUE TO OTHER GOVERNMENTS	481,774	-	481,774
TOTAL LIABILITIES	<u>506,545</u>	<u>891</u>	<u>\$ 505,654</u>
<u>NET ASSETS</u>			
NET ASSETS HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	<u>\$ 1,589,152</u>	<u>\$ 1,589,152</u>	

COUNTY OF SAN BERNARDINO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>INVESTMENT TRUST FUND</u>
ADDITIONS:	
CONTRIBUTIONS ON POOLED INVESTMENTS	\$ 7,544,807
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	11,520
INTEREST INCOME ON CASH AND SECURITIES	<u>32,336</u>
TOTAL ADDITIONS	7,588,663
DEDUCTIONS:	
DISTRIBUTIONS FROM POOLED INVESTMENTS	<u>7,617,948</u>
TOTAL DEDUCTIONS	<u>7,617,948</u>
NET DECREASE IN NET ASSETS	(29,285)
NET ASSETS HELD IN TRUST, JULY 1, 2004	<u>1,618,437</u>
NET ASSETS HELD IN TRUST, JUNE 30, 2005	<u>\$ 1,589,152</u>





Notes to the Basic Financial Statements

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 1 – THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

The County of San Bernardino (the "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 (the "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, these basic financial statements present the primary government and its component units, which are, in substance, although legally separate entities, part of the County's operations and so data from these units are blended with the data of the primary government. Each blended component unit has a June 30 year-end.

The County's Comprehensive Annual Financial Report does not include the financial statements of the San Bernardino County Employee's Retirement Association (SBCERA). The Retirement Board controls the Retirement Association acting as fiduciary agent for the accounting and control of member and employee contributions and investment income. The Retirement Association publishes a separate Comprehensive Annual Financial Report and receives a separate independent audit. The Retirement Association is also a legally separate entity from the County and was determined not to be a component unit according to the criteria set forth in Governmental Accounting Standards Board, the Financial Reporting Entity (GASB 39).

Additional detailed financial information for each of these entities, including the blended component units below, can be obtained from the Auditor/Controller's Office at 222 W. Hospitality Lane, San Bernardino, CA 92415-0018.

(b) Blended Component Units

Using the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 39 - The Financial Reporting Entity, management determined that the following component units should be blended:

- Fire Protection Districts
- Flood Control District
- Park and Recreation Districts
- Crestline Sanitation District
- County Service Areas
- Various joint powers authorities (JPAs)
- The Inland Empire Facilities Corporation, created for the benefit of the County
- Inland Empire Solid Waste Authority
- San Bernardino County Financing Authority
- Crestline Financing Authority
- Redevelopment Agency of the County of San Bernardino

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

The County is financially accountable for each of the above component units through the County's elected officials and descriptions of these component units are contained in subsequent sections of this Comprehensive Annual Financial Report. Acting as the governing body of the component units, the Board of Supervisors demonstrates financial accountability. Because of their relationship with the County and the nature of their operations, each of the component units is, in substance, part of the County's operations and, accordingly, the activities of these component units are combined (blended) with the activities of the County for purposes of reporting in the accompanying basic financial statements.

(c) Discretely Presented Component Unit

FIRST 5 of San Bernardino County, formerly known as the Children and Families First Commission, was formed in 1998 under the California Health and Safety Code - Section 10110, 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. Their board consists of seven members, three of who are officers of the County, while the remaining four are appointed by the San Bernardino County Board of Supervisors. The FIRST 5 is a discretely presented component unit as its governing body is not substantially the same as that of the County and the FIRST 5 does not provide services entirely or almost entirely to the County but rather to the citizenry.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

In accordance with Governmental Accounting Standards Board Statement (GASB) No. 34 (GASB 34), 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 Assets and Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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. 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 category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports only one major governmental fund:

- *The General Fund* is used to account 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 County reports the following major enterprise funds.

- *The County Medical Center Fund* accounts for inpatient and outpatient care including emergency room services and indigent care to County residents. The fund is financed primarily by patient care services.
- *The Waste Systems Division Fund* accounts for refuse disposal services provided to the public by twenty 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 additional fund types in their fund financial statements:

- *Internal Service Funds* Account for printing services, records management, central mail, telephone services, computer operations, vehicle services, risk management, and flood control equipment operations that provide services to other departments or agencies of the County on a cost reimbursement basis
- The *Investment Trust Fund* accounts for the 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

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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 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, nor to appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County.

- The *Agency Funds* account for assets held by the County as an agent for various local governments.

(b) Basis of Accounting

The government-wide, proprietary, and investment/agency trust fund 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 eligible 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 and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period, and recognized as revenue. The County considers items available if received within 9 months of year end, for voluntary non-exchange transactions such as federal and state grants. 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 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.

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 nonoperating 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected not to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

(c) Capital Assets And Long-Term Debt

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide Statement of Net Assets.

(d) Due From Other Governments

At June 30, 2005, the General Fund accrued \$199,170 of receivables from other governments, of which \$171,702 was due from the State of California. Of the amount owed by the State, \$26,658 was for Health Care Services, \$48,443 was for Public Social Services, \$83,957 was for motor vehicle license fees and sales tax monies, and the remaining \$12,644 was for other services. Amounts owed from cities for booking fees and other services were \$6,558. The remaining amount of \$20,910 was due from the federal government and other governmental agencies.

(e) Taxes and Accounts Receivable

The \$22,572 taxes receivable balance in the Governmental Activities column of the statement of net assets at June 30, 2005 is net of an allowance of doubtful accounts of \$894. The \$30,212 accounts receivable balance of the Medical Center Enterprise Fund at June 30, 2005 is net of an allowance for doubtful accounts of \$184,610.

The \$443 accounts receivable balance of the Fire Protection Districts – Ambulance Fund at June 30, 2005 is net of an allowance for doubtful accounts of \$2,106. The \$285 accounts receivable balance of the Crestline Sanitation District Fund at June 30, 2005 is reported at gross - without an allowance for doubtful accounts. These funds are reflected as part of the enterprise funds on the statement of net assets.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

(f) Deferred Revenue

In the fund financial statements, governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2005, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows.

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds			
General Fund			
Developer Deposits	\$ -	\$ 9,586	\$ 9,586
Property Tax Receivable	8,525		8,525
Due from governmental agencies	-	6,218	6,218
Nonmajor funds			
Property Tax Receivable	4,733	-	4,733
Due from governmental agencies	<u>-</u>	<u>73</u>	<u>73</u>
Total Governmental Activities	<u>\$ 13,258</u>	<u>\$ 15,877</u>	<u>\$ 29,135</u>

(g) Cash and Cash Equivalents

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

(h) Investments

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

The County's investments and securities are reported at fair value based upon quoted market prices. Securities having no sales are valued based upon last reported bid prices. 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.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

(i) Inventories and Prepaid Items

Inventories, which consist principally of materials and supplies held for consumption, are valued at cost (first-in, first-out basis) for governmental fund types and at an amount which approximates the lower of average cost or market for proprietary fund types. Inventories of the governmental activities are accounted for as expenditures when the inventory items are consumed. In the fund financial statements, reported inventories are offset with a corresponding reservation of 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 in both the government-wide and the fund financial statements.

(j) 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 2004-05 gross assessed valuation of the County of San Bernardino was \$ 87,270,911 (after deducting \$ 27,094,646 for the redevelopment tax allocation increment).

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 on 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 on 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. 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 revenue 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.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

(k) Capital Assets

Capital assets, which include property, plant, equipment, 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. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000.00 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, equipment, and infrastructure of the primary government is depreciated using the straight line method over the following estimated useful lives:

Infrastructure	10 to 100 years
Structure and improvements	45 years
Equipment	5 to 15 years

The County has six networks of infrastructure assets – roads, runways/taxiways, water/sewer, lighting, drainage, and flood control.

(l) Employee Compensated Absences

Liabilities for vacation, holiday benefits, sick pay and compensatory time are accrued when incurred in the government-wide and proprietary fund financial statements. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay, and those with ten or more years of continuous services are paid 30% to 50% of their accumulated sick leave. Up to two times the annual vacation accrual rate may be carried over from one year to the next. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured, for example, as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

(m) Interfund Transactions

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

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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

(n) Use of Estimates

The presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

NOTE 3 – AUTOMATED WELFARE SYSTEM

To achieve a statewide automated welfare system, California's 1995 State Budget Act facilitated the formation of up to four county consortia to design an automated welfare system. The Statewide Automated Welfare System Consortium-IV (SAWS C-IV), the fourth consortium to be established, includes Merced, Riverside, San Bernardino and Stanislaus counties. The SAWS C-IV system provides online, customer-based, fully integrated and automated system to assist in the efforts of programs including Temporary Assistance for Needy Families (TANF), Medi-Cal, Food Stamps, and employment programs. The system is designed to provide the County with the ability to verify public assistance eligibility, compute benefits, provide timely distribution of benefits, and reduce administrative complexity, collect data and management information. The County of San Bernardino implemented the SAWS C-IV system in August 2004 to assist with the processing of public assistance payments.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net assets 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 and Liabilities (1)	Internal Service Funds (2) (Page 45)	Eliminations	Statement of Net Assets Totals (Page 38)
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 627,057	\$ -	\$ 98,175	\$ -	\$ 725,232
INVESTMENTS	11,229	-	-	-	11,229
ACCOUNTS RECEIVABLE - NET	2,857	(1)	75	-	2,931
TAXES RECEIVABLE	27,194	(4,622)	-	-	22,572
INTEREST RECEIVABLE	2,594	-	-	-	2,594
LOAN RECEIVABLE	1,817	5,283	-	-	7,100
OTHER RECEIVABLES	2,684	-	-	-	2,684
DUE FROM OTHER FUNDS	54,954	-	365	(55,319)	-
DUE FROM OTHER GOVERNMENTS	222,224	-	618	15,689	238,531
INTERNAL BALANCES	-	-	-	15,599	15,599
INVENTORIES	509	-	1,868	-	2,377
PREPAID ITEMS	30	-	1,574	-	1,604
DEFERRED CHARGES	-	6,898	-	-	6,898
INTERFUND RECEIVABLE	400	-	1,000	(1,400)	-
RESTRICTED CASH AND INVESTMENTS	173	-	-	-	173
PREPAID PENSION ASSET	-	844,882	-	-	844,882
LAND	-	61,780	-	-	61,780
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE	-	1,655,736	7,049	-	1,662,785
EQUIPMENT	-	150,175	51,805	-	201,980
CAPITALIZED SOFTWARE	-	2,708	-	-	2,708
ACCUMULATED DEPRECIATION AND AMORTIZATION	-	(782,100)	(39,867)	-	(821,967)
CONSTRUCTION IN PROGRESS	-	79,295	45	-	79,340
TOTAL ASSETS	<u>\$ 953,722</u>	<u>\$ 2,020,034</u>	<u>\$ 122,707</u>	<u>\$ (25,431)</u>	<u>\$ 3,071,032</u>
LIABILITIES					
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	\$ 36,615	\$ -	\$ 3,969	\$ -	\$ 40,584
SALARIES AND BENEFITS PAYABLE	48,886	-	1,813	-	50,699
DUE TO OTHER FUNDS	23,077	-	705	(23,782)	-
DUE TO OTHER GOVERNMENTS	24,275	-	-	-	24,275
INTEREST PAYABLE	-	12,864	-	-	12,864
DEFERRED REVENUE	29,135	(12,363)	300	-	17,072
INTERFUND PAYABLE	650	-	1,000	(1,650)	-
COMPENSATED ABSENCES PAYABLE	-	101,003	3,519	-	104,522
COP BONDS AND NOTES PAYABLE	-	1,473,360	-	-	1,473,360
CAPITAL LEASE OBLIGATIONS	-	4,246	211	-	4,457
OTHER LONG TERM LIABILITIES	809	29,091	-	-	29,900
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-	115,714	-	115,714
DEFERRED AMOUNT ON REFUNDING	-	(7,330)	-	-	(7,330)
PREMIUM	-	3,919	-	-	3,919
DISCOUNT	-	(333,297)	-	-	(333,297)
TOTAL LIABILITIES	<u>163,447</u>	<u>1,271,493</u>	<u>127,231</u>	<u>(25,432)</u>	<u>1,536,739</u>
FUND BALANCE/NET ASSETS	<u>790,275</u>	<u>748,541</u>	<u>(4,524)</u>	<u>(1)</u>	<u>1,534,293</u>
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	<u>\$ 953,722</u>	<u>\$ 2,020,034</u>	<u>\$ 122,707</u>	<u>\$ (25,433)</u>	<u>\$ 3,071,032</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

(1) Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds.				
Land		61,780		
Structures, Improvements, and Infrastructure	\$	1,655,736		
Equipment		150,175		
Capitalized software		2,708		
Accumulated Depreciation and Amortization		(782,100)		
Construction in Progress		79,295		
			\$	1,167,594
(1) Net Pension Obligation Bond				848,853
(1) Other long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.				15,951
(1) Interest Payable				(12,864)
(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		(101,003)		
COP Bonds and Notes Payable		(1,473,360)		
Capital Lease Obligations		(4,246)		
Other Long Term Liabilities		(29,091)		
Deferred Amount on Refunding		7,330		
Premium		(3,919)		
Discount		333,297		
				(1,270,992)
			\$	748,541
(2) Internal service funds that are used by management to charge the costs of general services, telephone services, computer operations, vehicle services, 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 assets.				(4,524)
			\$	(4,524)

NOTE 5 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(a) Budgetary Information

In accordance with the provisions of Section 29000 – 29143 of the Government Code of the State of California, commonly known as the County Budget Act, the County prepares and adopts a budget on or before August 30, for each fiscal year. Budgets are adopted for the General Fund, certain Special Revenue Funds, and certain Capital Projects Funds. Budgets

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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, Debt Service and Capital Projects.

The legal level of budgetary control is maintained at the object level 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 made available to the public by the office of the Auditor/Controller.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. From time to time during the year, supplemental appropriations were necessary and approved by the Board. Amendments or transfers of appropriations between object levels within the same department may be approved by the Board or the County Administrative Office. Transfers at the sub-object 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 fiscal year 2004-05, there were no instances in which expenditures exceed appropriations.

(c) Net Deficits of Individual Funds

The Medical Center expects to eliminate its net deficit of \$ 19,519 in future years through rate increases and/or possible contributions from the General Fund.

The Risk Management Division incurred a net deficit of \$ 46,653 is expected to be eliminated over the next five years through rate increases.

(d) 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 comparisons 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:

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

	General Fund
Fund balance - budgetary basis	\$ 415,715
Outstanding encumbrances for budgeted funds	33,021
Fund balance - GAAP basis	\$ 448,736

Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation 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 Assets* – 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 assets include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments. At June 30, 2005, the County reported restricted net assets of \$465,540 restricted for the following purposes:

Restricted for:	Amount
Legally segregated special revenue funds for grants and other purposes	\$ 251,152
Debt Service	30,719
Capital project funds	59,186
Permanent funds	482
State Realignment Funds	124,001
	\$ 465,540

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

Fund balances which are not available for appropriation at June 30, 2005 are reserved or designated for the following purposes:

Reserved Fund Balance

	Governmental Activities		Total
	General Fund	Nonmajor Funds	
Encumbrances	\$ 33,021	\$ 51,536	\$ 84,557
Prepaid Items	7	23	30
Noncurrent Interfund Receivables	-	400	1,150
Debt Service	-	30,719	30,719
Inventories	295	214	509
Loans Receivable	1,817	-	1,817
Teeter Plan	9,827	-	9,827
Total	<u>\$ 44,967</u>	<u>\$ 82,892</u>	<u>\$ 127,859</u>

Designated Fund Balance

	General Fund
General Purpose	\$ 37,214
Medical Center Debt Service	32,075
Justice Facilities	1,305
West Valley Maximum Security	1,493
Future Retirement Rate	7,000
Teeter Plan	9,433
Restitution	1,614
Equity Pool	3,514
Insurance	3,000
Bark Beetle Reserve	1,665
Hall of Paleontology	1,703
Electronic Voter System	500
Capital Projects	4,000
Business Process Improvement	3,000
Transportation	3,500
SWBPI - Law & Justice	1,884
Total Designated Fund Balance	<u>\$ 112,900</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 6 – 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) nor is it an SEC Rule 2a7 – like pool. The pool does not issue a separate report. Included also are cash and investments held by certain joint powers authorities and cash held by various trustee financial institutions in accordance with the California Government Code.

State law now requires that all operating monies of the County, school districts, and certain special districts be held by the County Treasurer. The net asset value associated with legally mandated participants in the asset pool was \$2,819,150 at June 30, 2005.

As of June 30, 2005, the fair value of the County pool was \$2.87 billion. Approximately 10% of the County pool is attributable to the County General Fund, with the remainder of the balance comprised of other County funds, school districts and special districts. Additionally, as of June 30, 2005, \$53,209 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.

INVESTMENTS AUTHORIZED BY DEBT AGREEMENT

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 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.

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. GASB Statement No. 40 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 and negotiable certificates of deposit are restricted to the top two ratings issued 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 long-term corporate debt must have a minimum letter rating of “AA”. Federal Agency notes and bonds, municipal notes and bonds, and money

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

market mutual funds must have a minimum letter rating of “AAA”. Limits are also placed on the maximum percentage investment by sector and by individual issuer (see schedule). As of June 30, 2005, all investments held by the County Pool were within policy limits.

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*.

GASB Statement No. 40 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, 2005, the following issuers represented more than five-percent of the County Pool balance:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
FNMA	\$ 683,344	23.35%
FHLMC	\$ 546,837	18.69%
FHLB	\$ 546,967	18.69%

INTEREST RATE RISK

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

GASB Statement No. 40 requires that *interest rate risk* be disclosed using a minimum of one of five approved methods which are: *segmented time distribution, specific identification, weighted average maturity, duration, and simulated model*.

The County manages its exposure to interest rate risk by carefully matching cash flows and maturing positions to meet expenditures, limiting 40% of the County Pool to maturities of one year or less, and by maintaining an overall *effective duration* of 1.5 years or less. *Duration* is a measure of a fixed income’s cash flow using present values, weighted for cash flows as a percentage of the investments full price. *Effective duration* makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds.

California Law and where more restrictive, the San Bernardino County Pool Investment Policy, place limitations on the maximum maturity of investments to be purchased by sector (see schedule). As of June 30, 2005, all investments held by the County Pool were within policy limits.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

<u>Security Type</u>	<u>Fair Value</u>	<u>Maturity Range (Days)</u>	<u>Maturity Limits</u>	<u>Average Maturity</u>	<u>Effective Duration</u>
Certificates of Deposit	\$ 184,845	6 - 286	365 days	103	0.28
Commercial Paper	\$ 547,894	1 - 175	270 days	36	0.1
Federal Agencies	\$ 1,890,396	15 - 929	5 years	346	0.89
Money Market Funds	\$ 24,000	1	Imm. Liq.	1	0.003
Municipal Debt	\$ 11,777	32	5 years	32	0.08
Repurchase Agreements	\$ 100,001	1	180 days	1	0.003
U.S. Treasuries	\$ 113,446	684 - 1203	5 years	835	2.15
Total Securities	<u>\$ 2,872,359</u>			<u>274.6</u>	<u>0.706</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 are uncollateralized.

California Law requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2005, the carrying amount of the County's deposits was \$5,042 and the corresponding bank balance was \$62,709. The difference of \$57,667 was primarily due to outstanding warrants, wires and deposits in transit. Of the bank balance, \$606 was insured by the FDIC depository insurance and \$62,103 was uncollateralized and not insured by FDIC depository insurance.

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 versus payment basis with a third-party custodian and registered in the County's name. All counterparties to repurchase agreements must sign a PSA Master Repurchase Agreement and/or Tri-Party Repurchase Agreement before engaging in repurchase agreement transactions.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

A summary of the investments held by the County Treasurer is as follows:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</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>% of Pool 06/30/05</u>
U.S. Treasury Securities	\$ 114,418	\$ 113,446	AAA	AAA	AAA	100%	None	3.88%
U.S. Government Agencies	1,332,192	1,318,819	AAA	AAA	AAA	75%	None	45.07%
U.S. Agency Discount Notes	565,807	571,577	A1+	P1	F1+	75%	None	19.53%
Negotiable Certificates of Deposit	165,006	164,872	A1+	P1	F1+	30%	\$100MM	5.63%
Negotiable Certificates of Deposit	20,000	19,973	A1	P1	F1	30%	\$100MM	0.68%
Commercial Paper	526,087	527,907	A1+	P1	F1+	40%	10%/10%	18.04%
Commercial Paper	19,984	19,987	A1	P1	F1	40%	10%/10%	0.68%
Municipal Bonds	11,815	11,777	AAA	AAA	AAA	10%	Treasurer Apprl	0.40%
Money Market Mutual Funds	24,000	24,000	AAA	AAA	AAA	15%	10%	0.82%
Repurchase Agreements	100,000	100,001	A1	P1	F1+	40%	None	3.42%
Total Treasurer's Pooled Investments	\$ 2,879,309	\$ 2,872,359						
Investments Controlled by Fiscal Agents:								
Mutual Funds	12,484	12,484						
Municipal Bonds	4,928	4,928						
Guaranteed Investment Contracts	35,771	35,771						
U.S. Treasury Securities	76,533	76,533						
U.S. Agency Discount Notes	6,603	6,603						
Total Investments Controlled by Fiscal Agents	\$ 136,319	\$ 136,319						
Total Investments	\$ 3,015,628	\$ 3,008,678						
Cash in Banks:								
Non-Interest Bearing Deposits		\$ 5,042						
Total Cash and Investments		\$ 3,013,720						

As of June 30, 2005, Cash and Investments are classified in the accompanying financial statements as follows:

	<u>Total Governmental Activities</u>	<u>Total Business-type Activities</u>	<u>Total Fiduciary Funds</u>	<u>Discretely Presented Component Unit</u>	<u>Total</u>
Cash and Investments	\$ 736,461	\$ 79,767	\$ 1,950,473	\$ 77,686	\$ 2,844,387
Restricted Cash and Investments	173	169,160	-	-	169,333
Total Cash and Investments	\$ 736,634	\$ 248,927	\$ 1,950,473	\$ 77,686	\$ 3,013,720

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2005:

<u>Statement of Net Assets</u>	
Equity of internal pool participants	\$ 1,283,207
Equity of external pool participants:	
Voluntary	53,209
Involuntary	<u>1,535,943</u>
Total Net Assets held for pool participants	<u><u>\$ 2,872,359</u></u>

<u>Statement of Changes in Net Assets</u>	
Net Assets at July 1, 2004	\$ 2,898,898
Net change in investments by pool participants	<u>(26,539)</u>
Net Assets at June 30, 2005	<u><u>\$ 2,872,359</u></u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 7 – INTERFUND TRANSACTIONS

Due to/from other funds at June 30, 2005 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 12,418
	Medical Center	10,823
	Waste Systems Division	11,449
	Nonmajor Enterprise Funds	67
	Internal Service Funds	53
	Investment Funds	462
	Agency Funds	4,021
		<u>39,293</u>
Nonmajor Governmental Funds	General Fund	4,487
	Nonmajor Governmental Funds	2,814
	Waste Systems Division	17
	Nonmajor Enterprise Funds	910
	Internal Service Funds	652
	Investment Funds	429
	Agency Funds	6,353
		<u>15,662</u>
Medical Center	General Fund	1,553
	Agency Funds	631
		<u>2,184</u>
Waste Systems Division	Nonmajor Governmental Funds	147
	Agency Funds	798
		<u>945</u>
Nonmajor Enterprise Funds	Agency Funds	409
		<u>409</u>
Internal Service Funds	General Fund	118
	Nonmajor Governmental Funds	28
	Medical Center	20
	Agency Funds	199
		<u>365</u>
Investment Funds	Agency Funds	11,446
		<u>11,446</u>
Agency Funds	General Fund	1,512
	Agency Funds	23
		<u>1,535</u>
	Total	<u>\$ 71,839</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Interfund Receivable/Payable at June 30, 2005 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	400
		<u>400</u>
Agency Funds	Nonmajor Governmental Funds	250
		<u>250</u>
Internal Service Funds	Internal Service Funds	1,000
		<u>1,000</u>
	Total	<u>\$ 1,650</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Transfers To/From Other Funds for the year ended June 30, 2005 are as follows:

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Medical Center	\$ 40,637
	Internal Service Funds	466
		<u>41,103</u>
Internal Service Funds	Nonmajor Governmental Funds	1,057
		<u>1,057</u>
Waste Systems Division	General Fund	5,823
	Nonmajor Governmental Funds	124
		<u>5,947</u>
Medical Center	Nonmajor Governmental Funds	4,729
		<u>4,729</u>
Nonmajor Enterprise Funds	General Fund	30
	Nonmajor Governmental Funds	3,714
		<u>3,744</u>
Total		<u>\$ 56,580</u>

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

General Fund	Nonmajor Governmental Funds	105,279
		<u>105,279</u>
Nonmajor Governmental Funds	General Fund	36,667
	Nonmajor Governmental Funds	14,631
	Nonmajor Enterprise Funds	859
		<u>52,157</u>
Internal Service Funds	Internal Service Funds	7
		<u>7</u>
Total		<u>\$ 157,443</u>

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

Amounts transferred out of the General Fund to the Medical Center are the results of year-end budgeted transfer, and the annual transfer from health care cost to the Medical Center.

Amounts transferred from the General Fund to the Nonmajor Governmental Funds are the results of the joint power authorities' debt service payments and the pension obligation bond debt service payments.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 8 – RESTRICTED CASH AND INVESTMENTS

Cash and cash equivalents that are restricted by legal or contractual requirements at June 30, 2005 are comprised of the following:

Special Revenue Funds

Flood Control District:

The Flood Control District has set aside a total of \$173. \$60 is to be used for the construction of the Etiwanda/San Sevaine Project. \$113 is for use in case of emergencies or disasters.

Enterprise Funds

Medical Center:

Restricted cash and cash equivalents of \$61,817 represent funds set aside for debt service payments.

