

For Year Ended
June 30, 2017

Comprehensive **ANNUAL FINANCIAL REPORT**

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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San Bernardino, CA 92410

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www.gosbcta.com

**San Bernardino County Transportation
Authority**

**Comprehensive
ANNUAL FINANCIAL REPORT**

For Year Ended June 30, 2017



Prepared by SBCTA, Finance Department



Project rendering looking at the new entrance to the Santa Fe Depot.

The historic Santa Fe Depot in San Bernardino is home to SANBAG offices on the second floor. Following many years of abandonment in the 1990s, the building experienced severe deterioration. Thanks to a historic preservation grant, the building was restored in 2004, at which time SANBAG moved into the building. At the completion of the Downtown San Bernardino Passenger Rail Project in late Summer 2017, the entrance to Depot will also see a facelift.

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On Friday, March 11, 2016 the San Bernardino Associated Governments (SANBAG), the County of San Bernardino, the City of Colton, and the California Department of Transportation celebrated the start of construction for the much-anticipated Interstate 10/Pepper Avenue Interchange Improvement Project.

The project boasts a first-of-its-kind federal pilot program for local and veteran hiring practices.

December 21, 2017

To the Citizens of San Bernardino County, California:

The Comprehensive Annual Financial Report (CAFR) of San Bernardino County Transportation Authority (SBCTA), California, for the fiscal year ended June 30, 2017 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with SBCTA. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations and cash flows of the government-wide statements and various funds of SBCTA. All disclosures necessary to enable the reader to gain an understanding of SBCTA's financial activities have been included.

The financial statements are the responsibility of SBCTA's management. Completeness and reliability of the information contained in this report is based upon a comprehensive framework of internal controls that is established for this purpose. The costs of internal control should not exceed the anticipated benefits. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Management's Discussion and Analysis (MD&A) interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variations in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of SBCTA. MD&A complements this letter of transmittal and should be read in conjunction with it.

Independent Audit. SBCTA policy requires that its financial statements be audited by a certified public accountant. Crowe Horwath, LLP, Certified Public Accountants, have issued an unmodified opinion on SBCTA's financial statements for the fiscal year ended June 30, 2017. The auditor's report on the financial statements and required supplementary information is included in the financial section of this report.

The independent audit of the financial statements of SBCTA was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls over financial reporting and compliance with legal requirements, with special emphasis on internal controls over compliance with, and legal requirements involving the administration of federal awards. These reports are available in SBCTA's separately issued Single Audit Report.

Profile of the Government

SBCTA has included the following authorities in the financial report:

County Transportation Commission. In 1976 the State, through Assembly Bill 1246, designated SANBAG as the County of San Bernardino's Transportation Commission. The most important function is preparation of the bi-annual six year State Transportation Improvement Program for state highway, preparation of the Transportation Improvement Program for San Bernardino County, and the advocacy of local projects before the California Transportation Commission.

County Transportation Authority. With the passage of Measure I in 1989, SANBAG became the County Transportation Authority. The Authority is responsible for administration of the voter-approved half-cent transportation transactions and use tax for funding of major freeway, interchange, arterial and grade separation construction, commuter rail service, local street and road improvements, special transit service for the elderly and disabled population, and traffic management and environmental enhancement efforts. In 2004, San Bernardino County voters overwhelmingly approved the extension of the Measure I sales tax through 2040.

Service Authority for Freeway Emergencies. In 1986, SANBAG became the Service Authority for Freeway Emergencies (SAFE). The SAFE is responsible for the implementation and operation of a motorist aid callbox system on state freeways and highways in the county.

Congestion Management Agency. In 1990, SANBAG became the Congestion Management Agency (CMA) required under AB 1971 and is responsible for the development and implementation of the Congestion Management Plan for all of San Bernardino County. The CMA manages the performance level of the regional transportation system in a manner which ensures consideration of the impacts from new development and promotes air quality through implementation of strategies in the adopted air quality plans.

Subregional Planning Agency. SBCTA represents the San Bernardino County sub region and assists the Southern California Association of Governments in carrying out its functions as the metropolitan planning organization. SBCTA performs studies and develops consensus relative to input into regional growth forecasts, regional transportation plans, and mobile source components of the air quality plans.

Council of Governments. San Bernardino Associated Governments, now known as SBCOG, was formed in 1973 as a subregional council of government under a joint powers agreement (JPA). The JPA currently includes the twenty-four cities in the county and the County of San Bernardino Board of Supervisors. The agency's mission statement adopted June 2, 1993 and reaffirmed March 6, 1996, outlines the agencies objectives which are to enhance the quality of life for all residents in San Bernardino County by improving cooperative regional planning, strengthening economic development efforts, exerting leadership in creative problem solving, and fostering enhanced relationships among all of its stakeholders while adding to the value of local governments.

In 2016, SANBAG sponsored Senate Bill 1305 (Morrell), consolidating the agency's transportation entities into one singular statutory entity. The Bill passed through both houses and was signed by the Governor in August 2016. On January 1, 2017, SANBAG, serving in each capacity previously described, with the exception of the Council of Governments, became statutorily known as the San Bernardino County Transportation Authority.

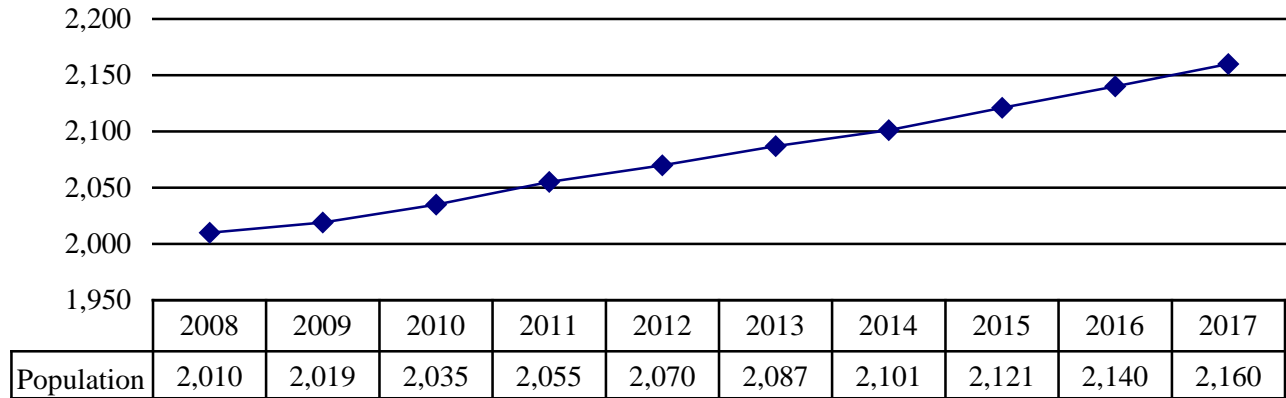
SBCTA is required to adopt a budget prior to the beginning of each fiscal year. The annual budget serves as the foundation for SBCTA's financial planning and control. The budget is prepared by funding source, program and task. Management may transfer resources within each task and between tasks within the same program and funding source. The Executive Director has the authority to substitute funding sources within a program, not-to-exceed \$1 million. Changes in the total expenditures for a program require Board approval.

Local Economy

San Bernardino County, which together with Riverside County forms the Inland Empire, has one of the largest economies in the United States. The competitive advantages of affordable housing and commercial real estate make the region an attractive magnet for new businesses and economic growth. The local economy shows steady growth. This has resulted in stable population growth, reduction in unemployment, increase in personal income, and increase in local revenues.

The population of San Bernardino County has grown by 7.5% over the last ten years. Although the growth slowed down in 2009, it has steadily increased in the last ten years.

**Population Growth
Last Ten Years
(In Thousands)**



The County experienced a significant increase in unemployment during the great economic recession with an unemployment rate of 9.8% in 2013. The unemployment rate has steadily decreased over the past years to 5.0% in 2017.

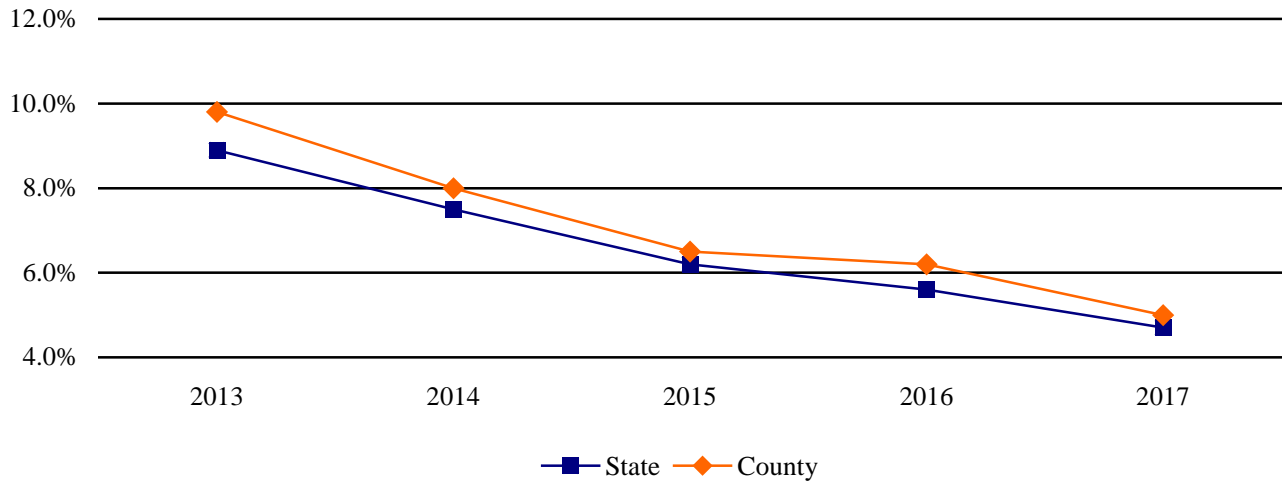
The following table summarizes the civilian labor force, employment and unemployment, and employment rate for the State of California and San Bernardino County for the calendar years 2013 through 2017. The figures for 2017 are as of eight months ending August 2017. Data for each of the years are not seasonally adjusted. Labor force data is by place of residence and includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Civilian Labor Force, Employment, Unemployment and Unemployment Rate-Annual Averages
(In Thousands)

	2013		2014		2015		2016		2017	
	State	County	State	County	State	County	State	County	State	County
Civilian labor force	18,670	898.8	18,828	910.7	18,982	926.6	19,358	938.9	19,450	951.7
Employment	17,001	811.1	17,418	837.9	17,799	866.8	18,282	880.2	18,533	903.8
Unemployment	1,669	87.7	1,410	72.8	1,183	59.8	1,076	58.7	917	48.0
Unemployment rate	8.9%	9.8%	7.5%	8.0%	6.2%	6.5%	5.6%	6.2%	4.7%	5.0%

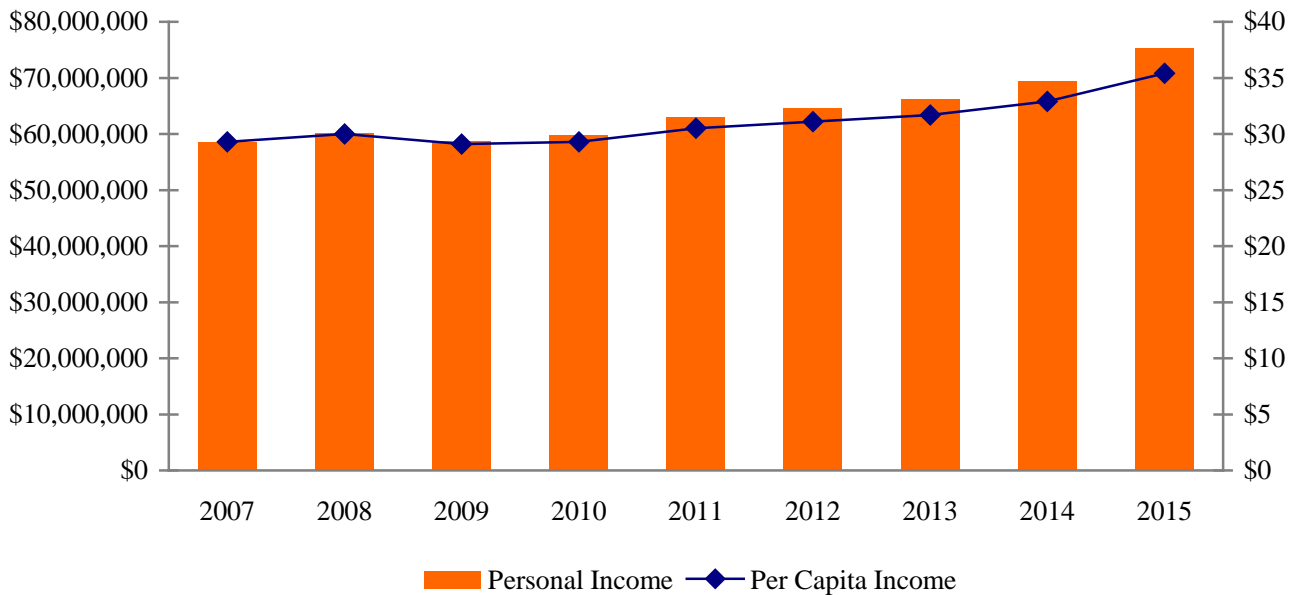
Source: Labor Market Information Division-California State Employment Development Department.

**Unemployment Rate
County versus State
Last Five Years**



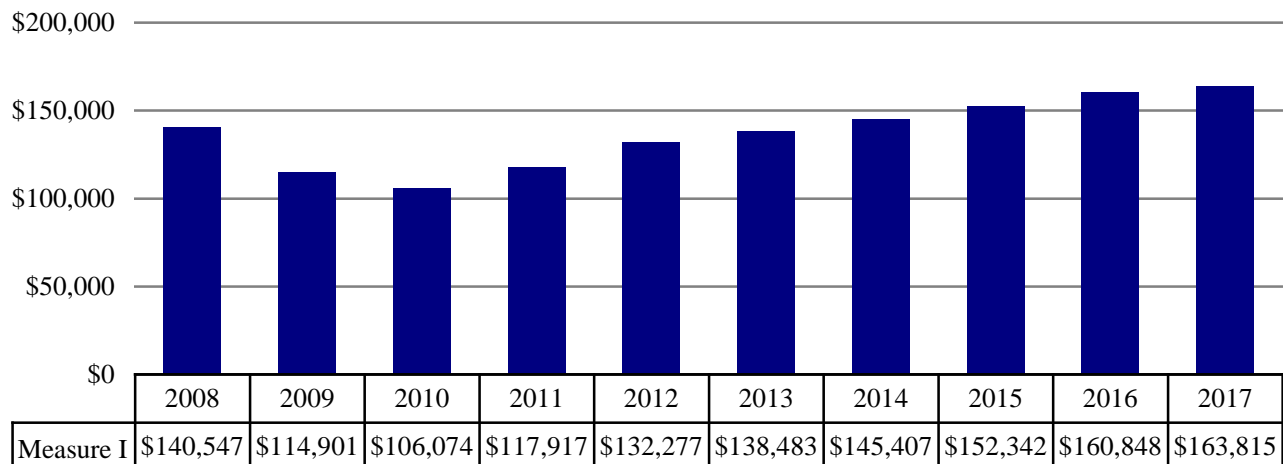
Personal income decreased from \$60.5 billion in 2008 to \$58.7 billion in 2009 because of the economic recession. The strong improvement in the local economy over the last years has increased personal income to a high of \$75.4 billion in 2015. Per capita income followed a similar pattern increasing steadily to a high of \$35.4 thousand in 2015.

**Personal Income and Per Capita Income
Years 2007-2015
(In Thousands)**



Measure I sales tax receipts declined from \$140.5 million in fiscal year 2008 to a low of \$106.1 million in fiscal year 2010. However, steady increase in retail sales indicates a strong recovery in the Inland Empire region since 2010. Measure I sales tax revenue for fiscal year 2017 was \$163.8 million in comparison to \$160.8 million of the prior fiscal year.

**Measure I Sales Tax
Last Ten Years
(In Thousands)**



Measure I sales tax revenue will affect future bond financing and transportation project delivery. The economy is expected to be stable in fiscal year 2018 and beyond.

SBCTA faces ongoing challenges in providing planning and transportation support to San Bernardino County. However, the region continues to retain a sound base for future economic growth, including lower priced real estate, a large pool of skilled workers, decreasing unemployment and increasing wealth and education levels.

Long Term Planning

The new Measure I program was initiated on April 1, 2010. This was the result of voters approving the extension/renewal of the local transaction and use tax in November 2004. SBCTA has adopted a strategic plan for the implementation of this 30 year extension, designed to improve transportation and goods movement. The 10-Year Delivery Plan was updated in 2017 which provides revenue projections; project scope, cost and schedule; escalation and inflation; financial strategy; and long-term bonding analysis. Freeway, interchange, grade separation, and transit and commuter rail project costs identified in the plan are estimated to be \$4.3 billion. Funding includes \$1.5 billion from Measure I sales tax revenue, and \$2.8 billion from federal, state, and local sources.

SBCTA will continue to explore economically viable ways to advance these transportation projects so they may be enjoyed by the citizens of San Bernardino County as early as possible. The detailed Measure I 2010-2040 10-Year Delivery Plan can be accessed on SBCTA’s web site.

Major Initiatives

Some of the major highlights for the year included the following:

COUNCIL OF GOVERNMENTS

33rd Annual City-County Conference

SBCOG co-sponsors the City-County Conference to bring city and county elected officials and staff together to discuss mutual concerns. The 2017 conference focused on collaboration in the areas of disaster preparedness, communicating with social media, economic development, the local economy, and impacts of new state legislation.

LEGISLATION AND PUBLIC AFFAIRS

Legislation

SBCTA's robust advocacy program resulted in passage of AB 1523 (Oberholte) which provided SBCTA with the authority to use the Design-Build procurement tool for the Mt. Vernon viaduct, enhanced awareness of a need to address goods movement along the I-10 corridor, awareness of the Redlands Passenger Rail Project and SBCTA's efforts to pursue a Zero-Emission propulsion system with the California Air Resources Board (CARB) and the South Coast Air Quality Management District (SCAQMD).

Public Affairs

SBCTA's public affairs program updated its procurement of support outreach services as a way of expanding the opportunities for citizen engagement, outreach, and education. These in conjunction with other efforts have resulted in a revised branding effort, enhanced media opportunities to communicate accurate, timely and consistent information about agency's programs, projects, and services in newspaper, radio, and television mediums and continued growth in social media following.

COMMUTER AND MOTORIST ASSISTANCE

Call Box Program

SBCTA operates approximately 1,020 call boxes along highways and freeways to assist motorists who have a flat tire or mechanical failure, were involved in an accident, or are in need of emergency or other assistance. SBCTA operates cellular call boxes and also satellite call boxes when a consistent cellular signal is unable to be obtained. Each call box is equipped with a Tele Type device (TTY) for the hearing impaired. Recently, SBCTA upgraded the cellular call box system from 2G to 3G due to a national phase out of the 2G cellular network.

Freeway Service Patrol (FSP)

SBCTA provides FSP services along the freeways in the urbanized area of the San Bernardino Valley. There are eight separate segments along the highway system, known as "beats". Tow trucks patrol these beats during the morning and evening rush hours to assist motorists and remove broken down or stalled vehicles quickly to help keep traffic moving. In order to assist more motorists, two previous separate beats have been merged into one beat, which then allowed for the implementation of a new beat along the SR 210 between the LA County line and Citrus Avenue. By using resources more efficiently, FSP will have greater outreach and the ability to provide more services to stranded motorists. FSP assisted more than 33,000 motorists during the year and received a 99% excellent rating from the motorists that were assisted..

REGIONAL AND SUBREGIONAL PLANNING

Measure I Strategic Plan 2010-2040

A draft of Parts 1 and 2 of the Measure I Strategic Plan was completed and circulated to local jurisdictions for review. Part 1 represents an update on the delivery of Measure I projects and current financial projections for future projects, founded on the 10-Year Delivery Plan.

Long Range Transit Plan (LRTP)

Work was initiated on the LRTP, in conjunction with the transit agencies of San Bernardino County. A goal of the LRTP is to make an assessment of the capital and operational needs of San Bernardino County transit systems going forward and to identify implementation and funding strategies.

California Department of Transportation (Caltrans) Active Transportation Program (ATP) Cycle 3 Grant Awards

The ATP was created through state legislation so that Caltrans could encourage increased use of active modes of transportation, such as cycling and walking. SBCTA helps coordinate applications, provides an opportunity to compete for matching funds, and provides material to support local applications. San Bernardino County agencies were collectively awarded almost \$7 million under ATP Cycle 3. Collectively, agencies in San Bernardino County have been awarded approximately \$50 million in ATP grants over the last three fiscal years.

Measure I Valley Freeway Interchange Phasing Program

The Valley Freeway Interchange Phasing Program was approved by the SBCTA Board in December 2016. The program includes 27 specific sets of improvements to interchange ramps and intersections that can be implemented in the near term, through the joint efforts of local jurisdictions, Caltrans, and SBCTA. The overall goal of the phasing approach is to stretch interchange dollars across as many interchanges as possible in an effort to derive the greatest benefit to Valley jurisdictions from the available interchange funds. A commitment to funding the phasing program was reflected in the 2017 update of the SBCTA 10-Year Delivery Plan.

TRANSIT AND PASSENGER RAIL

Downtown San Bernardino Passenger Rail Project

Construction on the Downtown San Bernardino Passenger Rail Project (DSBPRP) continued with approximately 98% of the work being completed as of the end of the fiscal year and Metrolink revenue service commenced in December 2017. The DSBPRP will extend Metrolink service approximately one mile from the current terminus at the historic San Bernardino Santa Fe Depot to the operational multi-modal San Bernardino Transit Center at the corner of Rialto Avenue and E Street.

Redlands Passenger Rail Project

Design of the Redlands Passenger Rail Project progressed beyond 60% and procurement of the Buy America and Federal Railroad Administration crash compliant Diesel Multiple Units (DMU) service vehicles advanced with the contract award in July 2017. In addition, design of an early utility relocation package was completed and invitation for bids issued. The project will provide a blended passenger rail service, with 25 DMU daily round trips and one Metrolink week day round trip, from the San Bernardino Transit Center to the University of Redlands, with stops in between.

West Valley Connector

In January 2017, the SBCTA Board and Omnitrans Board approved the transfer of the West Valley Connector Project from Omnitrans to SBCTA after it became more capital intensive than originally planned. Subsequent to the transfer, a capital and operations funding plan was developed that included the identification of the need for \$65 million in grant funding with the likely source being a Federal Transit Administration (FTA) Small Starts Capital Improvement Grant.

In addition, the SBCTA Board provided direction to implement the West Valley Connector Project in two phases with the initial phase connecting the Downtown Pomona Metrolink Station, Ontario International Airport, Ontario Convention Center, Ontario Mills, the Rancho Cucamonga Metrolink Station, and Victoria Gardens.

Sierra Avenue and Juniper Avenue Grade Crossings

SBCTA, in partnership with the City of Fontana and Metrolink, completed design of the grade crossing and pedestrian improvements at Sierra Avenue and Juniper Avenue. In addition, a cooperative agreement with Metrolink for construction and construction management was executed and the construction contract for the civil improvements was awarded. Through coordination with Metrolink, rail rehabilitation work at the two crossings will be done in conjunction with the civil improvements.

Metrolink Double Track – Control Point Lilac to Control Point Rancho

SBCTA progressed with preliminary engineering and environmental efforts need to add a second track on the Metrolink San Bernardino Line between Control Point (CP) Lilac in the City of Rialto and CP Rancho in the City of San Bernardino. Additional double track sections are needed to provide additional service efficiencies such as express train service without disruption to existing service. The project includes the addition of a second platform at the Rialto Metrolink Station.

Shortway Subdivision Quiet Zone

The Shortway Subdivision Quiet Zone project includes infrastructure improvements at the grade crossings allowing the train engineers to forego the routine sounding of horns in accordance with Federal Railroad Administration and California Public Utilities Commission regulations. With full implementation of the South Eastern Maintenance Facility by Metrolink, the number of trains traversing this area increased. As a result, SBCTA decided to review the need and ability to implement a quiet zone along the Shortway Subdivision. Preliminary engineering was completed; however, Metrolink is requesting additional improvements that result in the need for additional right of way. An alternative design was submitted to Metrolink for review.

Railroad Right-of-Way

SBCTA adjusted position assignments to supplement the full-time staff member added in fiscal year 2016, to manage the railroad property portfolio held by SBCTA. On-going right of way maintenance efforts such as weed abatement, trash removal, and graffiti abatement were conducted on cyclical basis. Two parcels in Upland, south of the Upland Metrolink Station, were deemed surplus and bids for the properties were solicited. However, reasonable bids were not received. In addition, twelve rights of use agreements were executed in fiscal year 2017.

MAJOR PROJECT DELIVERY

I-10 Corridor Project Development, Multiple Cities

SBCTA is in the process of preliminary engineering, environmental and financial studies. The environmental document was circulated for public comment in April/May 2016. High Occupancy Vehicle (HOV) lanes and Express lanes are being considered for this 33 mile corridor. The cost (nominal \$) of the alternatives ranges from \$650 million to \$1.8 billion.

I-15 Corridor Project Development, Multiple Cities

The preliminary engineering and environmental studies are ongoing for the addition of two Express Lanes in each direction from SR-60 to SR-210, a distance of approximately 14 miles. The draft environmental document and draft project report are currently under review by Caltrans. Project approval and environmental document is anticipated in mid-2018.

I-10 Tippecanoe Avenue Interchange, San Bernardino, Loma Linda

The first phase of construction was completed in February 2014. The second phase of construction commenced in February 2015 and was open to traffic in May 2016. Project is currently in the second year of the 4-year plant establishment period.

I-10 Pepper Avenue Interchange, Colton

The project started construction in March 2016 and was open to traffic in August 2017. The project replaced the existing 5-lane bridge and provided ramp improvements for better circulation and access to and from Arrowhead Regional Medical Center.

I-15 Baseline Road Interchange, Rancho Cucamonga, Fontana

The project commenced construction in August 2014 and was open to traffic in April 2016. The 1-year plant establishment period started in August 2017.

SR-210 Pepper Avenue Interchange, Rialto

The project started construction in April 2017 and is expected to be completed in March 2018 followed by 1 year of plant establishment. This is the final interchange for the SR-210 freeway expansion and will add new ramps at Pepper Avenue and widen Pepper Avenue to 2 lanes in each direction.

