

**SAN BERNARDINO COUNTY REDEVELOPMENT
SUCCESSOR AGENCY**

**Basic Financial Statements and
Independent Auditor's Report**

For the year ended June 30, 2024

**San Bernardino County Redevelopment
Successor Agency
Basic Financial Statements**

Table of Contents

	<u>PAGE</u>
Independent Auditor's Report	1
Basic Financial Statements	
Statement of Fiduciary Net Position	4
Statement of Changes in Fiduciary Net Position	5
Notes to Financial Statements	6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

To the Countywide Oversight Board
San Bernardino County Redevelopment
Successor Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying fiduciary fund financial statements of the San Bernardino County Redevelopment Successor Agency (the Successor Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Successor Agency, as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Successor Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Successor Agency's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Successor Agency and do not purport to, and do not present fairly the financial position of San Bernardino County, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Successor Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Successor Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 10, 2024

**San Bernardino County Redevelopment
Successor Agency
Statement of Fiduciary Net Position
June 30, 2024**

	Private-purpose Trust Fund
ASSETS	
Cash and cash equivalents	\$ 1,053,277
Interest receivable	13,766
Restricted assets:	
Cash and investments with fiscal agents	3,556,726
Prepaid bond insurance	916,696
Land held for resale	13,276,321
Total assets	18,816,786
DEFERRED OUTFLOW OF RESOURCES	
Deferred amount on refunding of debt	987,476
LIABILITIES	
Accrued interest payable	698,416
Due to other governments	91,946
Noncurrent liabilities:	
Due within one year	2,616,806
Due in more than one year	53,338,634
Total liabilities	56,745,802
DEFERRED INFLOW OF RESOURCES	
Deferred amount on refunding of debt	440,521
NET POSITION (DEFICIT)	
Net position held in trust	(37,382,061)
Total net position	\$ (37,382,061)

The accompanying notes are an integral part of these financial statements

**San Bernardino County Redevelopment
Successor Agency
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2024**

	Private-purpose Trust Fund
ADDITIONS	
Property taxes	
Redevelopment Agency property tax trust fund	\$ 4,872,761
Investment earnings	187,007
Total additions	5,059,768
DEDUCTIONS	
Administrative expenses	248,217
Interest on debt	2,036,067
Total deductions	2,284,284
Change in net position	2,775,484
NET POSITION (DEFICIT)	
Net position held in trust, beginning of year	(40,157,545)
Net position held in trust, end of year	\$ (37,382,061)

The accompanying notes are an integral part of these financial statements

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 1: Summary of Operations and Significant Accounting Policies

Reporting Entity

On January 10, 2012, the County of San Bernardino Board of Supervisors adopted Resolution No. 2012-01, electing to become the Successor Agency (the Successor Agency) to the former Redevelopment Agency of the County of San Bernardino (the Redevelopment Agency). Upon the dissolution of California redevelopment agencies on February 1, 2012, the Successor Agency is responsible for continuing to pay and meet the former Redevelopment Agency's enforceable obligations, overseeing completion of redevelopment projects, disposing of assets and properties of the former Redevelopment Agency, as directed and approved by the San Bernardino Countywide Oversight Board. As of July 1, 2018, Health and Safety Code §34179(j), replaced the twenty-six countywide oversight boards with the San Bernardino Countywide Oversight Board (Oversight Board). The Oversight Board has fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenue. The Oversight Board is comprised of seven members appointed by the:

- County Board of Supervisors (two members)
- County Superintendent of Education (one member)
- California Community College (one member)
- Recognized Employee organization (one member)
- Independent Special District (one member) and
- City selection (one member)

County employees perform the necessary day-to-day activities of the Successor Agency to bring projects to completion, collect information and perform analysis regarding disposal of Redevelopment Agency assets, and provide administrative support to the Oversight Board.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements present only the Successor Agency, a Private Purpose Trust Fund of San Bernardino County, and are not intended to present fairly the financial position or changes in financial position of the County in accordance with accounting principles generally accepted in the United States of America.