Waste System Division:

Restricted cash and cash equivalents of \$107,343 represent funds set aside as specified by bond covenants and for a waste water treatment facility, groundwater detection, treatment and remediation, and for State mandated site closure and maintenance costs.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 9 – CAPITAL ASSETS

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

Primary Government

	Balance July 1, 2004	Additions	Decreases	Balance June 30, 2005
Governmental Activities				
Capital assets, non-depreciable:				
Land	\$ 48,501	\$ 13,279	\$ -	\$ 61,780
Construction in progress	134,764	31,800	87,224	79,340
Total assets, non-depreciable	<u>183,265</u>	<u>45,079</u>	<u>87,224</u>	<u>141,120</u>
Capital Assets, depreciable:				
Improvements other than Buildings	119,526	8,978	20	128,484
Structures and Improvements	450,983	49,872	-	500,855
Equipment	197,780	21,226	17,026	201,980
Capitalized Software	-	2,708	-	2,708
Infrastructure	994,578	38,868	-	1,033,446
Total assets-depreciable	<u>1,762,867</u>	<u>121,652</u>	<u>17,046</u>	<u>1,867,473</u>
Less accumulated depreciation for :				
Improvements other than Buildings	57,368	5,107	5	62,470
Structures and Improvements	130,634	10,452	-	141,086
Equipment	128,228	21,975	14,457	135,746
Infrastructure	460,152	22,513	-	482,665
Total accumulated depreciation	<u>776,382</u>	<u>60,047</u>	<u>14,462</u>	<u>821,967</u>
Total capital assets, depreciable, net	<u>986,485</u>	<u>61,605</u>	<u>2,584</u>	<u>1,045,506</u>
Governmental activities capital assets, net	<u>\$ 1,169,750</u>	<u>\$ 106,684</u>	<u>\$ 89,808</u>	<u>\$ 1,186,626</u>
Business-type Activities				
Capital assets, non-depreciable:				
Land	\$ 39,400	\$ 105	\$ -	\$ 39,505
Construction in progress	11,587	13,688	4,420	20,855
Total assets, non-depreciable	<u>50,987</u>	<u>13,793</u>	<u>4,420</u>	<u>60,360</u>
Capital Assets, depreciable:				
Improvements other than Buildings	215,496	3,664	86	219,074
Structures and Improvements	508,061	955	251	508,765
Equipment	100,784	2,026	2,377	100,433
Total capital assets-depreciable	<u>824,341</u>	<u>6,645</u>	<u>2,714</u>	<u>828,272</u>
Less accumulated depreciation for :				
Improvements other than Buildings	121,770	5,703	150	127,323
Structures and Improvements	72,601	13,030	402	85,229
Equipment	72,501	6,382	1,614	77,269
Total accumulated depreciation	<u>266,872</u>	<u>25,115</u>	<u>2,166</u>	<u>289,821</u>
Total capital assets, depreciable, net	<u>557,469</u>	<u>(18,470)</u>	<u>548</u>	<u>538,451</u>
Business-type activities capital assets, net	<u>\$ 608,456</u>	<u>\$ (4,677)</u>	<u>\$ 4,968</u>	<u>\$ 598,811</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 8,348
Public Protection	18,338
Public Ways and Facilities	28,003
Health and Sanitation	688
Public Assistance	1,730
Education	274
Recreation and Cultural Services	<u>2,666</u>
Total depreciation expense - governmental functions	<u><u>\$ 60,047</u></u>

Depreciation expense was charged to the business-type functions as follows:

Medical Center	\$ 18,370
Waste Systems Divison	3,709
Nonmajor Funds	<u>3,036</u>
Total depreciation expense - business type functions	<u><u>\$ 25,115</u></u>

Construction in Progress

Construction in Progress consists of the following projects

	Governmental Activities	Business-Type Activities
Flood Control Projects	32,567	-
Other County Projects	<u>46,773</u>	<u>20,855</u>
Total	<u><u>\$ 79,340</u></u>	<u><u>\$ 20,855</u></u>

Discretely Presented Component Units

Activity for the FIRST 5 of San Bernardino for the year ended June 30, 2005, was as follows:

	Balance July 1, 2004	Additions	Decreases	Balance June 30, 2005
Capital assets, being depreciated:				
Furniture and Computer Equipment	<u>\$ 244</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 249</u>
Less accumulated depreciation for:				
Furniture and Computer Equipment	<u>58</u>	<u>54</u>	<u>-</u>	<u>112</u>
District capital assets, net	<u><u>\$ 186</u></u>	<u><u>\$ (49)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 137</u></u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 10 – SELF INSURANCE

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability and workers' compensation claims. Public liability claims are self-insured for up to \$1 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$25 million is provided through a Risk Pool Agreement with California State Association of Counties (CSAC) Excess Insurance Authority ("EIA") Liability Program II. Workers' compensation claims are self-insured up to \$2 million per occurrence and covered by CSAC EIA for up to \$10 million for employer's liability and up to \$50 million for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible, and insured with CSAC EIA Property Program.

The County supplements its self-insurance for medical malpractice claims with CSAC EIA, which provides annual coverage on a claim made form basis with an SIR of \$1 million for each claim. Maximum coverage under the policy is \$11.5 million per claim with an additional \$10 million in limits provided by the CSAC EIA General Liability II Program.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, also with CSAC EIA with a \$100,000 deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in the Division except for unemployment insurance and employee dental insurance, which are accounted for in the General Fund. The IBNR and IBNS liabilities stated on the Division's balance sheet are based upon 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 3.50%. It is the Division's practice to obtain actuarial studies on an annual basis.

The Division has a risk management investment program agreement with the Bank of New York to finance the self-insured general liability, automobile liability, workers' compensation and medical malpractice programs. The Division's investment in the agreements totaled \$47.3 million at June 30, 2005.

The total claims liability of \$115.7 million reported at June 30, 2005 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.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Changes in the claims liability amount in fiscal years 2004 and 2005 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-end</u>
2003-04	\$93,802	\$45,128	(\$37,221)	\$101,709
2004-05	\$101,709	\$44,309	(\$30,304)	\$115,714

NOTE 11 – LONG TERM DEBT

Primary Government

The following is a summary of long-term liability transactions for the year ended June 30, 2005:

	Balance July 1, 2004	Additions	Reductions	Ending Balance June 30, 2005	Due Within One Year
Governmental Activities					
Certificates of Participation, net	\$ 225,523	\$ 2,565	\$ 15,384	\$ 212,704	\$ 12,545
Revenue Bonds, net	437,820	17,199	15,480	439,539	18,200
Other Bonds and Notes	484,755		346	484,409	2,592
Compensated Absences	100,135	71,641	67,254	104,522	69,447
Capital Lease Obligation	5,517	796	1,856	4,457	1,172
Estimated Liability for Litigation and Self-Insured Claims	101,709	44,309	30,304	115,714	36,826
Other Long-Term Liabilities	26,553	4,097	750	29,900	809
Total Governmental Activities - Long-term Liabilities	\$ 1,382,012	\$ 140,607	\$ 131,374	\$ 1,391,245	\$ 141,591
Business-type Activities					
Certificates of Participation, net	\$ 670,652	\$ 2,454	\$ 27,960	\$ 645,146	\$ 29,500
General Obligation Bonds	2,321	4	280	2,045	165
Notes	3,836	797	198	4,435	305
Compensated Absences	7,255	7,769	7,088	7,936	5,860
Capital Lease Obligation	1,659		354	1,305	366
Estimated Liability for Closure/Postclosure Care Costs	122,420		8,716	113,704	16,386
Total Business-type Activities - Long-term Liabilities	\$ 808,143	\$ 11,024	\$ 44,596	\$ 774,571	\$ 52,582

Other Long-Term Liabilities include \$15,785 relating to construction of the San Sevaine Creek Water Project; \$3,954 for the Day Creek Project; \$6,165 relating to the San Timoteo Creek Project; \$2,247 relating to the Lenwood/High Desert Estates Sewer Construction Project; \$940 relating to RDA project area formation and redevelopment plan adoption; and, \$809 of loans from special districts.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

At June 30, 2005 the \$15,785 is owed to the United States Department of the Interior, Bureau of Reclamation, for construction of the San Sevaine Creek Water Project, and the \$6,165 is owed to the United States Army Corp of Engineers (\$6,000) and the City of Loma Linda Redevelopment Agency (\$165) for the construction of the San Timoteo Creek Project. The \$2,247 for the septic to sewer conversion is due to US Bank. Amounts owed to the Bureau of Reclamation are determined annually until the project is completed (approximately 8 years) based on costs incurred but not exceeding \$20 million. After the project completion, the County has 15 years to pay back the liability along with 7% interest. The loan payable to the United States Army Corp of Engineers will be paid back over 15 years after the completion of the project and interest will be charged at the federal prime rate in effect upon the completion of the project. The loan payable of \$165 to the City of Loma Linda Redevelopment Agency is non-interest bearing and will be paid back over the next 2 years.

In October 1986, the Flood Control District entered into a loan agreement with the Federal Government for construction of the Day Creek Project for \$13,400. A subsequent agreement between the County (on behalf of the District) and the City of Rancho Cucamonga Redevelopment Agency provides the terms and conditions for repayment of the loan. Payments are reflected in the Flood Control District as other revenue (from the City of Rancho Cucamonga) and debt service-principal (to the Bureau of Reclamation). This agreement is to be in force approximately 24 years or until the project is complete and the federal loan is repaid. Payments commenced in 1992 and the remaining balance of the loan as of June 30, 2005, is \$3,954.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

A summary of bonds and notes payable recorded in the governmental activities and payable from Debt Service Funds is 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 6-30-05</u>
Capital Improvement Refinancing (1996)	Variable	06-21-96	11-01-25	\$ 9,200	\$ 8,000
County Center Refinancing (1996)	Variable	07-11-96	07-01-15	39,600	27,500
Public Improvement Project (1997)	3.85 to 5.00	10-01-97	10-01-25	17,790	14,200
West Valley Detention Center (2001 A)	4.00 to 4.60	10-25-01	11-01-18	8,365	8,365
West Valley Detention Center (2001 B)	3.50 to 4.00	10-25-01	11-01-12	42,075	39,155
Justice Center/Airport Improvement	3.00 to 5.00	03-01-02	07-01-16	68,100	60,190
West Valley Detention Center (2002 A)	4.50 to 5.25	08-6-02	11-01-18	44,480	44,005
Glen Helen Blockbuster (2003 A)	Variable	05-1-03	03-01-24	9,825	9,175
Glen Helen Blockbuster (2003 B)	Variable	05-1-03	03-01-24	9,875	5,525
					<u>216,115</u>
Deferred Amount on Refunding:					
West Valley Detention Center (2001 B)					(4,063)
Justice Center/Airport Improvement					(2,011)
West Valley Detention Center (2002 A)					(1,256)
Premium(Discouts):					
West Valley Detention Center (2001 B)					1,143
Justice Center/Airport Improvement					1,333
West Valley Detention Center (2002 A)					1,443
Net Certificates of Participation					<u>212,704</u>
Revenue Bonds					
Pension Obligation (1995)	5.68 to 7.72	11-22-95	08-01-21	386,266	772,835
(Discounts)					(333,296)
Net Revenue Bonds					<u>439,539</u>
Other Bonds and Notes					
San Sevaine Redevelopment Bonds	5.30 to 6.85	03-01-00	09-01-29	19,770	18,665
County Library	3.41	07-18-01	02-01-31	1,982	1,849
Pension Obligation Bonds (2004)		06-24-04	08-01-23	463,895	463,895
Subtotal					<u>484,409</u>
Total Bonds And Notes Payable, Governmental Activities					<u>\$ 1,136,652</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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

Medical Center	Interest Rates (%)	Issue Date	Maturity Date	Original Issue Amount	Outstanding as of 6-30-05
Certificates of Participation:					
Medical Center Project (Series 1994)	4.60 to 7.00	02-01-94	08-01-28	\$ 283,245	\$ 190,875
Medical Center Project (Series 1995)	4.80 to 7.00	06-01-95	08-01-22	363,265	123,035
Medical Center Project (Series 1996)	5.00 to 5.25	01-01-96	08-01-28	65,070	65,070
Medical Center Project (Series 1997)	4.30 to 5.50	09-01-97	08-01-08	121,095	60,820
Medical Center Project (Series 1998)	4.1895	10-22-98	08-01-26	176,510	176,510
					<u>616,310</u>
Less:					
Deferred Amount on Refunding					(39,659)
Discounts					(13,491)
Subtotal					<u>563,160</u>
Waste Systems Division					
Certificates of Participation					
Solid Waste Financing (Series 2003 B)	Variable	05-01-03	03-01-17	93,875	84,325
Less:					
Deferred Amount on Refunding					(2,339)
Subtotal					<u>81,986</u>
Net Certificates of Participation					<u>645,146</u>
County Service Areas					
General Obligation Bonds:					
Spring Valley Lake Sewer Facilities:					
Series A	6.50 to 6.75	02-15-72	02-15-02	1,300	15
Series B	6.10 to 6.15	04-01-74	04-01-04	1,000	20
Helendale Sewer Facilities:					
Series A	5.00	06-01-78	06-01-98	1,550	5
Helendale Water Facilities:					
Series B	7.00	09-01-82	06-01-97	1,450	5
Pinon Hills Water Distribution:					
Series A	5.00	03-01-78	03-01-18	1,708	940
Series B	5.00	03-01-78	03-01-18	275	130
Series C	9.00 to 11.00	11-01-84	03-01-05	1,518	5
Landers Water Distribution System	5.00	06-01-79	06-01-19	1,540	920
Oak Hills Water Distribution Facilities	7.00	09-01-74	09-01-94	750	5
General Obligation Bonds					<u>2,045</u>
Notes Payable:					
Hacienda Water Facilities (Note)	5.00	07-14-67	07-14-07	114	13
Crestline Sanitation District (Loan)		01-01-97	03-01-18	2,160	1,248
Morongo Valley Water Facilities (Loan)		08-17-99	08-17-04	80	51
Pinon Hills Water (Loan)		12-17-02	12-17-32	2,765	2,557
Oak Hills Water (Loan)		11-25-03	08-25-33	331	331
Helendale Water (Loan)				235	235
Notes Payable					<u>4,435</u>
Total Business-type Activities					<u>\$ 651,626</u>

County Service Area 70, Improvement Zone L (CSA 70L) and the California Infrastructure and Economic Development Bank (CIEDB) entered into an agreement dated December 17, 2002 for the funding of a water tank project. Under the terms of the agreement, the project construction must begin no later than twelve months after May 28, 2002 and invoices must be to CIEDB for the entire amount of the project fund of \$4,001 no later than thirty-five months after December 17, 2002. As of June 30, 2005, a total of \$2,675 was approved and received from CIEDB.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

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.

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 nonprofit organizations and joint powers authorities to issue the Certificates. The County leases various projects from the authorities. The lease payments are used by the authorities to pay interest on, and principal of, the COPs.

The Certificates of Participation contain certain bond covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease-purchase payments due each year in its annual budget and make the necessary appropriations. The County is also covenanted to maintain certain levels of liability, property damage, casualty, rental interruption and earthquake insurance in connection with each lease-purchase agreement. The County is in compliance with all significant financial restrictions and requirements as set forth in its various debt covenants.

In prior years, the County has defeased certain Certificates of Participation 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 basis financial statements. At June 30, 2005, approximately \$276,770 of outstanding debt is considered defeased.

One of the joint powers authorities issued revenue bonds in November 1995 for the purpose of enabling the County to finance outstanding pension indebtedness. The net outstanding balance of the revenue bonds at June 30, 2005 is \$439,539.

The County's Board of Supervisors adopted a resolution to authorize the issuance of the County of San Bernardino pension obligation debenture in order to finance the County's share of the unfunded accrued actuarial liability of the S.B.C.E.R.A. On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in a respective aggregate principal amounts of \$189,070, \$149,825, and \$125,000.

The Bonds have various maturity dates ranging from: 2005 to 2018 for Fixed Rate bonds; 2004 to 2023 for Auction Rate Bonds; 2004 to 2023 for Index Bonds. Series 2004 A Fixed Rate Bonds has fixed interest rates that range from 2.43% to 5.86%. Series 2004 B-1 Auction Rate Bonds have variable rates that reset daily via auction. Series 2004B-2 and 2004 B-b Auction Rate Bonds have variable rates that that reset every 28 days via auction.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

The following is a schedule of principal debt service requirements to maturity as of June 30, 2005 for bonds and notes payable in the governmental activities:

Years Ending June 30	Certificates of Participation	Revenue Bonds	Other Long-Term Debt	Total
2006	\$ 12,545	\$ 18,200	\$ 2,592	\$ 33,337
2007	12,945	21,200	2,119	36,264
2008	13,530	24,510	3,755	41,795
2009	13,855	28,155	5,587	47,597
2010	14,440	32,180	7,528	54,148
2011-2015	79,430	220,975	74,572	374,977
2016-2020	56,880	291,970	168,641	517,491
2021-2025	11,175	135,645	212,518	359,338
2026-2030	1,315		6,995	8,310
2031-2035			102	102
Total Principal	216,115	772,835	484,409	1,473,359
Plus Premium	3,919			3,919
Less:				
Deferred Amount on Refunding Discount	(7,330)	(333,296)		(7,330) (333,296)
Total Bonds and Notes Payable	<u>\$ 212,704</u>	<u>\$ 439,539</u>	<u>\$ 484,409</u>	<u>\$ 1,136,652</u>

The following is a schedule of interest expense requirements to maturity as of June 30, 2005 for bonds and notes payable in the governmental activities:

Years Ending June 30	Certificates of Participation	Revenue Bonds	Other Long-Term Debt	Total
2006	\$ 8,465	\$ 13,377	\$ 26,406	\$ 48,248
2007	7,960	12,053	26,297	46,310
2008	7,503	10,504	26,302	44,309
2009	7,051	8,702	25,994	41,747
2010	6,545	6,619	25,692	38,856
2011-2015	23,832	5,694	119,380	148,906
2016-2020	7,173		86,743	93,916
2021-2025	1,197		25,813	27,010
2026-2010	26		1,515	1,541
2031-2035			3	3
Total Interest	<u>\$ 69,752</u>	<u>\$ 56,949</u>	<u>\$ 364,145</u>	<u>\$ 490,846</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

The following is a schedule of principal debt service requirements to maturity as of June 30, 2005 for bonds and notes payable in the business-type activities:

Years Ending June 30	Certificates of Participation	General Obligation Bonds	Notes Payable	Total
2006	\$ 29,500	\$ 165	\$ 305	\$ 29,970
2007	31,185	115	262	31,562
2008	32,930	120	262	33,312
2009	35,845	125	270	36,240
2010	20,985	130	277	21,392
2011-2015	124,805	755	2,746	128,306
2016-2020	131,145	635	313	132,093
2021-2025	147,270			147,270
2026-2030	146,970			146,970
2031-2035				0
Total Principal	<u>700,635</u>	<u>2,045</u>	<u>4,435</u>	<u>707,115</u>
Less:				
Deferred Amount on Refunding	(41,998)			(41,998)
Discount	<u>(13,491)</u>			<u>(13,491)</u>
Total Bonds and Notes Payable	<u>\$ 645,146</u>	<u>\$ 2,045</u>	<u>\$ 4,435</u>	<u>\$ 651,626</u>

The following is a schedule of interest expense requirements to maturity as of June 30, 2005 for bonds and notes payable in the business-type activities:

Years Ending June 30	Certificates of Participation	General Obligation Bonds	Notes Payable	Total
2006	\$ 33,793	\$ 100	\$ 22	\$ 33,915
2007	32,234	94	20	32,348
2008	30,600	88	19	30,707
2009	28,827	82	17	28,926
2010	27,304	76	15	27,395
2011-2015	119,217	275	52	119,544
2016-2020	88,206	74	11	88,291
2021-2025	53,879			53,879
2026-2020	14,697			14,697
2031-2035				0
Total Interest	<u>\$ 428,757</u>	<u>\$ 789</u>	<u>\$ 156</u>	<u>\$ 429,702</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Non-Obligation Debt

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 decent, 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. The bonds do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

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 \$3,245 at June 30, 2005 do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

Discretely Presented Component Units

Long-term liability transactions for the FIRST 5 of San Bernardino for the year ended June 30, 2005, was as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 124	\$ 81	\$ 159	\$ 46	\$ 11

NOTE 12 – INTEREST RATE SWAP

(a) Medical Center Series 1998 A Certificates of Participation

Objective of the Interest Rate Swap. As a means to lower financing costs, and to reduce the risks to the County associated with the fluctuation in market interest rates, the County entered into an interest rate swap in connection with the Medical Center Series 1998A Certificates of Participation (COP) in the amount of \$176,510. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 4.1895 percent.

Terms. The COPs and the related swap agreement mature on August 1, 2026, and the swap's notional amount of \$176,510 matches the \$176,510 variable-rate COPs. The swap was effective at the same time the COPs were issued on October 22, 1998. Starting in fiscal year 2008-09, the notional value of the swap and the principal amount of the associate debt will decline. Under the swap agreement, through August 1, 2005, the County pays Merrill Lynch a fixed rate of 4.1895 percent and Merrill Lynch pays the County an amount equal to the variable rate interest payable on the outstanding COPs. After August 1, 2005 the County pays Merrill Lynch Capital Services (MLCS), Inc. a fixed payment of 4.1895 percent and receives from

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Merrill Lynch a variable payment computed as 73 percent of the monthly London Interbank Offered Rate (LIBOR). Conversely, the COPs variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA).

Fair Value. Because interest rates have declined since execution of the swap, the swap had a negative fair value of \$16,421 as of June 30, 2005. The swap's negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the Medical Center variable-rate COPs adjust to changing interest rates, the COPs do not have a corresponding fair value decrease. The fair value was the quoted market price from Merrill Lynch & Co. at June 30, 2005.

Credit Risk. The swap counterparty was rated Aa3 by Moody's and A+ by Standard & Poor as of June 30, 2005. The swap agreement specifies that if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below A- (Standard & Poor) or A3 (Moody's), a collateral agreement will be executed within 30 days or the swap agreement will terminate.

Basis Risk. The swap exposes the County to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the COPs. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2005, the BMA rate was 2.28 percent, the actual variable interest rate was 2.10 percent and 73 percent of LIBOR was 2.44 percent.

Termination Risk. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the County if MLCS credit quality rating falls below A- as issued by Standard & Poor or A3 by Moody's. If the swap is terminated, the variable-rate COP would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the MLCS for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2005, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remain the same for their term, were as follows. As rates vary, variable-rate COP interest payments and net swap payments will vary.

Fiscal Year	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2005/06	\$ -	\$ 3,707	\$ 3,091	\$ 6,798
2006/07	-	3,707	3,091	6,798
2007/08	-	3,707	3,091	6,798
2008/09	1,000	3,696	3,083	7,779
2009/10	1,100	3,674	3,064	7,838
2010/2027	174,410	36,350	30,315	241,075
	<u>\$ 176,510</u>	<u>\$ 54,841</u>	<u>\$ 45,735</u>	<u>\$ 277,086</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

(b) Pension Obligation Series 2004 C Bonds

Objective of the interest rate swap. As a means to lower financing costs, and to reduce the risks to the County associated with the fluctuation in market interest rates, the County entered into an interest rate swap in connection with the Pension Obligation Series 2004 C Bonds (POB) in the amount of \$125,000. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 6.3820 percent.

Terms. The POBs and the related swap agreement mature on August 1, 2023, and the swap's notional amount of \$125,000 matches the \$125,000 variable-rate POBs. The swap was effective at the same time the POBs were issued on June 24, 2004. Starting in fiscal year 2019-20 the notional value of the swap and the principal amount of the associated debt decline by \$25,000 per year until the debt is completely retired. Under the swap agreement, the County pays Goldman Sachs Mitsui Marine Derivative Products (GSMMDP) L.P. a fixed rate of 6.3820 percent and GSMMDP pays the County a variable rate computed as the monthly London Interbank Offered Rate (LIBOR), plus a LIBOR margin equal to 23 basis points (.23%)

Fair Value. As of June 30, 2005, the swap had a negative fair value of \$13,867. The swap's negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the variable-rate POBs adjust to changing interest rates, the POBs do not have a corresponding fair value decrease. The fair value was the quoted market price from GSMMDP at June 30, 2005.

Credit Risk. As of June 30, 2005, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty was rated Aaa by Moody's and AA+ by Standard & Poor as of June 30, 2005. To mitigate the potential for credit risk, if the long-term senior unsecured debt rating of GSMMDP is withdrawn, suspended or falls below A (Standard & Poor) or A2 (Moody's), the fair value of the swap will be fully collateralized by the counterparty with U.S. Government securities. Collateral would be posted with a third-party custodian.

Termination Risk. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the County if GSMMDP credit quality rating falls below A as issued by Standard & Poor or A2 by Moody's. If the swap is terminated, the variable-rate POB would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the GSMMDP for a payment equal to the swap's fair value.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Swap payments and associated debt. Using rates as of June 30, 2005, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remain the same for their term, were as follows. As rates vary, variable-rate POB interest payments and net swap payments will vary.

<u>Fiscal Year</u>	<u>Variable-Rate Bonds</u>		<u>Interest Rate</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Swaps, Net</u>	
2005/06	-	4,463	3,515	7,978
2006/07	-	4,463	3,515	7,978
2007/08	-	4,463	3,515	7,978
2008/09	-	4,463	3,515	7,978
2009-2027	125,000	55,781	43,938	224,719
	<u>\$ 125,000</u>	<u>\$ 73,633</u>	<u>\$ 57,998</u>	<u>\$ 256,631</u>

NOTE 13 – LEASES

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

Equipment and related accumulated amortization under capital lease are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Equipment	\$ 8,041	\$ 1,860
Less: Accumulated depreciation	3,568	558
Total	<u>\$ 4,473</u>	<u>\$ 1,302</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005, were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2006	\$ 1,394	\$ 406
2007	1,375	406
2008	1,146	405
2009	652	169
2010	217	-
2011-2015	33	-
Total Minimum Lease Payments	<u>4,817</u>	<u>1,386</u>
Less: Amount Representing Interest	360	81
Present Value of Minimum Lease Payments	<u>\$ 4,457</u>	<u>\$ 1,305</u>

Operating Leases

The following is a schedule by years of future minimum rental payments, principally for the General Fund, required under operating leases entered into by the County that have initial or remaining non-cancelable lease term in excess of one year as of June 30, 2005:

<u>Year Ending June 30,</u>	
2006	\$ 28,644
2007	22,956
2008	19,091
2009	13,469
2010	9,271
2011-2019	<u>16,392</u>
Total Minimum Payments	<u>\$ 109,823</u>

The County incurred rental expenditures of \$31,015, principally in the General Fund, for the year ending June 30, 2005.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 14 – COLLATERIZED 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>
Foothill Law and Justice	\$ 42,642	\$ -	\$ -	\$ 42,642
Victorville Law Center	8,644			8,644
West Valley Detention Center	146,327			146,327
Courthouse & Annex	9,450			9,450
Mid-Valley Landfill	59,260			59,260
West Valley Juvenile Detention Center	5,077			5,077
Information Services Bldg	500			500
Central Jail	10,819			10,819
Offices and Bindery	4,247			4,247
Vehicle Services Garage	3,469			3,469
Coroner's Office	1,212			1,212
Fontana Government Center	566			566
Fontana Government Center	2,274			2,274
Arrowhead Regional Medical Center	490,481			490,481
Hall of Records (New)	12,666			12,666
Hall of Records (Old)	2,054			2,054
Glen Helen Pavilion Amphitheater	26,174			26,174
Civic Center	5,117			5,117
Sheriff's Admin Bldg	13,416			13,416
County Gov Center	25,711			25,711
	<u>\$ 870,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 870,106</u>

NOTE 15 – MEDICARE AND MEDI-CAL PROGRAMS

The Medical Center provides services to eligible patients under Medi-Cal and Medicare programs. For the years ended June 30, 2005 and 2004, the Medi-Cal program represented 47% and 46%, and the Medicare program represented approximately 10% and 11%, respectively, of the Medical Center's net patient service revenues. Medi-Cal inpatient services are reimbursed at contractually agreed-upon per diem rates and outpatient services are reimbursed under a schedule of maximum allowances. Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. Final reimbursement is determined as a result of audits by the intermediary of annual cost reports submitted by the Medical Center. Reports on the results of such audits have been received through June 30, 2001 for Medicare and June 30, 2002 for Medi-Cal. Adjustments as a result of such audits are recorded in the year the amount can be determined.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 16 – CLOSURE AND POSTCLOSURE CARE COST

State Financial Assurance Mechanism regulations require landfill operators to set aside funds, or provide alternative funding mechanisms, to fund the closure and postclosure maintenance of landfills. The funding must be completed prior to the final date of closure. These regulations apply only to those landfills operating prior to 1989. The closure and postclosure care costs of other landfills not subject to these State regulations are funded separately in the Site Closure and Maintenance Fund.