I-215 Barton Road Interchange, Grand Terrace

The project is using the Construction Manager/General Contractor (CMGC) delivery method which allowed the contractor to assist Caltrans during project design to improve constructability. Final design was approved in May 2017 and utility work has been underway in preparation for construction that started in October 2017.

I-215 Segment 1 & 3 Landscape Replacement Project, San Bernardino

The project development was completed in July 2017 and the Invitation for Bid (IFB) for construction was issued on July 24, 2017. The \$4.7 million construction contract was awarded at the October 2017 SBCTA Board of Directors meeting. Construction is scheduled for 200 working days with a 1-year plant establishment period to follow.

I-15/I-215 Devore Interchange, San Bernardino County

The Devore interchange was the first design-build highway project in San Bernardino County. The project reconfigured the interchange, added a fourth lane in each direction on the I-15 through the interchange, and added truck connectors. This \$266 million construction project was open to traffic in June 2016. Final close-out work is being completed, excess right of way parcels are in the process of being sold and final funding close-out and mitigation work is underway.

Mt. Vernon Viaduct, San Bernardino

This project will demolish the existing bridge and replace it with a new bridge built to current design standards. Environmental revalidation work is ongoing along with procurement of a project manager/construction manager (PCM). The project is proposed to be completed through the design-build delivery method. Procurement for this work is anticipated to start in 2018 for this \$140 million project. A design-build contract is anticipated to be awarded in 2019 and the new bridge open to traffic before the end of 2021.

FUND ADMINISTRATION AND PROGRAMMING

10-Year Delivery Plan

SBCTA approved the 2017 Update to the 10-Year Delivery Plan. The plan was developed within the policy framework established by the voter-approved Measure I Expenditure Plan and provides a transparent list of projects that will be developed during the next ten year period. The 10-Year Delivery Plan defines the current assumptions related to revenue forecasts and project scope, schedule, and budget, and it enables SBCTA to meet the requirements of bond rating agencies for the sale of bonds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SBCTA for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This is the fifth year that SBCTA has received this prestigious award.

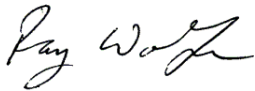
In order to be awarded a Certificate of Achievement, the government needs to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

SBCTA has received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2016. To qualify for the award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communicative device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. Special recognition is given to Beatriz Valdez, Chief of Fiscal Resources, for the preparation of the report. Credit also must be given to the SBCTA Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of SBCTA's finances.

Sincerely,



Raymond W. Wolfe
Executive Director



Hilda E. Flores
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

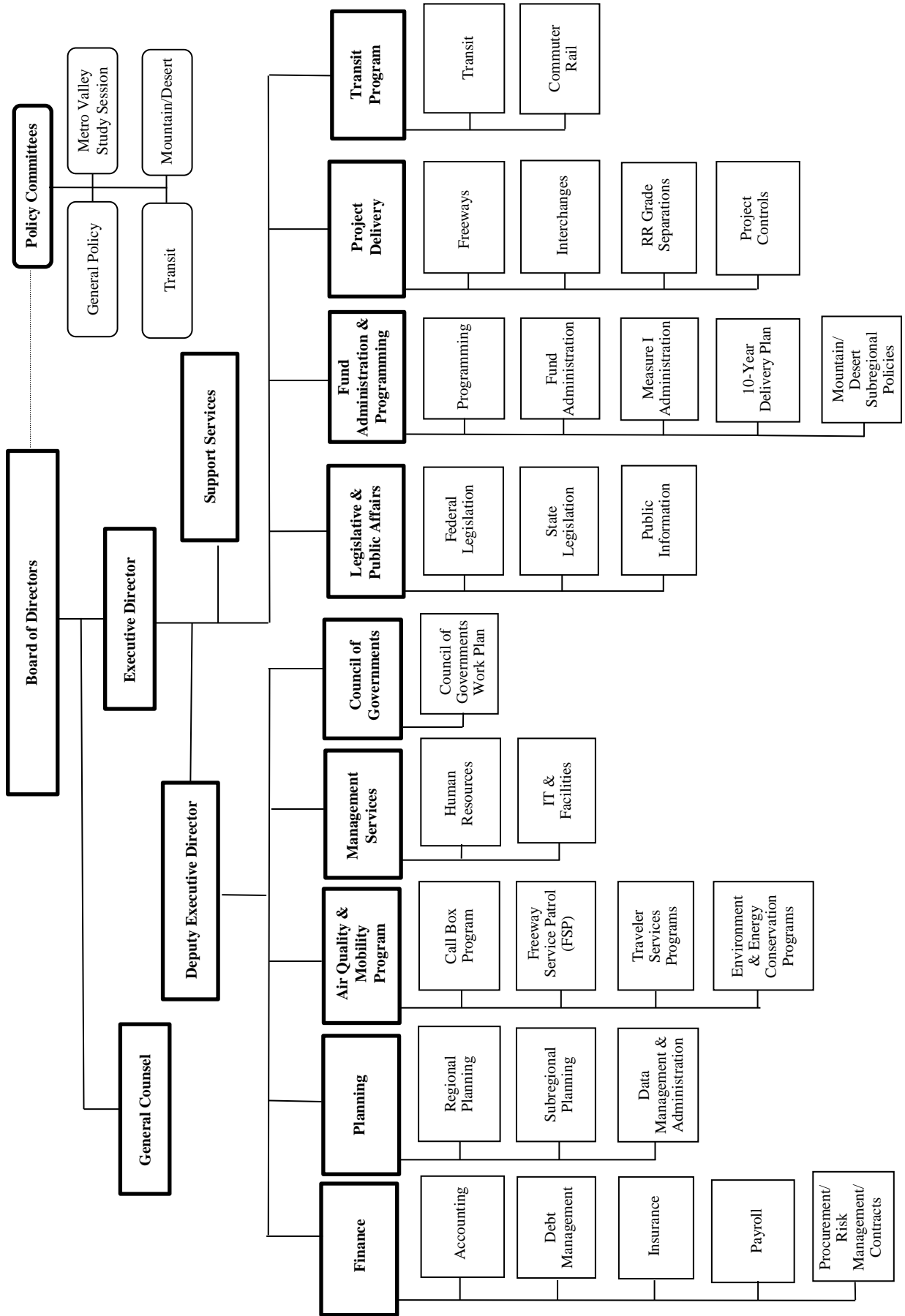
**San Bernardino Associated Governments
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

**San Bernardino County Transportation Authority
Organization Chart**



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
List of Principal Officials
June 30, 2017

Board of Directors

Name	Jurisdiction	Title
Robert A. Lovingood	Supervisor-County of San Bernardino	Board President General Policy Committee Vice Chair
Alan Wapner	Council Member-City of Onatrio	Board Vice-President General Policy Committee Chair
Rick Kerr	Mayor-City of Adelanto	
Curt Emick	Council Member-Town of Apple Valley	
Julie McIntyre	Mayor -City of Barstow	Mountain/Desert Committee Vice Chair
Bill Jahn	Mayor-City of Big Bear Lake	Transit Committee Vice Chair Mountain/Desert Committee Chair
Eunice Ulloa	Mayor-City of Chino	
Ed Graham	Council Member-City of Chino Hills	
Frank Navarro	Council Member-City of Colton	Metro Valley Study Session Chair
Acquanetta Warren	Mayor-City of Fontana	
Darcy McNaboe	Mayor-City of Grand Terrace	
Bill Holland	Council Member-City of Hesperia	
Larry McCallon	Mayor Pro Tem-City of Highland	
Rhodes Rigsby	Mayor-City of Loma Linda	
Paul Eaton	Mayor-City of Montclair	
Edward Paget	Mayor-City of Needles	
L. Dennis Michael	Mayor-City of Rancho Cucamonga	
Jon Harrison	Council Member-City of Redlands	
Deborah Robertson	Mayor-City of Rialto	
R. Carey Davis	Mayor-City of San Bernardino	
Joel Klink	Council Member-City of Twentynine Palms	
Debbie Stone	Mayor-City of Upland	
Jim Kennedy	Countil Member, City of Victorville	
David Avila	Council Member-City of Yucaipa	
Rick Denison	Mayor Pro Tem-Town of Yucca Valley	
Janice Rutherford	Supervisor-County of San Bernardino	Metro Valley Study Session Vice Chair
James Ramos	Supervisor-County of San Bernardino	Transit Committee Chair
Curt Hagman	Supervisor-County of San Bernardino	
Josie Gonzales	Supervisor-County of San Bernardino	

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
List of Principal Officials
June 30, 2017

Appointed Officials

Raymond Wolfe, Executive Director
Eileen Teichert, General Counsel
Vicki Watson, Clerk of the Board/Administrative Supervisor
Duane Baker, Deputy Executive Director
Hilda Flores, Chief Financial Officer
Otis Greer, Director of Legislative and Public Affairs
Steve Smith, Director of Planning
Carolyn Schindler, Director of Transit and Rail Programs
Paula Beauchamp, Director of Project Delivery
Andrea Zureick, Director of Fund Administration and Programming

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Bernardino County Transportation Authority (SBCTA), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise SBCTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of SBCTA, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SBCTA’s basic financial statements. The combining and individual fund financial statements and schedules, introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the San Bernardino County Transportation Authority’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 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 SBCTA’s internal control over financial reporting and compliance.


Crowe Horwath LLP

Costa Mesa, California
December 21, 2017

Management's Discussion and Analysis

Our discussion and analysis of the San Bernardino County Transportation Authority (SBCTA) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of SBCTA exceeded its liabilities at the close of the fiscal year by \$509,445,972 (*net position*).
- The unrestricted net position (deficit) of (\$236,963,668) is the result of issuance of long-term debt to finance freeways, freeway interchanges and major streets which are owned and vested by the California Department of Transportation and other local jurisdictions. Therefore, there is no corresponding asset to the long-term liability. Although SBCTA does not have sufficient current resources to cover long-term liabilities, future Measure I sales tax revenues are pledged to cover future debt service obligations.
- SBCTA's changes in net position increased by \$92,031,682 from the previous fiscal year as a result from operations and recognition of \$18,882,793 of construction in progress and other capital assets.
- The total cost of all SBCTA's activities was \$285,941,339 for the current fiscal year. Net cost of all activities was \$163,148,178.
- The total fund balances of SBCTA's governmental funds were \$527,199,408 at the close of the fiscal year. A majority of the fund balances are restricted, committed and assigned.
- General Fund expenditures exceeded revenues and other financing sources by \$3,298,545 for the fiscal year ended.
- The total fund balance of the General Fund was \$10,797,793 for the fiscal year. \$2,788,309 was committed, \$14,569 nonspendable, and \$7,994,915 was assigned.
- SBCTA's total outstanding long-term bonded debt including unamortized premiums decreased by \$3,976,348 due to principal payment and amortization of bond premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to SBCTA's basic financial statements. SBCTA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of SBCTA's finances, in a manner similar to a private-sector business.

Statement of Net Position

The Statement of Net Position presents information on all of SBCTA's assets, liabilities and deferred inflows/outflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SBCTA is improving or deteriorating.

Statement of Activities

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

The Statement of Activities distinguish functions of SBCTA that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges or operating grants and contributions. The governmental activities of SBCTA include general-council of governments support, air quality and traveler services, regional and subregional planning, transit and passenger rail, major project delivery, and fund administration and programming.

The government-wide financial statements include only the financial information for SBCTA and its component unit, the Service Authority for Freeway Emergencies (SAFE). The government-wide financial statements can be found on pages 15-16.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SBCTA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 government'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 governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SBCTA maintains seventeen 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 its major governmental funds which consist of: the general fund, federal highway, federal transit administration, state highway, proposition 1B, local transportation fund, state transit assistance fund, 1990-2010 Measure I, and 2010-2040 Measure I special revenue funds; debt service fund and capital projects fund. Information for the remaining four nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of the report.

SBCTA adopts an annual appropriated budget for all of the governmental funds. Budgetary comparison schedules have been provided in the required supplementary information section for the general and major special revenue funds to demonstrate compliance with the budget. Budgetary comparison schedules have been provided in the supplementary information section for the nonmajor governmental and remaining major funds.

The basic governmental fund financial statements can be found on pages 18-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-64 of this report.

Other Information

In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain required supplementary information concerning SBCTA's budgetary results for the general fund and major special revenue funds, actuarial determined contribution rates, and the note to required supplementary information. Required supplementary information can be found on pages 65-75 of this report.

Other supplementary information is presented immediately following the required supplementary information. This information includes the following:

- Combining balance sheet and statement of revenues, expenditures and changes in fund balances relating to nonmajor governmental funds.
- Budgetary comparison schedules for nonmajor special revenue governmental funds.
- Budgetary comparison schedules for remaining debt service and capital projects major funds.
- Combining balance sheet and statement of revenues, expenditures and changes in fund balances for the 1990-2010 Measure I special revenue fund.
- Combining balance sheet and statement of revenues, expenditures and changes in fund balances for the 2010-2040 Measure I special revenue fund.
- Combining balance sheet and statement of revenues, expenditures and changes in fund balances for the debt service fund.
- Combining balance sheet and statement of revenues, expenditures and changes in fund balances for the capital projects fund.

Supplementary information can be found on pages 78-110 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of SBCTA's financial position. At June 30, 2017, SBCTA's assets exceeded liabilities by \$509,445,972. The following is condensed financial data related to net position at June 30, 2017 and June 30, 2016:

Condensed Statement of Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$ 641,091,138	\$ 622,925,436
Capital assets-net of depreciation	157,070,384	112,778,758
Total assets	798,161,522	735,704,194
Deferred outflows of resources	8,341,175	5,412,505
Long-term liabilities outstanding	213,921,626	246,124,395
Net pension liability	13,605,492	9,898,108
Other liabilities	66,672,614	64,472,253
Total liabilities	294,199,732	320,494,756
Deferred inflows of resources	2,856,993	3,207,653
Net position:		
Net investment in capital assets	151,059,762	110,717,829
Restricted	595,349,878	548,295,699
Unrestricted	(236,963,668)	(241,599,238)
Total net position	\$ 509,445,972	\$ 417,414,290

Net Position

Net investment in capital assets represents 29.7% of the net position of SBCTA. Capital assets include the Santa Fe Depot facility, land improvements and rail operating land easements. Capital assets were acquired with the use of federal grants and local revenues and no outstanding debt was used for acquisition. SBCTA utilizes the capital assets for general-council of governments support activities, air quality and traveler services, transportation services, transit and commuter rail services, and major highway and street projects for residents and businesses of San Bernardino County.

The largest portion of SBCTA's net position is subject to external restrictions. Restrictions include federal, state and local statutes, and bond covenants.

The unrestricted net position represent the portion of net position that can be used to finance day-to-day operations without constraints established by bond covenants, enabling legislation, or other legal requirements. Unrestricted net position (deficit) is (\$236,963,668) at June 30, 2017. This amount results in part from the impact of SBCTA's debt on the statement of net position. The deficit is the result of expenditures incurred for freeways, freeway interchanges and major streets which are owned and vested by the California Department of Transportation and other local jurisdictions. Accordingly, these capital projects are not reported as assets to offset the corresponding long-term liability.

SBCTA's change in net position reflects an increase of \$92,031,682 as a result of revenues exceeding expenses. The total cost of SBCTA activities was \$285,941,339 for the fiscal year. Net cost of all activities was \$163,148,178. Net cost represents program expenditures less program revenues.

The following is condensed financial data related to changes in net position for the year ended June 30, 2017 and June 30, 2016:

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 540,388	\$ 539,822
Operating grants and contributions	122,252,773	133,839,101
General revenues:		
Sales tax-Measure I	163,814,528	160,848,014
Sales tax-Local Transportation Fund	87,040,490	97,002,999
Unrestricted investment earnings	2,160,355	4,876,204
Miscellaneous	2,164,487	2,103,662
Total revenues	\$ 377,973,021	\$ 399,209,802

	Governmental Activities	
	2017	2016
General government	\$ 3,338,658	\$ 4,579,995
Commuter and motorist assistance	4,986,605	5,360,439
Environment and energy conservation	2,217,401	1,392,074
Regional and subregional planning	2,914,855	2,077,133
Transit and passenger rail	51,255,392	33,664,779
Major project delivery	53,310,890	107,387,795
Fund administration and programming	159,952,967	184,361,902
Interest and fiscal charges	7,964,571	8,041,836
Total expenses	285,941,339	346,865,953
Change in net position	92,031,682	52,343,849
Net position at the beginning of year	417,414,290	365,070,441
Net position at the end of year	\$ 509,445,972	\$ 417,414,290

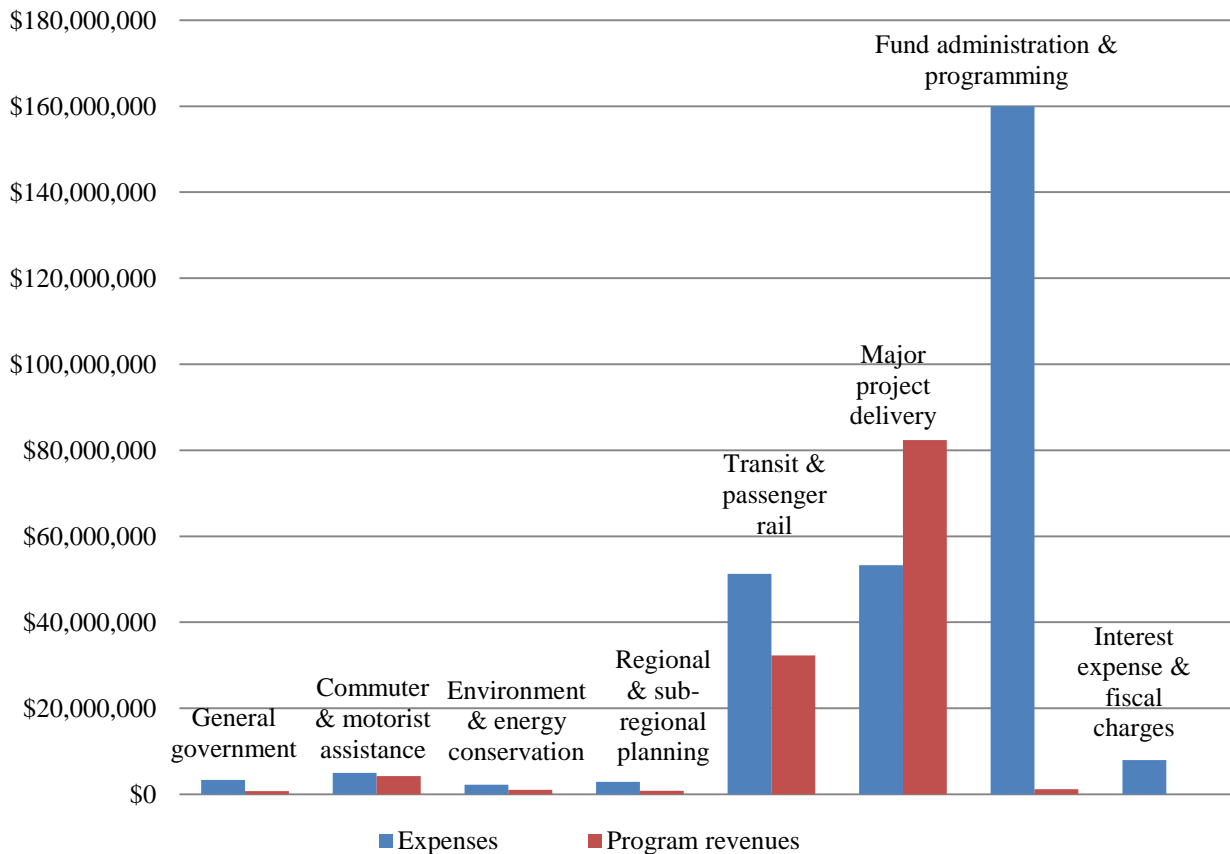
Changes in Net Position

Revenues decreased by \$21,236,781 from the previous fiscal year. The decrease is primarily attributed to decrease in federal and state operating grants and contributions. Federal and state operating and contributions decrease of \$11,586,328 are related to less reimbursable expenditures in the major project delivery and transit programs. Decrease of \$6,995,995 in Measure I and local transportation fund (LTF) sales tax revenue. LTF revenues were overstated prior year due to recognition of reimbursement of expenditures for rail related projects. The reimbursement was received in Fiscal Year 2017, so fund balance is not affected. The decrease of \$2,715,849 in unrestricted investment earnings is related to a negative fair value investment adjustment at June 30, 2017.

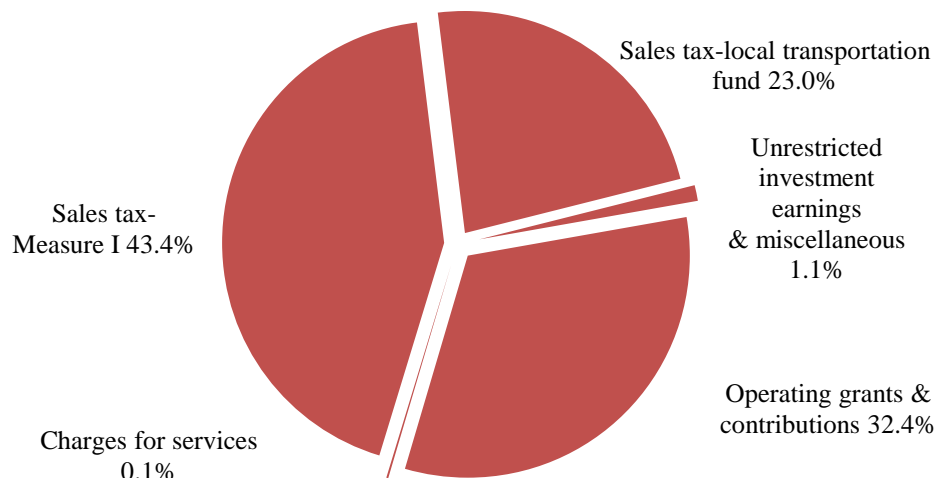
Expenses decreased by \$60,924,614 or 17.56% from the previous fiscal year. The decrease was primarily attributed to decrease expenditures of major project delivery projects due to reduction of federal, state, and local contributions. Also the decrease in fund administration and programming expenses is related to the cancellation of projects and the reduction in project costs related to the project advancement agreements (PAA) (see note 8 of the *notes to financial statements*). The PAA program will end in Fiscal Year 2018. The increase in transit and passenger rail expenditures is related to two major projects, the Downtown San Bernardino Passenger Rail Project and the Redlands Passenger Rail Project.

Net expenses is a good indication of the extent to which the services provided by SBCTA are financed from sales taxes paid by citizens and businesses of San Bernardino County as opposed to recovering the cost of these services with user fees, grants and other contributions. Major project delivery recovers their expenses primarily from program revenues. SBCTA is very aggressive in leveraging the Measure I sales tax to obtain federal and state funds. General government; commuter and motorist assistance, environmental and energy conservation, regional and subregional planning; transit and passenger rail; fund administration and programming; and interest expense and fiscal charges are financed primarily from general revenues.

Expenses and Program Revenues-Governmental Activities

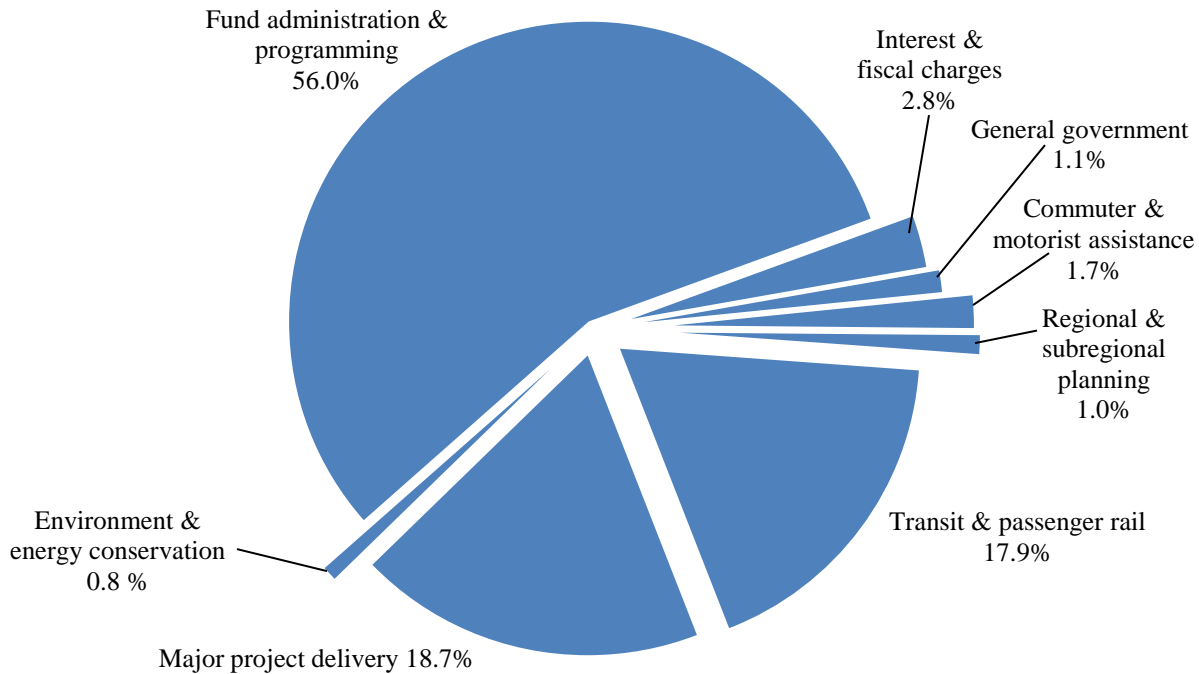


Revenue Sources-Governmental Activities



Measure I and local transportation fund sales tax revenues provide 66.4% of the overall revenue sources of the governmental activities. Another large source of revenue is operating grants and contributions which include various federal, state and local grants and reimbursements. SBCTA leverages the Measure I sales tax revenue to obtain federal and state grants.