The Successor Agency serves as the custodian of the assets for the dissolved Redevelopment Agency. Based on the nature of this custodial role, the assets and liabilities of the dissolved Redevelopment Agency are reported as a fiduciary fund (private-purpose trust fund). The private-purpose trust fund financial statements consist of a statement of fiduciary net position (balance sheet) and a statement of changes in fiduciary net position (income statement).

Private purpose trust funds are accounted for using the economic resources measurement focus and accrual basis of accounting. Accordingly, all assets and liabilities (both current and noncurrent) are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents additions (revenues) and deductions (expenses) in total net position. Property tax allocations are recognized when they are due and when a formal commitment to provide the tax distribution has been made. Expenses are recognized when they are due or incurred.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 1: Summary of Operations and Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

Annual Budget

Pursuant to AB X1 26, the Successor Agency is required to adopt a Recognized Obligation Payments Schedule (ROPS), listing all enforceable obligations due and payable in the six-month coverage period. The ROPS was prepared semi-annually with a distribution of semi-annual property tax revenues from the Redevelopment Property Tax Trust Fund (RPTTF). Management has determined that the ROPS will replace the Successor Agency's annual budget. The ROPS is presented and approved by the Successor Agency governing board and Oversight Board and subsequently approved by the State Department of Finance. SB 107 was passed which changed the ROPS from a semi-annual submittal to the DOF to an annual submittal, but it continues to distribute property taxes of RPTTF funds on a semi-annual basis.

Cash and Investments

The Successor Agency's cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. The Successor Agency maintains substantially all of its cash in the San Bernardino County Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares, is readily convertible to cash, available for immediate withdrawal, and, therefore, is considered a cash equivalent for financial statement reporting purposes. In addition, the State authorizes the Successor Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's investment pool. Investments of the Successor Agency are reported at fair value based on quoted market prices.

Capital Assets

Capital assets, which include only equipment, are reported in the statement of fiduciary net position. The Successor Agency defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than three (3) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Successor Agency are depreciated using the straight-line method over the following estimated useful lives of the assets. The Successor Agency's capital assets are depreciated over 3-10 years.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 1: Summary of Operations and Significant Accounting Policies (continued)

Restricted Assets

Certain proceeds of the Successor Agency are classified as restricted assets on the statement of fiduciary net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Land Held for Resale

Land held for resale are assets acquired and held with the intent of sale and it is not the intent of management to hold these assets for income or profit. These assets are being carried at the lower of cost or estimated net realizable value, until such time as there is an event, which would indicate an agreed-upon sales price. As of June 30, 2024, the land held for resale is being carried at a cost of \$13,276,321. Of this amount \$221,426 has been identified as liquidation property and will be sold by the Successor Agency. The other \$13,054,895 has been identified as future development property and will be transferred to San Bernardino County for development. All transfers have been previously approved by the State of Department of Finance. Upon the County's sale of the land, the sales proceeds will be distributed to all of the appropriate taxing entities at the close of escrow.

Liabilities

Liabilities reflect the Successor Agency's financial obligations as of June 30, 2024, including the repayment of tax allocation bonds issued by the former Redevelopment Agency. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Long-term debt is reported net of any bond discounts or premiums.

Property Taxes

Property taxes are assessed under various legislative provisions, contained in the Government Code and the Revenue and Taxation Code, by the County Assessor-Recorder-Clerk. Taxes on real property are limited to one percent of assessed valuation plus additional taxes for repayment of any existing voted indebtedness. The Successor Agency receives a portion of the property tax income based on a formula prescribed in Section 26912(b) of the Government Code and Sections 95-100 of the California Revenue and Taxation Code and as amended by the passage of AB 454.