Closure and postclosure 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 the State regulations:

<i>LANDFILL</i>	Capacity Used	YEARS Remaining	<i>LANDFILL</i>	Capacity Used	YEARS Remaining
Apple Valley	33%	Inactive	Milliken	92%	Inactive
Baker	6%	Inactive	Morongo Valley	81%	Inactive
Barstow	62%	4	Needles	100%	Inactive
Big Bear	100%	Inactive	Newberry Springs	100%	Inactive
Colton	82%	2	Phelan	60%	Inactive
Hesperia	55%	Inactive	San Timoteo	61%	4
Landers	35%	14	Trona-Argus	18%	Inactive
Lenwood-Hinkley	6%	Inactive	Twentynine Palms	14%	Inactive
Lucerne Valley	100%	Inactive	Victorville	63%	3
Mid-Valley	72%	2	Yermo	70%	Inactive

The landfill closure and postclosure care cost estimates of \$115,561 and \$94,610, respectively, are based upon the most recently submitted Closure/Postclosure 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.

Each year a portion of each landfill's estimated closure and postclosure cost is recognized as an expense and liability based upon the amount of capacity used during the year. The Mid-Valley landfill Unit 3 Phase 3 and 4 liner construction project increased capacity by 2,023 tons due to expansion. This reduced the Mid-Valley capacity used from 85% to 72%.

As of June 30, 2005, the cumulative liability recorded by the County based upon individual landfill capacity usage was \$173,153. The remaining \$37,018 of estimated closure and postclosure costs will be recorded and funded as landfill capacity is used. Closure and postclosure related expenditures of \$59,449 have been paid which reduced the landfill closure and postclosure liability to \$113,704 at June 30, 2005.

Current State regulations allow public agencies to demonstrate financial assurance for postclosure maintenance costs through a “pledge of revenue” mechanism. This mechanism allows agencies to pledge a reliable future revenue source to fund the required postclosure maintenance at each landfill site for thirty years after landfill closure. The County has pledged a portion of its future tipping fees and investment earnings from the Waste Systems Division enterprise funds to fund these costs.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 17 – RETIREMENT PLAN

Plan Description

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the "Plan") operating under the California County Employees Retirement Act of 1937 ("1937 Act"). It provides retirement, death, and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, the City of Chino Hills, the California State Association of Counties, the San Bernardino County Law Library, Crest Forest Fire Protection District, Mojave Desert Air Quality Management District (MDAQMD) and the South Coast Air Quality Management District (the "AQMD"), were later included, along with the County of San Bernardino (the "County"), and are collectively referred to as the "Participating Members". The plan is governed by the San Bernardino Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. 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.

Fiduciary Responsibility

The Retirement Association is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. The Retirement Association publishes its own Comprehensive Annual Financial Report and receives a separate independent audit. The Retirement Association is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes the Retirement Association pension trust fund as of June 30, 2005.

Funding Policy

Participating members are required by statute (Sections 31621, 31621.2 and 31639.25 of the California Government Code) to contribute a percentage of covered salary bases on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). Members are required to contribute 8.37% - 12.28% for general members and 10.23% - 14.24% for safety members, of their annual covered salary of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follow: County General 8.44%, County safety 18.01%. All employers combined are required to contribute 14.01% of the current year covered payroll. For 2005, the County's annual pension cost of \$141,450 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Sections 31453 of the 1937 Act.

The County's annual pension cost and prepaid asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2005, were as follows:

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

Annual Required Contribution (County fiscal year basis)	\$	141,450
Interest On Pension Assets		(34,779)
Adjustment To The Annual Required Contribution		38,135
Annual Pension Cost		144,806
Annual Contributions Made		141,450
Increase/(Decrease) in Pension Assets		(3,356)
Pension Asset, Beginning of Year		848,238
Pension Asset, End of Year	\$	844,882

The following table shows the County's required contributions and percentage contributed, for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made		Percentage Contributed
	SBCERA	County	
2003	\$ 68,361	\$ 59,673	100%
2004	652,325	540,106	100%
2005	161,906	141,450	100%

The County, along with the AQMD, issued Pension Refunding Bonds (the "Bonds") in November 1995 with an aggregate amount of \$420,527. These Bonds were issued to allow the County and the AQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan and the assets of the Plan do not secure the Bonds. The County's portion of the bond issuance was \$386,266. The current amount outstanding at June 30, 2005 is \$439,539 (see Note 11).

On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in a respective aggregate principal amounts of \$189,070, \$149,825, and \$125,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the S.B.C.E.R.A. The current amount outstanding at June 30, 2005 is \$463,895.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 18 – LEASE/LEASEBACK

In May 1997, the County entered into a lease agreement whereby seven separate County facilities, valued at a total of approximately \$146 million, were leased to a financing institution. The County simultaneously entered into a sublease agreement to lease the buildings back, and received a prepayment of \$96.2 million from the financing institution, as the investor parent. The County then deposited \$87.6 million with the defeasance bank. After transaction expenses of \$1 million, the net benefit to the County was \$7.6 million. The deposit amount provides payments equal to the County's obligation under the sublease and purchase option. As a result, obligations under this lease/leaseback arrangement are considered to be economically, although not legally defeased. Therefore, the trust assets and the related debt have been excluded from the County's financial statements.

The term of the full lease with the financing institution ends in 2034. However, the term of the agreement with the defeasance bank ends in 2014, at which time the County may either exercise the early purchase option or renegotiate the agreement to the end of the full lease term. The decision will then be based on the prevailing interest rates at the time.

NOTE 19 – COMMITMENTS AND CONTINGENCIES

- (a) The County has been named as a defendant in numerous lawsuits and claims arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County; such loss has been accrued 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.
- (b) 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, 2005 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.
- (c) During fiscal year 2002, the State of California's error rate for the food-stamp program exceeded the tolerance thresholds established by the Federal Government. As a result, the State has been sanctioned for amounts in excess of \$177,000 pertaining to the Federal non-compliance. The State is attempting to pass-through sanctions to the County in excess of \$7,300.
- (d) Beginning in 2002 the SWMD commenced an aggressive investigation of perchlorate impacts to soil and groundwater in the vicinity of the Mid Valley Sanitary Landfill (MVSL). The work consisted of installing over twenty temporary wells, seven permanent groundwater-monitoring wells, and the collection of soil and groundwater samples for analysis and groundwater modeling. This work was summarized in a report dated

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

October 7, 2002, and was submitted to the Regional Water Quality Control Board (RWQCB) for their review.

On September 26, 2002, the RWQCB issued a directive to the SWMD to submit a Work Plan and conduct additional perchlorate investigations in the vicinity of the MVSL. The directive required the SWMD to submit the Work Plan by October 26, 2002. The SWMD requested and was granted an extension to the submittal deadline from October 26, 2002 to November 15, 2002. On November 15, 2002, SWMD prepared and submitted to the RWQCB a work plan for additional soil and groundwater investigation of perchlorate in the vicinity of the MVSL. Subsequently, the RWQCB adopted and issued Cleanup and Abatement Order (CAO) No.R8-2003-0013 to the County. The RWQCB approved SWMDs work plan on January 30, 2003.

In accordance with Item 2 of CAO No.R8-2003-0013, the RWQCB directed the County to submit a work plan for the installation of at least five (5) additional monitoring wells at the leading edge of the plume and along the easterly boundary of the plume. In addition, the RWQCB also directed the County to submit a work plan to develop a conceptual remedial action plan. The SWMD submitted the work plans to the RWQCB on February 17, 2004 and February 26, 2004. Per their letter dated March 25, 2004, the RWQCB approved the work plans as submitted.

The drilling program within the RWQCB-approved work plan consists of installing six permanent and up to thirty, temporary, groundwater monitoring wells; collecting groundwater samples; setting pumps within three installed wells for use in hydraulic aquifer testing; containing well development water; and securing all necessary permits. Installation of the monitoring wells commenced on May 1, 2004 and was completed by the end of August 2004.

Cleanup and Abatement Order No.R8-2003-0013 was amended on September 17, 2004 that states that the County shall take all actions necessary to provide replacement water that is non-detectable for perchlorate to the City of Rialto by April 1, 2005, to replace the water currently extracted from Rialto Well No. 3.

Fiscal Year 2002/2003 unbudgeted costs totaling \$1,816 were expended for the perchlorate investigation. FY 2003/2004 expenditures totaled \$1,664. For FY 2004/2005 expenditures were \$4,193. Solid Waste has an agreement with the San Bernardino Water Company to provide the necessary water when needed.

- (e) The County has entered into several contractual agreements for the construction and/or improvement of several capital projects. These commitments include \$7,994 for various projects of the Capital Improvements Fund.
- (f) Colonies partners L.P. filed an inverse condemnation action against the San Bernardino County Flood Control District. The action seeks damages for the loss of residential development property due to increasing the size of a flood basin in order to accommodate storm water runoff. The parties are scheduled for a mandatory settlement conference. If the settlement conference is unsuccessful, the case will go to trial next year.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

- (g) On June 17, 2005, Sukut Construction filed a claim for damages against the San Bernardino Flood Control District (SBCFCD). The action seeks damages in connection with work Sukut performed as contractor for the Riverside Drive Storm Drain Segment 2-Phase II. The action claims Sukut encountered soil conditions that were different from that as represented by SBCFCD documents, resulting in progress delays and increased costs. The parties have agreed to stay the action and have scheduled a mediation meeting for December 12, 2005. If the matter does not settle, the case may go to trial in 2006.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2005
(Amounts in thousands)

NOTE 20 – SHORT-TERM DEBT

In July 2004, the County issued Tax and Revenue Anticipation Notes (TRANS) totaling \$145,000 which were repaid June 30, 2005. This issue followed the prior year issued TRANS of \$140,000 which was repaid July 1, 2004. The proceeds of the TRANS were intended to provide financing for 2004-05 General Fund expenditures, including current expenditures, capital expenditures and the discharge of other obligations or indebtedness of the County. The TRANS were secured by a pledge of various monthly amounts of property taxes on the secured roll.

Beginning Balance July 1, 2004	Additions	Reductions	Ending Balance June 30, 2005
\$ 140,000	\$ 145,000	\$ 285,000	\$ -

NOTE 21 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

In July 2005 the County, as a participant in the California Statewide Communities Development Authority Pool, issued \$170,000 of Tax and Revenue Anticipation Notes in the form of Series A-5 Bonds due June 30, 2006. The stated interest for the A-5 Bonds is set at 4.00% per annum with a yield of 2.62%. The County also issued \$40,000 of Tax and Revenue Anticipation Notes in the form of Series C-4 Taxable Bonds due June 30, 2006. The stated interest rate for the C-4 Bonds is 3.93% per annum with a yield of 3.93%. In accordance with California law, the Bonds are general obligations of the County and are payable only out of the taxes, income, revenues, cash receipts, and other monies of the County attributable to fiscal year 2005-2006 and legally available for payment thereof. Proceeds from the Bonds will be used for fiscal year 2005-06 General Fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.



Supplemental Information

San Bernardino

Rialto

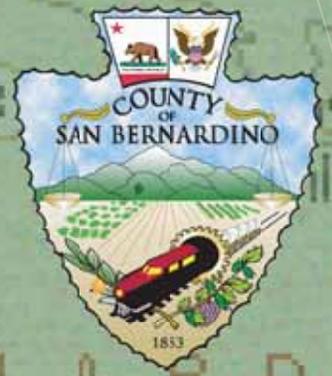
Fontana

Southwest Little League Park

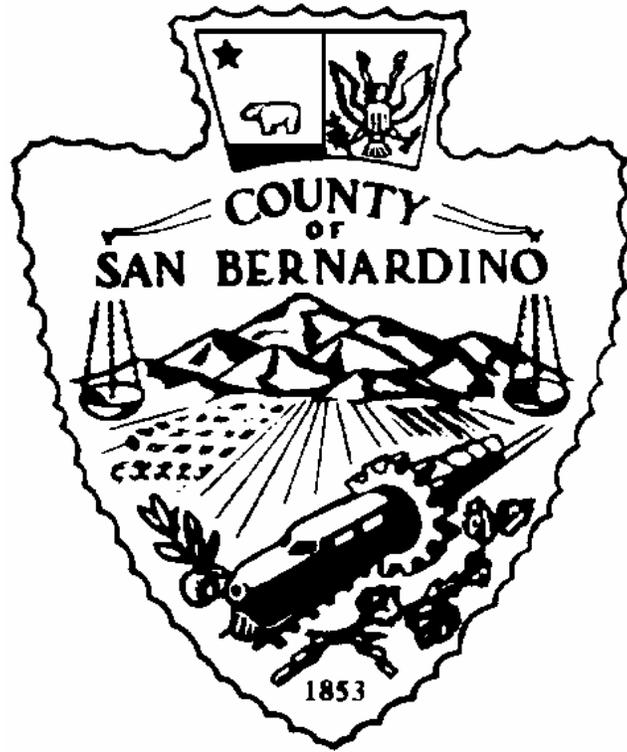
Bloomington

Red Park

Colton



Combined Financial Statements Nonmajor Governmental Funds



COUNTY OF SAN BERNARDINO
 COMBINED BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

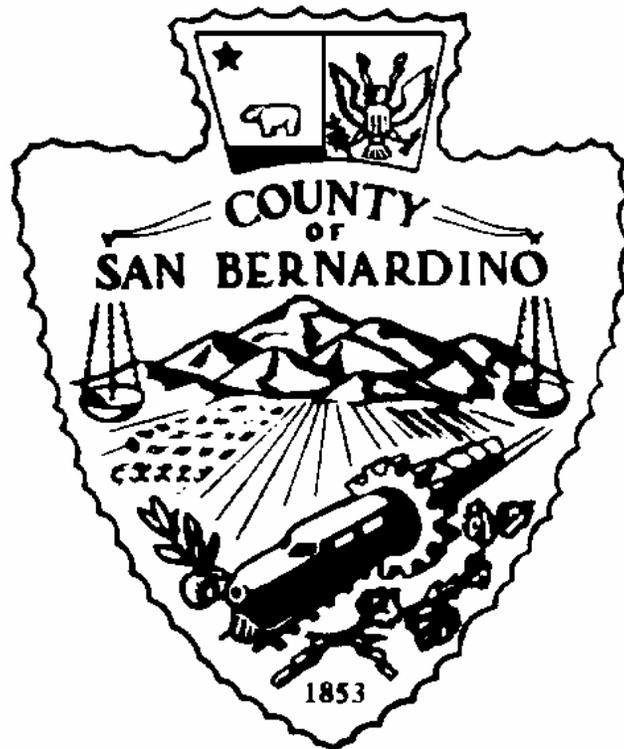
	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
ASSETS					
CASH AND CASH EQUIVALENTS (NOTE 6)	\$ 241,567	\$ 19,451	\$ 59,557	\$ 479	\$ 321,054
INVESTMENTS (NOTE 6)	-	11,229	-	-	11,229
ACCOUNTS RECEIVABLES - NET	421	-	40	-	461
TAXES RECEIVABLE	9,708	-	-	-	9,708
INTEREST RECEIVABLE	-	211	7	-	218
OTHER RECEIVABLES	331	-	-	-	331
DUE FROM OTHER FUNDS (NOTE 7)	12,872	1,559	1,227	3	15,661
DUE FROM OTHER GOVERNMENTS	22,875	-	179	-	23,054
INVENTORIES	214	-	-	-	214
PREPAID ITEMS	23	-	-	-	23
INTERFUND RECEIVABLE (NOTE 7)	400	-	-	-	400
RESTRICTED CASH AND INVESTMENTS (NOTES 6 & 8)	173	-	-	-	173
TOTAL ASSETS	<u>\$ 288,584</u>	<u>\$ 32,450</u>	<u>\$ 61,010</u>	<u>\$ 482</u>	<u>\$ 382,526</u>
LIABILITIES AND FUND BALANCES					
ACCOUNTS PAYABLE	7,027	1,731	870	-	9,628
SALARIES AND BENEFITS PAYABLE	7,471	-	-	-	7,471
DUE TO OTHER FUNDS (NOTE 7)	14,778	-	629	-	15,407
DUE TO OTHER GOVERNMENTS	1,891	-	325	-	2,216
OTHER ACCRUED LIABILITIES	809	-	-	-	809
DEFERRED REVENUE	4,806	-	-	-	4,806
INTERFUND PAYABLE (NOTE 7)	650	-	-	-	650
TOTAL LIABILITIES	<u>37,432</u>	<u>1,731</u>	<u>1,824</u>	<u>-</u>	<u>40,987</u>
FUND BALANCES:					
RESERVED:					
ENCUMBRANCES	45,707	-	5,829	-	51,536
PREPAID ITEMS	23	-	-	-	23
NONCURRENT INTERFUND RECEIVABLES	400	-	-	-	400
INVENTORIES	214	-	-	-	214
OTHER RESERVES	-	-	-	-	-
DEBT SERVICE	-	30,719	-	-	30,719
ENDOWMENT FUNDS	-	-	-	-	-
UNRESERVED:					
UNDESIGNATED	204,808	-	53,357	482	258,647
TOTAL FUND BALANCES	<u>251,152</u>	<u>30,719</u>	<u>59,186</u>	<u>482</u>	<u>341,539</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 288,584</u>	<u>\$ 32,450</u>	<u>\$ 61,010</u>	<u>\$ 482</u>	<u>\$ 382,526</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINED - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

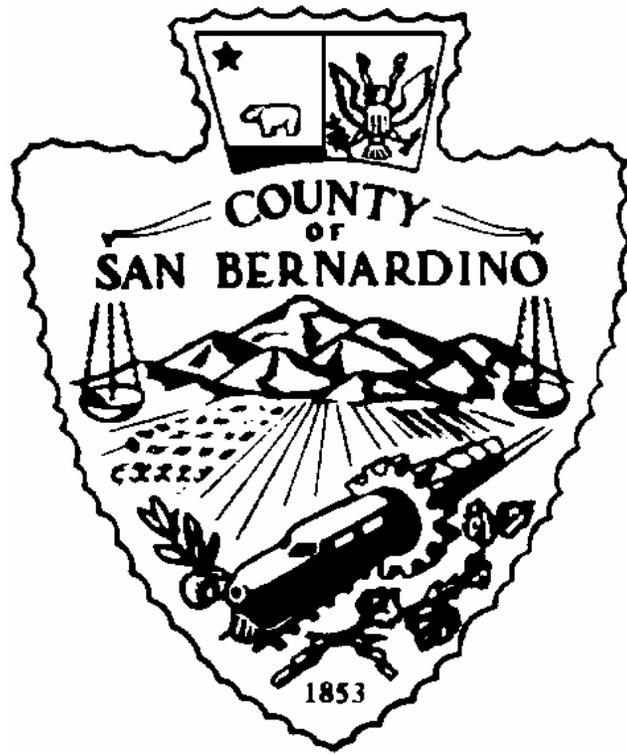
	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
REVENUES					
TAXES	\$ 86,984	\$ 3,427	\$ 7	\$ -	\$ 90,418
LICENSES, PERMITS AND FRANCHISES	235	-	-	-	235
FINES, FORFEITURES AND PENALTIES	9,947	-	-	-	9,947
REVENUES FROM USE OF MONEY AND PROPERTY	9,297	4,207	338	2	13,844
AID FROM OTHER GOVERNMENTAL AGENCIES	188,790	-	6,129	-	194,919
CHARGES FOR CURRENT SERVICES	35,789	-	45	-	35,834
OTHER REVENUES	39,680	2,027	1,774	15	43,496
TOTAL REVENUES	<u>370,722</u>	<u>9,661</u>	<u>8,293</u>	<u>17</u>	<u>388,693</u>
EXPENDITURES:					
CURRENT:					
GENERAL GOVERNMENT	10,506	508	858	-	11,872
PUBLIC PROTECTION	162,471	-	-	-	162,471
PUBLIC WAYS AND FACILITIES	45,257	-	-	-	45,257
HEALTH AND SANITATION	4,696	-	-	-	4,696
PUBLIC ASSISTANCE	81,992	-	-	-	81,992
EDUCATION	13,083	-	-	78	13,161
RECREATION AND CULTURAL SERVICES	7,466	-	-	-	7,466
DEBT SERVICE					
PRINCIPAL	1,754	29,845	-	-	31,599
INTEREST AND FISCAL CHARGES	329	41,244	-	-	41,573
CAPITAL OUTLAY	23,911	-	20,844	-	44,755
TOTAL EXPENDITURES	<u>351,465</u>	<u>71,597</u>	<u>21,702</u>	<u>78</u>	<u>444,842</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,257</u>	<u>(61,936)</u>	<u>(13,409)</u>	<u>(61)</u>	<u>(56,149)</u>
OTHER FINANCING SOURCES (USES):					
TRANSFERS TO OTHER FUNDS (NOTE 7)	(48,983)	(2,961)	(213)	-	(52,157)
TRANSFERS FROM OTHER FUNDS (NOTE 7)	22,878	55,423	51,233	-	129,534
LONG-TERM DEBT ISSUED	940	-	-	-	940
INCEPTION OF CAPITAL LEASE OBLIGATIONS (NOTE 11 & 12)	403	-	-	-	403
SALE OF CAPITAL ASSETS	4,256	-	-	-	4,256
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(20,506)</u>	<u>52,462</u>	<u>51,020</u>	<u>-</u>	<u>82,976</u>
NET CHANGE IN FUND BALANCE	(1,249)	(9,474)	37,611	(61)	26,827
FUND BALANCE, JULY 1, 2004	252,401	40,193	21,575	543	314,712
FUND BALANCE, JUNE 30, 2005	<u>\$ 251,152</u>	<u>\$ 30,719</u>	<u>\$ 59,186</u>	<u>\$ 482</u>	<u>\$ 341,539</u>

See accompanying independent auditor's report.





Combining Financial Statements Nonmajor Governmental Funds



NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS DESCRIPTIONS

TRANSPORTATION

The Transportation Fund is responsible for the administration, planning, design, contracting, traffic management and maintenance of approximately 2,899 miles of County roads. The fund is financed principally from the State Highway User's Tax, a small share of the state sales tax, and State and Federal aid for road improvements.

COUNTY FREE LIBRARY

The County Free Library Fund provides public library services through a network of 29 branches to all of the unincorporated areas and 18 of the cities within the County. Two bookmobiles reach people who live in sparsely populated areas or who are not able to use traditional branches. The fund is financed principally from property taxes.

ECONOMIC AND COMMUNITY DEVELOPMENT

The Economic and Community Development Fund accounts for Federal Community Development Block Grants. These grants are used to develop viable urban communities by providing decent housing, suitable living environments and economic opportunities for low and moderate income individuals.

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 various job training programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to economically disadvantaged individuals facing barriers to employment.

MICROGRAPHICS FEES

The Micrographics Fees Fund was established to account for the automation of record keeping systems. Revenues are derived from a portion of the County Clerk's filing fees.

COUNTY SERVICE AREAS

The County Service Areas Special Revenue Funds account for a broad range of services to remote geographical areas as well as rapidly growing communities. These funds are financed principally from property taxes.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS - Continued

COURTHOUSE TEMPORARY CONSTRUCTION

The Courthouse Temporary Construction Fund accounts for monies to be used for the acquisition, rehabilitation, construction, and financing of courtrooms and courtroom facilities. Revenues are derived from a surcharge on parking fines, non-parking offenses, and criminal fines.

CRIMINAL JUSTICE TEMPORARY CONSTRUCTION

The Criminal Justice Temporary Construction Fund accounts for the monies to be used for improvements to criminal justice facilities. Revenues are derived from a surcharge on criminal fines.

FLOOD CONTROL DISTRICT

The Flood Control District Fund accounts for the control of flood and storm waters and for the conservation of such waters for beneficial and useful purposes to the public. The Flood Control District's primary source of funding is from property taxes.

FIRE PROTECTION DISTRICTS

The Fire Protection Districts account for the operation and maintenance of fire protection facilities. Property taxes represent the principal source of financing.

PARK AND RECREATION DISTRICTS

The Park and Recreation Districts account for the operation and maintenance of recreational facilities. Property taxes represent the principal sources of financing to the extent that service fees are not sufficient to provide such financing.

TOBACCO TAX PROGRAM

The Tobacco Tax Program, which was implemented by State Assembly Bill (AB) 75, accounts for Cigarette and Tobacco Products Surtax Funds. These funds are to be used for Hospital Services, Physician Services, and other Health Services.

JOINT POWERS AUTHORITIES

The Joint Powers Authorities Funds account for cash accumulated for the payment of all administrative costs of the authorities, incidental to the issuance of Certificates of Participation.

SPECIAL AVIATION

The Special Aviation Fund accounts for the County's airport construction projects financed principally by state and federal grants.

LOCAL LAW ENFORCEMENT BLOCK GRANT

Local Law Enforcement block grant from the U.S. Department of Justice accounts for the purpose of reducing crime and improving public safety.

PRESCHOOL SERVICES DEPARTMENT

The Preschool Services Department Fund administers the following programs: Headstart State Preschool, Child Development, Alternative Payment, and Child Nutrition Services. These programs are funded by the U.S. Department of Health and Human Services, and the California State Department of Education.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS - Continued

SHERIFF'S SPECIAL PROJECTS

Sheriff's Special Projects Fund accounts for the following functions: public gatherings -- appropriations set aside to fund Sheriff protective services for public gatherings; contract training -- represents special law enforcement training provided to the County Sheriff; asset seizures -- represents funds appropriated from drug asset seizures to be used for the purchase of non-budgeted services and equipment; High Intensity Drug Trafficking Area Program and the Regional Narcotics Task Force to enable regional cooperation and coordination in fighting major drug trafficking and surveillance of criminal and narcotics activities; and CAL-ID -- an automated criminal identification system through fingerprinting.

SPECIAL TRANSPORTATION

The Special Transportation Fund was established for the purpose of accounting for various transportation projects within the County. Funding comes from Measure I money (9½% sales tax approved by voters in November 1989).

REDEVELOPMENT AGENCY

The Redevelopment Agency Fund accounts for administration and revenues and expenditures related to the San Sevaire project and low and moderate-income housing.

OTHER SPECIAL REVENUE

Other Special Revenue Funds account for revenues received for various activities and programs including Fish and Game, Off-Highway Vehicle License Fees, Intergovernmental Training, Industrial Development Authority, California Grazing Fees, Litter Cleanup, Survey Monument Preservation, Geothermal Energy, Hazardous Waste Awards, Glen Helen Amphitheater, and the Chino Open Space Project.

DEBT SERVICE FUNDS DESCRIPTIONS

REDEVELOPMENT AGENCY BONDS

This fund is used to account for Redevelopment Agency of the County of San Bernardino bonds.

JOINT POWERS AUTHORITIES

The Joint Powers Authorities Debt Service funds account for the accumulation of resources for, and payment of, general long-term debt principal and interest. Long-term lease payments from the General Fund present the primary source of financing the requirements.

PENSION OBLIGATION BONDS

The Pension Obligation Bond Fund administers the debt service payments related to the County's pension obligation bonds.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS - Continued

CAPITAL PROJECTS FUNDS DESCRIPTIONS

CAPITAL IMPROVEMENTS

The Capital Improvements Fund accounts for the County's major capital acquisition and construction projects, which are not otherwise accounted for within the Fire Protection Districts, Park and Recreation Districts, Community Services Districts, Joint Powers Authorities or County Service Area Capital Projects Funds. Revenues are derived primarily from operating transfers from other funds and state and Federal grants.