Functions/Programs-Governmental Activities



Major project delivery, transit and passenger rail, and fund administration and programming represent 92.6% of the programs of the governmental activities. Major project delivery provides for the freeway, freeway interchange and grade separation projects utilizing federal, state, and local revenues; and Measure I sales tax revenue. Transit and passenger rail provides projects for rail using various funding sources. Each project is identified in the Measure I 2010-2040 expenditure and ten-year delivery plans. Fund administration and programming provides for the apportionment and allocation of Measure I sales tax, local transportation fund sales tax and state transit assistance fund revenues for various local arterial projects, project advancement agreements (see note 8 of *notes to financial statements*), transit operator support and local street pass-through payments.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

SBCTA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information assesses SBCTA’s financing requirements. *Unassigned fund balance* is a measure of SBCTA’s net resources available for designation or spending at the end of the fiscal year. It represents the portion of the fund balance which has not been limited for a particular purpose by either an external party, SBCTA itself, or individuals that have been delegated authority to assign resources for use for certain purposes by the SBCTA’s Board of Directors.

SBCTA’s governmental funds reported combined fund balances of \$527,199,408 as of June 30, 2017.

This represents a \$27,603,391 increase from the previous fiscal year mainly due to higher than budgeted sales tax revenue and expenditures incurred less than appropriations. The total fund balance is either *nonspendable*, *restricted*, *committed*, *assigned* or *unassigned* as follows:

- Nonspendable for prepaids-\$36,564
- Restricted for particular purposes-\$544,917,503
- Committed for particular purposes-\$2,788,309
- Assigned for particular purposes-\$7,994,915
- Unassigned (deficit)-(\$28,537,883)

The unassigned deficit is primarily related to deferred inflows of resources-unavailable grants and local reimbursements. Future grants local reimbursements billings will offset the deficit.

The following is information pertaining to fund balances of the *major funds* of SBCTA.

General Fund

The general fund is the chief operating fund of SBCTA. At the end of the fiscal year, the fund balance of the general fund was \$10,797,793 which represents a \$3,298,545 increase from the previous fiscal year. The increase in fund balance was attributed to decrease spending in certain transit and rail projects and the consolidation of the internal service fund with the General Fund. Total fund balance of the general fund was either *nonspendable* (\$14,569 for prepaids items), *committed* (\$2,788,309 for council of governments' activities) or *assigned* (\$7,994,915 for general administration; regional and subregional planning; and rail activities).

Federal Highway Special Revenue Fund

The federal highway special revenue fund reported an unassigned fund deficit of \$3,661,436 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit is attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2017.

Federal Transit Administration Special Revenue Fund

The federal transit administration special revenue fund reported an unassigned fund deficit of \$316,250 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit is attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2017.

State Highway Special Revenue Fund

The state highway special revenue fund reported an unassigned fund deficit of \$9,770,179 at the end of the fiscal year. The fund primarily accounts for reimbursement of program expenditures and the deficit is attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2017.

Proposition 1B Special Revenue Fund

The proposition 1B special revenue fund had a fund balance decrease of \$4,034,705 from the previous fiscal year. The decrease is due to certain capital projects in major project delivery and rail exceeding revenues available at June 30, 2017. Total fund balance of \$22,470,508 is reported as restricted fund balance at June 30, 2017.

Local Transportation Fund Special Revenue Fund

The local transportation fund special revenue fund had a fund balance decrease of \$13,757,540 from the previous fiscal year. The decrease in fund balance was primarily attributed to transfers to the general fund for general administrative, planning and rail expenditures.

Also, LTF revenues were overstated prior year due to recognition of reimbursement of expenditures for rail related projects. Total fund balance of \$93,814,608 is reported as *restricted* fund balance at June 30, 2017.

State Transit Assistance Fund Special Revenue Fund

The fund balance of the state transit fund special revenue fund was \$54,126,458 at the end of the fiscal year which represents a \$5,820,037 increase. The increase in fund balance was attributed to revenues received from the State exceeding expenditures for rail projects. Total fund balance is reported as *restricted* at June 30, 2017.

1990-2010 Measure I Special Revenue Fund

The 1990-2010 Measure I special revenue fund had a decrease in fund balance of \$3,037,443 from the previous fiscal year. The total fund balance of \$15,839,558 was *restricted* at June 30, 2017. The decrease is due to the drawdown of the remaining fund balance of the old Measure I program.

2010-2040 Measure I Special Revenue Fund

The 2010-2040 Measure I special revenue fund had an increase in fund balance of \$55,017,014 from the previous fiscal year. The total fund balance of \$329,312,986 was *restricted* at June 30, 2017. The increase in fund balance was largely due to an increase in Measure I sales tax revenue collections and the timing of certain capital improvement outlays.

Debt Service Fund

At the end of the fiscal year, the fund balance of the debt service fund was \$5,161,981 which represents a \$2,251,289 increase from the previous fiscal year. The increase is due to setting aside funds for the payment of interest and fiscal charges on the Sales Tax Revenue Bonds of 2012, Series A and Sales Tax Revenue Bonds of 2014, Series A which were accounted for in the debt service fund. The total fund balance of the debt service fund was restricted.

Capital Projects Fund

The capital projects fund had a fund balance decrease of \$18,973,561 from the previous fiscal year. The total fund balance of \$4,888,349 is reported as *restricted* fund balance at June 30, 2017. The decrease in fund balance was primarily due to the use of bond proceeds for certain transit and passenger rail and major project delivery capital expenditures.

General Fund Budgetary Highlights

The net difference between the original budget for expenditure appropriations and the final budget was a decrease of \$377,769. The largest general fund appropriation increase was primarily attributed to an anticipated increase in spending for certain general government activities.

During the fiscal year, actual revenues were less than budgetary estimated revenues by \$410,493. The decrease in revenues was primarily due to a reduction in miscellaneous revenue. Actual expenditures were less than budgetary appropriations by \$17,173,979. The most significant budgetary appropriation variance between the final budget and actual amount was attributed to transit and passenger rail program. The variance of \$10,352,910 is due to certain capital projects identified earlier that were not completed at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

SBCTA's investment in capital assets for its governmental activities as of June 30, 2017 is \$157,070,384 (net of accumulated depreciation). Capital assets include land, construction in progress buildings, equipment, vehicles, and software. The following is a summary of capital assets (net of depreciation) at June 30, 2017 and 2016:

Capital Assets
(net of depreciation)

	Governmental Activities	
	2017	2016
Governmental activities		
Land	\$ 62,555,511	\$ 70,343,377
Construction in progress	90,288,324	38,693,542
Buildings	3,903,980	3,382,449
Equipment, vehicles, and software	322,569	359,390
Total capital assets	\$ 157,070,384	\$ 112,778,758

The net increase in capital assets for the fiscal year was \$44,291,626. The change in capital assets is mainly attributed to additions of construction in progress of \$51,594,782.

Please see note 7 of the *notes to the financial statements* for more detailed description of the capital assets activity.

Debt Administration

At the end of the fiscal year, SBCTA had total long-term bonded debt of \$195,270,000. This included the sales tax revenue bonds issued in 2012 and 2014. The following is a summary of the outstanding bonded debt (including unamortized premiums) at June 30, 2017 and 2016:

	Governmental Activities	
	2017	2016
Governmental activities		
Sales tax revenue bonds	\$ 210,191,056	\$ 214,167,404
Total outstanding bonded debt	\$ 210,191,056	\$ 214,167,404

The decrease of outstanding debt from the previous year was attributed to payment of principal and the amortization of premiums on the revenue bonds payable.

The 2012 and 2014 sales tax revenue bonds were awarded a credit rating of “AAA” from Standard & Poor’s, “AA+” from Fitch Ratings and “Aa2” from Moody’s Investors Services.

The voters of San Bernardino County approved Ordinance 04-02 in November 2004 which authorized debt not to exceed the total amount of the 2010-2040 Measure I sales tax.

Please see note 8 of the *notes to the financial statements* for more detail description of long-term liabilities.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

SBCTA continues to evaluate revenue forecasts and provide the assumptions for future budgets. The following leading economic indicators show continuing improvement of the local economy:

- Population of San Bernardino remains stable, increasing by .97% from the previous year.
- Personal income and personal income per capita increased by 8.5% and 7.7%, respectively from 2014 to 2015 (only information available).
- Unemployment rate for the County decreased from 6.2% to 5.8% from the previous year.

- Measure I sales tax revenue continues to increase each year. Measure I sales tax revenue was \$106.1 million in 2010, \$117.9 million in 2011, \$132.3 million in 2012, \$138.4 million in 2013, \$145.4 million in 2014, \$152.3 million in 2015, \$160.8 million in 2016, and \$163.8 million in 2017. This represents a 54.4% increase since fiscal year 2010.

Estimated fiscal year 2017/2018 budget revenues are \$383.8 million in comparison to \$380.4 million of the previous year. Measure I sales tax revenues are estimated to be \$161 million in comparison to \$160 million of the prior year. SBCTA continues to be conservative in Measure I sales tax projections to ensure adequate reserves for future contingencies and economic swings. The increase in total estimated revenues is primarily due to an anticipated increase in federal, state, and local grants and reimbursements as well as investment earnings.

Budget appropriations for fiscal year 2017/2018 are \$496.9 million. The largest portion of the budget is related to the rail program of \$209.0 million and major projects delivery of \$172.3 million. The adopted budget is balanced utilizing existing restricted fund balances including bond proceeds.

On both a federal and state level, there is continuing uncertainty regarding the fiscal condition of the economy and its impact on federal and state transportation funding. SBCTA continues to study innovative financing alternatives and aggressively searches for other federal and state financing programs to support its current projects. Please refer to the *transmittal letter-major initiatives*.

Requests for Information

This financial report is designed to provide a general overview of SBCTA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, San Bernardino County Transportation Authority, 1170 W 3rd St., Second Floor, 92410-1715.



Project rendering looking at the new pedestrian overpass from North Mt. Vernon Avenue.

As part of the Downtown San Bernardino Passenger Rail Project, improvements are being made to the tracks as well as boarding platforms – including a new pedestrian overpass.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets	
Cash and investments	\$ 455,805,868
Accrued interest receivable	1,556,431
Sales taxes receivable	32,138,517
Accounts receivable	6,323,984
Intergovernmental receivable	56,901,625
Deposit receivable	1,472,300
Prepaid items	36,564
Loans receivable	24,421,920
Land held for resale	2,271,499
Cash and investments-restricted	60,162,430
Capital assets not being depreciated:	
Land	62,555,511
Construction in progress	90,288,324
Capital assets, net of depreciation:	
Buildings	3,903,980
Equipment, vehicles, and software	322,569
Total assets	798,161,522
Deferred outflows of resources related to net pension liability	8,341,175
Liabilities	
Accounts payable	26,521,903
Accrued liabilities	344,283
Accrued interest payable	3,005,433
Intergovernmental payable	34,822,905
Unearned revenue	1,978,090
Long-term liabilities:	
Due within one year	7,438,612
Due in more than one year	206,483,014
Net pension liability	13,605,492
Total liabilities	294,199,732
Deferred inflows of resources related to net pension liability	2,856,993
Net position	
Net investment in capital assets	151,059,762
Restricted for:	
Traveler services	4,801,591
Freeway projects	176,023,862
Major street projects	160,859,699
Commuter rail	57,269,961
Transit services	34,056,376
Traffic management and project development	14,685,877
Transportation development act	147,919,071
Unrestricted (deficit)	(237,230,227)
Total net position	\$ 509,445,972

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary government				
Governmental activities:				
General government	\$ 3,338,658	\$ 540,388	\$ 232,363	\$ (2,565,907)
Commuter and Motorist Assistance	4,986,605	-	4,229,757	(756,848)
Environment and Energy Conservation	2,217,401	-	1,033,272	(1,184,129)
Regional and subregional planning	2,914,855	-	844,859	(2,069,996)
Transit and passenger rail	51,255,392	-	32,318,481	(18,936,911)
Major project delivery	53,310,890	-	82,402,823	29,091,933
Fund administration and programming	159,952,967	-	1,191,218	(158,761,749)
Interest and fiscal charges	7,964,571	-	-	(7,964,571)
Total governmental activities	<u>\$ 285,941,339</u>	<u>\$ 540,388</u>	<u>\$ 122,252,773</u>	<u>(163,148,178)</u>
General revenues:				
				163,814,528
				87,040,490
				2,160,355
				<u>2,164,487</u>
				<u>255,179,860</u>
				<u>92,031,682</u>
				417,414,290
				<u>\$ 509,445,972</u>

See accompanying notes to financial statements



Aerial view of the I-15 and SR 60

This portion of San Bernardino County's freeway system plays a significant role in the goods movement challenges we face both regionally and nationally. This gateway carries the burden of demand on the freeway systems that ultimately feed the rest of the county.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2017

	Special Revenue		
	General	Federal Highway	Federal Transit Administration
Assets			
Cash and investments	\$ 14,807,407	\$ -	\$ -
Accrued interest receivable	52,097	804	-
Sales taxes receivable	321,385	-	-
Accounts receivable	15,500	-	-
Intergovernmental receivable	13,620	14,029,306	319,343
Deposit receivable	-	-	-
Due from other funds	791,174	-	-
Prepaid items	14,569	-	-
Land held for resale	-	192,096	-
Loans receivable	168,967	-	-
Advances to other funds	-	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 16,184,719</u>	<u>\$ 14,222,206</u>	<u>\$ 319,343</u>
Liabilities			
Accounts payable	\$ 4,011,489	\$ 2,372,623	\$ 11,927
Accrued liabilities	286,885	-	-
Intergovernmental payable	919,585	1,307,091	-
Due to other funds	-	10,350,395	307,416
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>5,217,959</u>	<u>14,030,109</u>	<u>319,343</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>168,967</u>	<u>3,853,533</u>	<u>316,250</u>
Fund balances (deficits)			
Nonspendable-Prepaid items	14,569	-	-
Restricted:			
Traveler services	-	-	-
Freeway projects	-	-	-
Major street projects	-	-	-
Commuter rail	-	-	-
Transit services	-	-	-
Traffic management and project development	-	-	-
Transportation development act	-	-	-
Debt service	-	-	-
Committed-Council of governments	2,788,309	-	-
Assigned:			
General administration	3,054,377	-	-
Regional and subregional planning	2,930,488	-	-
Rail	2,010,050	-	-
Unassigned (deficits)	-	(3,661,436)	(316,250)
Total fund balances (deficits)	<u>10,797,793</u>	<u>(3,661,436)</u>	<u>(316,250)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,184,719</u>	<u>\$ 14,222,206</u>	<u>\$ 319,343</u>

See accompanying notes to financial statements

Special Revenue						
State Highway	Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service
\$ -	\$ 22,851,666	\$ 77,900,759	\$ 52,253,190	\$ 16,371,197	\$ 266,506,644	\$ -
14,449	11,351	436,566	240,524	37,201	751,043	-
-	-	-	-	-	31,817,132	-
-	-	-	-	-	321	-
11,247,970	433,659	18,032,328	2,498,239	-	710,826	-
1,472,300	-	-	-	-	-	-
-	-	-	-	-	57,975,517	-
-	-	21,995	-	-	-	-
-	-	-	-	37,671	1,725,254	-
-	-	-	-	-	-	-
-	-	-	-	-	5,403,188	-
-	-	-	-	-	-	5,161,981
<u>\$ 12,734,719</u>	<u>\$ 23,296,676</u>	<u>\$ 96,391,648</u>	<u>\$ 54,991,953</u>	<u>\$ 16,446,069</u>	<u>\$ 364,889,925</u>	<u>\$ 5,161,981</u>
\$ 1,730	\$ 755,108	\$ -	\$ -	\$ 374,124	\$ 10,867,096	\$ -
8,428	-	-	-	-	43,176	-
55,082	3,966	2,577,040	74,321	232,387	24,631,880	-
12,669,479	-	-	791,174	-	34,787	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,734,719</u>	<u>759,074</u>	<u>2,577,040</u>	<u>865,495</u>	<u>606,511</u>	<u>35,576,939</u>	<u>-</u>
<u>9,770,179</u>	<u>67,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	21,995	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	169,083,276	-
-	-	-	-	12,605,872	84,366,575	-
-	22,470,508	-	-	-	34,799,453	-
-	-	-	-	-	29,611,491	-
-	-	-	-	3,233,686	11,452,191	-
-	-	93,792,613	54,126,458	-	-	-
-	-	-	-	-	-	5,161,981
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(9,770,179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,770,179)</u>	<u>22,470,508</u>	<u>93,814,608</u>	<u>54,126,458</u>	<u>15,839,558</u>	<u>329,312,986</u>	<u>5,161,981</u>
<u>\$ 12,734,719</u>	<u>\$ 23,296,676</u>	<u>\$ 96,391,648</u>	<u>\$ 54,991,953</u>	<u>\$ 16,446,069</u>	<u>\$ 364,889,925</u>	<u>\$ 5,161,981</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2017

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 383,413	\$ 4,731,592	\$ 455,805,868
Accrued interest receivable	3,852	8,544	1,556,431
Sales taxes receivable	-	-	32,138,517
Accounts receivable	6,278,163	30,000	6,323,984
Intergovernmental receivable	6,071,691	3,544,643	56,901,625
Deposit receivable	-	-	1,472,300
Due from other funds	-	-	58,766,691
Prepaid items	-	-	36,564
Land held for resale	316,478	-	2,271,499
Loans receivable	24,252,953	-	24,421,920
Advances to other funds	-	-	5,403,188
Cash and investments-restricted	55,000,449	-	60,162,430
Total assets	<u>\$ 92,306,999</u>	<u>\$ 8,314,779</u>	<u>\$ 705,261,017</u>
Liabilities			
Accounts payable	\$ 6,734,877	\$ 1,392,929	\$ 26,521,903
Accrued liabilities	1,984	3,810	344,283
Intergovernmental payable	7,527,120	330,182	37,658,654
Due to other funds	32,828,118	1,785,322	58,766,691
Advances from other funds	5,403,188	-	5,403,188
Unearned revenue	1,977,146	944	1,978,090
Total liabilities	<u>54,472,433</u>	<u>3,513,187</u>	<u>130,672,809</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	32,946,217	266,560	47,388,800
Fund balances (deficits)			
Nonspendable-Prepaid items	-	-	36,564
Restricted:			
Traveler services	-	4,801,591	4,801,591
Freeway projects	5,749,105	-	174,832,381
Major street projects	13,662,703	-	110,635,150
Commuter rail	-	-	57,269,961
Transit services	-	-	29,611,491
Traffic management and project development	-	-	14,685,877
Transportation development act	-	-	147,919,071
Debt service	-	-	5,161,981
Committed-Council of governments	-	-	2,788,309
Assigned:			
General administration	-	-	3,054,377
Regional and subregional planning	-	-	2,930,488
Rail	-	-	2,010,050
Unassigned (deficits)	<u>(14,523,459)</u>	<u>(266,559)</u>	<u>(28,537,883)</u>
Total fund balances (deficits)	<u>4,888,349</u>	<u>4,535,032</u>	<u>527,199,408</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 92,306,999</u>	<u>\$ 8,314,779</u>	<u>\$ 705,261,017</u>

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2017

Fund balances-total governmental funds (page 20)	\$ 527,199,408
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Amounts reported for *governmental activities* in the statement of net position (page 15) are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	157,070,384
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Revenues recognized for governmental activities that are not available in the current period and, therefore, are not reported in the funds.	47,388,800
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Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds.	(3,005,433)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The long-term liabilities consist of the following:

Compensated absences payable	(894,821)
Revenue bonds payable	(195,270,000)
Unamortized premium on revenue bonds	(14,921,056)

Amounts reported for net pension liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net pension liability in future measurement years are reported as deferred outflows and deferred inflows of resources are therefore not reported in the governmental funds.

Net pension payable	(13,605,492)
Deferred outflows of resources related to pensions	8,341,175
Deferred inflows of resources related to pensions	<u>(2,856,993)</u>

Net position of governmental activities	<u>\$ 509,445,972</u>
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See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue		
	General	Federal Highway	Federal Transit Administration
Revenues			
Sales tax-Measure I	\$ 1,638,145	\$ -	\$ -
Sales tax-local transportation fund	-	-	-
Intergovernmental	-	15,515,336	12,960,481
Charges for services	387,841	-	-
Special assessments	152,547	-	-
Investment earnings	98,735	968	-
Miscellaneous	1,970,677	192,096	-
Total revenues	4,247,945	15,708,400	12,960,481
Expenditures			
Current:			
General government	2,691,513	-	-
Commuter and Motorist Assistance	-	1,218,275	268,568
Environment and Energy Conservation	785,060	-	-
Regional and subregional planning	851,507	-	-
Transit and passenger rail	21,952,306	-	7,525,304
Major project delivery	125,174	11,904,663	-
Fund administration and programming	614,033	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	3,445,882	403,014	4,050,421
Total expenditures	30,465,475	13,525,952	11,844,293
Excess (deficiency) of revenues over (under) expenditures	(26,217,530)	2,182,448	1,116,188
Other financing sources (uses)			
Transfers in	32,577,018	11,155	-
Transfers out	(3,060,943)	(579,729)	-
Total other financing sources (uses)	29,516,075	(568,574)	-
Net change in fund balances	3,298,545	1,613,874	1,116,188
Fund balances (deficits) beginning of year	7,499,248	(5,275,310)	(1,432,438)
Fund balances (deficits) end of year	\$ 10,797,793	\$ (3,661,436)	\$ (316,250)

See accompanying notes to financial statements

Special Revenue						
State Highway	Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,176,383	\$ -
-	-	87,040,490	-	-	-	-
2,269,797	7,460,228	-	13,855,286	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,972	398,630	496,528	272,898	(7,978)	391,869	4,994
-	-	-	-	-	-	-
<u>2,326,769</u>	<u>7,858,858</u>	<u>87,537,018</u>	<u>14,128,184</u>	<u>(7,978)</u>	<u>162,568,252</u>	<u>4,994</u>
5,917	-	-	-	-	978,254	-
-	-	-	-	50,125	558,830	-
-	-	-	-	2,433	262,931	-
72,865	-	-	-	(9,886)	1,059,167	-
-	5,387,470	-	-	1,955,229	13,234,002	-
1,165,386	2,980,016	-	-	1,291,770	23,642,384	-
1,191,218	-	73,603,791	6,482,840	-	46,656,974	-
-	-	-	-	-	-	2,845,000
-	-	-	-	-	-	9,131,336
-	2,619,995	-	-	-	8,476,607	-
<u>2,435,386</u>	<u>10,987,481</u>	<u>73,603,791</u>	<u>6,482,840</u>	<u>3,289,671</u>	<u>94,869,149</u>	<u>11,976,336</u>
<u>(108,617)</u>	<u>(3,128,623)</u>	<u>13,933,227</u>	<u>7,645,344</u>	<u>(3,297,649)</u>	<u>67,699,103</u>	<u>(11,971,342)</u>
1,906,507	-	3,017,832	43,112	260,206	3,115,328	14,222,703
<u>(3,625,905)</u>	<u>(906,082)</u>	<u>(30,708,599)</u>	<u>(1,868,419)</u>	<u>-</u>	<u>(15,797,417)</u>	<u>(72)</u>
<u>(1,719,398)</u>	<u>(906,082)</u>	<u>(27,690,767)</u>	<u>(1,825,307)</u>	<u>260,206</u>	<u>(12,682,089)</u>	<u>14,222,631</u>
(1,828,015)	(4,034,705)	(13,757,540)	5,820,037	(3,037,443)	55,017,014	2,251,289
(7,942,164)	26,505,213	107,572,148	48,306,421	18,877,001	274,295,972	2,910,692
<u>\$ (9,770,179)</u>	<u>\$ 22,470,508</u>	<u>\$ 93,814,608</u>	<u>\$ 54,126,458</u>	<u>\$ 15,839,558</u>	<u>\$ 329,312,986</u>	<u>\$ 5,161,981</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Sales tax-Measure I	\$ -	\$ -	\$ 163,814,528
Sales tax-local transportation fund	-	-	87,040,490
Intergovernmental	17,230,753	5,572,094	74,863,975
Charges for services	-	-	387,841
Special assessments	-	-	152,547
Investment earnings	436,210	10,529	2,160,355
Miscellaneous	-	1,714	2,164,487
Total revenues	<u>17,666,963</u>	<u>5,584,337</u>	<u>330,584,223</u>
Expenditures			
Current:			
General government	172,843	120,900	3,969,427
Commuter and Motorist Assistance	76,980	2,796,705	4,969,483
Environment and Energy Conservation	61,067	1,080,227	2,191,718
Regional and subregional planning	104,734	772,260	2,850,647
Transit and passenger rail	6,378,984	445,900	56,879,195
Major project delivery	24,830,603	10,537	65,950,533
Fund administration and programming	532,855	-	129,081,711
Debt Service:			
Principal	-	-	2,845,000
Interest and fiscal charges	-	-	9,131,336
Capital outlay	<u>5,875,763</u>	<u>240,100</u>	<u>25,111,782</u>
Total expenditures	<u>38,033,829</u>	<u>5,466,629</u>	<u>302,980,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,366,866)</u>	<u>117,708</u>	<u>27,603,391</u>
Other financing sources (uses)			
Transfers in	3,034,227	-	58,188,088
Transfers out	<u>(1,640,922)</u>	<u>-</u>	<u>(58,188,088)</u>
Total other financing sources (uses)	<u>1,393,305</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(18,973,561)	117,708	27,603,391
Fund balances (deficits) beginning of year	<u>23,861,910</u>	<u>4,417,324</u>	<u>499,596,017</u>
Fund balances (deficits) end of year	<u>\$ 4,888,349</u>	<u>\$ 4,535,032</u>	<u>\$ 527,199,408</u>

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2017

Net changes in fund balances-total governmental funds (page 24) \$ 27,603,391

Amounts reported for *governmental activities* in the statement of activities (page 16) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The adjustments for capital outlay and depreciation expenses are as follows:

Capital outlay	137,674
Construction in progress	43,355,917
Depreciation	200,703

Net changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (2,076,846)

The issuance of long-term debt (e.g. bonds) 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are amortized in the statement of activities. The adjustments for the issuance and repayment of long-term debt are as follows:

Changes in project advancement agreements	18,675,718
Principal payments on sales tax revenue bonds	2,845,000
Amortization of premium on sales tax revenue notes	1,131,348

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These expenses consist of:

Changes in compensated absences	(30,182)
Changes in accrued interest on sales tax revenue bonds	35,417
Changes in net pension liability and related deferred inflows/outflows of resources	(428,054)

Internal service fund consolidated with governmental activities 581,596

Change in net position of governmental activities \$ 92,031,682

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
Proprietary Fund
June 30, 2017

	Governmental Activities
	Internal Service Fund
Assets	
Current assets	
Cash and investments	\$ -
Noncurrent assets	
Capital assets:	
Land	-
Construction in progress	-
Buildings	-
Equipment	-
Less accumulated depreciation	-
Total noncurrent assets	-
Total assets	-
Liabilities	
Current liabilities-accounts payable	-
Net position	
Net investment in capital assets	-
Unrestricted	-
Total net position	\$ -

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	Governmental Activities
	Internal Service Fund
Operating revenues	-
Operating expenses	
Miscellaneous expense	15,736
Total operating expenses	15,736
Operating income (loss)	(15,736)
Special item	(3,244,628)
Decrease in net position	(3,260,364)
Net position at beginning of year	3,260,364
Net position at end of year	\$ -

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2017

	Governmental Activities
	Internal Service Fund
Cash Flows from operating activities	
Other:	(30,635)
Net cash provided by (used for) operating activities	(30,635)
Cash and investments at beginning of year	30,635
Cash and investments at end of year	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (15,736)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Change in accounts payable	(14,899)
Net cash provided by (used for) operating activities	\$ (30,635)
Non cash Activity (removal of capital assets from internal service fund):	3,244,628

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

San Bernardino Associated Governments (SANBAG) was established in 1973 for the purpose of improving and coordinating certain governmental services on a countywide subregional basis. Effective January 1, 2017, Senate Bill 1305 (SB 1305) establishes the San Bernardino County Transportation Authority (SBCTA) as the successor entity to the San Bernardino County Transportation Commission, and the County of San Bernardino local transportation authority, service authority for freeway emergencies, and local congestion management agency. The joint powers authority will continue to exist for the purpose of performing council of governments functions for the County of San Bernardino.