The Successor Agency's main source of funding is property taxes allocated by the County Auditor-Controller/Treasurer/Tax Collector (ATC) from the Redevelopment Property Tax Trust Fund (RPTTF). The allocation of property taxes is related to the repayment of the former Redevelopment Agency's enforceable obligations. The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) estimating the RPTTF funds required to pay its obligations for the subsequent fiscal year. The ROPS is subject to review and approval of the Oversight Board, ATC, and State Department of Finance (DOF). These taxes are generally distributed in January and May of each fiscal year.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 1: Summary of Operations and Significant Accounting Policies (continued)

Property Taxes (continued)

The Successor Agency receives allocation of property taxes for its approved ROPS items after payment of the County’s administrative costs and pass-through payments to affected taxing entities. In addition to the ROPS payments, the Successor Agency is allocated an annual administrative allowance equal to 3% of the approved RPTTF funding or the minimum amount of \$250,000, whichever is greater.

Use of Estimates

The preparation of these financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Note 2: Cash and Investments

The Successor Agency is a participant in the San Bernardino Treasurer’s Pool (County Pool). The County Pool is an external investment pool not registered with the Securities Exchange Commission (SEC). The San Bernardino County Treasury Oversight Committee conducts County Pool oversight. The County Pool is actively managed in accordance with the California Government Code, the Treasurer’s Statement of Investment Policy, and internal investment guidelines. The Investment Policy is reviewed annually by the County’s Treasury Oversight Committee and approved by the County Board of Supervisors.

Cash on deposit in the County Pool as of June 30, 2024, is stated at fair value. Cash and cash equivalents include the cash balance of monies deposited with the ATC which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the Successor Agency’s account based upon the Successor Agency’s average daily deposit balance during the allocation period. Cash and cash equivalents are shown as follows as of June 30, 2024:

External investment pool – Cash in San Bernardino County Treasury	\$	<u>1,053,277</u>
Subtotal		1,053,277
Restricted assets:		
Investments held with fiscal agent – Bank of New York Mellon Trust Company, N.A.:		
Money Market funds invested in U.S. Treasuries		<u>3,556,726</u>
Total value of cash and investments	\$	<u><u>4,610,003</u></u>

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 2: Cash and Investments (continued)

See San Bernardino County's Annual Comprehensive Financial Report (ACFR) for details of their investment policy and disclosures related to investment types, credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40. The County pool is rated AAA by Fitch. The Successor Agency's investments in U.S. Treasuries Money Market funds through the Bank of New York Mellon Trust Company, N.A were generally rated AAA by Standard & Poor's.

The Successor Agency follows the County's investment policy for permitted investments. The bond document allows the fiscal agent to invest in obligations of the United States government obligations, United States Agencies, deposit accounts, federal funds, bankers' acceptances, certificates of deposit, commercial paper, municipal obligations, repurchase agreements, investment agreements and money market funds.

The Successor Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. The Successor Agency's money market funds are valued at amortized cost. The Successor Agency has no investments subject to the fair value hierarchy established by generally accepted accounting principles.

There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the Successor Agency's total investments as of June 30, 2024.

Note 3: Capital Assets

As of June 30, 2024, the Successor Agency held no capital assets.

Note 4: Transactions with San Bernardino County

The Successor Agency has entered into several agreements with San Bernardino County to provide for virtually all services to the Successor Agency, including personnel and administrative services, cash flow management, risk management and project costs. Payment for these services is reflected in the statement of changes in fiduciary net position as administrative expenses.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 5: Long-Term Liabilities

Changes in long-term liabilities

The following is a schedule of changes in long-term debt of the Successor Agency for the year ended June 30, 2024:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Bonds					
2016 A TAB's, Taxable	\$ 21,160,000	\$ -	\$ (1,265,000)	\$ 19,895,000	\$ 1,305,000
2016 B TAB's	10,505,000	-	(600,000)	9,905,000	635,000
2020 A Refunding	22,770,000	-	(560,000)	22,210,000	565,000
2020 B Refunding	3,040,000	-	(205,000)	2,835,000	210,000
Subtotal bonds	57,475,000	-	(2,630,000)	54,845,000	2,715,000
Issuance discount	(145,706)	-	11,656	(134,050)	11,656
Issuance premium	1,354,340	-	(109,850)	1,244,490	(109,850)
Total long-term liabilities	<u>\$ 58,683,634</u>	<u>\$ -</u>	<u>\$ (2,728,194)</u>	<u>\$ 55,955,440</u>	<u>\$ 2,616,806</u>

Interest expense (interest on debt, including amortized amounts) in the statement of changes in fiduciary net position was \$2,036,067 for the year ended June 30, 2024.