PARK AND RECREATION DISTRICTS

The Park and Recreation Districts' Capital Projects funds account for the financial resources and the acquisition and construction of recreational facilities within certain geographical areas of the County.

JOINT POWERS AUTHORITIES

The Joint Powers Authorities Capital Projects funds account for the financial resources and the acquisition and construction of facilities under joint powers agreements.

COUNTY SERVICE AREAS

The County Service Areas Capital Projects funds account for the financial resources and acquisition and construction of facilities within certain geographical areas of the County.

FIRE PROTECTION DISTRICTS

The Fire Protection Districts Capital Projects funds account for the financial resources and acquisition and construction of fire protection facilities within certain geographical areas of the County.

REDEVELOPMENT AGENCY

This fund is used to account for establishing one or more redevelopment projects areas of the County.

PERMANENT FUNDS DESCRIPTIONS

Barstow Cemetery Endowment Care Fund - The Barstow Cemetery Endowment Care Fund accounts for all cash deposits collected for each grave lot sold, and are used to defray the actual costs of care and maintenance of the cemetery.

Lucerne Valley Cemetery Endowment Care Fund - The Lucerne Valley Cemetery Endowment Care Fund accounts for all cash deposits collected for each grave lot sold, and are used to defray the actual costs of care and maintenance of the cemetery.

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

PAGE 1 OF 3

<u>ASSETS</u>	<u>TOTAL</u>	<u>TRANSPORTATION</u>	<u>COUNTY FREE LIBRARY</u>	<u>ECONOMIC AND COMMUNITY DEVELOPMENT</u>
CASH AND CASH EQUIVALENTS	\$ 241,567	\$ 17,556	\$ 1,346	\$ 19,887
ACCOUNTS RECEIVABLE - NET	421	-	-	-
TAXES RECEIVABLE	9,708	-	1,083	10
INTEREST RECEIVABLE	-	-	-	-
OTHER RECEIVABLES	331	-	-	-
DUE FROM OTHER FUNDS	12,872	608	-	140
DUE FROM OTHER GOVERNMENTS	22,875	1,099	-	-
INVENTORIES	214	214	-	-
PREPAID ITEMS	23	-	-	-
INTERFUND RECEIVABLE	400	-	-	-
RESTRICTED CASH AND CASH EQUIVALENTS	173	-	-	-
TOTAL ASSETS	\$ 288,584	\$ 19,477	\$ 2,429	\$ 20,037
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES:				
ACCOUNTS PAYABLE	7,027	626	289	-
SALARIES AND BENEFITS PAYABLE	7,471	1,390	503	238
DUE TO OTHER FUNDS	14,778	192	3	474
DUE TO OTHER GOVERNMENTS	1,891	-	-	-
OTHER ACCRUED LIABILITIES	809	-	-	-
DEFERRED REVENUE	4,806	-	528	5
INTERFUND PAYABLE	650	-	-	-
TOTAL LIABILITIES	37,432	2,208	1,323	717
FUND BALANCE:				
RESERVED:				
RESERVED FOR ENCUMBRANCES	45,707	20,579	36	3,200
RESERVED FOR PREPAID ITEMS	23	-	-	-
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE	400	-	-	-
RESERVED FOR INVENTORIES	214	214	-	-
OTHER RESERVES	-	-	-	-
UNRESERVED:				
UNDESIGNATED	204,808	(3,524)	1,070	16,120
TOTAL FUND BALANCE	251,152	17,269	1,106	19,320
TOTAL LIABILITIES AND FUND BALANCE	\$ 288,584	\$ 19,477	\$ 2,429	\$ 20,037

See accompanying independent auditor's report.

<u>AGING AND ADULT SERVICES</u>	<u>JOB AND EMPLOYMENT SERVICES</u>	<u>MICROGRAPHICS FEES</u>	<u>COUNTY SERVICE AREAS</u>
\$ 1,543	\$ 491	\$ 14,942	\$ 26,916
3	-	-	244
-	-	-	2,324
-	-	-	-
-	-	-	307
8	117	79	3,453
1,681	374	-	7,204
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,235</u>	<u>982</u>	<u>15,021</u>	<u>40,448</u>

31	310	246	1,435
48	456	29	3,322
1,765	-	6	3,054
-	-	-	28
-	-	-	809
-	-	-	1,133
-	-	-	400
<u>1,844</u>	<u>766</u>	<u>281</u>	<u>10,181</u>
-	104	940	4,901
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,391</u>	<u>112</u>	<u>13,800</u>	<u>25,366</u>
<u>1,391</u>	<u>216</u>	<u>14,740</u>	<u>30,267</u>
<u>\$ 3,235</u>	<u>\$ 982</u>	<u>\$ 15,021</u>	<u>\$ 40,448</u>

<u>ASSETS</u>
CASH AND CASH EQUIVALENTS
ACCOUNTS RECEIVABLE - NET
TAXES RECEIVABLE
INTEREST RECEIVABLE
OTHER RECEIVABLES
DUE FROM OTHER FUNDS
DUE FROM OTHER GOVERNMENTS
INVENTORIES
PREPAID ITEMS
INTERFUND RECEIVABLE
RESTRICTED CASH AND CASH EQUIVALENTS
TOTAL ASSETS

<u>LIABILITIES AND FUND BALANCE</u>
LIABILITIES:
ACCOUNTS PAYABLE
SALARIES AND BENEFITS PAYABLE
DUE TO OTHER FUNDS
DUE TO OTHER GOVERNMENTS
OTHER ACCRUED LIABILITIES
DEFERRED REVENUE
INTERFUND PAYABLE
TOTAL LIABILITIES
FUND BALANCE:
RESERVED:
RESERVED FOR ENCUMBRANCES
RESERVED FOR PREPAID ITEMS
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE
RESERVED FOR INVENTORIES
OTHER RESERVES
UNRESERVED:
UNDESIGNATED
TOTAL FUND BALANCE
TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2005 (IN THOUSANDS)

PAGE 2 OF 3

<u>ASSETS</u>	<u>COURTHOUSE TEMPORARY CONSTRUCTION</u>	<u>CRIMINAL JUSTICE TEMPORARY CONSTRUCTION</u>	<u>FLOOD CONTROL DISTRICT</u>	<u>FIRE PROTECTION DISTRICTS</u>
CASH AND CASH EQUIVALENTS	\$ 2	\$ 1	\$ 48,500	\$ 3,478
ACCOUNTS RECEIVABLE - NET	-	-	-	-
TAXES RECEIVABLE	-	-	2,737	2,398
INTEREST RECEIVABLE	-	-	-	-
OTHER RECEIVABLES	-	-	-	-
DUE FROM OTHER FUNDS	9	11	548	1,502
DUE FROM OTHER GOVERNMENTS	184	229	9,215	277
INVENTORIES	-	-	-	-
PREPAID ITEMS	-	-	-	-
INTERFUND RECEIVABLE	-	-	400	-
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	173	-
TOTAL ASSETS	<u>\$ 195</u>	<u>\$ 241</u>	<u>\$ 61,573</u>	<u>\$ 7,655</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES:				
ACCOUNTS PAYABLE	-	-	1,230	41
SALARIES AND BENEFITS PAYABLE	-	-	667	37
DUE TO OTHER FUNDS	188	232	293	482
DUE TO OTHER GOVERNMENTS	-	-	1,250	58
OTHER ACCRUED LIABILITIES	-	-	-	-
DEFERRED REVENUE	-	-	1,395	1,169
INTERFUND PAYABLE	-	-	-	-
TOTAL LIABILITIES	<u>188</u>	<u>232</u>	<u>4,835</u>	<u>1,787</u>
FUND BALANCE:				
RESERVED:				
RESERVED FOR ENCUMBRANCES	-	-	7,134	167
RESERVED FOR PREPAID ITEMS	-	-	-	-
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE	-	-	400	-
RESERVED FOR INVENTORIES	-	-	-	-
OTHER RESERVES	-	-	-	-
UNRESERVED:				
UNDESIGNATED	7	9	49,204	5,701
TOTAL FUND BALANCE	<u>7</u>	<u>9</u>	<u>56,738</u>	<u>5,868</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 195</u>	<u>\$ 241</u>	<u>\$ 61,573</u>	<u>\$ 7,655</u>

See accompanying independent auditor's report.

<u>PARK AND RECREATION DISTRICTS</u>	<u>TOBACCO TAX PROGRAM</u>	<u>JOINT POWERS AUTHORITIES</u>	<u>SPECIAL AVIATION</u>
\$ 847	\$ 149	\$ 311	\$ 4,929
-	-	-	24
153	-	-	-
-	-	-	-
-	-	-	-
118	2	-	552
-	28	13	-
-	-	-	-
-	-	23	-
-	-	-	-
-	-	-	-
<u>\$ 1,118</u>	<u>\$ 179</u>	<u>\$ 347</u>	<u>\$ 5,505</u>

-	-	28	170
64	-	-	-
-	17	-	38
-	-	41	-
-	-	-	-
74	-	12	-
-	-	-	-
<u>138</u>	<u>17</u>	<u>81</u>	<u>208</u>

-	-	-	1,520
-	-	23	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>980</u>	<u>162</u>	<u>243</u>	<u>3,777</u>
<u>980</u>	<u>162</u>	<u>266</u>	<u>5,297</u>
<u>\$ 1,118</u>	<u>\$ 179</u>	<u>\$ 347</u>	<u>\$ 5,505</u>

ASSETS

CASH AND CASH EQUIVALENTS
ACCOUNTS RECEIVABLE - NET
TAXES RECEIVABLE
INTEREST RECEIVABLE
OTHER RECEIVABLES
DUE FROM OTHER FUNDS
DUE FROM OTHER GOVERNMENTS
INVENTORIES
PREPAID ITEMS
INTERFUND RECEIVABLE
RESTRICTED CASH AND CASH EQUIVALENTS
TOTAL ASSETS

LIABILITIES AND FUND BALANCE

LIABILITIES:
ACCOUNTS PAYABLE
SALARIES AND BENEFITS PAYABLE
DUE TO OTHER FUNDS
DUE TO OTHER GOVERNMENTS
OTHER ACCRUED LIABILITIES
DEFERRED REVENUE
INTERFUND PAYABLE
TOTAL LIABILITIES
FUND BALANCE:
RESERVED:
RESERVED FOR ENCUMBRANCES
RESERVED FOR PREPAID ITEMS
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE
RESERVED FOR INVENTORIES
OTHER RESERVES
UNRESERVED:
UNDESIGNATED
TOTAL FUND BALANCE
TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2005 (IN THOUSANDS)

PAGE 3 OF 3

ASSETS	LOCAL LAW ENFORCEMENT BLOCK GRANT	PRESCHOOL SERVICES DEPARTMENT	SHERIFF'S SPECIAL PROJECTS
CASH AND CASH EQUIVALENTS	\$ 163	\$ 475	\$ 6,763
ACCOUNTS RECEIVABLE - NET	-	-	150
TAXES RECEIVABLE	-	28	-
INTEREST RECEIVABLE	-	-	-
OTHER RECEIVABLES	-	-	8
DUE FROM OTHER FUNDS	1	5	1,457
DUE FROM OTHER GOVERNMENTS	-	1,096	230
INVENTORIES	-	-	-
PREPAID ITEMS	-	-	-
INTERFUND RECEIVABLE	-	-	-
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	-
TOTAL ASSETS	\$ 164	\$ 1,604	\$ 8,608
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
ACCOUNTS PAYABLE	38	1,479	440
SALARIES AND BENEFITS PAYABLE	-	-	2
DUE TO OTHER FUNDS	63	-	2,035
DUE TO OTHER GOVERNMENTS	-	-	-
OTHER ACCRUED LIABILITIES	-	-	-
DEFERRED REVENUE	-	14	-
INTERFUND PAYABLE	-	-	250
TOTAL LIABILITIES	101	1,493	2,727
FUND BALANCE:			
RESERVED:			
RESERVED FOR ENCUMBRANCES	-	249	445
RESERVED FOR PREPAID ITEMS	-	-	-
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE	-	-	-
RESERVED FOR INVENTORIES	-	-	-
OTHER RESERVES	-	-	-
UNRESERVED:			
UNDESIGNATED	63	(138)	5,436
TOTAL FUND BALANCE	63	111	5,881
TOTAL LIABILITIES AND FUND BALANCE	\$ 164	\$ 1,604	\$ 8,608

See accompanying independent auditor's report.

SPECIAL TRANSPORTATION	REDEVELOPMENT AGENCY	OTHER SPECIAL REVENUE
\$ 21,872	\$ 13,719	\$ 57,677
-	-	-
784	-	191
-	-	-
-	-	16
126	297	3,839
101	-	1,144
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 22,883</u>	<u>\$ 14,016</u>	<u>\$ 62,867</u>
148	48	468
-	45	670
179	1,163	4,594
-	-	514
-	-	-
383	-	93
-	-	-
<u>710</u>	<u>1,256</u>	<u>6,339</u>
2,168	-	4,264
-	-	-
-	-	-
-	-	-
-	-	-
<u>20,005</u>	<u>12,760</u>	<u>52,264</u>
<u>22,173</u>	<u>12,760</u>	<u>56,528</u>
<u>\$ 22,883</u>	<u>\$ 14,016</u>	<u>\$ 62,867</u>

ASSETS
CASH AND CASH EQUIVALENTS
ACCOUNTS RECEIVABLE - NET
TAXES RECEIVABLE
INTEREST RECEIVABLE
OTHER RECEIVABLES
DUE FROM OTHER FUNDS
DUE FROM OTHER GOVERNMENTS
INVENTORIES
PREPAID ITEMS
INTERFUND RECEIVABLE
RESTRICTED CASH AND CASH EQUIVALENTS
TOTAL ASSETS

LIABILITIES AND FUND BALANCE
LIABILITIES:
ACCOUNTS PAYABLE
SALARIES AND BENEFITS PAYABLE
DUE TO OTHER FUNDS
DUE TO OTHER GOVERNMENTS
OTHER ACCRUED LIABILITIES
DEFERRED REVENUE
INTERFUND PAYABLE
TOTAL LIABILITIES
FUND BALANCE:
RESERVED:
RESERVED FOR ENCUMBRANCES
RESERVED FOR PREPAID ITEMS
RESERVED FOR NONCURRENT INTERFUND RECEIVABLE
RESERVED FOR INVENTORIES
OTHER RESERVES
UNRESERVED:
UNDESIGNATED
TOTAL FUND BALANCE
TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

PAGE 1 OF 3

	TOTAL	TRANSPORTATION	COUNTY FREE LIBRARY	ECONOMIC AND COMMUNITY DEVELOPMENT
REVENUES:				
TAXES	\$ 86,984	\$ -	\$ 9,702	\$ 91
LICENSES, PERMITS AND FRANCHISES	235	189	-	-
FINES, FORFEITURES AND PENALTIES	9,947	-	-	4
REVENUES FROM USE OF MONEY AND PROPERTY	9,297	490	-	689
AID FROM OTHER GOVERNMENTAL AGENCIES	188,790	34,710	762	16,545
CHARGES FOR CURRENT SERVICES	35,789	975	1,008	-
OTHER REVENUES	39,680	657	802	5,051
TOTAL REVENUES	<u>370,722</u>	<u>37,021</u>	<u>12,274</u>	<u>22,380</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	10,506	-	-	-
PUBLIC PROTECTION	162,471	-	-	-
PUBLIC WAYS AND FACILITIES	45,257	38,100	-	-
HEALTH AND SANITATION	4,696	-	-	-
PUBLIC ASSISTANCE	81,992	-	-	20,172
EDUCATION	13,083	-	13,083	-
RECREATION AND CULTURAL SERVICES	7,466	-	-	-
DEBT SERVICE:				
PRINCIPAL	1,754	880	46	-
INTEREST AND FISCAL CHARGES	329	177	68	-
CAPITAL OUTLAY	23,911	1,933	119	-
TOTAL EXPENDITURES	<u>351,465</u>	<u>41,090</u>	<u>13,316</u>	<u>20,172</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,257</u>	<u>(4,069)</u>	<u>(1,042)</u>	<u>2,208</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS TO OTHER FUNDS	(48,983)	(571)	(253)	(1,542)
TRANSFERS FROM OTHER FUNDS	22,878	1,682	762	-
LONG-TERM DEBT ISSUED	940	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	403	-	-	-
SALE OF CAPITAL ASSETS	4,256	893	5	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,506)</u>	<u>2,004</u>	<u>514</u>	<u>(1,542)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(1,249)</u>	<u>(2,065)</u>	<u>(528)</u>	<u>666</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>252,401</u>	<u>19,334</u>	<u>1,634</u>	<u>18,654</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 251,152</u>	<u>\$ 17,269</u>	<u>\$ 1,106</u>	<u>\$ 19,320</u>

See accompanying independent auditor's report.

<u>AGING AND ADULT SERVICES</u>	<u>JOBS AND EMPLOYMENT SERVICES</u>	<u>MICROGRAPHICS FEES</u>	<u>COUNTY SERVICE AREAS</u>	
\$ -	\$ -	\$ -	\$ 20,715	REVENUES:
-	-	-	-	TAXES
-	-	-	59	LICENSES, PERMITS AND FRANCHISES
18	189	-	564	FINES, FORFEITURES AND PENALTIES
3,076	13,348	-	23,363	REVENUES FROM USE OF MONEY AND PROPERTY
-	-	6,443	15,278	AID FROM OTHER GOVERNMENTAL AGENCIES
3	2	-	5,319	CHARGES FOR CURRENT SERVICES
<u>3,097</u>	<u>13,539</u>	<u>6,443</u>	<u>65,298</u>	OTHER REVENUES
				TOTAL REVENUES
-	-	5,323	261	EXPENDITURES:
-	-	-	52,483	CURRENT:
-	-	-	1,544	GENERAL GOVERNMENT
3,941	12,872	-	-	PUBLIC PROTECTION
-	-	-	-	PUBLIC WAYS AND FACILITIES
-	-	-	-	HEALTH AND SANITATION
-	-	-	947	PUBLIC ASSISTANCE
-	-	-	-	EDUCATION
-	-	-	106	RECREATION AND CULTURAL SERVICES
-	50	723	22	DEBT SERVICE:
<u>-</u>	<u>50</u>	<u>723</u>	<u>5,948</u>	PRINCIPAL
				INTEREST AND FISCAL CHARGES
3,941	12,922	6,046	61,311	CAPITAL OUTLAY
<u>(844)</u>	<u>617</u>	<u>397</u>	<u>3,987</u>	TOTAL EXPENDITURES
				EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
(21)	(193)	(152)	(9,582)	OTHER FINANCING SOURCES (USES):
869	-	-	12,525	TRANSFERS TO OTHER FUNDS
-	-	-	-	TRANSFERS FROM OTHER FUNDS
-	-	-	403	LONG-TERM DEBT ISSUED
-	-	-	47	INCEPTION OF CAPITAL LEASE OBLIGATIONS
<u>848</u>	<u>(193)</u>	<u>(152)</u>	<u>3,393</u>	SALE OF CAPITAL ASSETS
				TOTAL OTHER FINANCING SOURCES (USES)
4	424	245	7,380	EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES
1,387	(208)	14,495	22,887	FUND BALANCE (DEFICIT), JULY 1, 2004
<u>\$ 1,391</u>	<u>\$ 216</u>	<u>\$ 14,740</u>	<u>\$ 30,267</u>	FUND BALANCE, JUNE 30, 2005

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

PAGE 2 OF 3

	COURTHOUSE TEMPORARY CONSTRUCTION	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION	FLOOD CONTROL DISTRICT	FIRE PROTECTION DISTRICTS
REVENUES:				
TAXES	\$ -	\$ -	\$ 24,509	\$ 21,468
LICENSES, PERMITS AND FRANCHISES	-	-	46	-
FINES, FORFEITURES AND PENALTIES	2,146	2,638	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	18	22	2,480	45
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	17,477	1,503
CHARGES FOR CURRENT SERVICES	-	-	137	3,275
OTHER REVENUES	2	3	1,877	664
TOTAL REVENUES	2,166	2,663	46,526	26,955
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	-	-	-
PUBLIC PROTECTION	-	-	62,936	24,833
PUBLIC WAYS AND FACILITIES	-	-	-	-
HEALTH AND SANITATION	-	-	-	-
PUBLIC ASSISTANCE	-	-	-	-
EDUCATION	-	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-	-
DEBT SERVICE:				
PRINCIPAL	-	-	722	-
INTEREST AND FISCAL CHARGES	-	-	34	-
CAPITAL OUTLAY	-	-	25	1,459
TOTAL EXPENDITURES	-	-	63,717	26,292
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,166	2,663	(17,191)	663
OTHER FINANCING SOURCES (USES):				
TRANSFERS TO OTHER FUNDS	(2,162)	(2,657)	(299)	(1,812)
TRANSFERS FROM OTHER FUNDS	-	-	306	1,292
LONG-TERM DEBT ISSUED	-	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-	-
SALE OF CAPITAL ASSETS	-	-	3,260	32
TOTAL OTHER FINANCING SOURCES (USES)	(2,162)	(2,657)	3,267	(488)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4	6	(13,924)	175
FUND BALANCE (DEFICIT), JULY 1, 2004	3	3	70,662	5,693
FUND BALANCE, JUNE 30, 2005	\$ 7	\$ 9	\$ 56,738	\$ 5,868

See accompanying independent auditor's report.

<u>PARK AND RECREATION DISTRICTS</u>	<u>TOBACCO TAX PROGRAM</u>	<u>JOINT POWERS AUTHORITIES</u>	<u>SPECIAL AVIATION</u>	
\$ 1,374	\$ -	\$ -	\$ -	REVENUES:
-	-	-	-	TAXES
-	-	-	-	LICENSES, PERMITS AND FRANCHISES
27	5	134	508	FINES, FORFEITURES AND PENALTIES
31	1,479	-	6,762	REVENUES FROM USE OF MONEY AND PROPERTY
670	-	-	2	AID FROM OTHER GOVERNMENTAL AGENCIES
13	3	-	20	CHARGES FOR CURRENT SERVICES
				OTHER REVENUES
<u>2,115</u>	<u>1,487</u>	<u>134</u>	<u>7,292</u>	TOTAL REVENUES
				EXPENDITURES:
				CURRENT:
-	-	146	-	GENERAL GOVERNMENT
-	-	-	-	PUBLIC PROTECTION
-	-	-	253	PUBLIC WAYS AND FACILITIES
	1,529	7	-	HEALTH AND SANITATION
-	-	-	-	PUBLIC ASSISTANCE
-	-	-	-	EDUCATION
1,775	-	-	-	RECREATION AND CULTURAL SERVICES
				DEBT SERVICE:
-	-	-	-	PRINCIPAL
-	-	-	-	INTEREST AND FISCAL CHARGES
-	-	40	7,260	CAPITAL OUTLAY
<u>1,775</u>	<u>1,529</u>	<u>193</u>	<u>7,513</u>	TOTAL EXPENDITURES
<u>340</u>	<u>(42)</u>	<u>(59)</u>	<u>(221)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
				OTHER FINANCING SOURCES (USES):
(17)	-	(83)	-	TRANSFERS TO OTHER FUNDS
-	-	-	513	TRANSFERS FROM OTHER FUNDS
-	-	-	-	LONG-TERM DEBT ISSUED
-	-	-	-	INCEPTION OF CAPITAL LEASE OBLIGATIONS
10	-	-	-	SALE OF CAPITAL ASSETS
<u>(7)</u>	<u>-</u>	<u>(83)</u>	<u>513</u>	TOTAL OTHER FINANCING SOURCES (USES)
				EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES
333	(42)	(142)	292	
647	204	408	5,005	FUND BALANCE (DEFICIT), JULY 1, 2004
<u>\$ 980</u>	<u>\$ 162</u>	<u>\$ 266</u>	<u>\$ 5,297</u>	FUND BALANCE, JUNE 30, 2005

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

PAGE 3 OF 3

	LOCAL LAW ENFORCEMENT BLOCK GRANT	PRESCHOOL SERVICES DEPARTMENT	SHERIFF'S SPECIAL PROJECTS
REVENUES:			
TAXES	\$ -	257	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	4	19	210
AID FROM OTHER GOVERNMENTAL AGENCIES	114	37,357	7,183
CHARGES FOR CURRENT SERVICES	-	-	2,367
OTHER REVENUES	1	32	3,060
TOTAL REVENUES	<u>119</u>	<u>37,665</u>	<u>12,820</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	232	-	10,588
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	37,504	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	22	-	3,114
TOTAL EXPENDITURES	<u>254</u>	<u>37,504</u>	<u>13,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(135)</u>	<u>161</u>	<u>(882)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS (NOTE 7)	-	(150)	(3,205)
TRANSFERS FROM OTHER FUNDS (NOTE 7)	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(150)</u>	<u>(3,205)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(135)</u>	<u>11</u>	<u>(4,087)</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>198</u>	<u>100</u>	<u>9,968</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 63</u>	<u>\$ 111</u>	<u>\$ 5,881</u>

See accompanying independent auditor's report.