SBCTA acts as the San Bernardino County Transportation Commission (the Commission), established in 1977 under Division 12 (commencing with Section 130000) of the Public Utilities Code to provide transportation planning and programming at the local level. Funding for the Commission is provided from transportation funds and federal grant programs administered through the California Department of Transportation. SBCTA also serves as the San Bernardino County Transportation Authority (the Authority), established under Division 19 (commencing with Section 18000) of the Public Utilities Code. The Authority is responsible for carrying out the provisions of the Ordinance, as described below, including the collection and allocation of Measure I tax revenue. The Ordinance was adopted by the voters of San Bernardino County (the County) and provides for the imposition of a transactions and use tax for transportation purposes, including but not limited to, the administration of the Authority and the construction, maintenance, improvement and operation of local streets, roads and highways, state highways and freeways, and public transit systems. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisitions. They also include, but are not limited to, debt service on bonds and expenses in connection with the issuance of bonds.

The sales tax was originally imposed over a 20-year period from April 1, 1990 through March 31, 2010. On November 2, 2004, the County's voters approved a 30-year renewal of Measure I through March 2040.

Blended Component Unit

SBCTA also acts as the San Bernardino County Service Authority for Freeway Emergencies (SAFE), which was established by Section 2550 of the California Streets and Highways Code, authorizing the Board of Supervisors of the County and the city councils with a majority of the incorporated population to establish a service authority for freeway emergencies. The primary purpose of the authority is to implement and maintain the operation of an emergency motorist aid system. In 1986 the Board of Supervisors of the County and the cities with a majority of the incorporated population established SAFE. Funding for SAFE is provided from an additional vehicle registration fee on vehicles registered in the County. SAFE is presented as a special revenue fund and is included as blended component unit due to its governing body being the same as the governing body of SBCTA and there is financial benefit relationship between SBCTA and SAFE. Separate financial statements are not issued for SAFE.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

SANBAG is included as blended component unit due to its governing body being the same as the governing body of SBCTA and there is financial benefit relationship between SBCTA and SANBAG. Separate financial statements are not issued for SANBAG.

The accounting policies of SBCTA conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

The *Statement of Net Position* and *Statement of Activities* report information on all the activities of the primary government (including blended component units) and discretely presented component units. SBCTA has no discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. SBCTA does not have any business-type activities.

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

D. Basis of Presentation – Fund Financial Statements

The underlying accounting system of SBCTA is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Fund financial statements for the primary government's governmental and proprietary funds (including blended component units) are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate. SBCTA currently has no fiduciary funds.

Major funds are categorized based on relative size and other factors. Certain governmental funds are classified as a major fund even though it does not meet the size criteria. These funds include: State Transit Assistance, Proposition 1B, 1990-2010 Measure I, Federal Transit Administration, and Debt Service. SBCTA believes these funds are important to the financial statement users.

SBCTA reports the following major governmental funds:

General Fund

The *general fund* is the general operating fund of SBCTA and accounts for the financial resources not required to be accounted in another fund. These funds include general assessment dues, local transportation fund and transit assistance fund for various rail projects, rail assets, Measure I administration fund, congestion management program, and council of government activities.

Federal Highway Special Revenue Fund

The *special revenue fund* accounts for revenues and expenditures related to the federal grants. For example, highway surface transportation, congestion mitigation and air quality, transportation enhancement activities, projects of national and regional significance, and demonstration high priority programs.

Federal Transit Administration Special Revenue Fund

This *special revenue fund* accounts for revenues and expenditures related to the Federal Transit Administration program. The funds include federal transit administration funds section 5307 for transportation related planning and section 5309 for capital assistance.

State Highway Special Revenue Fund

The *special revenue fund* accounts for revenues and expenditures related to state grants. For example, state highway traffic congestion relief; regional improvement; interregional improvement; longer life pavement; state highway operations and protection; planning, programming and monitoring; and public transportation account programs.

Proposition 1B Special Revenue Fund

This *special revenue fund* accounts for revenues and expenditures related to state proposition 1B grants. For example, corridor mobility improvement; trade corridor improvement fund; public transportation modernization, improvements and services enhancement account; traffic light synchronization; and transit systems safety security disaster recovery programs.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Local Transportation Fund Special Revenue Fund

The *special revenue fund* serves as a depository for the ¼ cent of the 8 cent retail sales tax collected in San Bernardino County. Revenues accounted for in this fund are distributed to local jurisdictions and transit agencies based on annual apportionments per various Public Utilities Code Sections.

State Transit Assistance Fund Special Revenue Fund

This *special revenue fund* serves as a depository for the State Development Act revenue to be disbursed to local transit agencies and operators based on Public Utilities Code Sections 99313 and 99314. Distribution of funds is based on annual adopted apportionments.

1990-2010 Measure I Special Revenue Fund

The *special revenue fund* accounts for the ½ cent Measure I sales tax approved by the voters of San Bernardino County in November 1989. Ordinance No. 89-1 established the expenditure plan for the distribution of tax revenues to the subareas of the county. Programs with fund balances include valley major projects, valley elderly & disabled transit, valley traffic management environmental enhancement, victor valley elderly & disabled transit, mountain elderly & disabled transit, north desert elderly & disabled transit, and colorado river elderly & disabled transit.

2010-2040 Measure I Special Revenue Fund

The *special revenue fund* accounts for the extension of the ½ cent Measure I sales tax approved by the voters of San Bernardino County in November 2004. Ordinance No. 04-01 established the expenditure plan for the distribution of tax revenues to the subareas of the county. The various programs are distributed in the following areas: valley, victor valley, north desert, colorado river, morongo basin, mountain, and cajon pass.

Debt Service Fund

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on the sales tax revenue bonds.

Capital Projects Fund

The *capital projects fund* accounts for local reimbursements and contributions, and sales tax revenue bond proceeds for transportation and transit improvement projects. The projects funded with bond proceeds include valley freeway interchange, valley major streets, valley metrolink/rail, victor valley major local highway fund, and cajon pass.

The balances and transactions of the following funds are combined and reported as nonmajor governmental funds:

Low Carbon Transit Operations Program Special Revenue Fund

This *special revenue fund* accounts for state funding to reduce carbon for transit operations. The project for this grant includes the Downtown San Bernardino Passenger Rail project.

Low Carbon Transportation Special Revenue Fund

This *special revenue fund* accounts for state funding to reduce carbon for various transportation programs.

Service Authority for Freeway Emergencies Special Revenue Fund

This *special revenue fund* accounts for a portion of the motor vehicle registration fees received from the Department of Motor Vehicles for emergency call boxes to assist motorists.

Freeway Service Patrol Special Revenue Fund

This *special revenue fund* accounts for state funding for the freeway service patrol program. The program covers eight beats operating along sixty-five centerline miles of highway in the Valley area. Contract expenditures include technical communications, California Highway Patrol, and various tow agreements.

Active Transportation Program Special Revenue Fund

This *special revenue fund* accounts for state funding related to the points of interest pedestrian plan and the safe route to school program.

SCAQMD Mobile Source Review Communication Special Revenue Fund

This *special revenue fund* accounts for funding to reduce vehicle emissions. Funds are distributed to SCAG to promote reduction of vehicle emissions.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resource*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues are recognized as revenue as soon as all eligibility requirements have been met. Sales tax revenue is recognized when the underlying sale occurs.

Governmental fund financial statements are reported using *the current financial resources measurement focus* and *the modified accrual basis of accounting*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. SBCTA considers revenues to be available if they are collected within 180 days of the end of the current fiscal period for all revenue types except sales tax. Sales tax are accrued when receipt occurs within ninety days after the end of the accounting period, and recognized as revenue. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

However, debt service expenditures, compensated absences, long-term project advance agreements, pension expenses, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt is reported as other financing sources.

Sales taxes and intergovernmental revenues are recognized as revenues when measureable, a sale occurs or eligibility requirements are met, if available. Investment earnings are recognized when earned. All other revenue items are considered to be measureable when cash is received by SBCTA.

The Internal Service Fund is SBCTA's only proprietary fund. The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered.

F. Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue, debt service and capital projects funds. Appropriations are prepared by fund, program and task.

Budget Amendments

When it becomes necessary to modify the adopted budget, the amendment procedure depends on the type of change that is needed.

Administrative Budget Amendments

There are three types of administrative budget amendments that do not result in an increase to the overall program budget. The first two require approval of the program/task manager and the Chief Financial Officer. The third requires approval of the Executive Director.

- 1) Transfers from one line item to another within the task budget and fund, or changes between tasks within the same program and fund.
- 2) Reallocation of budget salary costs and revenues from one program to another within the same fund.
- 3) Substitution of one approved fund and or grant for another approved fund and or grant within a program, not-to-exceed \$1 million.

Board Approved Amendments

A Board approval is required for all other budget amendments including increases in the total program appropriations or revenues.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Formal budgetary integration is employed as a management control device during the year. Commitments for material and services, such as purchase orders and contracts, are recorded as encumbrances to assist controlling expenditures. All unused appropriations and encumbrances lapse at year end.

Excess of Expenditures over Appropriations

For fiscal year ended June 30, 2017, no expenditures exceeded appropriations.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

Cash and Investments

Cash and investments include amounts in demand deposits, bank investment contracts, money market mutual funds and cash on deposit with the County of San Bernardino Treasury and the Local Agency Investment Fund (LAIF). Securities purchased with a maturity date greater than three months at the date of acquisition have been classified as investments.

Restricted investments represent unexpended proceeds, interest earnings thereon and reserve amounts of sales tax revenues bonds. Under related bond resolutions and indentures, any remaining bond proceeds are restricted for the use of future construction of improvements to the respective projects, for debt service or for reserve requirements. The majority of these proceeds are held by trustees and fiscal agents.

Cash in the County Treasury and LAIF is carried at fair value based on the value of each participating dollar as provided by the County Treasurer and LAIF. The fair value of SBCTA's position in the County pool and LAIF is the same as the value of the pool shares. Investments in U.S. Government and agency securities are carried at fair value (see Note 4).

Money market mutual funds are carried at fair value based on the fund's share price.

Receivables

Receivables consist of accrued interest, sales taxes, accounts, intergovernmental, and loans. The majority of the outstanding balances are attributed to various federal, state, and local reimbursements. Allowances for uncollectible accounts are reviewed on all types of receivables. Allowances are based on collection experience and management's evaluation of the current status of existing receivables. Management has determined no allowance is required for receivables.

Land held for Resale

Land held for resale is an asset acquired as part of a larger project, but is now subsequently available for sale. It is recorded at the lower of cost or market, until such time as there is an event which would indicate an agreed-upon sales price. It is not the intent of SBCTA to hold these assets for gain or profit and the asset does not meet the definition of an investment as defined by GASB Statement No. 72.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, vehicles and software, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by SBCTA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for construction or improvements on SBCTA owned assets will be capitalized as construction in progress. Capital assets that will be maintained by other governments are expensed in the governmental and government wide statements.

Outstanding bonds issued do not impact the calculation of net investment in capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Building, equipment and furniture, vehicles, call boxes, communications, EV chargers, infrastructure, rail stations, and train cars of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Asset</u>	<u>Useful Life</u>
Building and Improvements	40 years
Equipment, furniture, and vehicles	5 - 7 years
Vehicles	5 years
Call Box Network	10 years
Communications	10 years
Computer Network	5 years
Electric Vehicle Charging Stations	10 years
Infrastructure	40 – 60 years
Rail Stations	10 – 30 years
Train Cars	25 years

Major Project Delivery Expenditure/Expense

Freeway, freeway interchange, grade separation construction, and certain purchases of right-of-way property, for which title vests with California Department of Transportation and other entities, are included in the major project delivery program expenditures. These expenditures are recorded in the governmental funds and major project delivery program expenses in the statement of net position.

Unearned Revenue

Unearned revenue in the governmental funds represents restricted amounts received for which revenue recognition criteria have not been met because such amounts have not yet been earned.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of fund balances/net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For deferred outflows related to pension liability see Note 9.

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

Deferred inflows of resources are to record revenue for amounts that have not met the availability criteria and for items related to grant and local reimbursements. For deferred inflows related to the net pension liability, see Note 9.

Net Position Use Assumption

The net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. SBCTA first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. SBCTA's government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as the following:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted

This category represents assets/deferred outflows subject to external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation less outstanding liabilities/deferred inflows attributable to these assets.

Unrestricted

This category represents net position not restricted for any project or other purposes. Outstanding liabilities/deferred inflows attributable to these assets/deferred outflows reduce balance for this category. A deficit will require future funding.

Fund Balance Flow Assumptions

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Fund Balance Policies

Fund balance classifications of governmental funds are based primarily on the extent to which SBCTA is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. SBCTA Policy No. 20200 adopted by the Board of Directors on August 3, 2011 establishes the standards for reporting, within the annual financial statements, unrestricted fund balance within the governmental funds: General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. Fund balances for governmental funds are made up of the following:

Nonspendable

This category includes amounts that are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts and may also include long-term receivables.

Restricted

This includes amounts with constraints on their use that either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This category includes amounts that can only be used for the specific purposes determined by formal (approval) action of SBCTA’s highest level of decision-making authority (ordinance), the SBCTA Board of Directors. Commitments may be changed only by SBCTA Board of Directors, anytime during the fiscal year, taking the same formal action that originally imposed the constraint.

Assigned

This includes amounts that are constrained by SBCTA’s intent to be used for specific purposes. The intent can be expressed by either the highest level of decision making, or by a body or an official to which the Board has delegated the authority. The Chief Financial Officer is the delegated authority.

Unassigned

Unassigned is the residual amounts not contained in other classifications. This category is used if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. Unassigned includes residual amounts for the General Fund and only residual deficits in the other governmental funds.

H. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

- 1) Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program or function.
- 2) Grants and contributions that are restricted to meeting the operational and capital requirements of a particular program or function.

Taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Sales Tax-Measure I

In November 2004, San Bernardino County voters approved an extension of the Measure I sales tax. San Bernardino County is authorized to impose a half-cent retail transaction and use tax applicable in the incorporated and unincorporated territory of the County for a period of thirty years. SBCTA, acting as the Authority, is authorized to administer the programs as described in the Measure.

One-percent of the Measure I sales tax revenue is deducted for general administration of the Measure I program. The balance is allocated to six separate subareas of the county: San Bernardino Valley, Victor Valley, North Desert, Colorado River, Morongo Basin, and Mountain.

The San Bernardino Valley Subarea includes not only allocations for local jurisdictions, but also allocations for freeway projects, freeway interchange projects, major street projects, Metrolink/rail, express bus/bus rapid transit, senior and disabled transit, and traffic management systems. The remaining subareas include allocations for major local highways, local streets, senior and disabled transit, and project development and traffic management.

Three percent of the revenue generated in the San Bernardino Valley and the Victor Valley subareas will be reserved in advance of other allocations specified in the plan for funding of the I-15/I-215 interchange in Devore, I-15 widening through Cajon Pass, and truck lane development.

Revenue generated in each subarea is returned to that subarea for projects identified in expenditure plans. Revenue from the tax can only be used for transportation improvement and traffic management programs as authorized in the Measure and the Expenditure Plan as set forth in Ordinance No. 04-01.

Sales Tax-Local Transportation Plan

The Transportation Development Act (TDA) authorizes the creation of a Local Transportation Fund (LTF) in each county for the transportation purposes specified in the "Mills-Alquist Deddeh Act," also known as the Transportation Development Act, Public Utilities Code Section 99200.

Revenues to the Local Transportation Funds are derived from the quarter cent of the 8% cent retail sales tax collected countywide. The quarter cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county. There is a three-step process for disbursement of these funds: (1) apportionment, (2) allocation, and (3) disbursement.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

After determining amounts allocated for planning and administrative purposes, funds are allocated for pedestrian/bicycle projects, support of transit operation and capital projects and in the mountain/desert region for street and road improvements.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums are amortized over the life of the bond using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed as incurred.

The governmental fund financial statements do not present long-term debt and other financed obligations. Governmental funds recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Principal payments and reductions in the obligation are reported as debt service expenditures. As such, long-term debt and other financed obligations are shown as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

Compensated Absences

Regular, full-time employees earn vacation at the rate of 10 to 20 days per year based upon length of service. Vested accumulated vacation leave that is expected to be payable from available resources is reported as a liability of the general fund, if matured, for example, as a result of employee retirements or terminations.

The unmatured portion is included with long-term debt in the government-wide financial statements.

Sick leave is recorded as expenditures in the general fund when taken by the employee. Employees who accrue in excess of 500 hours can convert them 2:1 into vacation leave. This amount is accrued at fiscal year-end as a liability reported in the government-wide financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of SBCTA's cost sharing multiple-employer plans with the San Bernardino County Employees' Retirement Association (SBCERA) and the California Public Employees' Retirement System (PERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by SBCERA and PERS. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are reported at fair value.

I. Special Item

During FY2017, SBCTA elected to close the Santa Fe Depot Internal Service Fund and moved the related current financial resources into the General Fund effective as of July 1, 2016. The transfer included \$30,635 of cash and investments and \$14,899 of accounts payable which were accounted for as miscellaneous expense in FY2017 in the internal service fund, and a special item of \$3,244,628 to remove the net investment in capital assets from the internal service fund.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the governmental-wide statement of net position.

One element of the reconciliation explains “capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.”

The details of the net adjustment of \$157,070,384 are as follows:

Land	\$ 62,555,511
Construction in progress	90,288,324
Equipment and vehicles	9,902,198
Less: Accumulated depreciation	<u>(5,675,649)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 157,070,384</u></u>

3. DEFICIT FUND EQUITY

At June 30, 2017, the Federal Highway special revenue fund has a deficit fund balance of \$3,661,436, Federal Transit Administration special revenue fund had a deficit fund balance of \$316,250, and State Highway special revenue fund had a deficit fund balance of \$9,770,179. The Low Carbon Transportation fund, Freeway Services Patrol fund, and SCAQMD Mobile Source Review Communication, nonmajor funds, have a deficit fund balance of \$108,023, \$12,999, and \$145,537, respectively. The deficits are attributed to certain grants from federal and state agencies not received before the revenue recognition criteria of 180 days and are recorded as deferred inflows of resources. The fund balance deficits will be offset with future collections of unavailable revenue.

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2017 consist of the following:

	Unrestricted			Restricted Investments	Grand Total
	Cash	Investments	Total		
Cash in bank	\$ 119,401,169	\$ -	\$ 119,401,169	\$ -	\$ 119,401,169
Petty cash	1,000	-	1,000	-	1,000
San Bernardino county pool	236,356,168	-	236,356,168	-	236,356,168
Local agency investment fund	6,995,051	-	6,995,051	-	6,995,051
Investments with custodian	-	93,052,481	93,052,481	-	93,052,481
Investments with fiscal agent	-	-	-	60,162,429	60,162,429
	<u>\$ 362,753,388</u>	<u>\$ 93,052,481</u>	<u>\$ 455,805,869</u>	<u>\$ 60,162,429</u>	<u>\$ 515,968,298</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Investments Authorized

The investment policy complies with, or is more restrictive than, applicable state statutes. SBCTA's investment policy authorizes investments in the following:

Investment Type	Maturity	Maximum	
		Percentage of Portfolio	Investment in One Issuer
U.S. treasuries	5 years	No Limit	No Limit
U.S. agencies	5 years	No Limit	40%
California & other state municipals	5 years	20%	10%
Commercial paper	270 days	25%	3%
Negotiable certificates of deposit	5 years	30%	3%
Repurchase agreements	30 days	20%	No Limit
Bankers' acceptances	180 days	40%	3%
Medium-term corporate notes	5 years	30%	3%
San Bernardino county pool	N/A	No Limit	No Limit
Local agency investment fund	N/A	Lessor of 60% or \$50 million	No Limit
Money Market Funds	N/A	20%	10%

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements.

Disclosure Related to Interest Rate Risk

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

Investment Type	Amount Reported	Weighted Average Maturity (in Years)
U.S. Treasuries	\$ 25,031,330	4.83
U.S. government sponsored enterprise securities:		
FHLB	3,978,945	3.72
FHLMC	696,150	0.56
FNMA	28,922,338	1.91
Corporate notes	22,527,943	1.73
Certificate of deposits	6,695,575	1.57
Commercial paper	4,181,478	0.35
Money market mutual funds	61,181,151	0.13
Total	\$ 153,214,910	

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are the Standard & Poor's credit ratings for SBCTA's investments:

Investment Type	Total as of June 30, 2017	AAA	AA	A-1/A-1+	Not Rated
U.S. Treasuries ⁽¹⁾	\$ 25,031,330	\$ -	\$ -	\$ -	\$ -
U.S. government sponsored enterprise securities					
FHLBB	3,978,945	-	3,978,945	-	-
FHLMC	696,150	-	696,150	-	-
FNMA	28,922,338	-	28,922,338	-	-
Corporate notes	22,527,943	-	16,223,165	6,304,778	-
Certificate of deposits	6,695,575	-	2,223,934	4,471,641	-
Commercial paper	4,181,478	-	-	4,181,478	-
Money market mutual funds	61,181,151	55,000,448	-	-	6,180,703
Total	\$ 153,214,910	\$ 55,000,448	\$ 52,044,532	\$ 14,957,897	\$ 6,180,703

⁽¹⁾ Exempt from disclosure.

SBCTA 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." SBCTA has the following recurring fair value measurement as of June 30, 2017:

Investment Type	Amount as of June 30, 2017	Level 1	Level 2
US treasuries	\$ 25,031,330	\$ 25,031,330	\$ -
US government sponsored enterprise securities			
FHLBB	3,978,945	-	3,978,945
FHLMC	696,150	-	696,150
FNMA	28,922,338	-	28,922,338
Corporate notes	22,527,943	-	22,527,943
Certificate of deposits	6,695,575	-	6,695,575
Commercial paper	4,181,478	-	4,181,478
Money market mutual funds	61,181,151	-	61,181,151
Subtotal	153,214,910	25,031,330	128,183,580
Other investments not subject to fair measures classification:			
Local agency investment fund	6,995,051		
San bernardino county pool	236,356,168		
	\$ 396,566,129		

Investments classified in Level 1 are valued using quoted prices in active markets. Level 2 are quoted market values obtained from various pricing sources by the custodian bank.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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. The California Government Code and SBCTA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code 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. 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

SBCTA uses an independent third-party custodian/safekeeper to domicile the securities in its portfolio. SBCTA uses Union Bank as its third-party safekeeping servicer, and mitigates custodial/safekeeping risk by having all securities purchased and owned by SBCTA registered in the name of SBCTA, separated from other client securities portfolios, and segregated from securities owned by the bank.

As of June 30, 2017, SBCTA has bank deposits with a balance of \$121,408,833 of which \$250,000 is federally insured and the balance is collateralized in accordance with the Code.

California Local Agency Investment Fund

SBCTA is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission. The fair value

of SBCTA's investments in this pool is reported in the accompanying financial statements at amounts based upon SBCTA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

San Bernardino County Treasury Pool

SBCTA is a voluntary participant in the San Bernardino County Treasury Pool. An Investment Oversight Committee has been established by the County, which acts as regulator of the pool. The funds with the County Treasury are pooled with those of other entities in the County and invested. These pooled funds are carried at fair market value. Fair market value as provided by the County, is based on quoted market prices and/or direct bids, when needed, from government dealer and some variable or floating rate items.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

5. INTERFUND TRANSACTIONS

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported in the respective funds' operating statements as transfers in/out.

Activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds" or "advances to/from other funds." Due to/from other funds are recorded when funds maintain a temporary negative cash balance or for transactions related to transfers between the Local Transportation Fund and/or the State Transit Assistance fund and the General Fund.

A. Interfund Receivables and Payables

Operating receivables and payables between funds are classified as due from or due to other funds. The following are the due from and due to balances as of June 30, 2017:

Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Federal highway	\$ 10,350,395
	Federal transit administration	307,416
	State highway	12,669,479
	2010-2040 Measure I	34,787
	Capital projects	32,828,118
	Nonmajor governmental funds	1,785,322
General Fund	State Transit Assistance Fund	791,174
	Total	\$ 58,766,691

SBCTA has approved an interest-bearing interfund loan for the City of Victorville La Mesa/ Nisqualli interchange project based on the allocation of Victorville Measure I local street funds. The interfund loan amount as of June 30, 2017 is \$5,404,716. The interfund loan initiated in June 2013 and is recorded as an advance to other funds in the 2010-2040 Measure I special revenue fund and an advance from other funds in the capital projects fund. The project expenditures are recorded in the capital projects fund. The interfund loan will be recorded until the City of Victorville's share of the project cost is paid plus interest.