Bonds Payable

A. San Sevaine 2016 Series A (taxable) and B Refunding Tax Allocation Bonds

In February 2016, the Successor Agency issued the \$28,790,000 Series A (taxable) Refunding Tax Allocation Bonds and \$13,985,000 Series B Refunding Tax Allocation Bonds (collectively the 2016 Bonds) to advance refund the remaining 2005 Series A Refunding Tax Allocation Bonds with an aggregate amount of \$47,030,000. The proceeds were used to advance refund the 2005 Series A bonds which were retired during the prior fiscal year. The remaining proceeds of the 2016 Bonds will be used to (i) pay the premium of a debt service reserve insurance policy for the 2016 Bonds concurrently with the delivery of the 2016 Bonds to satisfy the 2016 reserve amount and (ii) pay the costs of issuing the 2016 Bonds, including the premium for the Bond Insurance Policy.

The Series A bonds are payable in annual installments ranging from \$745,000 to \$2,095,000 commencing September 1, 2016. The final bond matures September 1, 2035. Interest is payable semi-annually on March 1 and September 1 at rates ranging from 1.00% to 4.00% per annum.

The Series B bonds are payable in annual installments ranging from \$395,000 to \$1,010,000 commencing September 1, 2016. The final bond matures September 1, 2035. Interest is payable semi-annually on March 1 and September 1 at rates ranging from 2.00% to 3.25% per annum.

The bonds are payable from and secured by a pledge of the tax revenues, RPTTF revenues, bond tax subsidy payments and moneys in certain funds and accounts under the indenture, including a debt service reserve account.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 5: Long-Term Liabilities (continued)

Bonds Payable (continued)

The following schedule illustrates the annual debt service requirements to maturity for the 2016 Series A Bonds outstanding as of June 30, 2024:

2016 Series A		
Fiscal years ending June 30,	Principal	Interest
2025	\$ 1,305,000	\$ 862,578
2026	1,355,000	813,519
2027	1,405,000	760,013
2028	1,465,000	698,950
2029	1,525,000	631,675
2030-2034	8,745,000	2,028,438
2035-2036	4,095,000	196,767
Total	\$ 19,895,000	\$ 5,991,940

The following schedule illustrates the annual debt service requirements to maturity for the 2016 Series B Bonds outstanding as of June 30, 2024:

2016 Series B		
Fiscal years ending June 30,	Principal	Interest
2025	\$ 635,000	\$ 389,500
2026	665,000	357,000
2027	700,000	322,875
2028	735,000	287,000
2029	770,000	249,375
2030-2034	4,415,000	696,709
2035-2036	1,985,000	64,472
Total	\$ 9,905,000	\$ 2,366,931

If an event of default of either the Series A or B bonds referenced above and is continuing, if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, the Trustee shall (a) declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the indenture or in the bonds to the contrary notwithstanding.

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 5: Long-Term Liabilities (continued)

Bonds Payable (continued)

B. San Sevaine 2020 Series A (taxable) Tax Allocation Bonds

In October 2020, the Successor Agency issued the \$23,965,000 Series A (taxable) Refunding Tax Allocation Bonds to advance refund the remaining 2010 Series A and B Refunding Tax Allocation Bonds with an aggregate amount of \$28,385,000. The proceeds were used to advance refund the 2010 Series A and B bonds. The remaining proceeds of the 2020 Series A Bonds will be used to (i) pay the premium of a debt service reserve insurance policy for the 2020 Bonds concurrently with the delivery of the 2020 Bonds to satisfy the 2020 reserve amount and (ii) pay the costs of issuing the 2020 Bonds, including the premium for the 2020 Insurance Policy.

The Series A bonds are payable in annual installments ranging from \$645,000 to \$3,155,000 commencing September 1, 2021. The final bond matures September 1, 2040. Interest is payable semi-annually on March 1 and September 1 at rates ranging from 0.779% to 3.462% per annum.