<u>SPECIAL TRANSPORTATION</u>	<u>REDEVELOPMENT AGENCY</u>	<u>OTHER SPECIAL REVENUE</u>	
\$ 7,035	\$ 130	\$ 1,703	REVENUES:
-	-	-	TAXES
-	-	5,100	LICENSES, PERMITS AND FRANCHISES
369	274	3,232	FINES, FORFEITURES AND PENALTIES
-	-	25,080	REVENUES FROM USE OF MONEY AND PROPERTY
2,181	-	3,453	AID FROM OTHER GOVERNMENTAL AGENCIES
47	-	22,124	CHARGES FOR CURRENT SERVICES
<u>9,632</u>	<u>404</u>	<u>60,692</u>	OTHER REVENUES
			TOTAL REVENUES
-	2,631	2,145	EXPENDITURES:
-	-	11,399	CURRENT:
4,894	-	466	GENERAL GOVERNMENT
-	-	3,160	PUBLIC PROTECTION
-	-	7,503	PUBLIC WAYS AND FACILITIES
-	-	-	HEALTH AND SANITATION
-	-	4,744	PUBLIC ASSISTANCE
-	-	-	EDUCATION
-	-	-	RECREATION AND CULTURAL SERVICES
-	-	-	DEBT SERVICE:
-	-	28	PRINCIPAL
-	141	3,077	INTEREST AND FISCAL CHARGES
<u>4,894</u>	<u>2,772</u>	<u>32,522</u>	CAPITAL OUTLAY
			TOTAL EXPENDITURES
<u>4,738</u>	<u>(2,368)</u>	<u>28,170</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	(225)	(26,059)	OTHER FINANCING SOURCES (USES):
-	2,539	2,390	TRANSFERS TO OTHER FUNDS
-	940	-	TRANSFERS FROM OTHER FUNDS
-	-	-	LONG-TERM DEBT ISSUED
-	-	-	INCEPTION OF CAPITAL LEASE OBLIGATIONS
-	-	9	SALE OF CAPITAL ASSETS
<u>-</u>	<u>3,254</u>	<u>(23,660)</u>	TOTAL OTHER FINANCING SOURCES (USES)
4,738	886	4,510	EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES
17,435	11,874	52,018	FUND BALANCE (DEFICIT), JULY 1, 2004
<u>\$ 22,173</u>	<u>\$ 12,760</u>	<u>\$ 56,528</u>	FUND BALANCE, JUNE 30, 2005

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

<u>ASSETS</u>	<u>TOTAL</u>	<u>REDEVELOPMENT AGENCY BONDS</u>	<u>JOINT POWERS AUTHORITIES</u>	<u>PENSION OBLIGATION BONDS</u>
CASH AND CASH EQUIVALENTS	\$ 19,451	\$ -	\$ 5,581	\$ 13,870
INVESTMENTS	11,229	1,607	8,014	1,608
INTEREST RECEIVABLE	211	-	211	-
DUE FROM OTHER FUNDS	<u>1,559</u>	<u>1,559</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 32,450</u>	<u>\$ 3,166</u>	<u>\$ 13,806</u>	<u>\$ 15,478</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES:				
ACCOUNTS PAYABLE	<u>1,731</u>	<u>1,730</u>	<u>1</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,731</u>	<u>1,730</u>	<u>1</u>	<u>-</u>
FUND BALANCE:				
RESERVED FOR DEBT SERVICE	<u>30,719</u>	<u>1,436</u>	<u>13,805</u>	<u>15,478</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 32,450</u>	<u>\$ 3,166</u>	<u>\$ 13,806</u>	<u>\$ 15,478</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	REDEVELOPMENT AGENCY BONDS	JOINT POWERS AUTHORITIES	PENSION OBLIGATION BONDS
REVENUES:				
TAXES	\$ 3,427	\$ 3,427	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	4,207	74	411	3,722
OTHER REVENUES	2,027	-	50	1,977
TOTAL REVENUES	<u>9,661</u>	<u>3,501</u>	<u>461</u>	<u>5,699</u>
EXPENDITURES:				
GENERAL GOVERNMENT	508	73	47	388
DEBT SERVICE:				
PRINCIPAL	29,845	300	14,065	15,480
INTEREST	41,244	1,290	8,551	31,403
TOTAL EXPENDITURES	<u>71,597</u>	<u>1,663</u>	<u>22,663</u>	<u>47,271</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(61,936)</u>	<u>1,838</u>	<u>(22,202)</u>	<u>(41,572)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS TO OTHER FUNDS	(2,961)	(2,923)	(38)	-
TRANSFERS FROM OTHER FUNDS	55,423	-	22,393	33,030
TOTAL OTHER FINANCING SOURCES (USES)	<u>52,462</u>	<u>(2,923)</u>	<u>22,355</u>	<u>33,030</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(9,474)</u>	<u>(1,085)</u>	<u>153</u>	<u>(8,542)</u>
FUND BALANCE, JULY 1, 2004	<u>40,193</u>	<u>2,521</u>	<u>13,652</u>	<u>24,020</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 30,719</u>	<u>\$ 1,436</u>	<u>\$ 13,805</u>	<u>\$ 15,478</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

<u>ASSETS</u>	<u>TOTAL</u>	<u>CAPITAL IMPROVEMENTS</u>	<u>PARK AND RECREATION DISTRICTS</u>
CASH AND CASH EQUIVALENTS	\$ 59,557	\$ 43,734	\$ 21
ACCOUNTS RECEIVABLE - NET	40	40	-
INTEREST RECEIVABLE	7	-	-
DUE FROM OTHER FUNDS (NOTE 7)	1,227	1,162	-
DUE FROM OTHER GOVERNMENTS	179	179	-
TOTAL ASSETS	<u>\$ 61,010</u>	<u>\$ 45,115</u>	<u>\$ 21</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES:			
ACCOUNTS PAYABLE	870	719	-
DUE TO OTHER FUNDS	629	110	-
DUE TO OTHER GOVERNMENTS	325	-	-
TOTAL LIABILITIES	<u>1,824</u>	<u>829</u>	<u>-</u>
FUND BALANCE:			
RESERVED FOR ENCUMBRANCES	5,829	5,368	-
UNRESERVED, UNDESIGNATED	53,357	38,918	21
TOTAL FUND BALANCE	<u>59,186</u>	<u>44,286</u>	<u>21</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 61,010</u>	<u>\$ 45,115</u>	<u>\$ 21</u>

See accompanying independent auditor's report.

<u>JOINT POWERS AUTHORITIES</u>	<u>COUNTY SERVICE AREAS</u>	<u>FIRE PROTECTION DISTRICTS</u>	<u>REDEVELOPMENT AGENCY</u>	<u>ASSETS</u>
\$ 3,005	\$ 7,331	\$ 948	\$ 4,518	CASH AND CASH EQUIVALENTS
-	-	-	-	ACCOUNTS RECEIVABLE - NET
7	-	-	-	INTEREST RECEIVABLE
-	33	3	29	DUE FROM OTHER FUNDS
-	-	-	-	DUE FROM OTHER GOVERNMENTS
-	-	-	-	OTHER ASSETS
<u>\$ 3,012</u>	<u>\$ 7,364</u>	<u>\$ 951</u>	<u>\$ 4,547</u>	TOTAL ASSETS
				<u>LIABILITIES AND FUND BALANCE</u>
-	141	10	-	LIABILITIES:
-	391	-	128	ACCOUNTS PAYABLE
-	-	-	325	DUE TO OTHER FUNDS
-	-	-	-	DUE TO OTHER GOVERNMENTS
-	<u>532</u>	<u>10</u>	<u>453</u>	TOTAL LIABILITIES
-	449	12	-	FUND BALANCE:
<u>3,012</u>	<u>6,383</u>	<u>929</u>	<u>4,094</u>	RESERVED FOR ENCUMBRANCES
				UNRESERVED, UNDESIGNATED
<u>3,012</u>	<u>6,832</u>	<u>941</u>	<u>4,094</u>	TOTAL FUND BALANCE
<u>\$ 3,012</u>	<u>\$ 7,364</u>	<u>\$ 951</u>	<u>\$ 4,547</u>	TOTAL LIABILITIES AND FUND BALANCE

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TOTAL</u>	<u>CAPITAL IMPROVEMENTS</u>	<u>PARK AND RECREATION DISTRICTS</u>
REVENUES:			
TAXES	\$ 7	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	338	53	1
AID FROM OTHER GOVERNMENTAL AGENCIES	6,129	6,129	-
CHARGES FOR CURRENT SERVICES	45	45	-
OTHER REVENUES	<u>1,774</u>	<u>1,773</u>	<u>-</u>
TOTAL REVENUES	<u>8,293</u>	<u>8,000</u>	<u>1</u>
EXPENDITURES:			
GENERAL GOVERNMENT	858	-	-
CAPITAL OUTLAY	<u>20,844</u>	<u>17,572</u>	<u>291</u>
TOTAL EXPENDITURES	<u>21,702</u>	<u>17,572</u>	<u>291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,409)</u>	<u>(9,572)</u>	<u>(290)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(213)	(124)	-
TRANSFERS FROM OTHER FUNDS	<u>51,233</u>	<u>42,998</u>	<u>291</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>51,020</u>	<u>42,874</u>	<u>291</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	37,611	33,302	1
FUND BALANCE, JULY 1, 2004	<u>21,575</u>	<u>10,984</u>	<u>20</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 59,186</u>	<u>\$ 44,286</u>	<u>\$ 21</u>

See accompanying independent auditor's report.

<u>JOINT POWERS AUTHORITIES</u>	<u>COUNTY SERVICE AREAS</u>	<u>FIRE PROTECTION DISTRICTS</u>	<u>REDEVELOPMENT AGENCY</u>	
\$ -	\$ -	\$ 7	\$ -	REVENUES:
79	82	6	117	TAXES
-	-	-	-	REVENUES FROM USE OF MONEY AND PROPERTY
-	-	-	-	AID FROM OTHER GOVERNMENTAL AGENCIES
-	1	-	-	CHARGES FOR CURRENT SERVICES
<u>79</u>	<u>83</u>	<u>13</u>	<u>117</u>	OTHER REVENUES
				TOTAL REVENUES
-	-	-	858	EXPENDITURES:
<u>30</u>	<u>2,917</u>	<u>34</u>	<u>-</u>	GENERAL GOVERNMENT
				CAPITAL OUTLAY
<u>30</u>	<u>2,917</u>	<u>34</u>	<u>858</u>	TOTAL EXPENDITURES
<u>49</u>	<u>(2,834)</u>	<u>(21)</u>	<u>(741)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES):
-	(89)	-	-	TRANSFERS TO OTHER FUNDS
<u>39</u>	<u>6,485</u>	<u>820</u>	<u>600</u>	TRANSFERS FROM OTHER FUNDS
<u>39</u>	<u>6,396</u>	<u>820</u>	<u>600</u>	TOTAL OTHER FINANCING SOURCES (USES)
				EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES
88	3,562	799	(141)	
<u>2,924</u>	<u>3,270</u>	<u>142</u>	<u>4,235</u>	FUND BALANCE, JULY 1, 2004
<u>\$ 3,012</u>	<u>\$ 6,832</u>	<u>\$ 941</u>	<u>\$ 4,094</u>	FUND BALANCE, JUNE 30, 2005

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 PERMANENT FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

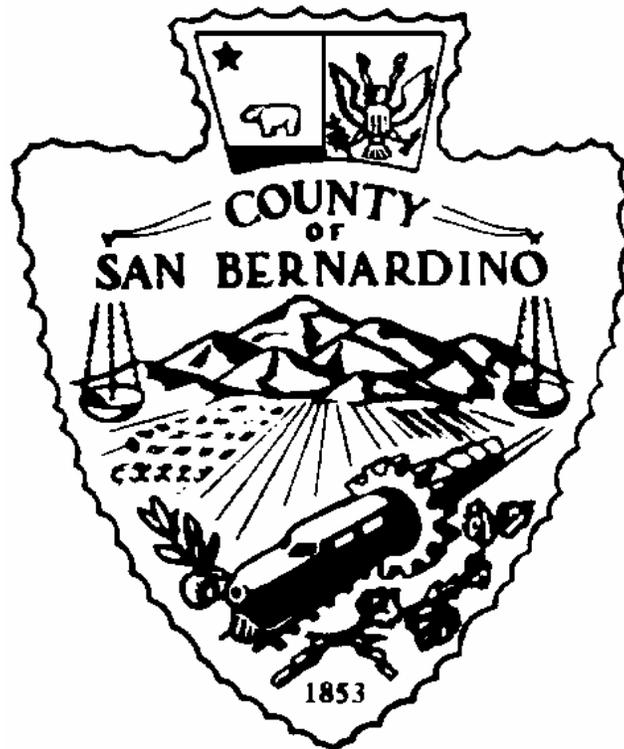
<u>ASSETS</u>	<u>TOTAL</u>	<u>BARSTOW CEMETERY ENDOWMENT CARE FUND</u>	<u>LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND</u>
CASH AND CASH EQUIVALENTS	\$ 479	\$ 403	\$ 76
DUE FROM OTHER FUNDS	<u>3</u>	<u>3</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 482</u>	<u>\$ 406</u>	<u>\$ 76</u>
<u>FUND BALANCE</u>			
FUND BALANCE:			
RESERVED FOR ENDOWMENTS	<u>482</u>	<u>406</u>	<u>76</u>
TOTAL FUND BALANCE	<u>482</u>	<u>406</u>	<u>76</u>
TOTAL FUND BALANCE	<u>\$ 482</u>	<u>\$ 406</u>	<u>\$ 76</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 PERMANENT FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TOTAL</u>	<u>BARSTOW CEMETERY ENDOWMENT CARE FUND</u>	<u>LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND</u>
REVENUES:			
REVENUES FROM USE OF MONEY & PROPERTY	\$ 2	\$ -	\$ 2
OTHER REVENUES	<u>15</u>	<u>15</u>	<u>-</u>
TOTAL REVENUES	<u>17</u>	<u>15</u>	<u>2</u>
EXPENDITURES:			
CURRENT:			
EDUCATION	<u>78</u>	<u>78</u>	<u>-</u>
TOTAL EXPENDITURES	<u>78</u>	<u>78</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(61)	(63)	2
FUND BALANCE, JULY 1, 2004	<u>543</u>	<u>469</u>	<u>74</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 482</u>	<u>\$ 406</u>	<u>\$ 76</u>

See accompanying independent auditor's report.





Combining Financial Statements Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

CRESTLINE SANITATION DISTRICT

The Crestline Sanitation District provides sewage collection, treatment and disposal service for 5,040 equivalent dwelling units. Three treatment plants and 100 miles of sewer lines are maintained. User fees are the principal source of revenue.

COUNTY SERVICE AREAS

The County Service Areas Enterprise Funds account for water and sewer facilities within certain geographical areas of the County. User fees are the principal source of revenue.

FIRE PROTECTION DISTRICTS – AMBULANCE

The Fire Protection Districts-Ambulance Funds account for ambulance transport services. User fees are the principal source of revenue.

OTHER ENTERPRISE

The Other Enterprise Funds account for the Museum Gift Shop, and Regional Parks Snack Bar operations. Sales are the principal source of revenue.

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	CRESTLINE SANITATION DISTRICT	COUNTY SERVICE AREAS
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 43,288	\$ 6,394	\$ 36,609
ACCOUNTS RECEIVABLE - NET	2,743	285	2,015
DUE FROM OTHER FUNDS	409	95	313
DUE FROM OTHER GOVERNMENTS	894	113	781
INVENTORIES	82	-	-
TOTAL CURRENT ASSETS	<u>47,416</u>	<u>6,887</u>	<u>39,718</u>
NONCURRENT ASSETS:			
LAND, STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE	106,572	22,339	84,233
EQUIPMENT	3,628	1,380	1,672
ACCUMULATED DEPRECIATION AND AMORTIZATION	(53,952)	(14,970)	(38,603)
CONSTRUCTION IN PROGRESS	4,356	293	4,063
TOTAL NONCURRENT ASSETS	<u>60,604</u>	<u>9,042</u>	<u>51,365</u>
TOTAL ASSETS	<u>108,020</u>	<u>15,929</u>	<u>91,083</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	575	19	556
SALARIES AND BENEFITS PAYABLE	9	-	-
DUE TO OTHER FUNDS	977	-	871
DUE TO OTHER GOVERNMENTS	41	-	41
INTEREST PAYABLE	91	-	91
DEFERRED REVENUE	16	-	16
COMPENSATED ABSENCES PAYABLE	6	-	-
BONDS AND NOTES PAYABLE	470	87	383
TOTAL CURRENT LIABILITIES	<u>2,185</u>	<u>106</u>	<u>1,958</u>
NONCURRENT LIABILITIES:			
EMPLOYEE COMPENSATED ABSENCES	10	-	-
BONDS AND NOTES PAYABLE	6,010	1,161	4,849
TOTAL NONCURRENT LIABILITIES	<u>6,020</u>	<u>1,161</u>	<u>4,849</u>
TOTAL LIABILITIES	<u>8,205</u>	<u>1,267</u>	<u>6,807</u>
NET ASSETS:			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	54,196	7,794	46,133
UNRESTRICTED	45,619	6,868	38,143
TOTAL NET ASSETS	<u>\$ 99,815</u>	<u>\$ 14,662</u>	<u>\$ 84,276</u>

See accompanying independent auditor's report.

FIRE PROTECTION DISTRICTS - AMBULANCE	OTHER ENTERPRISE
\$ 199	\$ 86
443	-
-	-
-	-
1	-
-	-
-	82
<u>643</u>	<u>168</u>
-	-
576	-
(379)	-
-	-
<u>197</u>	<u>-</u>
840	168
-	-
-	9
82	24
-	-
-	-
-	-
-	6
-	-
<u>82</u>	<u>39</u>
-	-
-	10
-	-
<u>-</u>	<u>10</u>
82	49
197	72
<u>561</u>	<u>47</u>
<u>\$ 758</u>	<u>\$ 119</u>

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS
ACCOUNTS RECEIVABLE - NET
TAXES RECEIVABLE
OTHER RECEIVABLES
DUE FROM OTHER FUNDS
DUE FROM OTHER GOVERNMENTS
INVENTORIES
TOTAL CURRENT ASSETS

NONCURRENT ASSETS:

LAND, STRUCTURES AND IMPROVEMENTS
EQUIPMENT
ACCUMULATED DEPRECIATION AND AMORTIZATION
CONSTRUCTION IN PROGRESS
TOTAL NONCURRENT ASSETS

TOTAL ASSETS

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE
SALARIES AND BENEFITS PAYABLE
DUE TO OTHER FUNDS
DUE TO OTHER GOVERNMENTS
INTEREST PAYABLE
DEFERRED REVENUE
COMPENSATED ABSENCES PAYABLE
BONDS AND NOTES PAYABLE
TOTAL CURRENT LIABILITIES

NONCURRENT LIABILITIES:

INTERFUND PAYABLE
COMPENSATED ABSENCES PAYABLE
BONDS AND NOTES PAYABLE
TOTAL NONCURRENT LIABILITIES

TOTAL LIABILITIES

NET ASSETS:

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT
UNRESTRICTED

TOTAL NET ASSETS

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICIT)
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TOTAL</u>	<u>CRESTLINE SANITATION DISTRICT</u>	<u>COUNTY SERVICE AREAS</u>
OPERATING REVENUES:			
CHARGES FOR CURRENT SERVICES	\$ 21,024	\$ 1,646	\$ 17,994
OTHER	2	-	2
TOTAL OPERATING REVENUES	<u>21,026</u>	<u>1,646</u>	<u>17,996</u>
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	1,684	142	1,449
SALARIES AND EMPLOYEE BENEFITS	7,342	1,467	5,599
SERVICES AND SUPPLIES	6,732	660	5,764
DEPRECIATION AND AMORTIZATION	2,699	568	2,080
OTHER	672	-	672
TOTAL OPERATING EXPENSES	<u>19,129</u>	<u>2,837</u>	<u>15,564</u>
OPERATING INCOME (LOSS)	<u>1,897</u>	<u>(1,191)</u>	<u>2,432</u>
NONOPERATING REVENUES (EXPENSES):			
INTEREST REVENUE	819	135	680
INTEREST EXPENSE	(317)	(23)	(294)
TAX REVENUE	3,968	720	3,248
GRANT REVENUE	2,318	184	2,129
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	20	2	14
OTHER NONOPERATING REVENUES	1,278	9	1,030
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>8,086</u>	<u>1,027</u>	<u>6,807</u>
CHANGE IN NET ASSETS (DEFICIT) BEFORE TRANSFERS	9,983	(164)	9,239
TRANSFERS TO OTHER FUNDS	(3,744)	(12)	(2,840)
TRANSFERS FROM OTHER FUNDS	859	-	859
CHANGE IN NET ASSETS (DEFICIT)	7,098	(176)	7,258
TOTAL NET ASSETS, JULY 1, 2004	<u>92,717</u>	<u>14,838</u>	<u>77,018</u>
TOTAL NET ASSETS, JUNE 30, 2005	<u>\$ 99,815</u>	<u>\$ 14,662</u>	<u>\$ 84,276</u>

See accompanying independent auditor's report.

FIRE PROTECTION DISTRICTS - AMBULANCE	OTHER ENTERPRISE	
\$ 1,381	\$ 3	OPERATING REVENUES:
<u>-</u>	<u>-</u>	CHARGES FOR CURRENT SERVICES
		OTHER
<u>1,381</u>	<u>3</u>	TOTAL OPERATING REVENUES
		OPERATING EXPENSES:
91	2	PROFESSIONAL SERVICES
87	189	SALARIES AND EMPLOYEE BENEFITS
-	-	SELF-INSURED CLAIMS
140	168	SERVICES AND SUPPLIES
51	-	DEPRECIATION AND AMORTIZATION
<u>-</u>	<u>-</u>	OTHER
<u>369</u>	<u>359</u>	TOTAL OPERATING EXPENSES
<u>1,012</u>	<u>(356)</u>	OPERATING INCOME (LOSS)
		NONOPERATING REVENUES (EXPENSES):
3	1	INTEREST REVENUE
-	-	INTEREST EXPENSE
-	-	TAX REVENUE
-	5	GRANT REVENUE
4	-	GAIN (LOSS) ON SALE OF CAPITAL ASSETS
2	237	OTHER NONOPERATING REVENUES
<u>-</u>	<u>-</u>	OTHER NONOPERATING EXPENSES
<u>9</u>	<u>243</u>	TOTAL NONOPERATING REVENUES (EXPENSES)
1,021	(113)	CHANGE IN NET ASSETS (DEFICIT) BEFORE TRANSFERS
(860)	(32)	TRANSFERS TO OTHER FUNDS
<u>-</u>	<u>-</u>	TRANSFERS FROM OTHER FUNDS
161	(145)	CHANGE IN NET ASSETS (DEFICIT)
597	264	TOTAL NET ASSETS, JULY 1, 2004
<u>\$ 758</u>	<u>\$ 119</u>	TOTAL NET ASSETS, JUNE 30, 2005

COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	CRESTLINE SANITATION DISTRICT	COUNTY SERVICE AREAS	FIRE PROTECTION DISTRICTS- AMBULANCE	OTHER ENTERPRISE
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIVED FROM SERVICES	\$ 20,500	\$ 1,519	\$ 17,585	\$ 1,331	\$ 65
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(8,624)	(790)	(7,528)	(160)	(146)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(7,523)	(1,657)	(5,599)	(87)	(180)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,353	(928)	4,458	1,084	(261)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
OPERATING GRANTS AND CONTRIBUTIONS	-	-	-	-	-
TAXES RECEIVED	3,968	720	3,248	-	-
GRANTS RECEIVED	1,821	184	1,632	-	5
OTHER NONOPERATING REVENUE	1,278	9	1,030	2	237
TRANSFERS RECEIVED	859	-	859	-	-
TRANSFERS PAID	(3,744)	(12)	(2,840)	(860)	(32)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	4,182	901	3,929	(858)	210
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
ACQUISITION OF CAPITAL ASSETS	(2,294)	(94)	(2,122)	(78)	-
PRINCIPAL PAID ON BONDS AND NOTES	(87)	(87)	-	-	-
INTEREST PAID ON BONDS AND NOTES	(226)	(23)	(203)	-	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	20	2	14	4	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,587)	(202)	(2,311)	(74)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENTS	410	-	410	-	-
INTEREST ON INVESTMENTS	819	135	680	3	1
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,229	135	1,090	3	1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,177	(94)	7,166	155	(50)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	36,111	6,488	29,443	44	136
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 43,288	\$ 6,394	\$ 36,609	\$ 199	\$ 86
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 1,897	\$ (1,191)	\$ 2,432	\$ 1,012	\$ (356)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION	2,699	568	2,080	51	-
CHANGES IN ASSETS AND LIABILITIES:					
ACCOUNTS RECEIVABLE	(198)	(22)	(126)	(50)	-
DUE FROM OTHER GOVERNMENTS	(390)	(105)	(285)	-	-
INVENTORIES	62	-	-	-	62
PREPAID ITEMS	-	-	-	-	-
DEFERRED CHARGES	-	-	-	-	-
ACCOUNTS PAYABLE AND OTHER LIABILITIES	539	12	432	71	24
SALARIES AND BENEFITS PAYABLE	(65)	(69)	-	-	4
DUE TO OTHER GOVERNMENTS	(75)	-	(75)	-	-
COMPENSATED ABSENCES PAYABLE	(116)	(121)	-	-	5
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,353	\$ (928)	\$ 4,458	\$ 1,084	\$ (261)
BREAKDOWN OF CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS	\$ 43,288	\$ 6,394	\$ 36,609	\$ 199	\$ 86
RESTRICTED CASH AND INVESTMENTS	-	-	-	-	-
	\$ 43,288	\$ 6,394	\$ 36,609	\$ 199	\$ 86



Combining Financial Statements Internal Service Funds

INTERNAL SERVICE FUNDS DESCRIPTIONS

GENERAL SERVICES GROUP

The General Services Agency Fund accounts for the County's Printing Services, Records Management and Central Mail Services departments. Services which are available to all County departments and special districts are financed by user fees for services provided.

TELEPHONE SERVICES

The Telephone Services Fund accounts for Countywide 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, Countywide data processing services including data entry, report distribution and distributed data processing with technical support.

VEHICLE SERVICES

The Vehicle Services 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, public liability, property conservation and safety programs which are provided to all County departments and special districts.

FLOOD CONTROL EQUIPMENT

The Flood Control Equipment Fund accounts for heavy equipment rental and maintenance services provided to each of the six flood control zones within various geographical regions of the County.

COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	GENERAL SERVICES GROUP	TELEPHONE SERVICES	COMPUTER OPERATIONS
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 98,175	\$ 1,823	\$ 7,013	\$ 4,640
ACCOUNTS RECEIVABLE - NET	75	-	34	-
DUE FROM OTHER FUNDS	365	23	88	11
DUE FROM OTHER GOVERNMENTS	618	57	411	68
INVENTORIES	1,868	620	385	-
PREPAID ITEMS	1,574	717	7	-
TOTAL CURRENT ASSETS	<u>102,675</u>	<u>3,240</u>	<u>7,938</u>	<u>4,719</u>
NONCURRENT ASSETS:				
INTERFUND RECEIVABLE	1,000	-	-	1,000
LAND, STRUCTURES AND IMPROVEMENTS	7,049	-	1,445	-
EQUIPMENT	51,805	1,239	14,565	7,488
ACCUMULATED DEPRECIATION AND AMORTIZATION	(39,867)	(925)	(14,049)	(5,639)
CONSTRUCTION IN PROGRESS	45	-	-	-
TOTAL NONCURRENT ASSETS	<u>20,032</u>	<u>314</u>	<u>1,961</u>	<u>2,849</u>
TOTAL ASSETS	<u>122,707</u>	<u>3,554</u>	<u>9,899</u>	<u>7,568</u>
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	3,969	721	493	1,128
SALARIES AND BENEFITS PAYABLE	1,813	148	497	565
DUE TO OTHER FUNDS	705	-	25	23
DEFERRED REVENUE	300	300	-	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	36,826	-	-	-
COMPENSATED ABSENCES PAYABLE	1,986	159	532	665
CAPITAL LEASE OBLIGATIONS	139	36	45	25
TOTAL CURRENT LIABILITIES	<u>45,738</u>	<u>1,364</u>	<u>1,592</u>	<u>2,406</u>
NONCURRENT LIABILITIES:				
INTERFUND PAYABLE	1,000	-	1,000	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	78,888	-	-	-
COMPENSATED ABSENCES PAYABLE	1,533	81	420	568
CAPITAL LEASE OBLIGATIONS	72	69	-	-
TOTAL NONCURRENT LIABILITIES	<u>81,493</u>	<u>150</u>	<u>1,420</u>	<u>568</u>
TOTAL LIABILITIES	<u>127,231</u>	<u>1,514</u>	<u>3,012</u>	<u>2,974</u>
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT UNRESTRICTED	17,376	209	471	1,824
	<u>(21,900)</u>	<u>1,831</u>	<u>6,416</u>	<u>2,770</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ (4,524)</u>	<u>\$ 2,040</u>	<u>\$ 6,887</u>	<u>\$ 4,594</u>

See accompanying independent auditor's report.