Similar interfund loan arrangement was entered with the City of Colton which was paid off in the amount of \$164,267 as of year-end. The following are the advances to and advances from balances as of June 30, 2017:

Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Capital Projects	\$ 5,403,188

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

B. Interfund Transfers

Transfers are used to (1) move funds from the local transportation fund (LTF) and state transit assistance fund (STAF) to the general fund for payment of certain general administrative, planning and rail expenditures, (2) transfer from 2010-2040 Measure I to Federal Highway to eliminate additional interest and refunds to Surface Transportation Program (STP), (3) move funds from the federal highway to the state highway to maximize Regional Improvement Program (RIP) funds, (4) transfer funds from 2010-2040 Measure I fund to state highway to maximize Traffic Congestion Relief Program (TCRP) funds and reclass parcel to a different funding source, (5-6) Expenditures reclassified by board approval from general fund to the local transportation and state transit assistance funds, respectively, (7) move from state highway to 1990-2010 Measure I fund to maximize state highway funds-TCRP and RIP, (9) transfer to 2010-2040 Measure I from state highway to maximize TCRP and Public Utilities Code (PUC), and Proposition 1B, (10) transfer from debt service to 2010-2040 Measure I since inadvertently transferred to checking account by trustee, (11) transfer from capital project to 2010-2040 Measure I to maximize local funding, (12) transfer funds from 2010-2040 Measure I fund and capital project to debt service to record interest income and debt service payment with the trustee, Wells Fargo, (13) transfer from federal highway to capital project to maximize the use of Interstate Maintenance Discretionary (IMD) and STP funds, (14) transfer from state highway to capital projects to maximize the use of RIP, PUC and TCRP funds and proposition 1B, (15) move from 2010-2040 Measure I to capital project to eliminate additional interest and refunds to STP and reclass invoice to correct funding source, and (16) maximize and properly allocated an invoice within capital project fund.

Transfers In	Transfers Out	Amount
General	Local transportation fund	\$ 30,708,599
	State Transit Assistance Fund	1,868,419
Federal Highway	2010-2040 Measure I	11,155
State Highway	Federal highway	350,035
	2010-2040 Measure I	1,556,472
Local Transportation Fund	General	3,017,832
State Transit Assistance Fund	General	43,111
1990-2010 Measure I	State highway	244,632
	Capital projects	15,574
2010-2040 Measure I	State highway	2,196,186
	Proposition 1B	857,726
	Debt service	72
	Capital projects	61,344
Debt Service	2010-2040 Measure I	14,213,919
	Capital projects	8,785
Capital Projects	Federal highway	229,694
	State highway	1,185,087
	Proposition 1B	48,356
	2010-2040 Measure I	15,871
	Capital projects	1,555,219
		<u>\$ 58,188,088</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

6. LOANS TO OTHER JURISDICTIONS

SBCTA entered into loan agreements with jurisdictions for various projects. The payments of the loan receivables are not expected to be received within the next fiscal year. The outstanding balances of the loans as of June 30, 2017, are as follows:

City of Victorville	\$ 5,404,716
City of Hesperia	18,762,403
City of Highland	85,834
LAFCO	168,967
	<u>\$ 24,421,920</u>

Per cooperative Agreement C11200, Section III, Article 7 with the City of Victorville for the La Mesa/Nisqualli interchange project, SBCTA is authorized to withhold disbursements of 2010-2040 Measure I local streets and roads funds necessary to pay the City's share of construction invoices plus interest. These funds are to be withheld until the City can contribute additional funds to the escrow account or until the City's share of the construction cost plus interest has been paid to SBCTA. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. Interest is calculated annually on the unpaid balance at the same rate as applied to the State of California. The outstanding loan balance as of June 30, 2017 is \$5,404,716.

Per Agreement C12219 with the City of Hesperia for the Ranchero Road Interchange Project, SBCTA will lend the City's remaining balance of project costs, estimated at \$23,158,448 if the City is unable to pay at the completion of the project. The first payment is due 24 months after the acceptance of the project by Caltrans.

Subsequent payments will be made annually and if the City fails to make the annual payment, SBCTA is authorized to withhold the City's Measure I local street funds and apply the amounts towards the loan. The outstanding balance of the loan as of June 30, 2017 is \$18,762,403.

Per cooperative Agreement C13027, with the City of Highland, SBCTA entered into a 2010-2040 Measure I Valley freeway interchange program term loan agreement for the SR-210 Baseline Interchange Project. The loan will not-to-exceed in the amount of \$662,407 which is two-thirds of the estimated local share of project costs. The outstanding loan balance as of June 30, 2017 is \$85,834.

Per agreement 16-1001429 with Local Agency Formation Commission (LAFCO), the cost of renovations to Unit 150 at the Depot will be paid by tenant over five years commencing July 24, 2017. Cost of improvements incurred during Fiscal Year 2017 was \$168,967. The loan is due on July 23, 2022.

7. CAPITAL ASSETS

Management discovered that capital outlay expenses of approximately \$18,391,862 from the fiscal years ended June 30, 2007 thru 2016 were not capitalized as construction in progress (CIP) in the governmental activities opinion unit. It was also identified that previously recorded land of \$7,787,866 should be reflected as CIP. Furthermore, management also discovered that a 30 year depreciation life was used for Buildings and Building Improvements when it should have been 40 years, which decreased accumulated depreciation by \$490,932. As a result, management adjusted additions reported in the current fiscal year by reducing operating expenses in the general government, transit and passenger rail program, and major project delivery program in the statement of activities. Management believes that the adjustments are not material to the prior and current financial statements.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

Capital assets activity for the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 70,343,377	\$ (7,787,866)	\$ -	\$ 62,555,511
Construction in progress	38,693,542	51,594,782	-	90,288,324
Total capital assets, not depreciated	<u>\$ 109,036,919</u>	<u>\$ 43,806,916</u>	<u>\$ -</u>	<u>\$ 152,843,835</u>
Capital assets being depreciated/amortized:				
Buildings	\$ 5,387,201	\$ 182,397	\$ -	\$ 5,569,598
Equipment, vehicles, and software	4,230,990	111,666	(10,056)	4,332,600
Total capital assets, depreciated	<u>9,618,191</u>	<u>294,063</u>	<u>(10,056)</u>	<u>9,902,198</u>
Less accumulated depreciation/amortization for:				
Buildings	\$ (2,004,752)	\$ 339,134	\$ -	\$ (1,665,618)
Equipment, vehicles, and software	(3,871,600)	(148,487)	10,056	(4,010,031)
Total accumulated depreciation/amortization	<u>(5,876,352)</u>	<u>190,647</u>	<u>10,056</u>	<u>(5,675,649)</u>
Total capital assets, depreciated/amortized	<u>3,741,839</u>	<u>484,710</u>	<u>-</u>	<u>4,226,549</u>
Total capital assets, net	<u>\$ 112,778,758</u>	<u>\$ 44,291,626</u>	<u>\$ -</u>	<u>\$ 157,070,384</u>

Depreciation expense was charged to programs/functions of the government as follows:

Governmental activities:

Total depreciation expense-governmental activities \$ (200,703)

8. LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
Governmental activities					
Revenue bonds payable	\$ 198,115,000	\$ -	\$ 2,845,000	\$ 195,270,000	\$ 3,365,000
Unamortized premium on revenue bonds payable	16,052,404	-	1,131,348	14,921,056	1,103,589
Compensated absences	864,639	116,016	85,834	894,821	134,274
Project advancement agreements	31,092,352	-	28,256,603	2,835,749	2,835,749
Net pension liability	9,898,108	3,707,384	-	13,605,492	-
Total long-term liabilities, net	<u>\$ 256,022,503</u>	<u>\$ 3,823,400</u>	<u>\$ 32,318,785</u>	<u>\$ 227,527,118</u>	<u>\$ 7,438,612</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Sales Tax Revenue Obligations

SBCTA has pledged a portion of future sales tax revenue bonds through the maturity dates of the issued sales tax revenue bonds. Principal and interest payments during the fiscal year ended June 30, 2017 of \$11,967,550 represents 7.3% of total applicable sales tax revenue, which was \$163,814,528. The future maturities of sales tax revenue bonds payable are as follows:

Year Ending, June 30,	Principal	Interest	Total
2018	\$ 3,365,000	\$ 9,016,300	\$ 12,381,300
2019	3,860,000	8,893,650	12,753,650
2020	4,150,000	8,739,250	12,889,250
2021	4,460,000	8,563,200	13,023,200
2022	4,795,000	8,360,251	13,155,251
2023-2027	29,860,000	38,092,503	67,952,503
2028-2032	42,305,000	29,543,003	71,848,003
2033-2037	58,410,000	17,798,340	76,208,340
2038-2040	44,065,000	3,954,883	48,019,883
	<u>\$ 195,270,000</u>	<u>\$ 132,961,380</u>	<u>\$ 328,231,380</u>

Sales Tax Revenue Bonds of 2012, Series A

The sales tax revenue bonds of \$91,880,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 28, 2012. Interest is payable semiannually on March 1st and September 1st of each year at rates of interest ranging from 3% to 5% and yield rates ranging from 0.53% to 3.46%.

Principal payments on the bonds began on March 1, 2015 and are due each year thereafter through 2040 ranging from \$1,910,000 to \$5,835,000. The range of annual debt service ranges from \$3,851,087 to \$6,081,638.

The debt maturities for the 2012 sales tax revenue bonds payable included in the governmental activities are as follows:

Year Ending, June 30,	Principal	Interest	Total
2018	\$ 2,170,000	\$ 3,903,837	\$ 6,073,837
2019	2,260,000	3,817,037	6,077,037
2020	2,355,000	3,726,637	6,081,637
2021	2,455,000	3,622,387	6,077,387
2022	2,575,000	3,499,638	6,074,638
2023-2027	14,785,000	15,595,438	30,380,438
2028-2032	18,760,000	11,612,188	30,372,188
2033-2037	23,710,000	6,666,863	30,376,863
2038-2040	16,820,000	1,406,419	18,226,419
	<u>\$ 85,890,000</u>	<u>\$ 53,850,444</u>	<u>\$ 139,740,444</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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Sales Tax Revenue Bonds of 2014, Series A

The sales tax revenue bonds of \$110,135,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 18, 2014. Interest is payable semiannually on March 1st and September 1st of each year at rates of interest ranging from 3% to 5% and yield rates ranging from 0.40% to 3.85%. Principal payments on the bonds began on March 1, 2015 and are due each year thereafter through 2040 ranging from \$755,000 to \$9,685,000. The range of annual debt service payments range from \$4,692,922 to \$10,130,963.

The debt maturities for the 2014 sales tax revenue bonds payable included in the governmental activities are as follows:

Year Ending, June 30,	Principal	Interest	Total
2018	\$ 1,195,000	\$ 5,112,463	\$ 6,307,463
2019	1,600,000	5,076,613	6,676,613
2020	1,795,000	5,012,613	6,807,613
2021	2,005,000	4,940,813	6,945,813
2022	2,220,000	4,860,613	7,080,613
2023-2027	15,075,000	22,497,065	37,572,065
2028-2032	23,545,000	17,930,815	41,475,815
2033-2037	34,700,000	11,131,477	45,831,477
2038-2040	27,245,000	2,548,464	29,793,464
	\$ 109,380,000	\$ 79,110,936	\$ 188,490,936

Financial covenant for sales tax revenue bonds is illustrated below:

Sales Tax Revenue Fiscal Year Ended <u>June 30, 2017</u>	Maximum Annual <u>Debt Service</u>	Debt Coverage <u>Ratio</u>
\$ 163,814,528	\$ 16,212,601	10.10 X

Conduit Debt

Beginning in October 2013, SBCTA issued bonds for the Property Assessed Clean Energy Program. Third party, property owners, assumes sole responsibility for repayment of the debt, and SBCTA has no obligation for the repayment of the bonds. The outstanding balance as of June 30, 2017 is \$243,714,693.

Project Advancement Agreements

In December 2005, the SBCTA Board approved a project advancement strategy that would allow agencies to advance the SBCTA Nexus Study interchange, arterial and grade separation projects to construction prior to the availability of Measure I 2010-2040 revenues. Projects eligible for advancement include projects defined in the SBCTA Nexus study in the urban areas of the County or projects defined in the Measure I 2010-2040 Expenditure Plan in the non-urban areas of the County.

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SBCTA has entered into 25 Project Advancement Agreements with local jurisdictions that total \$127,101,001 for Freeway Interchange Projects, Major Street Projects and Victor Valley Major Local Highways Projects. The purpose of these agreements is to allow cities to use their own local (non-SBCTA) funds to construct eligible projects immediately, with the understanding that SBCTA will reimburse cities for eligible project expenditures at a later date with Measure I 2010-2040 revenue.

Revenue from Measure I 2010-2040 designated for the Freeway Interchange and Major Streets Projects Programs is available beyond 2010. The reimbursement schedule is determined in the Measure I 2010-2040 Strategic Plan. Said allowable project expenditures will not be reimbursed until sufficient Measure I 2010-2040 revenue exists to fund those eligible project reimbursements and until the cities have satisfied any and all necessary project requirements.

The following summarizes the liability activities that took place in fiscal year 2016/2017:

	Balance			Balance June 30, 2017	Due within One Year
	July 1, 2016	Additions	Deletions		
Valley freeway interchange	\$ 16,319,382	\$ -	\$ 14,503,842	\$ 1,815,540	\$ 1,815,540
Valley major street	14,772,970	-	13,752,761	1,020,209	1,020,209
Total Project Adv Agreements	<u>\$ 31,092,352</u>	<u>\$ -</u>	<u>\$ 28,256,603</u>	<u>\$ 2,835,749</u>	<u>\$ 2,835,749</u>

The following summarizes the declared projects with Project Advancement Agreements:

Measure I 2010-2040 Program	Location	Project	Cost Estimate	Measure I Share
Victor Valley MLH	Hesperia	I-15 Ranchero Interchange	\$ 39,005,000	\$ 8,598,000
Valley Freeway Interchange	Yucaipa	I-10 at Oak Glen/Live Oak	18,403,246	6,286,672
Valley Freeway Interchange	Fontana	I-15 at Duncan Canyon Rd	18,000,000	4,068,000
Valley Freeway Interchange	Rialto	I-10 at Riverside Avenue	30,400,000	17,382,581
Valley Freeway Interchange	SB County	I-10 Pepper Ave	10,000,000	6,600,000
Valley Major Street	Chino	Chino Avenue	4,565,000	2,236,850
Valley Major Street	Chino	Kimball Ave	6,661,000	3,263,890
Valley Major Street	Chino	Pine & Mill Creek	181,000	88,690
Valley Major Street	Chino	Pine & West Preserve Loop	181,000	88,690
Valley Major Street	Chino	Fern & Riverside Dr	201,000	98,490
Valley Major Street	Chino Hills	Peyton Dr	15,167,000	8,202,776
Valley Major Street	Fontana	Baseline Ave	7,550,000	5,134,000
Valley Major Street	Fontana	Cherry Ave	3,110,000	2,114,800
Valley Major Street	Fontana	Foothill Ave	7,400,000	5,032,000
Valley Major Street	Fontana	Sierra Ave	7,800,000	5,304,000
Valley Major Street	Fontana	Jurupa Ave	12,000,000	8,160,000
Valley Major Street	Fontana	Citrus Ave	4,000,000	2,720,000
Valley Major Street	Fontana	Walnut Ave	4,200,000	2,856,000
Valley Major Street	Fontana	So. Highland Ave	4,000,000	2,720,000
Valley Major Street	Fontana	Cypress Ave	20,000,000	10,245,502
Valley Major Street	Highland	Greenspot Rd	2,710,000	523,416
Valley Major Street	Highland	9th Street	26,587	-

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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Measure I 2010-2040 Program	Location	Project	Cost Estimate	Measure I Share
Valley Major Street	Highland	9th Street	98,662	-
Valley Major Street	Highland	9th Street	506,424	-
Valley Major Street	Highland	TDA Art 3	92,694	92,694
Valley Major Street	R Cucamonga	Haven Ave	15,910,000	13,856,000
Valley Major Street	R Cucamonga	Haven Ave	6,000,000	4,260,000
Valley Major Street	R Cucamonga	Church Street	1,152,000	817,920
Valley Major Street	R Cucamonga	4th & Richmond	158,000	112,180
Valley Major Street	R Cucamonga	4th & Utica	158,000	112,180
Valley Major Street	R Cucamonga	6th & Buffalo	158,000	112,180
Valley Major Street	R Cucamonga	6th & Utica	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & Banyan	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & San Bernardino	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & Victoria	158,000	112,180
Valley Major Street	R Cucamonga	Arrow & Center	158,000	112,180
Valley Major Street	R Cucamonga	Banyan & Wardman Bullock	158,000	112,180
Valley Major Street	R Cucamonga	Carnelian & Wilson	158,000	112,180
Valley Major Street	R Cucamonga	Church & Elm	158,000	112,180
Valley Major Street	R Cucamonga	Day Creek & Madrigal	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & Cornwall	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & East Ave	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & Malachite	158,000	112,180
Valley Major Street	R Cucamonga	Haven & Trademark	158,000	112,180
Valley Major Street	R Cucamonga	Haven & Wilson	158,000	112,180
Valley Major Street	R Cucamonga	Hermosa & Church	158,000	112,180
Valley Major Street	R Cucamonga	Wilson & San Sevaine	158,000	112,180
Valley Major Street	R Cucamonga	Wilson & Wardman Bullock	158,000	112,180
Valley Major Street	Rialto	Willow Ave	395,000	237,000
Valley Major Street	Rialto	Merrill Ave & Willow Ave	282,000	169,200
Valley Major Street	Rialto	Cactus Ave & Walnut Ave	282,000	169,200
Valley Major Street	Rialto	Cactus & Randall Ave	282,000	169,200
Valley Major Street	Rialto	Riverside Ave & Alder Ave	282,000	169,200
Valley Major Street	Yucaipa	Yucaipa Blvd.	2,898,400	1,224,750
Valley Major Street	Yucaipa	Oak Glen Rd	500,000	345,000
Valley Major Street	Yucaipa	Oak Glen Rd	1,800,000	1,242,000
Valley Major Street	Yucaipa	Wildwood Canyon Rd	551,605	380,880
Subtotal			249,753,618	127,101,001
Adjustments - Projects removed from PAA or reduction in Measure I share due to Project Costs savings:				
Valley Freeway Interchange	Fontana	I-15 at Duncan Canyon Rd	(18,000,000)	(4,068,000)
Valley Freeway Interchange	Hesperia	I-15 Ranchero Road	(39,005,000)	(8,598,000)
Valley Major Street	Fontana	So. Highland Ave	(4,000,000)	(2,720,000)
Valley Major Street	Highland	TDA Art 3	(92,694)	(92,694)
Reduction in Measure I share				(25,460,165)
Total project advancement agreements commitment			\$ 188,655,924	\$ 86,162,142

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Measure I 2010-2040 collections began April 1, 2010. Based on the Measure I 2010-2040 Strategic Plan 40% of available receipts received for the Freeway Interchange and Major Streets Programs, and 20% of available receipts received for the Victor Valley Major Local Highway Projects, would be used for reimbursement of the Project Advancement Agreements. As determined in the Measure I 2010-2040 Strategic Plan, reimbursements for Project Advancement Agreements begin when sufficient Measure I 2010-2040 revenues exists to fund those eligible project reimbursements and the cities have satisfied any and all necessary project requirements. It is currently estimated that the reimbursement of current Project Advancement Agreements will be completed in fiscal year 2017/2018.

	Valley		
	Freeway		Total
	Interchange	Major Street	
Cash payments on projects	\$ 13,949,871	\$ 69,376,522	\$ 83,326,393
Current liabilities	1,815,540	1,020,209	2,835,749
Total	\$ 15,765,411	\$ 70,396,731	\$ 86,162,142

Cash payments on projects are cumulative amounts paid from inception of the Project Advancement Agreements through the end of fiscal year 2016/2017 and represent liquidations of the overall long term liability through the use of available Measure I sales tax revenues collected as of June 30, 2017.

Current liabilities are accrued expenses whose liquidation can be reasonably expected through the use of existing Measure I sales tax revenues collected as of June 30, 2017. These are recorded as intergovernmental payables on the 2010-2040 Measure I fund in the governmental fund financial statements and long-term liabilities, due in one year, on the statement of net position.

Rebatable Arbitrage

SBCTA is obligated to calculate arbitrage rebates on all existing sales tax revenue obligations. There was no rebatable arbitrage liability.

9. PENSION OBLIGATIONS

San Bernardino County Employees Retirement Association (SBCERA)

Plan Description

SBCTA participates in the San Bernardino County Employees' Retirement Association (SBCERA) pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA, and are provided with pension benefits pursuant to Plan requirements.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

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

SBCERA is a legally separate entity from SBCTA, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, SBCTA's comprehensive annual financial report excludes the SBCERA pension plan as of June 30, 2016. SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

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

	<u>General-Tier 1</u>	<u>General-Tier 2</u>
Final average compensation	Highest 12 months	Highest 36 months
Normal retirement age	Age 55	Age 55
Early retirement: Years of service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	2.5% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67
Final average compensation limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

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

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Contributions

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

Employee contribution rates for the fiscal year ended June 30, 2017 ranged between 8.44% and 14.22% for Tier 1 General members, and 9.33% for Tier 2 General members.

Employer contribution rates for the year ended June 30, 2017 are as follows:

	Paid by Employer for Employee			
	<u>Employer Contribution Rates</u>		<u>Employee Contribution Rates</u>	
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>
Actuarially determined required contribution for general members	33.05%	29.50%	100%	0%

The required employer contributions and the amount paid to SBCERA by SBCTA for the year ended June 30, 2017 were \$1,963,526. SBCTA’s employer contributions were equal to the required employer contributions for the year ended June 30, 2017.

Net Pension Liability

At June 30, 2017, SBCTA reported a net pension liability of \$13,543,950 for its proportionate share of the SBCERA’s net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. SBCTA reported liability at June 30, 2017, increased by \$3,690,697 from SBCTA’s prior year liability of \$9,853,253 because of changes in the SBCERA net pension liability due to negative return on market value of assets and SBCTA’s proportionate share of that liability. The SBCERA’s publicly available financial report provides details on the change in the net pension liability.

SBCTA’s proportion of the net pension liability was based on SBCTA’s contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of SBCERA’s participating employers. At June 30, 2016, SBCTA’s proportion was .549%, which was a decrease of .042% from its proportion measured as of June 30, 2015.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2017, SBCTA recognized pension expense of \$2,355,545 for its proportionate share of SBCERA's pension expense. At June 30, 2017, SBCTA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,050,465
Changes in actuarial assumptions	935,268	
Net differences between projected and actual earnings on pension plan investments	2,933,911	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,492,384	803,107
Employer contributions paid to SBCERA subsequent to the measurement date	1,963,526	
Total	\$ 8,325,089	\$ 2,853,572

The \$1,963,526 reported as deferred outflows of resources related to pensions resulting from SBCTA's contributions to SBCERA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

2018	622,520
2019	1,097,877
2020	1,248,465
2021	598,329
2022	(64,660)
2023	5,460
	3,507,991

Actuarial assumptions and methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age actuarial cost
Amortization method	Level percent of payroll (3.75% payroll growth assumed)
Investment rate of return	7.50%
Inflation	3.25%
Projected Salary increases	General: 4.60% to 13.75%
Administrative Expenses	0.60% of payroll

Post-retirement mortality is based on the RP-2000 Combined Healthy Mortality Tables projected with Scale BB to 2020.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

The June 30, 2016 actuarial valuation reflected same assumptions compared to the June 30, 2015 actuarial valuation, based on the June 30, 2015 experience study.

The long-term expected rate of return on pension plan investments is 7.50%. SBCERA's actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

SBCERA's Long-Term Expected Real Rate of Return

<u>Asset Class</u>	As of June 30, 2016 Valuation Date	
	<u>Target</u>	<u>Long-Term</u>
	<u>Allocation</u>	<u>Expected Real</u> <u>Rate of Return</u> <u>(Arithmetic)</u>
Large Cap U.S. Equity	5.00%	5.94%
Small Cap U.S. Equity	2.00%	6.50%
Developed International Equity	6.00%	6.87%
Emerging Market Equity	6.00%	8.06%
U.S. Core Fixed Income	2.00%	0.69%
High Yield/Credit Strategies	13.00%	3.10%
Global Core Fixed Income	1.00%	0.30%
Emerging Market Debt	6.00%	4.16%
Real Estate	9.00%	4.96%
Cash & Equivalents	2.00%	-0.03%
International Credit	10.00%	6.76%
Absolute Return	13.00%	2.88%
Real Assets	6.00%	6.85%
Long/Short Equity	3.00%	4.86%
Private Equity	16.00%	9.64%
Total	100.00%	

(1) N/A = Asset class not considered in the calculation.

Changes in Assumptions

Assumptions are the same as those used in the June 30, 2016 and 2015 funding valuations.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

Discount rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made based on the actuarially determined rates based on the SBCERA Board’s funding policy, which establishes the contractually required rate based on statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of SBCTA’s proportionate share of the SBCERA net pension liability to changes in the discount rate

The following table presents SBCTA’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what SBCTA’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
SBCTA's proportionate share of the net pension liability	\$ 19,096,059	\$ 13,543,950	\$ 8,943,169

Pension plan fiduciary net position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA comprehensive annual financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885-7980 or (877) 722-3721.

California Public Employees’ Retirement System (PERS)

Plan Description

SBCTA contributed to the California Public Employees’ Retirement System (PERS), a cost-sharing multiple employer defined benefit pension plan. The plan is part of the Inactive Agency Risk Pool. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. The plan includes three retirees from SBCTA. PERS acts as a common investment and administrative agent for participating entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS’ annual financial report may be obtained from its executive office at 400 “P” Street, Sacramento, California 95814.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Benefits Provided

PERS provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contributions for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the contribution amount. The total plan contributions are determined through the PERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined contribution is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs related to any unfunded accrued liability. There are no active employees in this plan; therefore no employee contributions were made during the measurement period ended June 30, 2017.

The required employer contributions and the amount paid to PERS by SBCTA for the year ended June 30, 2017 were \$2,889 toward the payment of unfunded accrued liability. SBCTA's employer contributions were equal to the required employer contributions for the year ended June 30, 2017.