The bonds are payable from and secured by a pledge of, security interest in and lien on all of the tax revenues, RPTTF revenues and moneys in certain funds and accounts under the indenture, including any debt service reserve account.

The following schedule illustrates the annual debt service requirements to maturity for the 2020 Series A Bonds outstanding as of June 30, 2024:

2020 Series A		
Fiscal years ending June 30,	Principal	Interest
2025	\$ 565,000	\$ 686,341
2026	575,000	678,660
2027	585,000	669,406
2028	590,000	658,293
2029	605,000	645,443
2030-2034	3,245,000	2,983,633
2035-2039	9,855,000	2,142,903
2040-2041	6,190,000	216,375
Total	\$ 22,210,000	\$ 8,681,054

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 5: Long-Term Liabilities (continued)

Bonds Payable (continued)

If an event of default has occurred under the indenture and is continuing, if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, the trustee will (a) declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the bonds to the contrary notwithstanding, (b) apply all or any portion of any moneys remaining in the Redevelopment Fund and the Low and Moderate Income Housing Fund transferred by the Successor Agency to the trustee for the purpose of paying the principal of and interest on the bonds, and (c) the trustee will, subject to the provisions of the indenture, exercise any other remedies available to the trustee and the bond owners in law or at equity.

C. Cedar Glen 2020 Series B Tax Allocation Bonds

In October 2020, the Successor Agency issued the \$3,440,000 Series B Refunding Tax Allocation Bonds to refund the remaining Series 2010 Tax Allocation Bonds with an aggregate amount of \$4,185,000. The proceeds were used to refund the Series 2010 bonds. The remaining proceeds of the 2020 Series B Bonds will be used to (i) pay the premium of a debt service reserve insurance policy for the 2020 Bonds concurrently with the delivery of the 2020 Bonds to satisfy the 2020 reserve amount and (ii) pay the costs of issuing the 2020 Bonds, including the premium for the 2020 Insurance Policy.

The Series B bonds are payable in annual installments ranging from \$205,000 to \$1,175,000 commencing September 1, 2021. The final bond matures September 1, 2034. Interest is payable semi-annually on March 1 and September 1 at a rate of 4.00% per annum.

The bonds are payable from and secured by a pledge of, security interest in and lien on all of the tax revenues, RPTTF revenues and moneys in certain funds and accounts under the indenture, including any debt service reserve account.

The following schedule illustrates the annual debt service requirements to maturity for the 2020 Series B Bonds outstanding as of June 30, 2024:

2020 Series B		
Fiscal years ending June 30,	Principal	Interest
2025	\$ 210,000	\$ 109,200
2026	220,000	100,600
2027	230,000	91,600
2028	235,000	82,300
2029	245,000	71,900
2030-2034	1,385,000	205,100
2035	310,000	6,200
Total	\$ 2,835,000	\$ 666,900

**San Bernardino County Redevelopment
Successor Agency
Notes to Financial Statements
For the year ended June 30, 2024**

Note 5: Long-Term Liabilities (continued)

Bonds Payable (continued)

If an event of default has occurred under the indenture and is continuing, if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, the trustee will (a) declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the bonds to the contrary notwithstanding, (b) apply all or any portion of any moneys remaining in the Redevelopment Fund and the Low and Moderate Income Housing Fund transferred by the Successor Agency to the trustee for the purpose of paying the principal of and interest on the bonds, and (c) the trustee will, subject to the provisions of the indenture, exercise any other remedies available to the trustee and the bond owners in law or at equity.

Note 6: Commitments and Contingencies

Enforceable obligations

Some enforceable obligations of the Successor Agency represent agreements, contracts or other commitments for the expenditure of monies. They do not constitute as expense or liability for financial statement purposes because these commitments will be honored in subsequent years.



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

To the Countywide Oversight Board
San Bernardino County Redevelopment
Successor Agency

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

We have audited, 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 (*Government Auditing Standards*), the financial statements of the San Bernardino County Redevelopment Successor Agency (the Successor Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Successor Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 10, 2024