<u>VEHICLE SERVICES</u>	<u>RISK MANAGEMENT</u>	<u>FLOOD CONTROL EQUIPMENT</u>
\$ 13,310	\$ 69,460	\$ 1,929
41	-	-
84	149	10
82	-	-
863	-	-
-	850	-
<u>14,380</u>	<u>70,459</u>	<u>1,939</u>
-	-	-
5,604	-	-
18,341	154	10,018
(13,808)	(132)	(5,314)
45	-	-
<u>10,182</u>	<u>22</u>	<u>4,704</u>
<u>24,562</u>	<u>70,481</u>	<u>6,643</u>
736	891	-
362	240	1
657	-	-
-	-	-
-	36,826	-
369	261	-
-	-	33
<u>2,124</u>	<u>38,218</u>	<u>34</u>
-	-	-
-	78,888	-
436	28	-
-	-	-
<u>436</u>	<u>78,916</u>	<u>3</u>
<u>2,560</u>	<u>117,134</u>	<u>37</u>
10,182	22	4,668
<u>11,820</u>	<u>(46,675)</u>	<u>1,938</u>
\$ <u>22,002</u>	\$ <u>(46,653)</u>	\$ <u>6,606</u>

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS
 ACCOUNTS RECEIVABLE - NET
 DUE FROM OTHER FUNDS
 DUE FROM OTHER GOVERNMENTS
 INVENTORIES
 PREPAID ITEMS
 TOTAL CURRENT ASSETS

NONCURRENT ASSETS:

INTERFUND RECEIVABLE
 LAND, STRUCTURES AND IMPROVEMENTS
 EQUIPMENT
 ACCUMULATED DEPRECIATION AND AMORTIZATION
 CONSTRUCTION IN PROGRESS
 TOTAL NONCURRENT ASSETS

TOTAL ASSETS

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE
 SALARIES AND BENEFITS PAYABLE
 DUE TO OTHER FUNDS
 DEFERRED REVENUE
 ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS
 COMPENSATED ABSENCES PAYABLE
 CAPITAL LEASE OBLIGATIONS
 TOTAL CURRENT LIABILITIES

NONCURRENT LIABILITIES:

INTERFUND PAYABLE
 ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS
 COMPENSATED ABSENCES PAYABLE
 CAPITAL LEASE OBLIGATIONS
 TOTAL NONCURRENT LIABILITIES

TOTAL LIABILITIES

NET ASSETS

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT
 UNRESTRICTED

TOTAL NET ASSETS (DEFICIT)

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICIT)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	GENERAL SERVICES GROUP	TELEPHONE SERVICES	COMPUTER OPERATIONS
OPERATING REVENUES:				
CHARGES FOR CURRENT SERVICES	\$ 145,171	\$ 19,692	\$ 17,058	\$ 18,173
TOTAL OPERATING REVENUES	<u>145,171</u>	<u>19,692</u>	<u>17,058</u>	<u>18,173</u>
OPERATING EXPENSES:				
PROFESSIONAL SERVICES	7,809	791	691	3,866
SALARIES AND EMPLOYEE BENEFITS	29,167	2,458	7,358	9,387
SELF-INSURED CLAIMS	44,893	-	-	-
SERVICES AND SUPPLIES	52,342	15,664	7,188	7,200
DEPRECIATION AND AMORTIZATION	5,356	122	767	831
OTHER	415	-	-	-
TOTAL OPERATING EXPENSES	<u>139,982</u>	<u>19,035</u>	<u>16,004</u>	<u>21,284</u>
OPERATING INCOME (LOSS)	<u>5,189</u>	<u>657</u>	<u>1,054</u>	<u>(3,111)</u>
NONOPERATING REVENUES (EXPENSES):				
INTEREST REVENUE	2,810	-	2	-
INTEREST EXPENSE	(20)	(7)	(6)	(4)
GRANT REVENUE	44	-	-	44
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	407	(1)	6	(128)
OTHER NONOPERATING REVENUES	5	5	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,246</u>	<u>(3)</u>	<u>2</u>	<u>(88)</u>
CHANGE IN NET ASSETS (DEFICIT) BEFORE TRANSFERS	8,435	654	1,056	(3,199)
TRANSFERS TO OTHER FUNDS	(1,064)	(69)	(187)	(368)
OPERATING TRANSFERS FROM OTHER FUNDS (NOTE 7)	473	-	13	453
CHANGE IN NET ASSETS (DEFICIT)	7,844	585	882	(3,114)
NET ASSETS (DEFICIT), JULY 1, 2004	<u>(12,368)</u>	<u>1,455</u>	<u>6,005</u>	<u>7,708</u>
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2005	<u>\$ (4,524)</u>	<u>\$ 2,040</u>	<u>\$ 6,887</u>	<u>\$ 4,594</u>

See accompanying independent auditor's report.

<u>VEHICLE SERVICES</u>	<u>RISK MANAGEMENT</u>	<u>FLOOD CONTROL EQUIPMENT</u>
\$ 19,098	\$ 68,542	\$ 2,608
<u>19,098</u>	<u>68,542</u>	<u>2,608</u>
856	1,605	-
5,986	3,936	42
-	44,893	-
9,795	10,848	1,647
2,455	9	1,172
-	415	-
<u>19,092</u>	<u>61,706</u>	<u>2,861</u>
<u>6</u>	<u>6,836</u>	<u>(253)</u>
254	2,521	33
-	-	(3)
-	-	-
301	-	229
-	-	-
<u>555</u>	<u>2,521</u>	<u>259</u>
561	9,357	6
(155)	(285)	-
-	-	7
406	9,072	13
<u>21,596</u>	<u>(55,725)</u>	<u>6,593</u>
<u>\$ 22,002</u>	<u>\$ (46,653)</u>	<u>\$ 6,606</u>

OPERATING REVENUES:
CHARGES FOR CURRENT SERVICES
TOTAL OPERATING REVENUES

OPERATING EXPENSES:
PROFESSIONAL SERVICES
SALARIES AND EMPLOYEE BENEFITS
SELF-INSURED CLAIMS
SERVICES AND SUPPLIES
DEPRECIATION AND AMORTIZATION
OTHER

TOTAL OPERATING EXPENSES

OPERATING INCOME (LOSS)

NONOPERATING REVENUES (EXPENSES):
INTEREST REVENUE
INTEREST EXPENSE
GRANT REVENUE
GAIN (LOSS) ON SALE OF CAPITAL ASSETS
OTHER NONOPERATING REVENUES

TOTAL NONOPERATING REVENUES (EXPENSES)

CHANGE IN NET ASSETS (DEFICIT) BEFORE TRANSFERS

TRANSFERS TO OTHER FUNDS
OPERATING TRANSFERS FROM OTHER FUNDS (NOTE 7)

CHANGE IN NET ASSETS (DEFICIT)

NET ASSETS (DEFICIT), JULY 1, 2004

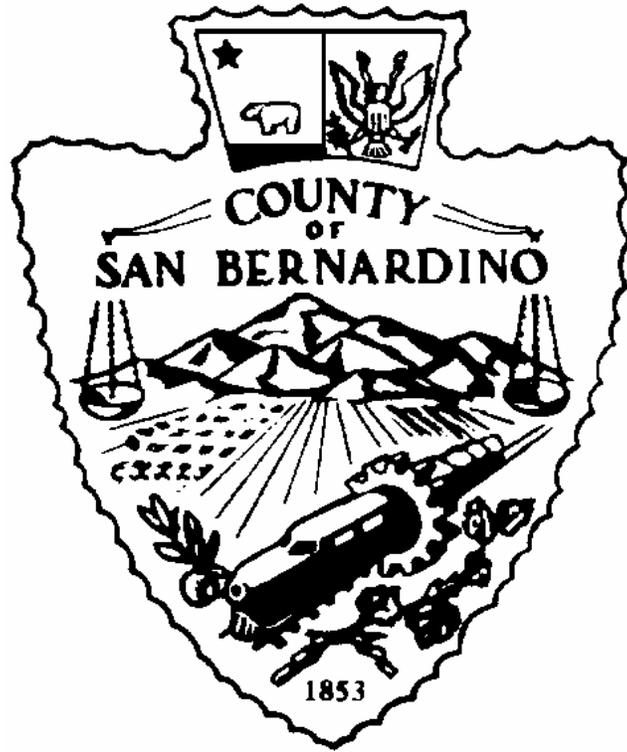
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2005

COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	TOTAL	GENERAL SERVICES GROUP	TELEPHONE SERVICES	COMPUTER OPERATIONS	VEHICLE SERVICES	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
CASH FLOWS FROM OPERATING ACTIVITIES:							
CASH RECEIVED FROM SERVICES	\$ 145,756	\$ 19,792	\$ 17,311	\$ 18,155	\$ 19,203	\$ 68,640	\$ 2,655
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(93,044)	(16,354)	(7,804)	(10,316)	(10,383)	(46,471)	(1,716)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(28,610)	(2,448)	(7,174)	(9,175)	(5,897)	(3,874)	(42)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	24,102	990	2,333	(1,336)	2,923	18,295	897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
OTHER NONOPERATING REVENUE	49	5	-	44	-	-	-
TRANSFERS RECEIVED	1,471	(2)	1,013	453	-	-	7
TRANSFERS PAID	(2,064)	(69)	(187)	(1,368)	(155)	(285)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(544)	(66)	826	(871)	(155)	(285)	7
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
ACQUISITION OF CAPITAL ASSETS	(5,489)	(34)	(135)	(1,069)	(2,819)	-	(1,432)
PRINCIPAL PAID ON CAPITAL LEASE OBLIGATIONS	(574)	(67)	(310)	(166)	-	-	(31)
INTEREST PAID ON CAPITAL LEASE OBLIGATIONS	(18)	(5)	(6)	(4)	-	-	(3)
PROCEEDS FROM SALE OF CAPITAL ASSETS	959	-	5	-	427	-	527
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,122)	(106)	(446)	(1,239)	(2,392)	-	(939)
CASH FLOWS FROM INVESTING ACTIVITIES:							
INTEREST ON INVESTMENTS	2,810	-	2	-	254	2,521	33
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,810	-	2	-	254	2,521	33
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,246	818	2,715	(3,446)	630	20,531	(2)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	76,929	1,005	4,298	8,086	12,680	48,929	1,931
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 98,175	\$ 1,823	\$ 7,013	\$ 4,640	\$ 13,310	\$ 69,460	\$ 1,929
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
OPERATING INCOME (LOSS)	\$ 5,189	\$ 657	\$ 1,054	\$ (3,111)	\$ 6	\$ 6,836	\$ (253)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
DEPRECIATION	5,356	122	767	831	2,455	9	1,172
CHANGES IN ASSETS AND LIABILITIES							
ACCOUNTS RECEIVABLE	501	(17)	179	(10)	98	204	47
DUE FROM OTHER GOVERNMENTS	40	(33)	74	(8)	7	-	-
INVENTORIES	(94)	(46)	24	-	(72)	-	-
PREPAID ITEMS	(339)	(51)	(7)	-	-	(281)	-
DEFERRED CHARGES	-	-	-	-	-	-	-
ACCOUNTS PAYABLE AND OTHER LIABILITIES	(1,113)	348	58	750	340	(2,540)	(69)
SALARIES AND BENEFITS PAYABLE	320	2	143	86	53	36	-
ESTIMATED LIABILITIES FOR LITIGATION AND SELF-INSURANCE CLAIMS	14,005	-	-	-	-	14,005	-
COMPENSATED ABSENCES PAYABLE	237	8	41	126	36	26	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 24,102	\$ 990	\$ 2,333	\$ (1,336)	\$ 2,923	\$ 18,295	\$ 897
BREAKDOWN OF CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS	\$ 98,175	\$ 1,823	\$ 7,013	\$ 4,640	\$ 13,310	\$ 69,460	\$ 1,929
RESTRICTED CASH AND INVESTMENTS	-	-	-	-	-	-	-
	\$ 98,175	\$ 1,823	\$ 7,013	\$ 4,640	\$ 13,310	\$ 69,460	\$ 1,929



Combining Financial Statements Trust and Agency Funds



TRUST AND AGENCY FUNDS DESCRIPTIONS

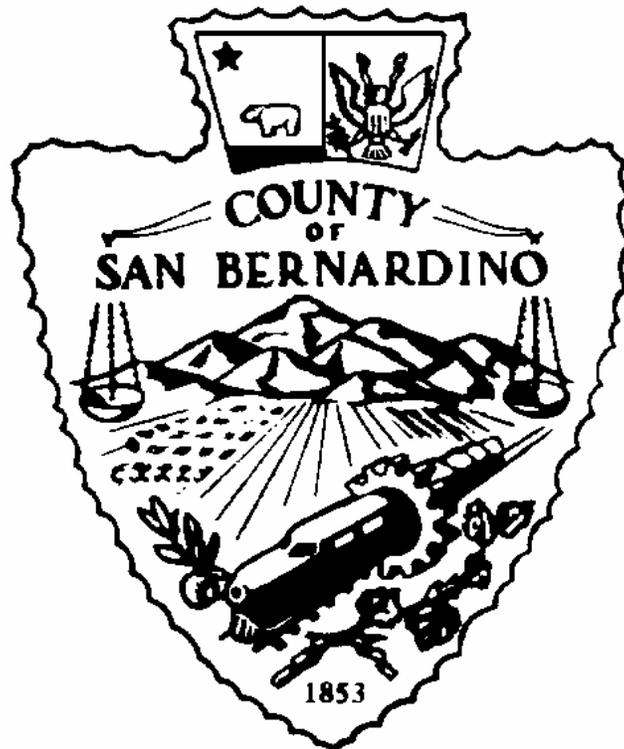
AGENCY FUNDS

Special Assessment Agency Funds - The special assessment funds are administered by the County Treasurer and account for amounts collected from property owners for the payment of special assessment bond principal and interest. The special assessment bonds include both 1911 and 1915 Act Bonds and Mello-Roos Bonds.

Other Agency Funds - Accounts for other agency funds where the County holds money either in a custodial capacity for other entities, or as a clearing account to accumulate and hold certain monies until disbursement to the ultimate recipient.

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

TOTAL COMBINED AGENCY FUNDS	BALANCE JULY 1, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 342,589	\$ 8,286,452	\$ 8,264,108	\$ 364,933
INVESTMENTS	6,908	7,212	6,908	7,212
ACCOUNT RECEIVABLES	-	-	-	-
TAXES RECEIVABLE	132,658	131,590	132,658	131,590
INTEREST RECEIVABLE	185	134	185	134
LOANS RECEIVABLE	-	-	-	-
DUE FROM OTHER FUNDS	530	1,535	530	1,535
DUE FROM OTHER GOVERNMENTS	-	-	-	-
ADVANCES TO OTHER FUNDS	250	-	-	250
TOTAL ASSETS	\$ 483,120	\$ 8,426,923	\$ 8,404,389	\$ 505,654
LIABILITIES:				
DUE TO OTHER FUNDS	15,458	23,880	15,458	23,880
DUE TO OTHER GOVERNMENTS	467,662	481,774	467,662	481,774
TOTAL LIABILITIES	\$ 483,120	\$ 505,654	\$ 483,120	\$ 505,654
See accompanying independent auditor's report.				
SPECIAL ASSESSMENT AGENCY FUNDS				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 3,241	\$ 2,995	\$ 2,117	\$ 4,119
INVESTMENTS	-	-	-	-
TAXES RECEIVABLE	-	-	-	-
DUE FROM OTHER FUNDS	13	25	13	25
DUE FROM OTHER GOVERNMENTS	-	-	-	-
ADVANCES TO OTHER FUNDS	-	-	-	-
TOTAL ASSETS	\$ 3,254	\$ 3,020	\$ 2,130	\$ 4,144
LIABILITIES:				
DUE TO OTHER GOVERNMENTS	\$ 3,254	\$ 4,144	\$ 3,254	\$ 4,144
TOTAL LIABILITIES	\$ 3,254	\$ 4,144	\$ 3,254	\$ 4,144
OTHER AGENCY FUNDS				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 339,348	\$ 8,283,457	\$ 8,261,991	\$ 360,814
INVESTMENTS	6,908	7,212	6,908	7,212
ACCOUNT RECEIVABLES	-	-	-	-
TAXES RECEIVABLE	132,658	131,590	132,658	131,590
INTEREST RECEIVABLE	185	134	185	134
LOANS RECEIVABLE	-	-	-	-
DUE FROM OTHER FUNDS	517	1,510	517	1,510
DUE FROM OTHER GOVERNMENTS	-	-	-	-
INTERFUND RECEIVABLE	250	-	-	250
TOTAL ASSETS	\$ 479,866	\$ 8,423,903	\$ 8,402,259	\$ 501,510
LIABILITIES:				
DUE TO OTHER FUNDS	\$ 15,458	\$ 23,880	\$ 15,458	\$ 23,880
DUE TO OTHER GOVERNMENTS	464,408	477,630	464,408	477,630
TOTAL LIABILITIES	\$ 479,866	\$ 501,510	\$ 479,866	\$ 501,510





Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) Budget to Actual on Budgetary Basis