Pension Liability

At June 30, 2017 SBCTA reported a net pension liability of \$61,542 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2017, SBCTA recognized pension expense of \$13,197 for its proportionate share of PERS' pension expense. At June 30, 2017, SBCTA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,421
Changes in actuarial assumptions	13,197	-
Employer contributions paid to PERS subsequent to the measurement date	2,889	-
Total	\$ 16,086	\$ 3,421

The \$2,889 reported as deferred outflows of resources related to pensions resulting from SBCTA's contributions to PERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions will be recognized in pension expense as follows:

2018	508
2019	710
2020	4,750
2021	2,738
2022	1,070
	9,776
	9,776

Actuarial assumptions and methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll (3.75% payroll growth assumed)
Investment rate of return	7.65%
Inflation	2.75%
Projected Salary increases	Varies by entry age and service

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return ¹</u>
Global Equity	51.00%	5.25%
Global Fixed Income	20.00%	0.99%
Inflation Assets	6.00%	0.45%
Private Equity	10.00%	6.83%
Real Estate	10.00%	4.50%
Infrastructure and Forestland	2.00%	4.50%
Liquidity	1.00%	-0.55%
	100.00%	

⁽¹⁾ An expected inflation rate of 2.75 was used

Sensitivity of SBCTA's proportionate share of the PERS net pension liability to changes in the discount rate

The following table presents SBCTA's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what SBCTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2017

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	1.00% Decrease (6.65%)	Current Discount Rate (7.65%)	1.00% Increase (8.65%)
SBCTA's proportionate share of the net pension liability	\$ 95,881	\$ 61,542	\$ 33,163

Pension plan fiduciary net position

Detailed information about PERS's fiduciary net position is available on the Internet at www.calpers.ca.gov; by writing to PERS at 400 "P" Street, Sacramento, CA 95814; or by calling (888) 225-7377.

Combined Table of Pension Expense and Deferred Outflows/Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,053,886
Changes in actuarial assumptions	948,465	
Net differences between projected and actual earnings on pension plan investments	2,933,911	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,492,384	803,107
Employer contributions paid subsequent to measurement date	1,966,415	
Total	\$ 8,341,175	\$ 2,856,993

10. COMMITMENTS

Transportation

Outstanding Contracts

As of June 30, 2017, SBCTA had contracted, subject to future Board appropriation, for professional and special services for various transportation projects, including transit studies, right-of-way purchases and construction, which have not yet been rendered. The aggregate amount committed under these contracts is approximately \$676 million at June 30, 2017.

Retention Payable

SBCTA's policy is not to include cash and remove retention payable upon release of funds to an escrow account. The amount relating to the retention is recognized as expense when the liability is incurred.

Encumbrances

Encumbrances lapse at year-end and are rebudgeted the following fiscal year.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

11. PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDING

As of June 30, 2017, SBCTA received a total of \$37,409,070 in PTMISEA funds and are accounted for in the Proposition 1B fund. These funds are designated to be used for the purchase of three rail cars by SCRRA for Metrolink operations \$(5,500,000), replacement paratransit vehicles by SBCTA-City of Barstow \$(420,000), Barstow Bus Stop Reconstruction Project (\$2,232,701), Metrolink positive train control by SCRRA \$(3,309,525), Metrolink parking lot expansion (\$1,500,000), for San Bernardino Downtown Passenger Rail Project (\$6,419,844), Redlands Passenger Rail Project (\$6,542,602 and \$9,284,398 for cycle 2), Double Tracking Project for San Gabriel Subdivision (\$2,000,000), and Needles Intermodal Transit Center (\$200,000). A total of \$10,051,296 has been received in Transit System Safety Security Disaster Discovery fund and recorded as fund balance in the Proposition 1B fund. \$1,375,000 was disbursed during Fiscal Year 2007-2008, \$4,125,000 was disbursed during Fiscal Year 2009-2010, \$3,659,456 was disbursed during Fiscal Year 2010-11, \$1,043,758 was disbursed during Fiscal Year 2013-2014, \$4,316,855 was disbursed in Fiscal Year 2014-2015, \$2,928,021 was disbursed in Fiscal Year 2015-2016, and \$1,457,384 was disbursed in FY 2016-2017.

12. RISK MANAGEMENT

SBCTA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors and omissions. SBCTA purchases commercial insurance coverage for automobile (\$5,000 deductible-physical damage), primary crime (\$20,000 deductible), excess crime, general liability (\$50,000 self-insured retention), property (\$5,000 deductible), public officials (\$50,000 self-insured retention), excess liability, and worker compensation. Workers compensation limits are statutory by the State of California. During the past three fiscal years, there have been no settlements in excess of covered amounts.

13. JOINT VENTURE

SBCTA is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's Board consists of one member from the Ventura County Transportation Commission; two members each from the Orange County Transit Authority, SBCTA and the Riverside County Transportation Commission; and four members from Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five Southern California Counties. As a member of SCRRA, SBCTA makes capital and operating contributions for its pro rata share of rail lines servicing the County of San Bernardino. SBCTA expended \$14,840,903 during fiscal year 2017 for its share of Metrolink capital and operating costs. The expenditures are recorded in SBCTA's general fund for LTF rail, in Transit and passenger rail program. Separate financial statements are prepared by and available from the SCRRA at One Gateway Plaza, Floor 12, Los Angeles, California 90012.

14. CONTINGENCIES

In the ordinary course of business, SBCTA is exposed to claims, asserted or unasserted, that may arise from its performance under contractual agreements and other matters. In the opinion of management, settlement of such claims, if any, will not have a material adverse effect on SBCTA's financial position, results of operations or liquidity.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2017

Incidents and accidents at or near several SBCTA project locations have given rise to various claims and lawsuits alleging personal injuries and property damage. Certain claims involving disputed construction and right of way acquisitions costs have arisen in the ordinary course of business. Additionally, SBCTA is a defendant in various other lawsuits. Although the outcome of these matters is not presently determinable, management does not expect that the resolution of these matters will have a material adverse impact on the financial condition of SBCTA.

November 2, 2016, San Bernardino Associated Governments (SANBAG), blended component unit of SBCTA, was served with a putative class action lawsuit filed in California state court arising out of SANBAG's Property Assessed Clean Energy (PACE) program, operated by Renovate America (RA) under the trade name HERO. The putative class representative alleged that various federal and state consumer protection laws (Truth in Lending Act (TILA), Homeowners Equity Protection Act (HOEPA), and California Covered Loan Law (CCLL) which apply to home mortgage loans also apply to HERO assessment transactions, and that RA and SANBAG violated or conspired to violate those statutes. The case was removed to federal court in December 2016 and consolidated with two other similar putative class action lawsuits against Western Riverside Council of Governments (WRCOG) and the County of Los Angeles (LA Co).

The plaintiff filed a first amended complaint deleting all money damages claims against SANBAG. On July 17, 2017, the federal court judge granted SANBAG's, WRCOG's and LA Co's motions to dismiss the respective plaintiff's first amended complaints. SANBAG management does not anticipate this litigation will have a material adverse impact on the financial condition of SANBAG.

15. COUNCIL OF GOVERNMENTS-PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

SBCTA implemented a PACE program in October 2013 and Board of Directors voted to end it in April 2017. This program provided financing for property owners to install energy efficiency, green energy production or water conservation improvements. Since its start, over \$346 million in these projects have been installed for over 18,118 property owners (See note 8 for additional information). SBCTA

16. GASB PRONOUNCEMENT

Effective in Future Periods

The following GASB statements have been issued and have an effective date that may impact future financial presentations:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions* (effective for period fiscal year June 30, 2018)



SANBAG's Freeway Service Patrol (FSP) Program currently has six compressed natural gas (CNG) tow trucks in its fleet assisting stranded motorists along designated areas of the San Bernardino Valley highway system. The FSP Program assists more than 35,000 motorists a year and overall 99.8% of the drivers aided by the service have rated their experience as excellent or good.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
General Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 1,600,000	\$ 1,726,293	\$ 1,638,145	\$ (88,148)
Charges for services	460,000	475,730	387,841	(87,889)
Special assessments	152,547	153,807	152,547	(1,260)
Investment earnings	-	-	98,735	98,735
Miscellaneous	<u>2,266,930</u>	<u>2,302,608</u>	<u>1,970,677</u>	<u>(331,931)</u>
Total revenues	<u>4,479,477</u>	<u>4,658,438</u>	<u>4,247,945</u>	<u>(410,493)</u>
Expenditures				
Current:				
General government	3,346,701	4,892,923	2,691,513	2,201,410
Environment and Energy Conservation	1,445,144	1,412,268	785,060	627,208
Regional and subregional planning	1,090,641	1,085,182	851,507	233,675
Transit and passenger rail ⁽¹⁾	34,958,212	32,305,216	21,952,306	10,352,910
Major project delivery	102,611	152,711	125,174	27,537
Fund administration and programming	630,703	656,401	614,033	42,368
Capital outlay	<u>5,687,673</u>	<u>7,134,753</u>	<u>3,445,882</u>	<u>3,688,871</u>
Total expenditures	<u>47,261,685</u>	<u>47,639,454</u>	<u>30,465,475</u>	<u>17,173,979</u>
Excess (deficiency) of revenues over (under) expenditures	(42,782,208)	(42,981,016)	(26,217,530)	16,763,486
Other financing sources (uses)				
Transfers in	41,641,173	45,201,255	32,577,018	(12,624,237)
Transfers out	<u>-</u>	<u>(3,060,944)</u>	<u>(3,060,943)</u>	<u>1</u>
Total other financing sources (uses)	<u>41,641,173</u>	<u>42,140,311</u>	<u>29,516,075</u>	<u>(12,624,236)</u>
Net change in fund balances	(1,141,035)	(840,705)	3,298,545	4,139,250
Fund balances beginning of year	<u>7,499,248</u>	<u>7,499,248</u>	<u>7,499,248</u>	<u>-</u>
Fund balances end of year	<u>\$ 6,358,213</u>	<u>\$ 6,658,543</u>	<u>\$ 10,797,793</u>	<u>\$ 4,139,250</u>

⁽¹⁾ Budget transferred to Local Transportation Fund due to reclassification of interfund receivable between the funds.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Federal Highway Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 47,472,785	\$ 49,815,753	\$ 15,515,336	\$(34,300,417)
Investment earnings	-	-	968	968
Miscellaneous	-	-	192,096	192,096
Total revenues	<u>47,472,785</u>	<u>49,815,753</u>	<u>15,708,400</u>	<u>(34,107,353)</u>
Expenditures				
Current:				
Commuter and Motorist Assistance	1,620,176	1,602,314	1,218,275	384,039
Major project delivery	43,047,463	45,807,902	11,904,663	33,903,239
Capital outlay	<u>2,805,146</u>	<u>1,118,846</u>	<u>403,014</u>	<u>715,832</u>
Total expenditures	<u>47,472,785</u>	<u>48,529,062</u>	<u>13,525,952</u>	<u>35,003,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,286,691</u>	<u>2,182,448</u>	<u>895,757</u>
Other financing sources (uses)				
Transfers in	-	-	11,155	11,155
Transfers out	<u>-</u>	<u>(658,660)</u>	<u>(579,729)</u>	<u>78,931</u>
Total other financing sources (uses)	<u>-</u>	<u>(658,660)</u>	<u>(568,574)</u>	<u>90,086</u>
Net change in fund balances	-	628,031	1,613,874	985,843
Fund balances (deficits) beginning of year	<u>(5,275,310)</u>	<u>(5,275,310)</u>	<u>(5,275,310)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (5,275,310)</u>	<u>\$ (4,647,279)</u>	<u>\$ (3,661,436)</u>	<u>\$ 985,843</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Federal Transit Administration Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 19,037,319	\$ 14,021,242	\$ 12,960,481	\$ (1,060,761)
Expenditures				
Commuter and Motorist Assistance	1,704,300	1,704,300	268,568	1,435,732
Transit and passenger rail	11,484,162	8,223,712	7,525,304	698,408
Capital outlay	5,848,857	4,093,230	4,050,421	42,809
Total expenditures	19,037,319	14,021,242	11,844,293	2,176,949
Excess (deficiency) of revenues over (under) expenditures	-	-	1,116,188	1,116,188
Fund balances beginning of year	(1,432,438)	(1,432,438)	(1,432,438)	-
Fund balances end of year	\$ (1,432,438)	\$ (1,432,438)	\$ (316,250)	\$ 1,116,188

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State Highway Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 5,478,319	\$ 7,551,610	\$ 2,269,797	\$ (5,281,813)
Investment earnings	-	-	56,972	56,972
Total revenues	<u>5,478,319</u>	<u>7,551,610</u>	<u>2,326,769</u>	<u>(5,224,841)</u>
Expenditures				
Current:				
General government	10,371	10,371	5,917	4,454
Regional and subregional planning	16,075	72,866	72,865	1
Major project delivery	4,208,319	4,196,586	1,165,386	3,031,200
Fund administration and programming	1,243,554	1,231,054	1,191,218	39,836
Total expenditures	<u>5,478,319</u>	<u>5,510,877</u>	<u>2,435,386</u>	<u>3,075,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,040,733</u>	<u>(108,617)</u>	<u>(2,149,350)</u>
Other financing sources (uses)				
Transfers in	-	-	1,906,507	1,906,507
Transfers out	-	(3,628,623)	(3,625,905)	2,718
Total other financing sources (uses)	<u>-</u>	<u>(3,628,623)</u>	<u>(1,719,398)</u>	<u>1,909,225</u>
Net change in fund balances	-	(1,587,890)	(1,828,015)	(240,125)
Fund balances (deficits) beginning of year	(7,942,164)	(7,942,164)	(7,942,164)	-
Fund balances (deficits) end of year	<u>\$ (7,942,164)</u>	<u>\$ (9,530,054)</u>	<u>\$ (9,770,179)</u>	<u>\$ (240,125)</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Proposition 1B Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 9,902,130	\$ 11,115,361	\$ 7,460,228	\$ (3,655,133)
Investment earnings	-	370,831	398,630	27,799
Total revenues	<u>9,902,130</u>	<u>11,486,192</u>	<u>7,858,858</u>	<u>(3,627,334)</u>
Expenditures				
Current:				
Transit and passenger rail	9,568,421	10,564,223	5,387,470	5,176,753
Major project delivery	6,970,530	6,970,529	2,980,016	3,990,513
Capital outlay	<u>5,167,633</u>	<u>5,755,893</u>	<u>2,619,995</u>	<u>3,135,898</u>
Total expenditures	<u>21,706,584</u>	<u>23,290,645</u>	<u>10,987,481</u>	<u>12,303,164</u>
Excess (deficiency) of revenues over (under) expenditures	(11,804,454)	(11,804,453)	(3,128,623)	8,675,830
Other financing sources (uses)				
Transfers out	-	(906,083)	(906,082)	1
Net change in fund balances	(11,804,454)	(12,710,536)	(4,034,705)	8,675,831
Fund balances (deficits) beginning of year	<u>26,505,213</u>	<u>26,505,213</u>	<u>26,505,213</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 14,700,759</u>	<u>\$ 13,794,677</u>	<u>\$ 22,470,508</u>	<u>\$ 8,675,831</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Local Transportation Fund Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-local transportation fund	\$ 57,662,087	\$ 86,154,358	\$ 87,040,490	\$ 886,132
Investment earnings	-	-	496,528	496,528
Total revenues	<u>57,662,087</u>	<u>86,154,358</u>	<u>87,537,018</u>	<u>1,382,660</u>
Expenditures				
Current-fund administration and programming ⁽¹⁾	<u>65,500,000</u>	<u>73,603,792</u>	<u>73,603,791</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,837,913)</u>	<u>12,550,566</u>	<u>13,933,227</u>	<u>1,382,661</u>
Other financing sources (uses)				
Transfers in		-	3,017,832	\$ 3,017,832
Transfers out	-	<u>(30,708,599)</u>	<u>(30,708,599)</u>	<u>-</u>
Total other financing sources (uses)	-	<u>(30,708,599)</u>	<u>(27,690,767)</u>	<u>3,017,832</u>
Net change in fund balances	<u>(7,837,913)</u>	<u>(18,158,033)</u>	<u>(13,757,540)</u>	<u>4,400,493</u>
Fund balances beginning of year	<u>107,572,148</u>	<u>107,572,148</u>	<u>107,572,148</u>	<u>-</u>
Fund balances end of year	<u>\$ 99,734,235</u>	<u>\$ 89,414,115</u>	<u>\$ 93,814,608</u>	<u>\$ 4,400,493</u>

⁽¹⁾ Budget transferred from the General Fund due to reclassification of interfund receivable between the funds.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State Transit Assistance Fund Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 6,012,508	\$ 6,012,508	\$ 13,855,286	\$ 7,842,778
Investment earnings	-	-	272,898	272,898
Total revenues	<u>6,012,508</u>	<u>6,012,508</u>	<u>14,128,184</u>	<u>8,115,676</u>
Expenditures				
Current-fund administration and programming	<u>22,176,420</u>	<u>20,308,001</u>	<u>6,482,840</u>	<u>13,825,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,163,912)</u>	<u>(14,295,493)</u>	<u>7,645,344</u>	<u>21,940,837</u>
Other financing sources (uses)				
Transfers in	-	-	43,112	\$ 43,112
Transfers out	-	(1,868,419)	(1,868,419)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,868,419)</u>	<u>(1,825,307)</u>	<u>43,112</u>
Net change in fund balances	(16,163,912)	(16,163,912)	5,820,037	21,983,949
Fund balances beginning of year	<u>48,306,421</u>	<u>48,306,421</u>	<u>48,306,421</u>	-
Fund balances end of year	<u>\$ 32,142,509</u>	<u>\$ 32,142,509</u>	<u>\$ 54,126,458</u>	<u>\$ 21,983,949</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 42,460	\$ -	\$ (7,978)	\$ (7,978)
Expenditures				
Current:				
General government	64,250	-	-	-
Environment and Energy Conservation	281,000	581,000	2,433	578,567
Commuter and Motorist Assistance	680,000	380,000	50,125	329,875
Regional and subregional planning	-	-	(9,886)	9,886
Transit and passenger rail	1,946,985	1,955,379	1,955,229	150
Major project delivery	<u>9,267,425</u>	<u>5,407,172</u>	<u>1,291,770</u>	<u>4,115,402</u>
Total expenditures	<u>12,239,660</u>	<u>8,323,551</u>	<u>3,289,671</u>	<u>5,033,880</u>
Excess (deficiency) of revenues over (under) expenditures	(12,197,200)	(8,323,551)	(3,297,649)	5,025,902
Other financing sources (uses)				
Transfers in	-	-	<u>260,206</u>	<u>260,206</u>
Net change in fund balances	(12,197,200)	(8,323,551)	(3,037,443)	5,286,108
Fund balances beginning of year	<u>18,877,001</u>	<u>18,877,001</u>	<u>18,877,001</u>	<u>-</u>
Fund balances end of year	<u>\$ 6,679,801</u>	<u>\$ 10,553,450</u>	<u>\$ 15,839,558</u>	<u>\$ 5,286,108</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 158,400,000	\$ 158,400,000	\$ 162,176,383	\$ 3,776,383
Investment earnings	432,045	432,045	391,869	(40,176)
Total revenues	<u>158,832,045</u>	<u>158,832,045</u>	<u>162,568,252</u>	<u>3,736,207</u>
Expenditures				
Current:				
General government	2,269,644	1,617,481	978,254	639,227
Commuter and Motorist Assistance	700,466	722,990	558,830	164,160
Environment and Energy Conservation	277,395	281,604	262,931	18,673
Regional and subregional planning	1,940,537	1,902,816	1,059,167	843,649
Transit and passenger rail	21,767,704	20,668,456	13,234,002	7,434,454
Major project delivery	44,838,842	33,958,473	23,642,384	10,316,089
Fund administration and programming	75,588,424	77,795,554	46,656,974	31,138,580
Capital outlay	<u>16,633,947</u>	<u>12,317,875</u>	<u>8,476,607</u>	<u>3,841,268</u>
Total expenditures	<u>164,016,959</u>	<u>149,265,250</u>	<u>94,869,149</u>	<u>54,396,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,184,914)</u>	<u>9,566,795</u>	<u>67,699,103</u>	<u>58,132,308</u>
Other financing sources (uses)				
Transfers in	-	1,031,754	3,115,328	2,083,574
Transfers out	<u>(11,981,550)</u>	<u>(15,797,421)</u>	<u>(15,797,417)</u>	<u>4</u>
Total other financing sources (uses)	<u>(11,981,550)</u>	<u>(14,765,667)</u>	<u>(12,682,089)</u>	<u>2,083,578</u>
Net change in fund balances	<u>(17,166,464)</u>	<u>(5,198,872)</u>	<u>55,017,014</u>	<u>60,215,886</u>
Fund balances beginning of year	<u>274,295,972</u>	<u>274,295,972</u>	<u>274,295,972</u>	<u>-</u>
Fund balances end of year	<u>\$ 257,129,508</u>	<u>\$ 269,097,100</u>	<u>\$ 329,312,986</u>	<u>\$ 60,215,886</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Pension Information
June 30, 2017

Schedule of SBCTA's Proportionate Share of Net Pension Liability

SBCERA Pension Plan
Last 10 Fiscal Years ^{1,2}

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
SBCTA's proportion of net pension liability	0.549%	0.507%	0.556%	0.491%
SBCTA's proportionate share of net pension liability	13,543,950	9,853,252	9,456,951	9,749,799
SBCTA's covered payroll	5,255,190	4,769,044	5,147,134	4,188,134
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	257.73%	206.61%	183.73%	232.80%
SBCERA's fiduciary net position as a percentage of the total pension liability	67.91%	71.68%	71.89%	66.34%

Schedule of SBCTA's Contributions

SBCERA Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	1,963,526	1,915,346	1,464,122	1,380,637
Contributions in relation to contractually required contributions	1,963,526	1,915,346	1,464,122	1,380,637
Contributions deficiency (excess)	-	-	-	-
SBCTA's covered payroll	5,605,999	5,255,190	4,769,044	5,147,134
SBCTA's covered payroll contributions as a percentage of covered payroll	35.03%	36.45%	30.70%	26.82%

Schedule of SBCTA's Proportionate Share of net Pension Liability

PERS Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
SBCTA's proportion of net pension liability	0.00152%	0.00164%	0.00176%	0.00176%
SBCTA's proportionate share of net pension liability	61,542	44,856	39,108	53,435
SBCTA's covered payroll	N/A	N/A	N/A	N/A
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A
PERS fiduciary net position as a percentage of the total pension liability	74.95%	68.20%	74.90%	79.5%

Schedule of SBCTA's Contributions

PERS Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	2,889	54,180	2,041	1,498
Contributions in relation to contractually required contributions	2,889	54,180	2,041	1,498
Contributions deficiency (excess)	-	-	-	-
SBCTA's covered payroll contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

¹ The amounts presented for each fiscal year were determined as of June 30th. Data for fiscal years ended June 30, 2006 through 2013 is not available.

² The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

N/A - Not applicable

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Note to Required Supplementary Information
June 30, 2017

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue, debt service and capital projects funds. Appropriations are prepared by fund, program and task.

Budget Amendments

When it becomes necessary to modify the adopted budget, the amendment procedure depends on the type of change that is needed.

Administrative Budget Amendments

There are three types of administrative budget amendments that do not result in an increase to the overall program budget. The first two require approval of the program/task manager and the Chief Financial Officer. The third requires approval of the Executive Director.

- 1) Transfers from one line item to another within the task budget and fund, or changes between tasks within the same program and fund.
- 2) Reallocation of budget salary costs and revenues from one program to another within the same fund.
- 3) Substitution of one approved fund and or grant for another approved fund and or grant within a program, not to exceed \$1 million.

Board Approved Amendments

A Board approval is required for all other budget amendments including increases in the total program appropriations or revenues.

Formal budgetary integration is employed as a management control device during the year. Commitments for material and services, such as purchase orders and contracts, are recorded as encumbrances to assist controlling expenditures. All unused appropriations and encumbrances lapse at year end. Certain encumbrances are re-appropriated and become part of the subsequent year's budget.

Excess of Expenditures over Appropriations

For fiscal year ended June 30, 2017, no expenditures exceeded appropriations.

Actuarially determined contribution rates

Actuarial determined contribution rates for SBCERA and PERS are calculated as of June 30th, two years prior to the end of the fiscal year in which contributions are made. SBCERA actuarial methods and assumptions include entry age actuarial cost method and 20 years for remaining amortization period.



On Friday, August 21, 2015 the San Bernardino Associated Governments (SANBAG) and the City of Barstow celebrate the completion of the Lenwood Grade Separation. The project was an investment back into the region that represented our continuing rebound from the recent economic downturn.

Non-Major Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. Non-major governmental funds of the Agency include the following special revenue funds:

Low Carbon Transit Operations Program accounts for expenditures relating to reduction of carbon for transit operations.

Low Carbon Transportation Fund accounts for expenditures relating to reduction of carbon for transportation projects.

Service Authority for Freeway Emergencies accounts for call box expenditures relating to state service authority for freeway emergencies (SAFE) vehicle registration fees.

Freeway Service Patrol accounts for expenditures relating to state freeway service patrol (FSP) program revenue.

Active Transportation Program accounts for expenditures relating to points of interest pedestrian plan and safe route to school program.