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	TOTAL		
	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
TAXES	\$ 80,323	\$ 86,984	\$ 6,661
LICENSES, PERMITS AND FRANCHISES	274	235	(39)
FINES, FORFEITURES AND PENALTIES	9,200	9,947	747
REVENUES FROM USE OF MONEY AND PROPERTY	10,444	9,163	(1,281)
AID FROM OTHER GOVERNMENTAL AGENCIES	318,046	188,790	(129,256)
CHARGES FOR CURRENT SERVICES	36,808	35,789	(1,019)
OTHER REVENUES	45,145	39,680	(5,465)
TOTAL REVENUES	<u>500,240</u>	<u>370,588</u>	<u>(129,652)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	36,638	10,806	25,832
PUBLIC PROTECTION	290,126	158,684	131,442
PUBLIC WAYS AND FACILITIES	106,748	57,259	49,489
HEALTH AND SANITATION	23,195	3,989	19,206
PUBLIC ASSISTANCE	123,991	80,977	43,014
EDUCATION	13,098	12,972	126
RECREATION AND CULTURAL SERVICES	10,660	5,318	5,342
DEBT SERVICE:			
PRINCIPAL	3,448	1,754	1,694
INTEREST AND FISCAL CHARGES	1,102	329	773
CAPITAL OUTLAY	58,996	25,790	33,206
TOTAL EXPENDITURES	<u>668,002</u>	<u>357,878</u>	<u>310,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(167,762)</u>	<u>12,710</u>	<u>180,472</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(94,897)	(48,900)	45,997
TRANSFERS FROM OTHER FUNDS	48,152	22,878	(25,274)
LONG-TERM DEBT ISSUED	5,000	940	(4,060)
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	403	403
SALE OF CAPITAL ASSETS	-	403	403
TOTAL OTHER FINANCING SOURCES (USES)	<u>(41,645)</u>	<u>(20,020)</u>	<u>21,625</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(209,407)</u>	<u>(7,310)</u>	<u>202,097</u>
FUND BALANCE, JULY 1, 2004	<u>214,250</u>	<u>214,250</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 4,843</u>	<u>\$ 206,858</u>	<u>\$ 202,015</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TRANSPORTATION</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	225	189	(36)
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	552	490	(62)
AID FROM OTHER GOVERNMENTAL AGENCIES	55,944	34,710	(21,234)
CHARGES FOR CURRENT SERVICES	1,802	975	(827)
OTHER REVENUES	222	657	435
TOTAL REVENUES	<u>58,745</u>	<u>37,021</u>	<u>(21,724)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	66,328	48,030	18,298
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	900	880	20
INTEREST AND FISCAL CHARGES	207	177	30
CAPITAL OUTLAY	5,806	3,926	1,880
TOTAL EXPENDITURES	<u>73,241</u>	<u>53,013</u>	<u>20,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,496)</u>	<u>(15,992)</u>	<u>(1,496)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(1,801)	(571)	1,230
TRANSFERS FROM OTHER FUNDS	2,595	1,682	(913)
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	100	893	793
TOTAL OTHER FINANCING SOURCES (USES)	<u>894</u>	<u>2,004</u>	<u>1,110</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(13,602)</u>	<u>(13,988)</u>	<u>(386)</u>
FUND BALANCE, JULY 1, 2004	<u>10,678</u>	<u>10,678</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (2,924)</u>	<u>\$ (3,310)</u>	<u>\$ (386)</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	COUNTY FREE LIBRARY		
	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
TAXES	\$ 9,522	\$ 9,702	\$ 180
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	-	-	-
AID FROM OTHER GOVERNMENTAL AGENCIES	795	762	(33)
CHARGES FOR CURRENT SERVICES	1,173	1,008	(165)
OTHER REVENUES	440	802	362
TOTAL REVENUES	<u>11,930</u>	<u>12,274</u>	<u>344</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	13,098	12,972	126
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	46	46	-
INTEREST AND FISCAL CHARGES	68	68	-
CAPITAL OUTLAY	163	119	44
TOTAL EXPENDITURES	<u>13,375</u>	<u>13,205</u>	<u>170</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,445)</u>	<u>(931)</u>	<u>514</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(255)	(253)	2
TRANSFERS FROM OTHER FUNDS	762	762	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	5	5
TOTAL OTHER FINANCING SOURCES (USES)	<u>507</u>	<u>514</u>	<u>7</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(938)</u>	<u>(417)</u>	<u>521</u>
FUND BALANCE, JULY 1, 2004	881	881	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (57)</u>	<u>\$ 464</u>	<u>\$ 521</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>ECONOMIC AND COMMUNITY DEVELOPMENT</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 40	\$ 91	\$ 51
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	10	4	(6)
REVENUES FROM USE OF MONEY AND PROPERTY	789	689	(100)
AID FROM OTHER GOVERNMENTAL AGENCIES	34,994	16,545	(18,449)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	4,632	5,051	419
TOTAL REVENUES	<u>40,465</u>	<u>22,380</u>	<u>(18,085)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	55,501	22,361	33,140
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>55,501</u>	<u>22,361</u>	<u>33,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,036)</u>	<u>19</u>	<u>15,055</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(2,108)	(1,542)	566
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,108)</u>	<u>(1,542)</u>	<u>566</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(17,144)</u>	<u>(1,523)</u>	<u>15,621</u>
FUND BALANCE, JULY 1, 2004	<u>17,643</u>	<u>17,643</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 499</u>	<u>\$ 16,120</u>	<u>\$ 15,621</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>AGING AND ADULT SERVICES</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	-	18	18
AID FROM OTHER GOVERNMENTAL AGENCIES	3,284	3,076	(208)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	3	3
TOTAL REVENUES	<u>3,284</u>	<u>3,097</u>	<u>(187)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	5,411	3,880	1,531
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>5,411</u>	<u>3,880</u>	<u>1,531</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,127)</u>	<u>(783)</u>	<u>1,344</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(21)	(21)	-
TRANSFERS FROM OTHER FUNDS	830	869	39
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>809</u>	<u>848</u>	<u>39</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(1,318)</u>	<u>65</u>	<u>1,383</u>
FUND BALANCE, JULY 1, 2004	<u>1,326</u>	<u>1,326</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 8</u>	<u>\$ 1,391</u>	<u>\$ 1,383</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>JOBS AND EMPLOYMENT SERVICES</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	199	189	(10)
AID FROM OTHER GOVERNMENTAL AGENCIES	16,664	13,348	(3,316)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	2	2
TOTAL REVENUES	<u>16,863</u>	<u>13,539</u>	<u>(3,324)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	15,140	10,222	4,918
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	50	50	-
TOTAL EXPENDITURES	<u>15,190</u>	<u>10,272</u>	<u>4,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,673</u>	<u>3,267</u>	<u>1,594</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(193)	(193)	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(193)</u>	<u>(193)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,480	3,074	1,594
FUND BALANCE, JULY 1, 2004	(2,962)	(2,962)	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (1,482)</u>	<u>\$ 112</u>	<u>\$ 1,594</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>MICROGRAPHICS FEES</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	-	-	-
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	5,316	6,443	1,127
OTHER REVENUES	-	-	-
TOTAL REVENUES	<u>5,316</u>	<u>6,443</u>	<u>1,127</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	15,055	4,268	10,787
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	2,570	721	1,849
TOTAL EXPENDITURES	<u>17,625</u>	<u>4,989</u>	<u>12,636</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(12,309)</u>	<u>1,454</u>	<u>13,763</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(187)	(152)	35
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(187)</u>	<u>(152)</u>	<u>35</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(12,496)</u>	<u>1,302</u>	<u>13,798</u>
FUND BALANCE, JULY 1, 2004	<u>12,498</u>	<u>12,498</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 2</u>	<u>\$ 13,800</u>	<u>\$ 13,798</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	COUNTY SERVICE AREAS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
TAXES	\$ 19,277	\$ 20,715	\$ 1,438
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	394	59	(335)
REVENUES FROM USE OF MONEY AND PROPERTY	1,730	564	(1,166)
AID FROM OTHER GOVERNMENTAL AGENCIES	56,397	23,363	(33,034)
CHARGES FOR CURRENT SERVICES	13,224	15,278	2,054
OTHER REVENUES	11,669	5,319	(6,350)
TOTAL REVENUES	<u>102,691</u>	<u>65,298</u>	<u>(37,393)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	3,610	261	3,349
PUBLIC PROTECTION	89,320	47,753	41,567
PUBLIC WAYS AND FACILITIES	3,406	1,544	1,862
HEALTH AND SANITATION	216	-	216
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	2,458	947	1,511
DEBT SERVICE:			
PRINCIPAL	345	106	239
INTEREST AND FISCAL CHARGES	114	22	92
CAPITAL OUTLAY	16,892	5,851	11,041
TOTAL EXPENDITURES	<u>116,361</u>	<u>56,484</u>	<u>59,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,670)</u>	<u>8,814</u>	<u>22,484</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(17,180)	(9,582)	7,598
TRANSFERS FROM OTHER FUNDS	19,664	12,525	(7,139)
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	403	403
SALE OF CAPITAL ASSETS	-	47	47
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,484</u>	<u>3,393</u>	<u>909</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(11,186)</u>	<u>12,207</u>	<u>23,393</u>
FUND BALANCE, JULY 1, 2004	<u>13,159</u>	<u>13,159</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 1,973</u>	<u>\$ 25,366</u>	<u>\$ 23,393</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>COURTHOUSE TEMPORARY CONSTRUCTION</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	2,140	2,146	6
REVENUES FROM USE OF MONEY AND PROPERTY	15	18	3
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	2	2
TOTAL REVENUES	<u>2,155</u>	<u>2,166</u>	<u>11</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,155</u>	<u>2,166</u>	<u>11</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(2,162)	(2,162)	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,162)</u>	<u>(2,162)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(7)	4	11
FUND BALANCE, JULY 1, 2004	(70)	(70)	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (77)</u>	<u>\$ (66)</u>	<u>\$ 11</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>CRIMINAL JUSTICE TEMPORARY CONSTRUCTION</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	2,634	2,638	4
REVENUES FROM USE OF MONEY AND PROPERTY	15	22	7
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	3	3
TOTAL REVENUES	<u>2,649</u>	<u>2,663</u>	<u>14</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,649</u>	<u>2,663</u>	<u>14</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(2,657)	(2,657)	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,657)</u>	<u>(2,657)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(8)	6	14
FUND BALANCE, JULY 1, 2004	(88)	(88)	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (96)</u>	<u>\$ (82)</u>	<u>\$ 14</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>FLOOD CONTROL DISTRICT</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 20,879	\$ 24,509	\$ 3,630
LICENSES, PERMITS AND FRANCHISES	49	46	(3)
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	2,749	2,480	(269)
AID FROM OTHER GOVERNMENTAL AGENCIES	41,282	17,477	(23,805)
CHARGES FOR CURRENT SERVICES	8	137	129
OTHER REVENUES	714	1,877	1,163
TOTAL REVENUES	<u>65,681</u>	<u>46,526</u>	<u>(19,155)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	130,029	63,408	66,621
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	2,082	722	1,360
INTEREST AND FISCAL CHARGES	622	34	588
CAPITAL OUTLAY	50	50	-
TOTAL EXPENDITURES	<u>132,783</u>	<u>64,214</u>	<u>68,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(67,102)</u>	<u>(17,688)</u>	<u>49,414</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(11,401)	(299)	11,102
TRANSFERS FROM OTHER FUNDS	11,397	306	(11,091)
LONG-TERM DEBT ISSUED	5,000	-	(5,000)
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	3,260	3,260
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,996</u>	<u>3,267</u>	<u>(1,729)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(62,106)</u>	<u>(14,421)</u>	<u>47,685</u>
FUND BALANCE, JULY 1, 2004	<u>64,025</u>	<u>64,025</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 1,919</u>	<u>\$ 49,604</u>	<u>\$ 47,685</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>FIRE PROTECTION DISTRICTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 20,372	\$ 21,468	\$ 1,096
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	60	45	(15)
AID FROM OTHER GOVERNMENTAL AGENCIES	2,679	1,503	(1,176)
CHARGES FOR CURRENT SERVICES	3,721	3,275	(446)
OTHER REVENUES	994	664	(330)
TOTAL REVENUES	<u>27,826</u>	<u>26,955</u>	<u>(871)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	28,599	23,981	4,618
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	434	332	102
TOTAL EXPENDITURES	<u>29,033</u>	<u>24,313</u>	<u>4,720</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,207)</u>	<u>2,642</u>	<u>3,849</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(3,487)	(1,812)	1,675
TRANSFERS FROM OTHER FUNDS	1,492	1,292	(200)
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	32	32
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,995)</u>	<u>(488)</u>	<u>1,507</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(3,202)</u>	<u>2,154</u>	<u>5,356</u>
FUND BALANCE, JULY 1, 2004	<u>3,548</u>	<u>3,548</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 346</u>	<u>\$ 5,701</u>	<u>\$ 5,355</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>PARK AND RECREATION DISTRICTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 1,157	\$ 1,374	\$ 217
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	44	27	(17)
AID FROM OTHER GOVERNMENTAL AGENCIES	909	31	(878)
CHARGES FOR CURRENT SERVICES	708	670	(38)
OTHER REVENUES	35	13	(22)
TOTAL REVENUES	<u>2,853</u>	<u>2,115</u>	<u>(738)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	2,498	1,697	801
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	30	-	30
TOTAL EXPENDITURES	<u>2,528</u>	<u>1,697</u>	<u>831</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>325</u>	<u>418</u>	<u>93</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(968)	(17)	951
TRANSFERS FROM OTHER FUNDS	96	-	(96)
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	10	10
TOTAL OTHER FINANCING SOURCES (USES)	<u>(872)</u>	<u>(7)</u>	<u>865</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(547)</u>	<u>411</u>	<u>958</u>
FUND BALANCE, JULY 1, 2004	568	568	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 21</u>	<u>\$ 980</u>	<u>\$ 959</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TOBACCO TAX PROGRAM</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	48	5	(43)
AID FROM OTHER GOVERNMENTAL AGENCIES	1,937	1,479	(458)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	3	3
TOTAL REVENUES	<u>1,985</u>	<u>1,487</u>	<u>(498)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	2,192	1,529	663
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>2,192</u>	<u>1,529</u>	<u>663</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(207)</u>	<u>(42)</u>	<u>165</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	-	-	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(207)</u>	<u>(42)</u>	<u>165</u>
FUND BALANCE, JULY 1, 2004	<u>2,332</u>	<u>2,332</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 2,125</u>	<u>\$ 2,290</u>	<u>\$ 165</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>SPECIAL AVIATION</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	504	508	4
AID FROM OTHER GOVERNMENTAL AGENCIES	15,794	6,762	(9,032)
CHARGES FOR CURRENT SERVICES	277	2	(275)
OTHER REVENUES	2,040	20	(2,020)
TOTAL REVENUES	<u>18,615</u>	<u>7,292</u>	<u>(11,323)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	4,671	799	3,872
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	16,189	7,804	8,385
TOTAL EXPENDITURES	<u>20,860</u>	<u>8,603</u>	<u>12,257</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,245)</u>	<u>(1,311)</u>	<u>934</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(7,243)	-	7,243
TRANSFERS FROM OTHER FUNDS	5,292	513	(4,779)
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,951)</u>	<u>513</u>	<u>2,464</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(4,196)</u>	<u>(798)</u>	<u>3,398</u>
FUND BALANCE, JULY 1, 2004	4,575	4,575	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 379</u>	<u>\$ 3,777</u>	<u>\$ 3,398</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>LOCAL LAW ENFORCEMENT BLOCK GRANT</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	1	4	3
AID FROM OTHER GOVERNMENTAL AGENCIES	499	114	(385)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	1	1
TOTAL REVENUES	<u>500</u>	<u>119</u>	<u>(381)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	678	232	446
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	22	22	-
TOTAL EXPENDITURES	<u>700</u>	<u>254</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(200)</u>	<u>(135)</u>	<u>(381)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	-	-	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(200)</u>	<u>(135)</u>	<u>(381)</u>
FUND BALANCE, JULY 1, 2004	<u>198</u>	<u>198</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (2)</u>	<u>\$ 63</u>	<u>\$ (381)</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>PRESCHOOL SERVICES</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 982	\$ 257	\$ (725)
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	-	19	19
AID FROM OTHER GOVERNMENTAL AGENCIES	38,730	37,357	(1,373)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	32	32
TOTAL REVENUES	<u>39,712</u>	<u>37,665</u>	<u>(2,047)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	39,373	37,011	2,362
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST	-	-	-
CAPITAL OUTLAY	60	-	60
TOTAL EXPENDITURES	<u>39,433</u>	<u>37,011</u>	<u>2,422</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>279</u>	<u>654</u>	<u>375</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(150)	(150)	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150)</u>	<u>(150)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	129	504	375
FUND BALANCE, JULY 1, 2004	(642)	(642)	-
FUND BALANCE, JUNE 30, 2005	<u>\$ (513)</u>	<u>\$ (138)</u>	<u>\$ 375</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>SHERIFF'S SPECIAL PROJECTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	75	-	(75)
REVENUES FROM USE OF MONEY AND PROPERTY	226	210	(16)
AID FROM OTHER GOVERNMENTAL AGENCIES	11,632	7,183	(4,449)
CHARGES FOR CURRENT SERVICES	3,479	2,367	(1,112)
OTHER REVENUES	3,013	3,060	47
TOTAL REVENUES	<u>18,425</u>	<u>12,820</u>	<u>(5,605)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	18,105	11,067	7,038
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	6,690	3,004	3,686
TOTAL EXPENDITURES	<u>24,795</u>	<u>14,071</u>	<u>10,724</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,370)</u>	<u>(1,251)</u>	<u>5,119</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(3,212)	(3,205)	7
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,212)</u>	<u>(3,205)</u>	<u>7</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(9,582)</u>	<u>(4,456)</u>	<u>5,126</u>
FUND BALANCE, JULY 1, 2004	9,892	9,892	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 310</u>	<u>\$ 5,436</u>	<u>\$ 5,126</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>SPECIAL TRANSPORTATION</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 6,389	\$ 7,035	\$ 646
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	438	369	(69)
AID FROM OTHER GOVERNMENTAL AGENCIES	1,861	-	(1,861)
CHARGES FOR CURRENT SERVICES	2,991	2,181	(810)
OTHER REVENUES	768	47	(721)
TOTAL REVENUES	<u>12,447</u>	<u>9,632</u>	<u>(2,815)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	-	-
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	27,934	6,441	21,493
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	-	-	-
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	<u>27,934</u>	<u>6,441</u>	<u>21,493</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,487)</u>	<u>3,191</u>	<u>18,678</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	-	-	-
TRANSFERS FROM OTHER FUNDS	-	-	-
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(15,487)</u>	<u>3,191</u>	<u>18,678</u>
FUND BALANCE, JULY 1, 2004	<u>16,814</u>	<u>16,814</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 1,327</u>	<u>\$ 20,005</u>	<u>\$ 18,678</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>REDEVELOPMENT AGENCY</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ 25	\$ 130	\$ 105
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	169	274	105
AID FROM OTHER GOVERNMENTAL AGENCIES	77	-	(77)
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	-	-
TOTAL REVENUES	<u>271</u>	<u>404</u>	<u>133</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	14,432	4,138	10,294
PUBLIC PROTECTION	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	-
PUBLIC ASSISTANCE	-	-	-
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-
DEBT SERVICE:			
PRINCIPAL	75	-	75
INTEREST AND FISCAL CHARGES	61	-	61
CAPITAL OUTLAY	142	-	142
TOTAL EXPENDITURES	<u>14,710</u>	<u>4,138</u>	<u>10,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,439)</u>	<u>(3,734)</u>	<u>10,705</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(789)	(225)	564
TRANSFERS FROM OTHER FUNDS	3,805	2,539	(1,266)
LONG-TERM DEBT ISSUED	-	940	940
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,016</u>	<u>3,254</u>	<u>238</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(11,423)</u>	<u>(480)</u>	<u>10,943</u>
FUND BALANCE, JULY 1, 2004	<u>13,240</u>	<u>13,240</u>	<u>-</u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ 1,817</u>	<u>\$ 12,760</u>	<u>\$ 10,943</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	OTHER SPECIAL REVENUE		
	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
TAXES	\$ 1,680	\$ 1,703	\$ 23
LICENSES, PERMITS AND FRANCHISES	-	-	-
FINES, FORFEITURES AND PENALTIES	3,947	5,100	1,153
REVENUES FROM USE OF MONEY AND PROPERTY	2,905	3,232	327
AID FROM OTHER GOVERNMENTAL AGENCIES	34,568	25,080	(9,488)
CHARGES FOR CURRENT SERVICES	4,109	3,453	(656)
OTHER REVENUES	20,618	22,124	1,506
TOTAL REVENUES	<u>67,827</u>	<u>60,692</u>	<u>(7,135)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	3,541	2,139	1,402
PUBLIC PROTECTION	23,395	12,243	11,152
PUBLIC WAYS AND FACILITIES	4,409	445	3,964
HEALTH AND SANITATION	20,787	2,460	18,327
PUBLIC ASSISTANCE	8,566	7,503	1,063
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	5,704	2,674	3,030
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND FISCAL CHARGES	30	28	2
CAPITAL OUTLAY	9,898	3,911	5,987
TOTAL EXPENDITURES	<u>76,330</u>	<u>31,403</u>	<u>44,927</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,503)</u>	<u>29,289</u>	<u>37,792</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS TO OTHER FUNDS	(41,083)	(26,059)	15,024
TRANSFERS FROM OTHER FUNDS	2,219	2,390	171
LONG-TERM DEBT ISSUED	-	-	-
INCEPTION OF CAPITAL LEASE OBLIGATIONS	-	-	-
SALE OF CAPITAL ASSETS	-	9	9
TOTAL OTHER FINANCING SOURCES (USES)	<u>(38,864)</u>	<u>(23,660)</u>	<u>15,204</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(47,367)</u>	<u>5,629</u>	<u>52,996</u>
FUND BALANCE, JULY 1, 2004	46,635	46,635	-
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (732)</u>	<u>\$ 52,264</u>	<u>\$ 52,996</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ 7	\$ 7
REVENUES FROM USE OF MONEY AND PROPERTY	24	142	118
AID FROM OTHER GOVERNMENTAL AGENCIES	11,070	6,129	(4,941)
CHARGES FOR CURRENT SERVICES	-	45	45
OTHER REVENUES	<u>2,361</u>	<u>1,774</u>	<u>(587)</u>
TOTAL REVENUES	<u>13,455</u>	<u>8,097</u>	<u>(5,358)</u>
EXPENDITURES:			
CAPITAL OUTLAY	<u>115,097</u>	<u>23,214</u>	<u>91,883</u>
TOTAL EXPENDITURES	<u>115,097</u>	<u>23,214</u>	<u>91,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(101,642)</u>	<u>(15,117)</u>	<u>86,525</u>
OTHER FINANCING SOURCES:			
TRANSFERS TO OTHER FUNDS	(931)	(213)	718
TRANSFERS FROM OTHER FUNDS	90,569	50,594	(39,975)
LONG-TERM DEBT ISSUED	-	-	-
SALE OF FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>89,638</u>	<u>50,381</u>	<u>(39,257)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(12,004)</u>	<u>35,264</u>	<u>47,268</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>10,987</u>	<u>10,987</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ (1,017)</u>	<u>\$ 46,251</u>	<u>\$ 47,268</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>CAPITAL IMPROVEMENTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	2	53	51
AID FROM OTHER GOVERNMENTAL AGENCIES	11,070	6,129	(4,941)
CHARGES FOR CURRENT SERVICES	-	45	45
OTHER REVENUES	<u>2,200</u>	<u>1,773</u>	<u>(427)</u>
TOTAL REVENUES	<u>13,272</u>	<u>8,000</u>	<u>(5,272)</u>
EXPENDITURES:			
CAPITAL OUTLAY	<u>102,090</u>	<u>20,125</u>	<u>81,965</u>
TOTAL EXPENDITURES	<u>102,090</u>	<u>20,125</u>	<u>81,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(88,818)</u>	<u>(12,125)</u>	<u>76,693</u>
OTHER FINANCING SOURCES:			
TRANSFERS TO OTHER FUNDS	(842)	(124)	718
TRANSFERS FROM OTHER FUNDS	82,599	42,998	(39,601)
LONG-TERM DEBT ISSUED	-	-	-
SALE OF FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>81,757</u>	<u>42,874</u>	<u>(38,883)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(7,061)</u>	<u>30,749</u>	<u>37,810</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>8,169</u>	<u>8,169</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,108</u>	<u>\$ 38,918</u>	<u>\$ 37,810</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>PARK AND RECREATION DISTRICTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	-	1	1
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	-	-
TOTAL REVENUES	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES:			
CAPITAL OUTLAY	<u>1,192</u>	<u>291</u>	<u>901</u>
TOTAL EXPENDITURES	<u>1,192</u>	<u>291</u>	<u>901</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,192)</u>	<u>(290)</u>	<u>(902)</u>
OTHER FINANCING SOURCES:			
TRANSFERS TO OTHER FUNDS	-	-	-
TRANSFERS FROM OTHER FUNDS	1,192	291	(901)
LONG-TERM DEBT ISSUED	-	-	-
SALE OF FIXED ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>1,192</u>	<u>291</u>	<u>(901)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	1	1
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>20</u>	<u>20</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 20</u>	<u>\$ 21</u>	<u>\$ 1</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	COUNTY SERVICE AREAS		
	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
TAXES	\$ -	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	22	82	60
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	161	1	(160)
TOTAL REVENUES	<u>183</u>	<u>83</u>	<u>(100)</u>
EXPENDITURES:			
CAPITAL OUTLAY	9,017	2,751	6,266
TOTAL EXPENDITURES	<u>9,017</u>	<u>2,751</u>	<u>(6,266)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,834)</u>	<u>(2,668)</u>	<u>6,166</u>
OTHER FINANCING SOURCES:			
TRANSFERS TO OTHER FUNDS	(89)	(89)	-
TRANSFERS FROM OTHER FUNDS	6,480	6,485	5
LONG-TERM DEBT ISSUED	-	-	-
SALE OF FIXED ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>6,391</u>	<u>6,396</u>	<u>5</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(2,443)</u>	<u>3,728</u>	<u>6,171</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>2,655</u>	<u>2,655</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 212</u>	<u>\$ 6,383</u>	<u>\$ 6,171</u>

See accompanying independent auditor's report.

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005 (IN THOUSANDS)

	<u>FIRE PROTECTION DISTRICTS</u>		
	<u>BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
TAXES	\$ -	\$ 7	\$ 7
REVENUES FROM USE OF MONEY AND PROPERTY	-	6	6
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-
CHARGES FOR CURRENT SERVICES	-	-	-
OTHER REVENUES	-	-	-
TOTAL REVENUES	<u>-</u>	<u>13</u>	<u>13</u>
EXPENDITURES:			
CAPITAL OUTLAY	<u>2,798</u>	<u>47</u>	<u>2,751</u>
TOTAL EXPENDITURES	<u>2,798</u>	<u>47</u>	<u>(2,751)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,798)</u>	<u>(34)</u>	<u>2,764</u>
OTHER FINANCING SOURCES:			
TRANSFERS TO OTHER FUNDS	-	-	-
TRANSFERS FROM OTHER FUNDS	298	820	522
LONG-TERM DEBT ISSUED	-	-	-
SALE OF FIXED ASSETS	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>298</u>	<u>820</u>	<u>522</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(2,500)</u>	<u>786</u>	<u>3,286</u>
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>143</u>	<u>143</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ (2,357)</u>	<u>\$ 929</u>	<u>\$ 3,286</u>

See accompanying independent auditor's report.



Statistical Section

San Bernardino

Rialto

Fontana

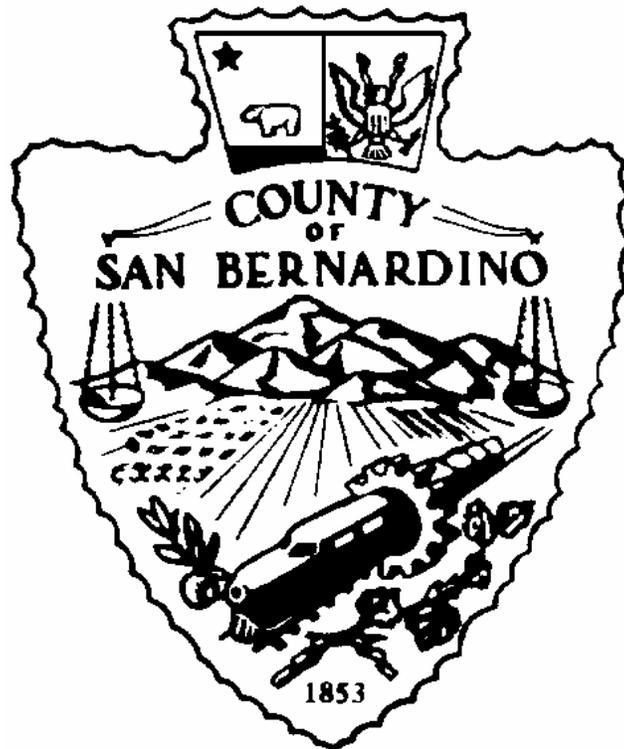
Southwest Little League Park

Bloomington

Red Park

Colton

CREDIT AVE

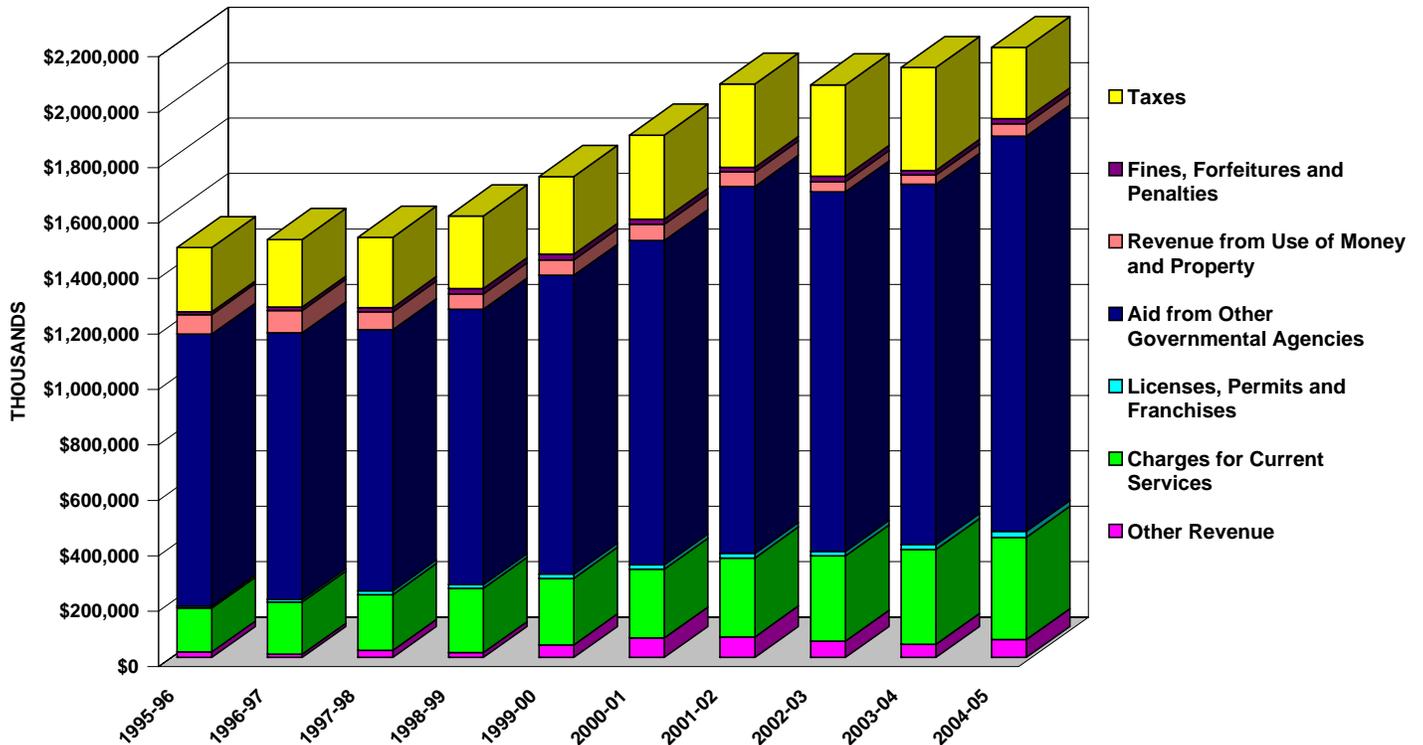


COUNTY OF SAN BERNARDINO
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (IN THOUSANDS)
JUNE 30, 2005

SOURCE	1995-96	1996-97	1997-98	1998-99	1999-00
TAXES	\$ 232,321	\$ 243,678	\$ 253,379	\$ 262,345	\$ 280,499
LICENSES, PERMITS AND FRANCHISES	7,246	8,842	13,701	14,079	15,202
FINES, FORFEITURES AND PENALTIES	9,698	11,884	15,599	18,936	20,168
REVENUE FROM USE OF MONEY AND PROPERTY	70,662	81,228	64,276	54,949	55,948
AID FROM OTHER GOVERNMENTAL AGENCIES	980,557	961,601	941,671	992,829	1,077,662
CHARGES FOR CURRENT SERVICES	158,692	188,103	201,079	231,473	239,699
OTHER REVENUES	19,303	11,853	25,594	17,612	45,492
TOTAL	<u>\$ 1,478,479</u>	<u>\$ 1,507,189</u>	<u>\$ 1,515,299</u>	<u>\$ 1,592,223</u>	<u>\$ 1,734,670</u>

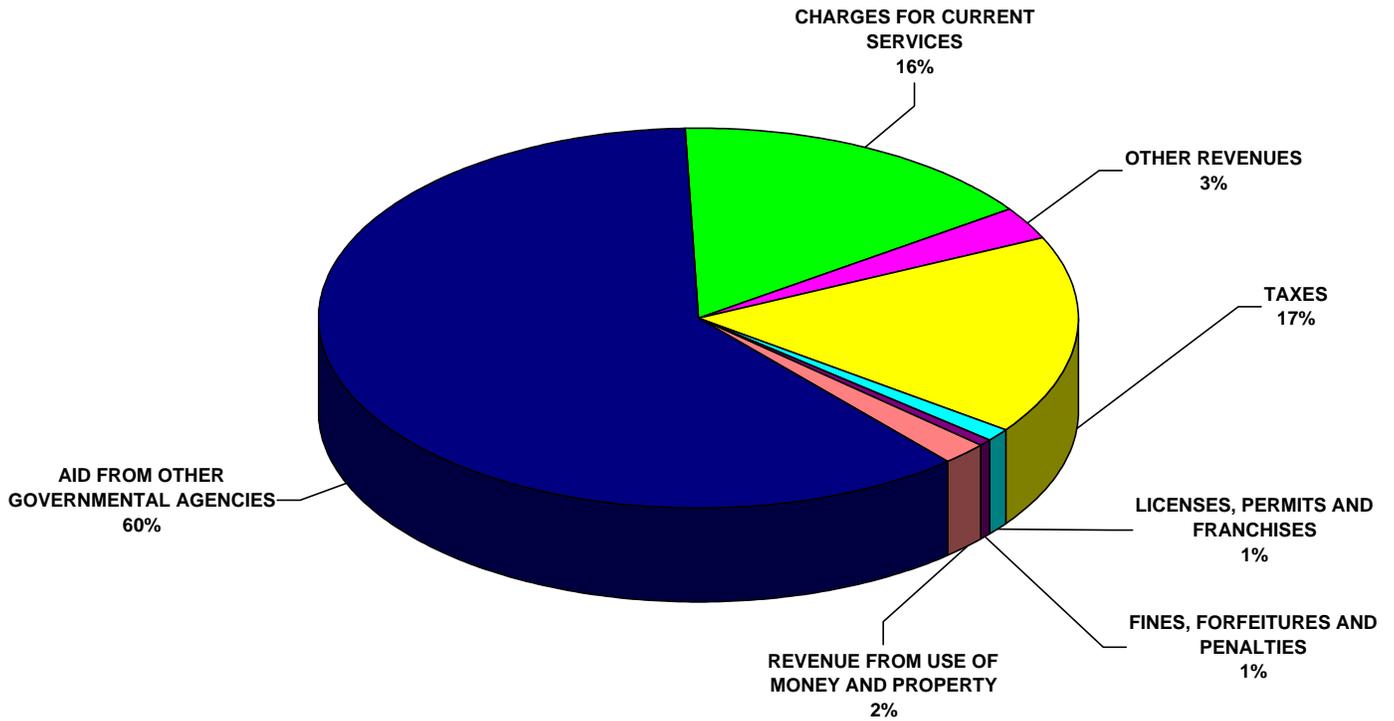
Source: Comprehensive Annual Financial Report. Includes General, Special Revenue, Debt Service and Capital Projects Funds.

REVENUE TRENDS



<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>SOURCE</u>
\$ 303,313	\$ 300,737	\$ 329,753	\$ 371,404	\$ 400,646	TAXES
15,766	16,520	16,670	18,630	20,964	LICENSES, PERMITS AND FRANCHISES
18,440	16,574	18,841	16,458	18,744	FINES, FORFEITURES AND PENALTIES
58,182	51,922	37,247	33,365	44,205	REVENUE FROM USE OF MONEY AND PROPERTY
1,169,708	1,323,725	1,296,324	1,298,841	1,425,832	AID FROM OTHER GOVERNMENTAL AGENCIES
248,090	284,822	307,653	342,305	369,176	CHARGES FOR CURRENT SERVICES
70,157	73,967	58,418	46,776	64,227	OTHER REVENUES
<u>\$ 1,883,656</u>	<u>\$ 1,883,656</u>	<u>\$ 2,068,267</u>	<u>\$ 2,127,779</u>	<u>\$ 2,343,794</u>	TOTAL

REVENUE SOURCES

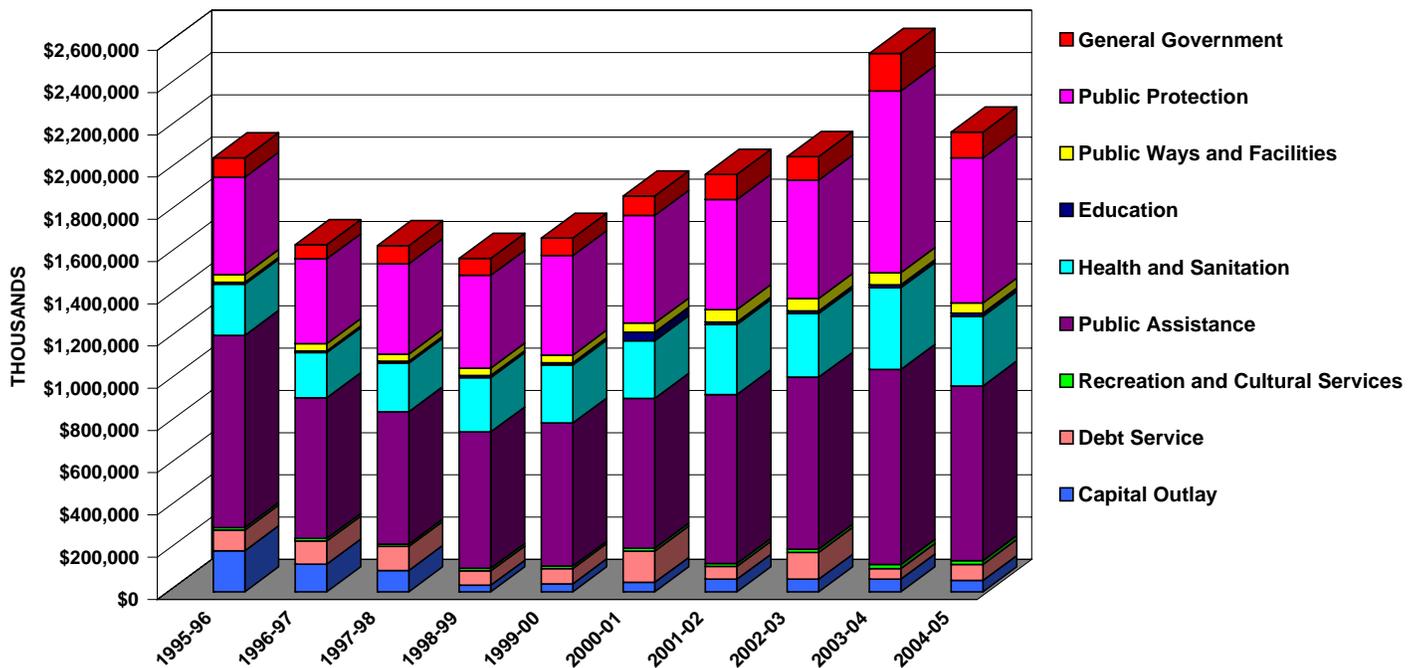


COUNTY OF SAN BERNARDINO
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2005

FUNCTION	1995-96	1996-97	1997-98	1998-99	1999-00
GENERAL GOVERNMENT	\$ 92,092	\$ 66,889	\$ 85,399	\$ 80,223	\$ 82,523
PUBLIC PROTECTION	460,619	401,533	428,582	439,974	470,918
PUBLIC WAYS AND FACILITIES	37,335	34,616	33,727	35,100	36,237
HEALTH AND SANITATION	241,577	213,170	230,119	256,222	274,474
PUBLIC ASSISTANCE	910,974	666,749	626,647	646,888	678,314
EDUCATION	8,821	8,627	8,918	10,080	11,235
RECREATION AND CULTURAL SERVICES	11,706	11,977	11,157	11,931	11,340
DEBT SERVICE	97,722	108,990	113,328	67,949	71,820
CAPITAL OUTLAY	194,967	131,847	101,739	31,046	38,262
TOTAL	<u>\$ 2,055,813</u>	<u>\$ 1,644,398</u>	<u>\$ 1,639,616</u>	<u>\$ 1,579,413</u>	<u>\$ 1,675,123</u>

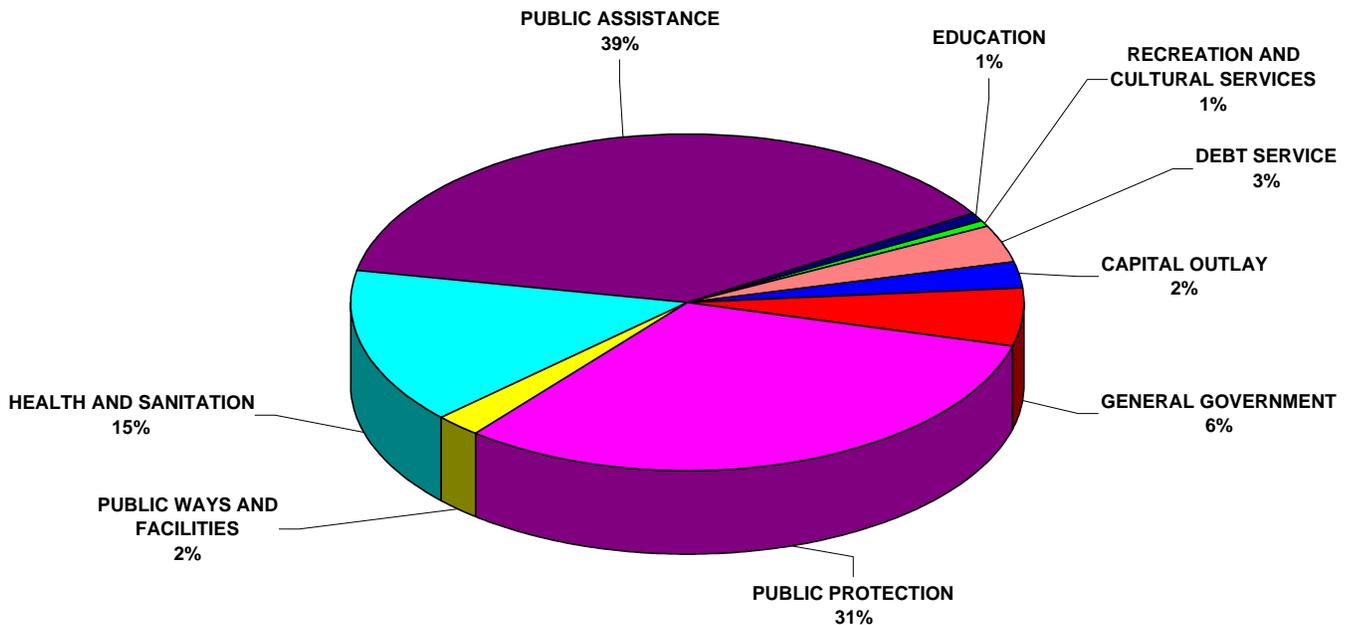
Source: Comprehensive Annual Financial Report. Includes General, Special Revenue, Debt Service and Capital Projects Funds.

EXPENDITURE TRENDS



<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>FUNCTION</u>
\$ 91,459	\$ 118,669	\$ 110,847	\$ 178,026	\$ 123,212	GENERAL GOVERNMENT
510,068	521,433	560,753	859,932	686,856	PUBLIC PROTECTION
43,178	58,269	59,272	57,576	47,364	PUBLIC WAYS AND FACILITIES
272,180	331,155	301,484	386,749	329,595	HEALTH AND SANITATION
709,821	800,038	814,631	923,900	826,829	PUBLIC ASSISTANCE
40,899	12,626	12,543	14,029	15,912	EDUCATION
14,058	14,316	14,986	19,545	18,490	RECREATION AND CULTURAL SERVICES
148,134	60,479	126,793	49,890	75,965	DEBT SERVICE
<u>44,829</u>	<u>59,974</u>	<u>60,147</u>	<u>60,279</u>	<u>53,914</u>	CAPITAL OUTLAY
<u>\$ 1,874,626</u>	<u>\$ 1,976,959</u>	<u>\$ 2,061,456</u>	<u>\$ 2,549,926</u>	<u>\$ 2,178,136</u>	TOTAL

EXPENDITURES BY FUNCTION



COUNTY OF SAN BERNARDINO
PROPERTY TAX LEVIES, COLLECTIONS, AND DELINQUENCIES
LAST TEN FISCAL YEARS (IN THOUSANDS)
JUNE 30, 2005

FISCAL YEAR	TAX LEVY	COLLECTIONS		DELINQUENCY	
		AMOUNT (1)	PERCENT	AMOUNT	PERCENT
1995-96	924,364	858,062	92.8	66,302	7.2
1996-97	931,302	862,854	92.7	68,448	7.3
1997-98	940,414	874,882	93.0	65,532	7.0
1998-99	970,426	906,204	93.4	64,222	6.6
1999-00	995,499	938,047	94.2	57,452	5.8
2000-01	1,044,654	995,354	95.3	49,300	4.7
2001-02	1,095,919	1,051,265	95.9	44,653	4.1
2002-03	1,187,114	1,139,679	96.0	47,435	4.0
2003-04	1,297,403	1,257,459	96.9	39,943	3.1
2004-05	1,430,975	1,379,658	96.4	51,317	3.6

Note:

- (1) Included above are amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards.

Source: Auditor/Controller-Recorder, County of San Bernardino.

COUNTY OF SAN BERNARDINO
 GROSS ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>(1) SECURED</u>	<u>(1) UNSECURED</u>	<u>TOTAL</u>
1995-96	58,221,977	2,979,827	61,201,804
1996-97	58,673,355	3,130,796	61,804,151
1997-98	59,436,693	3,310,372	62,747,065
1998-99	60,369,414	3,503,927	63,873,341
1999-00	62,029,287	3,414,687	65,443,974
2000-01	63,875,019	3,583,212	67,458,231
2001-02	67,359,597	3,718,755	71,078,352
2002-03	71,626,748	3,815,785	75,442,533
2003-04	76,677,578	3,851,432	80,529,010
2004-05	83,772,821	3,844,164	87,616,985

Note:

(1) Valuations include State reimbursed exemptions but exclude redevelopment tax allocations

Source: Auditor/Controller-Recorder, County of San Bernardino.

COUNTY OF SAN BERNARDINO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - TAX RATE AREA 7000 (1)
(\$1 PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>SAN BERNARDINO COUNTY GENERAL</u>	<u>SCHOOLS</u>	<u>SAN BERNARDINO MUNICIPAL WATER</u>	<u>TOTAL</u>
1995-96	1.0000	0.0012	0.0870	1.0882
1996-97	1.0000	0.0018	0.0870	1.0888
1997-98	1.0000	0.0015	0.1070	1.1085
1998-99	1.0000	0.0015	0.1070	1.1085
1999-00	1.0000	0.0426	0.1070	1.1496
2000-01	1.0000	0.0336	0.1070	1.1406
2001-02	1.0000	0.0361	0.1420	1.1781
2002-03	1.0000	0.0315	0.1400	1.1715
2003-04	1.0000	0.0579	0.1400	1.1979
2004-05	1.0000	0.1105	0.1400	1.2505

Note:

- (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-Recorder, County of San Bernardino.

COUNTY OF SAN BERNARDINO
 COMPUTATION OF LEGAL DEBT MARGIN AND BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>(2) ASSESSED VALUE</u>	<u>(3) LEGAL DEBT LIMIT</u>	<u>(4) BONDED DEBT</u>	<u>LEGAL DEBT MARGIN</u>	<u>RATIO OF BONDED DEBT TO ASSESSED VALUE</u>	<u>BONDED DEBT PER CAPITA</u>
1995-96	1,589	61,201,804	765,023	6,107	758,916	0.01	3.84
1996-97	1,587	61,804,151	772,552	5,290	767,262	0.01	3.33
1997-98	1,622	62,747,065	784,338	4,683	779,655	0.01	2.89
1998-99	1,654	63,873,341	798,417	4,177	794,240	0.01	2.53
1999-00	1,689	65,443,974	818,050	3,691	814,359	0.01	2.19
2000-01	1,764	67,458,231	843,228	3,365	839,863	0.01	1.91
2001-02	1,784	71,078,352	888,479	2,979	885,500	0.01	1.67
2002-03	1,833	75,442,533	943,032	2,657	940,375	0.01	1.45
2003-04	1,886	77,425,423	967,818	2,321	965,497	0.01	1.23
2004-05	1,946	87,270,911	1,090,886	2,045	1,088,841	0.01	1.05

Notes:

- (1) Source: California Department of Finance.
- (2) Valuations include State reimbursed exemptions, but exclude redevelopment tax allocations.
- (3) The legal debt limit is 1.25% of assessed value.
- (4) Bonded debt subject to limitation; amount includes only general obligation bonds.

COUNTY OF SAN BERNARDINO
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
AS OF JUNE 30, 2005

2004-05 ASSESSED VALUATION (1): \$114,365,556,744 (includes unitary utility valuation)
Redevelopment Incremental Valuation: 26,751,179,953
Adjusted Assessed Valuation: \$ 87,614,376,791

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>PERCENT APPLICABLE</u>	<u>DEBT 6/30/05</u>
METROPOLITAN WATER DISTRICT	2.915 %	\$ 12,225,219
CHAFFEY COMMUNITY COLLEGE DISTRICT	100.000	120,165,000
SAN BERNARDINO VALLEY JOINT COMMUNITY COLLEGE DISTRICT	98.492	70,394,744
KERN COMMUNITY COLLEGE DISTRICT SCHOOL FACILITIES IMPROVEMENT DISTRICT	0.583	427,523
RIVERSIDE CITY COMMUNITY COLLEGE DISTRICT	0.001	717
CHINO VALLEY UNIFIED SCHOOL DISTRICT	100.000	72,775,000
COLTON JOINT UNIFIED SCHOOL DISTRICT	97.205	49,261,284
FONTANA UNIFIED SCHOOL DISTRICT	100.000	58,568,353
REDLANDS UNIFIED SCHOOL DISTRICT	100.000	43,798,512
RIALTO UNIFIED SCHOOL DISTRICT	100.000	56,190,038
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT	100.000	94,784,324
UPLAND UNIFIED SCHOOL DISTRICT	100.000	32,939,780
OTHER UNIFIED SCHOOL DISTRICTS	VARIOUS	60,726,521
UNION HIGH SCHOOL DISTRICTS	100.000	141,406,997
SCHOOL DISTRICTS	100.000	135,574,460
CITY OF REDLANDS	100.000	4,510,000
COUNTY SERVICE AREAS	100.000	1,070,000
MOJAVE WATER AGENCY	100.000	24,125,000
MOJAVE WATER AGENCY, I.D. M	100.000	42,273,804
COUNTY WATER DISTRICTS	100.000 (1)	1,593,034
ETIWANDA SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICTS	100.000	80,300,000
FONTANA COMMUNITY FACILITIES DISTRICTS	100.000	146,180,000
CITY OF CHINO COMMUNITY FACILITIES DISTRICTS	100.000	60,735,000
RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICTS	100.000	48,330,000
CHINO HILLS COMMUNITY FACILITIES DISTRICTS	100.000	32,960,000
SAN BERNARDINO COUNTY COMMUNITY FACILITIES DISTRICTS	100.000	31,215,000
OTHER COMMUNITY FACILITIES DISTRICTS	100.000	211,640,503
CITY, COUNTY AND SPECIAL DISTRICT 1915 ACT BONDS (Estimate)	100.000	<u>131,904,231</u>
 TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		 <u>\$ 1,766,075,044</u>

COUNTY OF SAN BERNARDINO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS (IN THOUSANDS)
JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>ADVANCE REFUNDING ESCROW</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES</u>
1995-96	20,642	71,193	5,887	97,722	2,055,813	4.75 %
1996-97	36,470	72,520	39,135	148,125	1,644,398	9.01
1997-98	36,630	76,698	76,240	189,568	1,639,616	11.56
1998-99	28,787	39,162	-	67,949	1,579,413	4.30
1999-00	22,136	49,684	-	71,820	1,675,123	4.29
2000-01	99,557	48,577	-	148,134	1,874,626	7.90
2001-02	24,662	35,817	112,171	172,650	1,976,959	8.73
2002-03	96,480	30,313	-	126,793	2,061,456	6.15
2003-04	23,163	26,727	-	49,890	2,549,926	1.96
2004-05	31,587	41,062	-	72,649	2,178,136	3.34

Source: Auditor/Controller-Recorder, County of San Bernardino.

COUNTY OF SAN BERNARDINO
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 2005

COVERAGE	AMOUNT	INSURED
General and Automobile Liability	County pays all claims with negligence up to \$1,00,000 per claim or occurrence.	County is completely self-insured up to \$1,000,000 per claim or occurrence. CSAC EIA Liability Program II pool covers losses from \$1,00,000. Excess coverage provides coverage to \$30 million.
Fire, Lightning and Earthquake Extended Coverage	Replacement value.	CSAC EIA with \$25,000 deductible - 5% deductible for earthquake
Medical Malpractice	\$30,000,000 Professional or Hospital Liability.	Self-insured program is supplemented by CSAC EIA and provides coverage on an occurrence basis. Self-insured retention at \$1 million for each claim. Maximum coverage under this policy is \$10 million per occurrence with additional \$20 million under the CSAC EIA GLII Program.
Airport Liability	\$50,000,000.	Premises liability, contractual liability, products liability, completed operations; personal protective injury, hangarkeepers, owners and contractors protective with Associated Aviation.
Comprehensive Disappearance, Destructions and Dishonesty	\$10,000,000.	CSAC EIA Crime Program - \$100,000 deductible per claim or occurrence
Faithful Performance Bond	\$10,000,000 employee dishonesty.	CSAC EIA Crime Program - \$100,000 deductible per claim or occurrence
Worker's Compensation	Statutory for Worker's Compensation. \$2,000,000 for Employer's Liability.	Self-Insured first \$2,000,000. Excess with CSAC EIA for \$50,000,000 in limits.
Employee Health - Contact Human Resources Department	Limited according to selected plan.	Contact Human Resources Department.
Dental - Contact Human Resources Department	Limited according to selected plan.	Contact Human Resources Department.
Life - Contact Human Resources Department	Varies.	Contact Human Resources Department.

Source: Risk Management, County of San Bernardino.

COUNTY OF SAN BERNARDINO
PUBLIC OFFICIAL BLANKET BOND (1) (2) (3)
JUNE 30, 2005

	<u>FAITHFUL PERFORMANCE BOND/ EMPLOYEE DISHONESTY</u>	<u>FORGERY/ALTERATION, DISAPPEARANCE & DESTRUCTION, ROBBERY COMPUTER FRAUD</u>
ASSESSOR	\$ 10,000,000	\$ 5,000,000
AUDITOR/CONTROLLER	10,000,000	5,000,000
BOARD OF SUPERVISORS (PER SUPERVISOR)	10,000,000	5,000,000
DISTRICT ATTORNEY	10,000,000	5,000,000
SHERIFF - CORONER	10,000,000	5,000,000
SUPERINTENDENT OF SCHOOLS	10,000,000	5,000,000
TREASURER-TAX COLLECTOR:		
TREASURER	10,000,000	5,000,000
TAX COLLECTOR	10,000,000	5,000,000
PUBLIC ADMINISTRATOR	10,000,000	5,000,000

Notes:

- (1) Coverage with CSAC EIA Crime Program
- (2) Per occurrence.
- (3) \$100,000 Deductible

COUNTY OF SAN BERNARDINO
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS (IN THOUSANDS)
JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>GROSS REVENUE</u>	<u>OPERATING EXPENSES</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>DEBT SERVICE REQUIREMENTS</u>			<u>COVERAGE</u>
				<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
1995-96	32,459	8,535	23,924	6,285	1,635	7,920	3.0
1996-97	71,929	7,947	63,982	28,295	33,909	62,204	1.0
1997-98	55,012	541	54,471	21,925	32,546	54,471	1.0
1998-99	50,569	493	50,076	18,670	31,406	50,076	1.0
1999-00	41,290	1,259	40,031	9,185	30,559	39,744	1.0
2000-01	113,996	486	113,510	86,090	27,420	113,510	1.0
2001-02	34,508	315	34,193	13,195	20,998	34,193	1.0
2002-03	34,269	458	33,811	15,535	18,276	33,811	1.0
2003-04	28,460	-	28,460	13,020	15,440	28,460	1.0
2004-05	29,980	-	29,980	15,480	14,500	29,980	1.0

COUNTY OF SAN BERNARDINO
 BUILDING PERMIT VALUATIONS, DWELLING UNITS AND BANK DEPOSITS (1)
 LAST TEN CALENDAR YEARS
 JUNE 30, 2005

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
VALUATIONS: (2)					
RESIDENTIAL	\$ 573,852	\$ 732,403	\$ 842,497	\$ 993,156	\$ 1,250,197
NONRESIDENTIAL	<u>411,129</u>	<u>397,631</u>	<u>527,367</u>	<u>642,910</u>	<u>758,616</u>
TOTAL	<u>\$ 984,981</u>	<u>\$ 1,130,034</u>	<u>\$ 1,369,864</u>	<u>\$ 1,636,066</u>	<u>\$ 2,008,813</u>
NEW DWELLING UNITS: (2)					
SINGLE FAMILY	3,852	4,703	5,124	5,602	6,593
MULTIPLE FAMILY	<u>101</u>	<u>311</u>	<u>469</u>	<u>511</u>	<u>479</u>
TOTAL	<u>3,953</u>	<u>5,014</u>	<u>5,593</u>	<u>6,113</u>	<u>7,072</u>
BANK DEPOSITS (3)	<u>\$ 5,581,891</u>	<u>\$ 5,706,988</u>	<u>\$ 9,017,358</u>	<u>\$ 9,423,092</u>	<u>\$ 9,632,110</u>

Notes:

- (1) Building Permit Valuations and Bank Deposits are in thousands.
- (2) Source: Construction Industry Research Board.
- (3) Source: Federal Reserve Research Library.

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	
\$ 1,127,597	\$ 1,416,540	\$ 1,832,749	\$ 2,201,236	\$ 3,069,046	VALUATIONS: (2)
<u>766,421</u>	<u>764,931</u>	<u>731,846</u>	<u>811,851</u>	<u>1,144,676</u>	RESIDENTIAL
<u>\$ 1,894,018</u>	<u>\$ 2,181,471</u>	<u>\$ 2,564,595</u>	<u>\$ 3,013,087</u>	<u>\$ 4,213,722</u>	NONRESIDENTIAL
					TOTAL
					 NEW DWELLING UNITS: (2)
5,865	6,825	9,179	10,820	13,991	SINGLE FAMILY
<u>715</u>	<u>1,702</u>	<u>1,437</u>	<u>1,820</u>	<u>4,479</u>	MULTIPLE FAMILY
<u>6,580</u>	<u>8,527</u>	<u>10,616</u>	<u>12,640</u>	<u>18,470</u>	TOTAL
 <u>\$ 9,956,470</u>	 <u>\$ 10,681,508</u>	 <u>\$ 12,879,000</u>	 <u>\$ 14,722,000</u>	 <u>\$ 16,171,000</u>	 BANK DEPOSITS (3)

COUNTY OF SAN BERNARDINO
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2005

<u>FISCAL YEAR</u>	<u>(1) POPULATION COUNTY OF SAN BERNARDINO</u>	<u>(1) POPULATION STATE OF CALIFORNIA</u>	<u>(2) POPULATION UNITED STATES</u>	<u>(3) SCHOOL ENROLLMENT</u>	<u>(4) UNEMPLOYMENT RATE COUNTY OF SAN BERNARDINO</u>
1995-96	1,589	32,321	264,023	336	7.9
1996-97	1,587	32,609	266,490	347	7.2
1997-98	1,621	33,252	270,732	357	6.3
1998-99	1,654	33,773	273,630	365	5.6
1999-00	1,689	34,336	275,377	374	4.8
2000-01	1,764	34,818	276,059	383	4.6
2001-02	1,784	35,037	287,170	394	5.6
2002-03	1,833	35,591	288,100	407	5.5
2003-04	1,886	36,144	294,609	419	5.9
2004-05	1,946	36,810	297,518	423	5.4

(1) Source: California Department of Finance.

(2) Source: U. S. Census Bureau.

(3) Source: Superintendent of Schools.

(4) Source: California Employment Development Department.

COUNTY OF SAN BERNARDINO
 PRINCIPAL TAXPAYERS
 JUNE 30, 2005

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>	<u>TOTAL TAX LEVY FISCAL YEAR 2004-05</u>	<u>PERCENTAGE OF TOTAL TAX LEVY FISCAL YEAR 2004-05</u>
SOUTHERN CALIFORNIA EDISON COMPANY	ELECTRIC UTILITY	\$ 10,769,497	0.82 %
VERIZON CALIFORNIA INC	TELECOMMUNICATIONS	5,347,383	0.41
HIGH DESERT POWER TRUST 2000-A	ELECTRIC UTILITY	4,890,000	0.37
CALIFORNIA STEEL INDUSTRIES INC	STEEL MANUFACTURING	4,038,092	0.31
KAISER FOUNDATION HOSPITALS	HEALTH CARE	3,300,183	0.25
KERN RIVER GAS TRANSMISSION COMPANY	NATURAL GAS PIPELINE	3,217,811	0.25
CEMEX INCORPORATED	BUILDING MATERIALS	2,959,081	0.23
LOMA LINDA UNIVERSITY MEDICAL CENTER	HEALTH CARE	2,835,569	0.22
MAJESTIC REALTY CO	REAL ESTATE	2,447,692	0.19
SOUTHERN CALIFORNIA GAS COMPANY	GAS UTILITY	2,371,636	0.18
TOTAL		<u>\$ 42,176,944</u>	<u>3.23 %</u>

Source: County of San Bernardino.

COUNTY OF SAN BERNARDINO
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2005

GEOGRAPHICAL LOCATION: The County of San Bernardino is located in the southern portion of California and is bordered on the east by the State of Arizona and the State of Nevada, on the north by Inyo County, on the west by Kern and Los Angeles Counties, and on the south by Orange and Riverside Counties.

ALTITUDE: Elevation ranges from a high of 11,502 feet above sea level to a low of 181 feet above sea level.

AREA OF COUNTY: Approximately 20,180 square miles (Largest area in the continental 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

FISCAL YEAR: July 1 - June 30

REGISTERED VOTERS: 741,035 as of June 30, 2005

ESTIMATED POPULATION OF THE COUNTY OF SAN BERNARDINO AS OF JANUARY 1, 2005:

INCORPORATED CITIES (1):

Adelanto	23,418	Montclair	35,530
Apple Valley	63,853	Needles	5,553
Barstow	23,546	Ontario	170,373
Big Bear Lake	6,148	Rancho Cucamonga	161,830
Chino	76,070	Redlands	70,324
Chino Hills	77,819	Rialto	99,242
Colton	51,627	San Bernardino	199,803
Fontana	160,015	Twentynine Palms	27,337
Grand Terrace	12,392	Upland	73,697
Hesperia	76,114	Victorville	86,473
Highland	50,860	Yucaipa	49,388
Loma Linda	21,592	Yucca Valley	19,726
		Total	1,642,730
		Unincorporated Areas:	303,472
		Total Population	1,946,202

COUNTY EMPLOYEES (2)(3):

1995-96	14,341
1996-97	14,650
1997-98	15,444
1998-99	16,637
1999-00	17,538
2000-01	17,535
2001-02	18,544
2002-03	18,265
2003-04	17,491
2004-05	17,727

Notes:

- (1) Source: California Department of Finance.
- (2) Source: County of San Bernardino.
- (3) Average figures including temporary and seasonal employees.

County of San Bernardino

Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