SCAQMD Mobile Source Review Communication accounts for expenditures relating to reduction of vehicle emissions.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue	
	Low Carbon Transit Operations Program	Low Carbon Transportation Fund
Assets		
Cash and investments	\$ 1,312,303	\$ -
Accrued interest receivable	1,070	-
Accounts receivable	-	-
Intergovernmental receivable	-	1,080,227
Total assets	<u>\$ 1,313,373</u>	<u>\$ 1,080,227</u>
Liabilities		
Accounts payable	\$ -	\$ 1,080,227
Accrued liabilities	-	-
Intergovernmental payable	164,224	-
Due to other funds	-	-
Unearned revenue	-	-
Total liabilities	<u>164,224</u>	<u>1,080,227</u>
Deferred inflows of resources		
Unavailable grant and local reimbursements	-	108,023
Fund balances		
Restricted-traveler services	1,149,149	-
Unassigned (deficits)	-	(108,023)
Total fund balances (deficits)	<u>1,149,149</u>	<u>(108,023)</u>
Total liabilities and fund balances	<u>\$ 1,313,373</u>	<u>\$ 1,080,227</u>

Service Authority for Freeway Emergencies	Special Revenue			Total Nonmajor Governmental Funds
	Freeway Service Patrol	Active Transportation Program	SCAQMD Mobile Source Review Communication	
\$ 3,419,289	\$ -	\$ -	\$ -	\$ 4,731,592
7,474	-	-	-	8,544
-	-	-	30,000	30,000
350,093	1,575,783	246,626	291,914	3,544,643
<u>\$ 3,776,856</u>	<u>\$ 1,575,783</u>	<u>\$ 246,626</u>	<u>\$ 321,914</u>	<u>\$ 8,314,779</u>
\$ 102,593	\$ 123,195	\$ 60,660	\$ 26,254	\$ 1,392,929
2,919	-	891	-	3,810
17,958	13,000	-	135,000	330,182
-	1,439,587	185,075	160,660	1,785,322
944	-	-	-	944
<u>124,414</u>	<u>1,575,782</u>	<u>246,626</u>	<u>321,914</u>	<u>3,513,187</u>
-	13,000	-	145,537	266,560
3,652,442	-	-	-	4,801,591
-	(12,999)	-	(145,537)	(266,559)
<u>3,652,442</u>	<u>(12,999)</u>	<u>-</u>	<u>(145,537)</u>	<u>4,535,032</u>
<u>\$ 3,776,856</u>	<u>\$ 1,575,783</u>	<u>\$ 246,626</u>	<u>\$ 321,914</u>	<u>\$ 8,314,779</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue	
	Low Carbon Transit Operations Program	Low Carbon Transportation Fund
Revenues		
Intergovernmental	683,459	972,204
Investment earnings	7,584	-
Miscellaneous	-	-
Total revenues	<u>691,043</u>	<u>972,204</u>
Expenditures		
Current:		
General government	66	-
Environment and Energy Conservation		1,080,227
Commuter and Motorist Assistance	-	-
Transit and passenger rail	445,900	-
Regional and subregional planning	-	-
Major project delivery	-	-
Capital outlay	<u>240,100</u>	<u>-</u>
Total expenditures	<u>686,066</u>	<u>1,080,227</u>
Excess (deficiency) of revenues over (under) expenditures	4,977	(108,023)
Fund balances (deficits) beginning of year	<u>1,144,172</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 1,149,149</u>	<u>\$ (108,023)</u>

Special Revenue				
Service Authority for Freeway Emergencies	Freeway Service Patrol	Active Transportation Program	SCAQMD Mobile Source Review Communication	Total Nonmajor Governmental Funds
\$ 1,902,220	\$ 1,285,348	\$ 582,486	\$ 146,377	\$ 5,572,094
2,945	-	-	-	10,529
<u>1,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,714</u>
<u>1,906,879</u>	<u>1,285,348</u>	<u>582,486</u>	<u>146,377</u>	<u>5,584,337</u>
120,834	-	-	-	120,900
1,445,360	1,289,742	-	61,603	1,080,227
-	-	582,486	189,774	2,796,705
-	-	-	10,537	445,900
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772,260</u>
<u>1,566,194</u>	<u>1,289,742</u>	<u>582,486</u>	<u>261,914</u>	<u>10,537</u>
<u>340,685</u>	<u>(4,394)</u>	<u>-</u>	<u>(115,537)</u>	<u>240,100</u>
<u>3,311,757</u>	<u>(8,605)</u>	<u>-</u>	<u>(30,000)</u>	<u>5,466,629</u>
<u>\$ 3,652,442</u>	<u>\$ (12,999)</u>	<u>\$ -</u>	<u>\$ (145,537)</u>	<u>\$ 4,535,032</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Low Carbon Transit Operations Program
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 461,683	\$ 461,683	\$ 683,459	\$ 221,776
Investment earnings	-	6,401	7,584	1,183
Total revenues	461,683	468,084	691,043	222,959
Expenditures				
General government	461,683	461,683	66	461,617
Transit and passenger rail	679,599	445,900	445,900	-
Capital Outlay	-	240,100	240,100	-
Total expenditures	1,141,282	1,147,683	686,066	461,617
Excess (deficiency) of revenues over (under) expenditures	(679,599)	(679,599)	4,977	684,576
Fund balances (deficits) beginning of year	1,144,172	1,144,172	1,144,172	-
Fund balances (deficits) end of year	\$ 464,573	\$ 464,573	\$ 1,149,149	\$ 684,576

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Low Carbon Transportation Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,220,800	\$ 1,220,800	\$ 972,204	\$ (248,596)
Total revenues	1,220,800	1,220,800	972,204	(248,596)
Expenditures				
Environment and Energy Conservation	<u>1,220,800</u>	<u>1,220,800</u>	<u>1,080,227</u>	<u>140,573</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(108,023)	(108,023)
Fund balances (deficits) beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108,023)</u>	<u>\$ (108,023)</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Service Authority for Freeway Emergencies Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,847,405	\$ 1,842,759	\$ 1,902,220	\$ 59,461
Investment earnings	-	-	2,945	2,945
Miscellaneous	-	-	1,714	1,714
Total revenues	<u>1,847,405</u>	<u>1,842,759</u>	<u>1,906,879</u>	<u>64,120</u>
Expenditures				
Current:				
General government	156,091	151,445	120,834	30,611
Commuter and motorist assistance	1,901,783	1,909,820	1,445,360	464,460
Regional and subregional planning	8,037	-	-	-
Total expenditures	<u>2,065,911</u>	<u>2,061,265</u>	<u>1,566,194</u>	<u>495,071</u>
Excess (deficiency) of revenues over (under) expenditures	(218,506)	(218,506)	340,685	559,191
Fund balances beginning of year	<u>3,311,757</u>	<u>3,311,757</u>	<u>3,311,757</u>	<u>-</u>
Fund balances end of year	<u>\$ 3,093,251</u>	<u>\$ 3,093,251</u>	<u>\$ 3,652,442</u>	<u>\$ 559,191</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Freeway Service Patrol Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,442,331	\$ 1,442,331	\$ 1,285,348	\$ (156,983)
Expenditures				
Current-commuter and motorist assistance	<u>1,442,331</u>	<u>1,442,331</u>	<u>1,289,742</u>	<u>152,589</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,394)	(4,394)
Fund balances (deficits) beginning of year	<u>(8,605)</u>	<u>(8,605)</u>	<u>(8,605)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (8,605)</u>	<u>\$ (8,605)</u>	<u>\$ (12,999)</u>	<u>\$ (4,394)</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Active Transportation Program
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,343,045	\$ 670,254	\$ 582,486	\$ (87,768)
Expenditures				
Current:				
Air quality and traveler services	-	-	-	-
Regional and subregional planning	717,045	670,254	582,486	87,768
Major project delivery	<u>626,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,343,045</u>	<u>670,254</u>	<u>582,486</u>	<u>87,768</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
SCAQMD Mobile Source Review Communication
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,354,040	\$ 2,354,040	\$ 146,377	\$ (2,207,663)
Expenditures				
Current:				
Commuter and Motorist Assistance	104,040	104,040	61,603	42,437
Regional and subregional planning	1,250,000	1,250,000	189,774	1,060,226
Major project delivery	<u>1,000,000</u>	<u>1,000,000</u>	<u>10,537</u>	<u>989,463</u>
Total expenditures	<u>2,354,040</u>	<u>2,354,040</u>	<u>261,914</u>	<u>2,092,126</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(115,537)	(115,537)
Fund balances beginning of year	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	-
Fund balances end of year	<u><u>\$ (30,000)</u></u>	<u><u>\$ (30,000)</u></u>	<u><u>\$ (145,537)</u></u>	<u><u>\$ (115,537)</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 4,994	\$ 4,994
Expenditures				
Debt Service:				
Principal	1,990,000	2,845,000	2,845,000	-
Interest and fiscal charges	9,229,045	9,136,477	9,131,336	5,141
Total expenditures	<u>11,219,045</u>	<u>11,981,477</u>	<u>11,976,336</u>	<u>5,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,219,045)</u>	<u>(11,981,477)</u>	<u>(11,971,342)</u>	<u>10,135</u>
Other financing sources				
Transfers in	11,981,545	11,981,550	14,222,703	2,241,153
Transfers out	-	(73)	(72)	1
Total other financing sources (uses)	<u>11,981,545</u>	<u>11,981,477</u>	<u>14,222,631</u>	<u>2,241,154</u>
Net change in fund balances	762,500	-	2,251,289	2,251,289
Fund balances beginning of year	<u>2,910,692</u>	<u>2,910,692</u>	<u>2,910,692</u>	<u>-</u>
Fund balances end of year	<u>\$ 3,673,192</u>	<u>\$ 2,910,692</u>	<u>\$ 5,161,981</u>	<u>\$ 2,251,289</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 21,197,235	\$ 22,650,749	\$ 17,230,753	\$ (5,419,996)
Investment earnings	-	-	436,210	436,210
Total revenues	<u>21,197,235</u>	<u>22,650,749</u>	<u>17,666,963</u>	<u>(4,983,786)</u>
Expenditures				
Current:				
General government	188,166	288,166	172,843	115,323
Commuter and Motorist Assistance	600,000	600,000	76,980	523,020
Environment and Energy Conservation	182,000	212,000	61,067	150,933
Regional and subregional planning	275,000	275,000	104,734	170,266
Transit and passenger rail	2,411,171	7,830,582	6,378,984	1,451,598
Major project delivery	52,545,531	52,350,296	24,830,603	27,519,693
Fund administration and programming	1,989,936	1,989,936	532,855	1,457,081
Capital outlay	<u>975,543</u>	<u>6,275,477</u>	<u>5,875,763</u>	<u>399,714</u>
Total expenditures	<u>59,167,347</u>	<u>69,821,457</u>	<u>38,033,829</u>	<u>31,787,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,970,112)</u>	<u>(47,170,708)</u>	<u>(20,366,866)</u>	<u>26,803,842</u>
Other financing sources (uses)				
Transfers in	-	17,915,520	3,034,227	(14,881,293)
Transfers out	-	(1,641,139)	(1,640,922)	217
Total other financing sources (uses)	<u>-</u>	<u>16,274,381</u>	<u>1,393,305</u>	<u>(14,881,076)</u>
Net change in fund balances	<u>(37,970,112)</u>	<u>(30,896,327)</u>	<u>(18,973,561)</u>	<u>11,922,766</u>
Fund balances beginning of year	<u>23,861,910</u>	<u>23,861,910</u>	<u>23,861,910</u>	<u>-</u>
Fund balances end of year	<u><u>\$(14,108,202)</u></u>	<u><u>\$(7,034,417)</u></u>	<u><u>\$ 4,888,349</u></u>	<u><u>\$ 11,922,766</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
1990-2010 Measure I Special Revenue Fund
June 30, 2017

	<u>Valley Major Projects</u>	<u>Valley Elderly & Disabled Transit</u>	<u>Valley Traffic Management Environmental Enhancement</u>
Assets			
Cash and investments	\$ 12,946,855	\$ -	\$ 3,424,342
Accrued interest receivable	29,420	-	7,781
Land held for resale	37,671	-	-
Total assets	<u>\$ 13,013,946</u>	<u>\$ -</u>	<u>\$ 3,432,123</u>
Liabilities			
Accounts payable	\$ 308,074	\$ -	\$ 66,050
Intergovernmental payable	100,000	-	132,387
Total liabilities	408,074	-	198,437
Fund balances			
Restricted	12,605,872	-	3,233,686
Total liabilities and fund balances	<u>\$ 13,013,946</u>	<u>\$ -</u>	<u>\$ 3,432,123</u>

<u>Victor Valley Elderly & Disabled Transit</u>	<u>Mountain Elderly & Disabled Transit</u>	<u>North Desert Elderly & Disabled Transit</u>	<u>Morongo Basin Elderly & Disabled Transit</u>	<u>Colorado River Elderly & Disabled Transit</u>	<u>Total 1990-2010 Measure I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,371,197
-	-	-	-	-	37,201
-	-	-	-	-	37,671
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,446,069</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,124
-	-	-	-	-	232,387
-	-	-	-	-	606,511
-	-	-	-	-	15,839,558
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,446,069</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Valley Major Projects</u>	<u>Valley Elderly & Disabled Transit</u>	<u>Valley Traffic Management Environmental Enhancement</u>
Revenues			
Investment earnings	\$ 3,688	\$ (9,240)	\$ (2,420)
Expenditures			
Current:			
Commuter and Motorist Assistance	-	-	50,125
Environment and Energy Conservation			2,433
Regional and subregional planning ⁽¹⁾	-	-	(9,886)
Transit and passenger rail	-	1,953,755	-
Major project delivery	288,724	-	1,003,046
Total Expenditures	<u>288,724</u>	<u>1,953,755</u>	<u>1,045,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,036)</u>	<u>(1,962,995)</u>	<u>(1,048,138)</u>
Other financing sources (uses)			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	244,632	-	-
Capital Projects Fund	15,574	-	-
Total other financing sources (uses)	<u>260,206</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(24,830)</u>	<u>(1,962,995)</u>	<u>(1,048,138)</u>
Fund balances beginning of year	12,630,702	1,962,995	4,281,824
Fund balances end of year	<u>\$ 12,605,872</u>	<u>\$ -</u>	<u>\$ 3,233,686</u>

⁽¹⁾ Negative expenditures of \$9,886 is result of reimbursement.

<u>Victor Valley Elderly & Disabled Transit</u>	<u>Mountain Elderly & Disabled Transit</u>	<u>North Desert Elderly & Disabled Transit</u>	<u>Morongo Basin Elderly & Disabled Transit</u>	<u>Colorado River Elderly & Disabled Transit</u>	<u>Total 1990-2010 Measure I</u>
\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ (7,978)
-	-	-	-	-	50,125
-	-	-	-	-	2,433
-	-	-	-	-	(9,886)
1,043	93	306	-	32	1,955,229
-	-	-	-	-	1,291,770
<u>1,043</u>	<u>93</u>	<u>306</u>	<u>-</u>	<u>32</u>	<u>3,289,671</u>
<u>(1,049)</u>	<u>(93)</u>	<u>(306)</u>	<u>-</u>	<u>(32)</u>	<u>(3,297,649)</u>
-	-	-	-	-	244,632
-	-	-	-	-	15,574
-	-	-	-	-	260,206
<u>(1,049)</u>	<u>(93)</u>	<u>(306)</u>	<u>-</u>	<u>(32)</u>	<u>(3,037,443)</u>
<u>1,049</u>	<u>93</u>	<u>306</u>	<u>-</u>	<u>32</u>	<u>18,877,001</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,839,558</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2017

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Assets				
Cash and investments	\$ 107,352,784	\$ 26,147,870	\$ 33,607,095	\$ -
Accrued interest receivable	251,661	104,862	125,139	-
Accounts receivable	-	-	-	-
Sales taxes receivable	7,498,775	2,844,363	5,171,569	5,171,569
Intergovernmental receivable	211,000	-	-	-
Due from other funds	3,396,203	19,999,127	15,494,190	-
Land held for resale	-	-	564,254	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 118,710,423</u>	<u>\$ 49,096,222</u>	<u>\$ 54,962,247</u>	<u>\$ 5,171,569</u>
Liabilities				
Accounts payable	\$ 7,174,738	\$ 73,519	\$ 75,947	\$ -
Accrued liabilities	11,511	7,204	5,358	-
Intergovernmental payable	86,746	1,823,780	1,041,467	5,171,569
Due to other funds	-	-	-	-
Total liabilities	<u>7,272,995</u>	<u>1,904,503</u>	<u>1,122,772</u>	<u>5,171,569</u>
Fund balances				
Restricted	<u>111,437,428</u>	<u>47,191,719</u>	<u>53,839,475</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 118,710,423</u>	<u>\$ 49,096,222</u>	<u>\$ 54,962,247</u>	<u>\$ 5,171,569</u>

<u>Valley Metrolink/ Rail Service</u>	<u>Valley Express Bus/ Bus Rapid Transit Service</u>	<u>Valley Senior & Disabled Transit</u>	<u>Valley Transportation Management Systems</u>	<u>Victor Valley Major Local Highway</u>	<u>Victor Valley Local Street</u>
\$ 20,930,726	\$ 10,322,985	\$ 23,771,829	\$ 9,130,609	\$ 17,257,772	\$ -
82,227	23,458	54,018	20,748	39,446	-
-	-	-	-	-	-
2,068,628	517,157	2,068,628	517,157	832,035	2,263,136
-	-	-	-	499,826	-
15,192,597	-	-	-	101,160	-
-	-	-	-	-	-
-	-	-	-	-	5,403,188
<u>\$ 38,274,178</u>	<u>\$ 10,863,600</u>	<u>\$ 25,894,475</u>	<u>\$ 9,668,514</u>	<u>\$ 18,730,239</u>	<u>\$ 7,666,324</u>
\$ 3,441,698	358	\$ -	\$ 95,142	\$ 1,399	\$ -
2,959	4,111	-	10,776	-	-
30,068	-	7,488,286	-	-	7,666,324
-	-	-	-	-	-
<u>3,474,725</u>	<u>4,469</u>	<u>7,488,286</u>	<u>105,918</u>	<u>1,399</u>	<u>7,666,324</u>
34,799,453	10,859,131	18,406,189	9,562,596	18,728,840	-
<u>\$ 38,274,178</u>	<u>\$ 10,863,600</u>	<u>\$ 25,894,475</u>	<u>\$ 9,668,514</u>	<u>\$ 18,730,239</u>	<u>\$ 7,666,324</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2017

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development/ Traffic Management	North Desert Major Local Highway	North Desert Local Street
Assets				
Cash and investments	\$ 83,094	\$ 822,111	\$ 8,877,912	\$ -
Accrued interest receivable	198	1,868	20,174	-
Accounts receivable	-	-	321	-
Sales taxes receivable	166,407	66,563	210,891	573,623
Intergovernmental receivable	-	-	-	-
Due from other funds	4,171	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 253,870</u>	<u>\$ 890,542</u>	<u>\$ 9,109,298</u>	<u>\$ 573,623</u>
Liabilities				
Accounts payable	\$ -	\$ 1,045	\$ 3,250	\$ -
Accrued liabilities	-	550	-	-
Intergovernmental payable	-	94,732	6,769	573,623
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>96,327</u>	<u>10,019</u>	<u>573,623</u>
Fund balances				
Restricted	<u>253,870</u>	<u>794,215</u>	<u>9,099,279</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 253,870</u>	<u>\$ 890,542</u>	<u>\$ 9,109,298</u>	<u>\$ 573,623</u>

<u>North Desert Senior & Disabled Transit</u>	<u>North Desert Project Development/ Traffic Management</u>	<u>Colorado River Major Local Highway</u>	<u>Colorado River Local Street</u>	<u>Colorado River Senior & Disabled Transit</u>	<u>Colorado River Project Development/ Traffic Management</u>
\$ 33,204	\$ 746,076	\$ -	\$ -	\$ -	\$ 27,863
75	1,695	-	-	-	63
-	-	-	-	-	-
42,178	16,871	12,603	34,280	2,521	1,008
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 75,457</u>	<u>\$ 764,642</u>	<u>\$ 12,603</u>	<u>\$ 34,280</u>	<u>\$ 2,521</u>	<u>\$ 28,934</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	157	-	-	-	-
-	-	-	34,280	-	-
-	-	30,616	-	4,171	-
-	157	30,616	34,280	4,171	-
<u>75,457</u>	<u>764,485</u>	<u>(18,013)</u>	<u>-</u>	<u>(1,650)</u>	<u>28,934</u>
<u>\$ 75,457</u>	<u>\$ 764,642</u>	<u>\$ 12,603</u>	<u>\$ 34,280</u>	<u>\$ 2,521</u>	<u>\$ 28,934</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2017

	Morongo Basin Major Local Highway	Morongo Basin Local Street	Morongo Basin Senior & Disabled Transit	Morongo Basin Project Development/ Traffic Management
Assets				
Cash and investments	\$ 1,427,033	\$ -	\$ 12,335	\$ 192,962
Accrued interest receivable	3,243	-	28	438
Accounts receivable	-	-	-	-
Sales taxes receivable	114,482	311,391	22,896	9,159
Intergovernmental receivable	-	-	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 1,544,758</u>	<u>\$ 311,391</u>	<u>\$ 35,259</u>	<u>\$ 202,559</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	157
Intergovernmental payable	-	311,391	27,675	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>311,391</u>	<u>27,675</u>	<u>157</u>
Fund balances				
Restricted	<u>1,544,758</u>	<u>-</u>	<u>7,584</u>	<u>202,402</u>
Total liabilities and fund balances	<u>\$ 1,544,758</u>	<u>\$ 311,391</u>	<u>\$ 35,259</u>	<u>\$ 202,559</u>

<u>Mountain Major Local Highway</u>	<u>Mountain Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development/ Traffic Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 1,075,646	\$ -	\$ 11,150	\$ 92,210	\$ 4,583,378	\$ 266,506,644
2,444	-	25	210	19,023	751,043
-	-	-	-	-	321
94,146	256,076	18,829	7,532	902,659	31,817,132
-	-	-	-	-	710,826
-	-	-	-	3,788,069	57,975,517
-	-	-	-	1,161,000	1,725,254
-	-	-	-	-	5,403,188
<u>\$ 1,172,236</u>	<u>\$ 256,076</u>	<u>\$ 30,004</u>	<u>\$ 99,952</u>	<u>\$ 10,454,129</u>	<u>\$ 364,889,925</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,867,096
-	-	-	393	-	43,176
-	256,076	19,094	-	-	24,631,880
-	-	-	-	-	34,787
-	256,076	19,094	393	-	35,576,939
1,172,236	-	10,910	99,559	10,454,129	329,312,986
<u>\$ 1,172,236</u>	<u>\$ 256,076</u>	<u>\$ 30,004</u>	<u>\$ 99,952</u>	<u>\$ 10,454,129</u>	<u>\$ 364,889,925</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Valley Freeway Projects</u>	<u>Valley Freeway Interchanges</u>	<u>Valley Major Street</u>	<u>Valley Local Street</u>
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 38,223,742	\$ 14,498,661	\$ 26,361,201	\$ 26,361,201
Investment earnings	97,089	73,762	69,959	(5,358)
Total Revenues	<u>38,320,831</u>	<u>14,572,423</u>	<u>26,431,160</u>	<u>26,355,843</u>
Expenditures				
Current:				
General government	515,628	221,378	202,562	10,962
Commuter and Motorist Assistance	-	-	-	-
Environment and Energy Conservation	-	-	-	-
Regional and subregional planning	42,362	51,602	-	-
Transit and passenger rail	-	-	-	-
Major project delivery ⁽²⁾⁽³⁾	24,434,440	223,095	512,718	-
Fund administration and programming ⁽⁴⁾	24,497	(2,525,747)	3,563,155	26,361,201
Capital outlay	5,658,089	3,113	-	-
Total Expenditures	<u>30,675,016</u>	<u>(2,026,559)</u>	<u>4,278,435</u>	<u>26,372,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,645,815</u>	<u>16,598,982</u>	<u>22,152,725</u>	<u>(16,320)</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	-	-	2,196,186	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	6	28	-
Transfers out:				
Debt Service Fund	-	(1,526,303)	(5,426,575)	-
2010-2040 Measure I Special Revenue Fund	(270,496)	-	(1,285,977)	-
Capital Projects Fund	-	-	-	-
Total other financing sources (uses)	<u>(270,496)</u>	<u>(1,526,297)</u>	<u>(4,516,338)</u>	<u>-</u>
Net change in fund balances	<u>7,375,319</u>	<u>15,072,685</u>	<u>17,636,387</u>	<u>(16,320)</u>
Fund balances beginning of year	<u>104,062,109</u>	<u>32,119,034</u>	<u>36,203,088</u>	<u>16,320</u>
Fund balances end of year	<u>\$ 111,437,428</u>	<u>\$ 47,191,719</u>	<u>\$ 53,839,475</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$163,814,528 less 1% of \$1,638,145 for Measure I administration accounted for in the General Fund (page 22).

⁽²⁾ Negative amount of \$499,826 in Victor Valley Major Local Fund and negative amount of 55,679 in the North Desert Major Local Highway Fund are result of reimbursements.

⁽³⁾ Negative amount of \$1,160,344 in Cajon Pass Fund is result of a reclassification of prior year expenditures to land held for resale.

⁽⁴⁾ Negative amount of \$2,525,747 in Valley Freeway Interchanges Fund is result of estimated amount from prior year exceeding current year expenditures.

<u>Valley Metrolink/ Rail Service</u>	<u>Valley Express Bus/ Bus Rapid Transit Service</u>	<u>Valley Senior & Disabled Transit</u>	<u>Valley Transportation Management Systems</u>	<u>Victor Valley Major Local Highway</u>	<u>Victor Valley Local Street</u>
\$ 10,544,480	\$ 2,636,120	\$ 10,544,480	\$ 2,636,120	\$ 4,186,671	\$ 11,387,745
51,198	11,337	42,783	9,962	14,870	-
<u>10,595,678</u>	<u>2,647,457</u>	<u>10,587,263</u>	<u>2,646,082</u>	<u>4,201,541</u>	<u>11,387,745</u>
12,048	-	-	11,026	2,582	-
-	-	-	441,944	-	-
-	-	-	262,931	-	-
-	-	-	783,655	-	-
3,037,013	1,278,192	6,612,716	-	-	-
-	-	-	187,980	(499,826)	-
16,298	-	-	-	1,314,947	11,387,745
2,808,950	-	-	6,455	-	-
<u>5,874,309</u>	<u>1,278,192</u>	<u>6,612,716</u>	<u>1,693,991</u>	<u>817,703</u>	<u>11,387,745</u>
<u>4,721,369</u>	<u>1,369,265</u>	<u>3,974,547</u>	<u>952,091</u>	<u>3,383,838</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7	-	-	-	10	-
(1,717,091)	-	-	-	(1,796,792)	-
-	-	-	-	-	-
(14,426)	-	-	-	-	-
<u>(1,731,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,796,782)</u>	<u>-</u>
2,989,859	1,369,265	3,974,547	952,091	1,587,056	-
31,809,594	9,489,866	14,431,642	8,610,505	17,141,784	-
<u>\$ 34,799,453</u>	<u>\$ 10,859,131</u>	<u>\$ 18,406,189</u>	<u>\$ 9,562,596</u>	<u>\$ 18,728,840</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	Victor Valley Senior & Disabled Transi	Victor Valley Project Development Traffic/ Management	North Desert Major Local Highway	North Desert Local Street
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 837,334	\$ 334,934	\$ 1,119,954	\$ 3,046,276
Investment earnings	(1,876)	1,063	14,475	-
Total Revenues	<u>835,458</u>	<u>335,997</u>	<u>1,134,429</u>	<u>3,046,276</u>
Expenditures				
Current:				
General government	-	-	-	-
Commuter and Motorist Assistance	-	116,886	-	-
Environment and Energy Conservation	-	-	-	-
Regional and subregional planning	-	86,068	-	-
Transit and passenger rail	1,225,921	-	-	-
Major project delivery ⁽²⁾⁽³⁾	-	-	(55,679)	-
Fund administration and programming ⁽⁴⁾	-	22,222	110,004	3,046,276
Capital outlay	-	-	-	-
Total Expenditures	<u>1,225,921</u>	<u>225,176</u>	<u>54,325</u>	<u>3,046,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(390,463)</u>	<u>110,821</u>	<u>1,080,104</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	-	-	857,727	-
Capital Projects Fund	-	-	61,344	-
Debt Service Fund	-	-	-	-
Transfers out:				
Debt Service Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	(11,155)	-
Capital Projects Fund	-	-	(1,445)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>906,471</u>	<u>-</u>
Net change in fund balances	(390,463)	110,821	1,986,575	-
Fund balances beginning of year	<u>644,333</u>	<u>683,394</u>	<u>7,112,704</u>	<u>-</u>
Fund balances end of year	<u>\$ 253,870</u>	<u>\$ 794,215</u>	<u>\$ 9,099,279</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$163,814,528 less 1% of \$1,638,145 for Measure I administration accounted for in the General Fund (page 22).

⁽²⁾ Negative amount of \$499,826 in Victor Valley Major Local Fund and negative amount of 55,679 in the North Desert Major Local Highway Fund are result of reimbursements.

⁽³⁾ Negative amount of \$1,160,344 in Cajon Pass Fund is result of a reclassification of prior year expenditures to land held for resale.

⁽⁴⁾ Negative amount of \$2,525,747 in Valley Freeway Interchanges Fund is result of estimated amount from prior year exceeding current year expenditures.

<u>North Desert Senior & Disabled Transit</u>	<u>North Desert Project Development Traffic/ Management</u>	<u>Colorado River Major Local Highway</u>	<u>Colorado River Local Street</u>	<u>Colorado River Senior & Disabled Transit</u>	<u>Colorado River Project Development Traffic/ Management</u>
\$ 223,991	\$ 89,596	\$ 59,842	\$ 162,770	\$ 11,968	\$ 4,787
(2,388)	876	(607)	-	(31)	38
<u>221,603</u>	<u>90,472</u>	<u>59,235</u>	<u>162,770</u>	<u>11,937</u>	<u>4,825</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	3,286	-	-	-	-
748,452	-	-	-	22,729	-
-	-	-	-	-	-
-	-	218,000	162,770	-	-
-	-	-	-	-	-
<u>748,452</u>	<u>3,286</u>	<u>218,000</u>	<u>162,770</u>	<u>22,729</u>	<u>-</u>
(526,849)	87,186	(158,765)	-	(10,792)	4,825
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(526,849)</u>	<u>87,186</u>	<u>(158,765)</u>	<u>-</u>	<u>(10,792)</u>	<u>4,825</u>
<u>602,306</u>	<u>677,299</u>	<u>140,752</u>	<u>-</u>	<u>9,142</u>	<u>24,109</u>
<u>\$ 75,457</u>	<u>\$ 764,485</u>	<u>\$ (18,013)</u>	<u>\$ -</u>	<u>\$ (1,650)</u>	<u>\$ 28,934</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2017

	Morongo Basin Major Local Highway	Morongo Basin Local Street	Morongo Basin Senior & Disabled Transit	Morongo Basin Project Development Traffic/ Management
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 569,994	\$ 1,550,384	\$ 113,999	\$ 45,600
Investment earnings	3,366	-	56	301
Total Revenues	<u>573,360</u>	<u>1,550,384</u>	<u>114,055</u>	<u>45,901</u>
Expenditures				
Current:				
General government	-	-	-	-
Commuter and Motorist Assistance	-	-	-	-
Environment and Energy Conservation	-	-	-	-
Regional and subregional planning	-	-	-	5,152
Transit and passenger rail	-	-	128,698	-
Major project delivery ⁽²⁾⁽³⁾	-	-	-	-
Fund administration and programming ⁽⁴⁾	24,740	1,550,384	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>24,740</u>	<u>1,550,384</u>	<u>128,698</u>	<u>5,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>548,620</u>	<u>-</u>	<u>(14,643)</u>	<u>40,749</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Transfers out:				
Debt Service Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	548,620	-	(14,643)	40,749
Fund balances beginning of year	<u>996,138</u>	<u>-</u>	<u>22,227</u>	<u>161,653</u>
Fund balances end of year	<u>\$ 1,544,758</u>	<u>\$ -</u>	<u>\$ 7,584</u>	<u>\$ 202,402</u>

⁽¹⁾ Total sales tax-Measure I of \$163,814,528 less 1% of \$1,638,145 for Measure I administration accounted for in the General Fund (page 22).

⁽²⁾ Negative amount of \$499,826 in Victor Valley Major Local Fund and negative amount of 55,679 in the North Desert Major Local Highway Fund are result of reimbursements.

⁽³⁾ Negative amount of \$1,160,344 in Cajon Pass Fund is result of a reclassification of prior year expenditures to land held for resale.

⁽⁴⁾ Negative amount of \$2,525,747 in Valley Freeway Interchanges Fund is result of estimated amount from prior year exceeding current year expenditures.

<u>Mountain Major Major Local Highway</u>	<u>Mountain Local Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development Traffic/ Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 507,530	\$ 1,380,482	\$ 101,506	\$ 40,602	\$ 4,594,413	\$ 162,176,383
2,969	-	(291)	(287)	8,603	391,869
<u>510,499</u>	<u>1,380,482</u>	<u>101,215</u>	<u>40,315</u>	<u>4,603,016</u>	<u>162,568,252</u>
-	-	-	-	2,068	978,254
-	-	-	-	-	558,830
-	-	-	-	-	262,931
-	-	-	87,042	-	1,059,167
-	-	180,281	-	-	13,234,002
-	-	-	-	(1,160,344)	23,642,384
-	1,380,482	-	-	-	46,656,974
-	-	-	-	-	8,476,607
<u>-</u>	<u>1,380,482</u>	<u>180,281</u>	<u>87,042</u>	<u>(1,158,276)</u>	<u>94,869,149</u>
510,499	-	(79,066)	(46,727)	5,761,292	67,699,103
-	-	-	-	-	-
-	-	-	-	-	3,053,913
-	-	-	-	-	61,344
-	-	-	-	20	71
-	-	-	-	(3,747,157)	(14,213,918)
-	-	-	-	-	(1,567,628)
-	-	-	-	-	(15,871)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,747,137)</u>	<u>(12,682,089)</u>
510,499	-	(79,066)	(46,727)	2,014,155	55,017,014
661,737	-	89,976	146,286	8,439,974	274,295,972
<u>\$ 1,172,236</u>	<u>\$ -</u>	<u>\$ 10,910</u>	<u>\$ 99,559</u>	<u>\$ 10,454,129</u>	<u>\$ 329,312,986</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Combining Balance Sheet
 Debt Service Fund
 For the Year Ended June 30, 2017

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Assets			
Cash and investments-restricted	\$ 2,532,189	\$ 2,629,792	\$ 5,161,981
Fund balances			
Restricted	\$ 2,532,189	\$ 2,629,792	\$ 5,161,981
Total liabilities and fund balances	\$ 2,532,189	\$ 2,629,792	\$ 5,161,981

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2017

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Revenues			
Investment earnings	\$ 1,536	\$ 3,458	\$ 4,994
Expenditures			
Debt service:			
Principal	2,090,000	755,000	2,845,000
Interest and fiscal charges	3,991,438	5,139,898	9,131,336
Total Expenditures	6,081,438	5,894,898	11,976,336
Excess (deficiency) of revenues over (under) expenditures	(6,079,902)	(5,891,440)	(11,971,342)
Other financing sources			
Transfers in:			
2010-2014 Measure I Special Revenue Fund	6,582,401	7,631,517	14,213,918
Capital projects fund	4,000	4,785	8,785
Transfers out:			
Capital Projects Funds	(38)	(34)	(72)
Total other financing sources	6,586,363	7,636,268	14,222,631
Net change in fund balances	506,461	1,744,828	2,251,289
Fund balances beginning of year	2,025,728	884,964	2,910,692
Fund balances end of year	\$ 2,532,189	\$ 2,629,792	\$ 5,161,981

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Capital Projects Fund
June 30, 2017

	Local Projects	Transit Center Project	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Assets				
Cash and investments	\$ -	\$ -	\$ 383,413	\$ -
Accrued interest receivable	2,981	-	871	-
Accounts receivable	6,278,163	-	-	-
Intergovernmental receivable	5,418,319	91,803	82,161	479,408
Loans receivable	24,252,953	-	-	-
Land held for resale	316,478	-	-	-
Cash and investments-restricted	-	-	-	-
Total assets	<u>\$ 36,268,894</u>	<u>\$ 91,803</u>	<u>\$ 466,445</u>	<u>\$ 479,408</u>
Liabilities				
Accounts payable	\$ 3,067,959	\$ 42,995	\$ 167,825	\$ 12,106
Accrued liabilities	1,035	-	-	-
Intergovernmental payable	749,706	-	-	96,097
Due to other funds	4,201,456	48,808	-	371,204
Advances from other funds	5,403,188	-	-	-
Unearned revenue	1,610,693	-	366,453	-
Total liabilities	<u>15,034,037</u>	<u>91,803</u>	<u>534,278</u>	<u>479,407</u>
Deferred inflows of resources				
Unavailable grant and local reimbursements	32,847,100	-	3,020	96,097
Fund balances (deficits)				
Restricted	-	-	-	-
Unassigned	(11,612,243)	-	(70,853)	(96,096)
Total fund balances (deficits)	<u>(11,612,243)</u>	<u>-</u>	<u>(70,853)</u>	<u>(96,096)</u>
Total liabilities and fund balances	<u>\$ 36,268,894</u>	<u>\$ 91,803</u>	<u>\$ 466,445</u>	<u>\$ 479,408</u>

Valley Freeway Interchange Bond	Valley Major Street Bond	Valley Metrolink/Rail Bond	Victor Valley Major Local Highway Bond	Cajon Pass Bond	Total Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,413
-	-	-	-	-	3,852
-	-	-	-	-	6,278,163
-	-	-	-	-	6,071,691
-	-	-	-	-	24,252,953
-	-	-	-	-	316,478
<u>7,894,080</u>	<u>28,637,866</u>	<u>12,438,053</u>	<u>602,274</u>	<u>5,428,176</u>	<u>55,000,449</u>
<u>\$ 7,894,080</u>	<u>\$ 28,637,866</u>	<u>\$ 12,438,053</u>	<u>\$ 602,274</u>	<u>\$ 5,428,176</u>	<u>\$ 92,306,999</u>
\$ 623,786	\$ 47,634	\$ 2,739,891	\$ 8,670	\$ 24,011	\$ 6,734,877
-	-	949	-	-	1,984
5,313	6,488,983	3,427	117,265	66,329	7,527,120
3,065,643	8,844,341	12,438,053	70,544	3,788,069	32,828,118
-	-	-	-	-	5,403,188
-	-	-	-	-	1,977,146
<u>3,694,742</u>	<u>15,380,958</u>	<u>15,182,320</u>	<u>196,479</u>	<u>3,878,409</u>	<u>54,472,433</u>
-	-	-	-	-	32,946,217
4,199,338	13,256,908	-	405,795	1,549,767	19,411,808
-	-	(2,744,267)	-	-	(14,523,459)
<u>4,199,338</u>	<u>13,256,908</u>	<u>(2,744,267)</u>	<u>405,795</u>	<u>1,549,767</u>	<u>4,888,349</u>
<u>\$ 7,894,080</u>	<u>\$ 28,637,866</u>	<u>\$ 12,438,053</u>	<u>\$ 602,274</u>	<u>\$ 5,428,176</u>	<u>\$ 92,306,999</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
June 30, 2017

	Local Projects	Transit Center Project	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Revenues				
Intergovernmental	\$ 16,086,016	\$ 91,803	\$ 590,579	\$ 462,355
Investment earnings	6,958	-	2,033	-
Total revenues	<u>16,092,974</u>	<u>91,803</u>	<u>592,612</u>	<u>462,355</u>
Expenditures				
Current:				
General government	100,000	-	-	-
Commuter and Motorist Assistance	76,980	-	-	-
Environment and Energy Conservation	61,067	-	-	-
Regional and subregional planning	104,734	-	-	-
Transit and passenger rail ⁽¹⁾	131,319	91,803	318,528	536,243
Major project delivery	13,558,215	-	-	-
Fund administration and programming	-	-	-	-
Capital outlay	26,773	-	338,367	-
Total expenditures	<u>14,059,088</u>	<u>91,803</u>	<u>656,895</u>	<u>536,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,033,886</u>	<u>-</u>	<u>(64,283)</u>	<u>(73,888)</u>
Other Financing Sources (Uses)				
Transfers in:				
State Highway Special Revenue Fund	915,104	-	-	-
2010-2040 Measure I Special Revenue Fund	1,445	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
Special Revenue Funds:				
1990-2010 Measure I Special Revenue Fund	(15,574)	-	-	-
2010-2040 Measure I Special Revenue Fund	(61,344)	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	(838,186)	-	(6,570)	-
Total other financing sources (uses)	<u>1,445</u>	<u>-</u>	<u>(6,570)</u>	<u>-</u>
Net change in fund balances	2,035,331	-	(70,853)	(73,888)
Fund balances (deficits) beginning of year	(13,647,574)	-	-	(22,208)
Fund balances (deficits) end of year	<u>\$ (11,612,243)</u>	<u>\$ -</u>	<u>\$ (70,853)</u>	<u>\$ (96,096)</u>

Valley Freeway Interchanges Bond	Valley Major Street Bond	Valley Metrolink/Rail Bond	Victor Valley Major Local Highway Bond	Cajon Pass Bond	Total Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,230,753
85,480	152,957	96,165	21,369	71,248	436,210
<u>85,480</u>	<u>152,957</u>	<u>96,165</u>	<u>21,369</u>	<u>71,248</u>	<u>17,666,963</u>
658	1,178	70,295	164	548	172,843
-	-	-	-	-	76,980
-	-	-	-	-	61,067
-	-	-	-	-	104,734
-	-	5,301,091	-	-	6,378,984
2,827,195	5,553,505	-	46,296	2,845,392	24,830,603
-	-	-	532,855	-	532,855
-	-	5,510,623	-	-	5,875,763
<u>2,827,853</u>	<u>5,554,683</u>	<u>10,882,009</u>	<u>579,315</u>	<u>2,845,940</u>	<u>38,033,829</u>
<u>(2,742,373)</u>	<u>(5,401,726)</u>	<u>(10,785,844)</u>	<u>(557,946)</u>	<u>(2,774,692)</u>	<u>(20,366,866)</u>
-	-	-	-	-	915,104
102,048	48,326	14,426	397,659	-	563,904
-	838,186	717,033	-	-	1,555,219
-	-	-	-	-	(15,574)
-	-	-	-	-	(61,344)
(957)	(3,350)	(1,077)	(1,099)	(2,302)	(8,785)
-	-	(710,463)	-	-	(1,555,219)
<u>101,091</u>	<u>883,162</u>	<u>19,919</u>	<u>396,560</u>	<u>(2,302)</u>	<u>1,393,305</u>
(2,641,282)	(4,518,564)	(10,765,925)	(161,386)	(2,776,994)	(18,973,561)
6,840,620	17,775,472	8,021,658	567,181	4,326,761	23,861,910
<u>\$ 4,199,338</u>	<u>\$ 13,256,908</u>	<u>\$ (2,744,267)</u>	<u>\$ 405,795</u>	<u>\$ 1,549,767</u>	<u>\$ 4,888,349</u>



CLIMATE LEADERSHIP AWARDS **2016**

Innovative Partnerships Certificate Recipient

RENOVATEAMERICA™



Office of Sustainability



The U.S. Environmental Protection Agency honored Western Riverside Council of Governments, San Bernardino Associated Governments, and County of Los Angeles with a 2016 Innovative Partnerships Certificate for their leadership in addressing climate change. The group was recognized for helping to increase the mass adoption of home energy and water efficiency across California.

Statistical Section

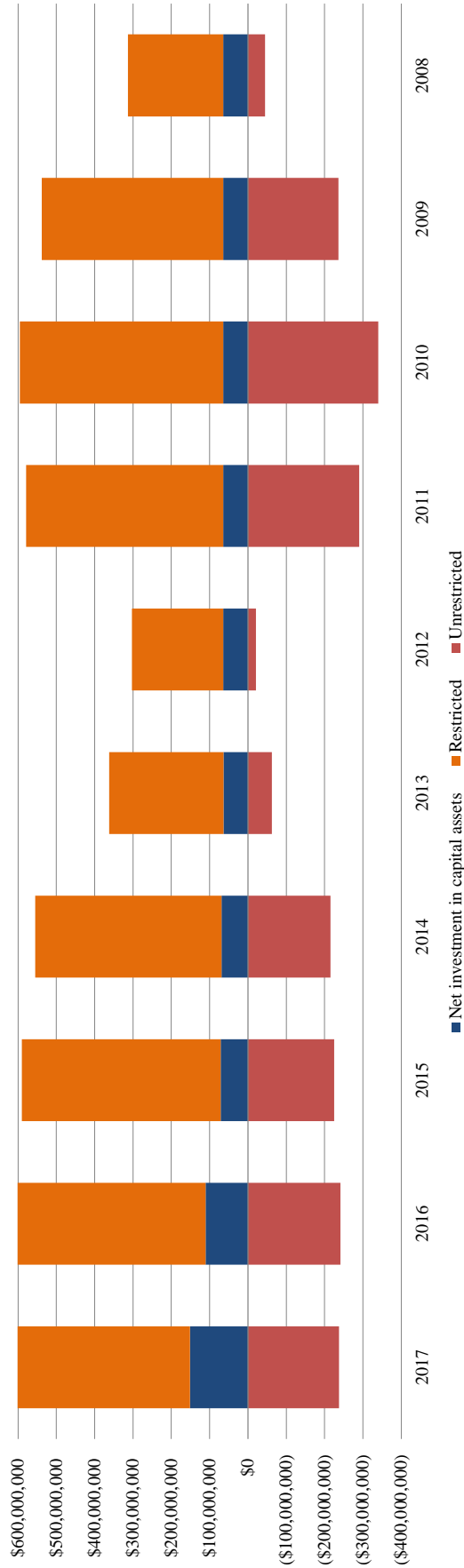
This part of the San Bernardino County Transportation Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

	<u>Page No.</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	114
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the Agency's significant local revenue source, the Measure I sales tax.	120
<i>Debt Capacity</i>	
These schedules contain information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the ability to issue additional debt in the future.	124
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.	126
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.	128

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 151,059,762	\$ 110,717,829	\$ 71,364,275	\$ 68,787,689	\$ 64,111,527	\$ 64,339,191	\$ 64,528,387	\$ 64,188,520	\$ 64,231,511	\$ 64,382,721
Restricted	595,616,437	548,295,699	518,477,643	486,271,129	297,711,179	238,348,097	514,537,080	531,138,805	474,046,214	248,688,547
Unrestricted	(237,230,227)	(241,599,238)	(224,771,477)	(215,122,515)	(62,476,583)	(20,906,687)	(290,669,405)	(340,180,203)	(236,047,637)	(44,554,894)
Total governmental activities net position	\$ 509,445,972	\$ 417,414,290	\$ 365,070,441	\$ 339,936,303	\$ 299,346,123	\$ 281,780,601	\$ 288,396,062	\$ 255,147,122	\$ 302,230,088	\$ 268,516,374



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Changes in Net Position
Last Ten Fiscal Years ⁽¹⁾
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 3,338,658	\$ 4,579,995	\$ 2,833,042	\$ 3,825,691	\$ 2,634,953	\$ 1,919,964	\$ -	\$ -	\$ -	\$ -
Commuter and motorist assistance	4,986,605	5,360,439	-	-	-	-	-	-	-	-
Environment and energy conservation	2,217,401	1,392,074	-	-	-	-	-	-	-	-
Regional and subregional planning	2,914,855	2,077,133	1,951,391	1,810,171	1,723,173	6,027,692	-	-	-	-
Transit and passenger rail	51,255,392	33,664,779	59,376,860	39,297,811	48,249,719	32,939,430	-	-	-	-
Major project delivery	53,310,890	107,387,795	168,126,021	198,290,514	236,573,382	165,717,535	-	-	-	-
Fund administration and programming	159,952,967	184,361,902	153,722,554	137,111,875	113,211,850	142,700,712	-	-	-	-
Interest and fiscal charges	7,964,571	8,041,836	8,080,732	5,115,094	3,545,543	8,063,944	7,745,427	9,842,621	4,803,268	4,290,776
Air quality and traveler services	-	-	4,182,935	5,626,177	8,720,281	16,561,711	-	-	-	-
General operation	-	-	-	-	-	-	21,251,548	16,457,877	23,556,849	18,323,011
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	-	-	84,839,312	120,594,813	97,602,990	132,404,153
Contributions to other governmental agencies	-	-	-	-	-	-	43,729,263	33,111,444	26,169,139	22,573,481
Professional services	-	-	-	-	-	-	59,625,947	43,945,405	35,646,622	29,739,891
Management and technical services	-	-	-	-	-	-	39,979	130,958	142,019	169,884
Highways	-	-	-	-	-	-	62,410,680	42,335,579	26,356,468	46,850,413
Total governmental activities expenses	285,941,339	346,865,953	398,273,535	391,077,333	414,658,901	373,930,988	279,642,156	266,418,697	214,277,355	254,351,609
Program revenues										
Government activities:										
Charges for services:										
General government	540,388	539,822	591,987	612,541	393,053	782,247	-	-	-	-
General operation	-	-	-	-	-	-	1,620,021	1,648,539	1,667,858	1,687,899
Operating grants and contributions	122,252,773	133,839,101	189,415,129	204,806,040	214,943,724	161,861,124	184,243,485	148,531,689	125,112,741	135,650,127
Total governmental activities program revenues	122,793,161	134,378,923	190,007,116	205,418,581	215,336,777	162,643,371	185,863,506	150,180,228	126,780,599	137,338,026
Net (expense) revenue										
Governmental activities	(163,148,178)	(212,487,030)	(208,266,419)	(185,658,752)	(199,322,124)	(211,287,617)	(93,778,650)	(116,238,469)	(87,496,756)	(117,013,583)
General revenues										
Sales tax-Measure I	163,814,528	160,848,014	152,342,401	145,407,342	138,482,732	132,276,581	118,115,639	109,393,542	115,074,064	138,461,233
Sales tax-local transportation fund	87,040,490	97,002,999	85,531,625	79,559,209	75,100,102	71,168,436	-	-	-	-
Unrestricted investment earnings	2,160,355	4,876,204	1,906,660	165,733	2,824,825	5,934,258	8,911,951	9,745,049	6,133,700	11,988,570
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	(75,000)	2,706	(555)
Miscellaneous	2,164,487	2,103,662	1,987,011	1,116,648	479,987	903,880	-	-	-	-
Total governmental activities general revenues	255,179,860	264,830,879	241,767,697	226,248,932	216,887,646	210,283,155	127,027,590	119,063,591	121,210,470	150,449,248

(Continued)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

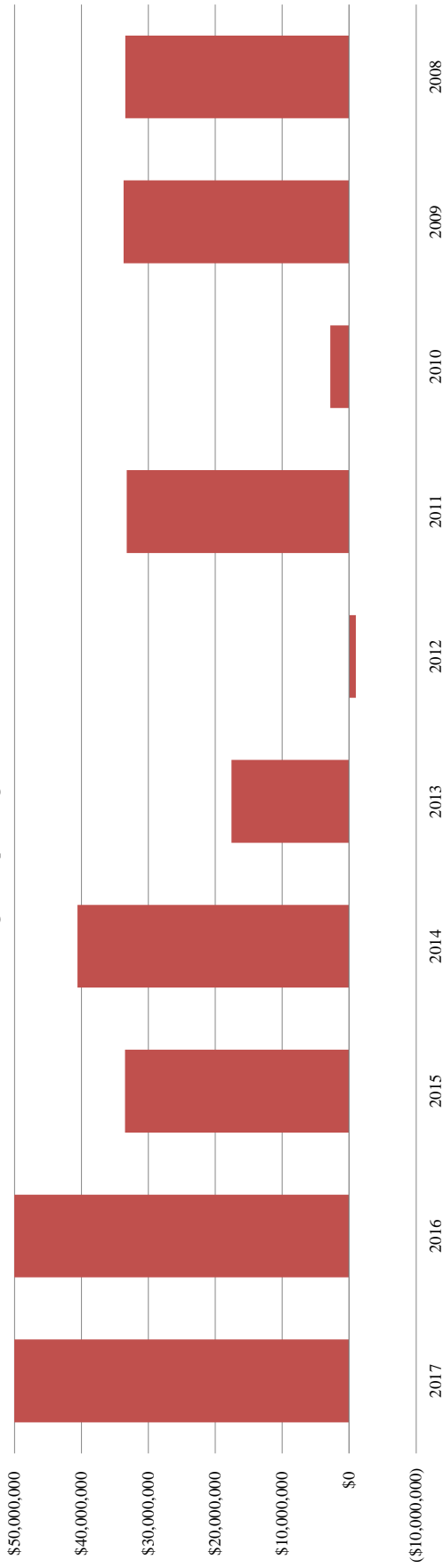
Changes in Net Position
Last Ten Fiscal Years ⁽¹⁾
(accrual basis of accounting)

(Continued)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Change in net position	\$ 92,031,682	\$ 52,343,849	\$ 33,501,278	\$ 40,590,180	\$ 17,565,522	\$ (1,004,462)	\$ 33,248,940	\$ 2,825,122	\$ 33,713,714	\$ 33,435,665
Governmental activities										

⁽¹⁾The Agency implemented new fund accounting/financial software in 2012 which provides a different classification of expenses in fiscal year 2012 in comparison to prior fiscal years. Sales tax-Local Transportation Fund revenue was reclassified as general revenue in fiscal year 2012. Previously, it was classified as program revenue-operating grants and contributions. Vehicle registration fee revenue was reclassified as program-operating grants and contributions in 2012. It was classified as program-charges for services for the years 2007-2011. Fiscal years 2007-2011 were not revised to reflect the classification changes in 2012. In 2016 general-council of governments support and air quality and traveler services were reclassified to separate general government, environment and energy conservation, and commuter and motorist assistance activities.

Change in net position-governmental activities

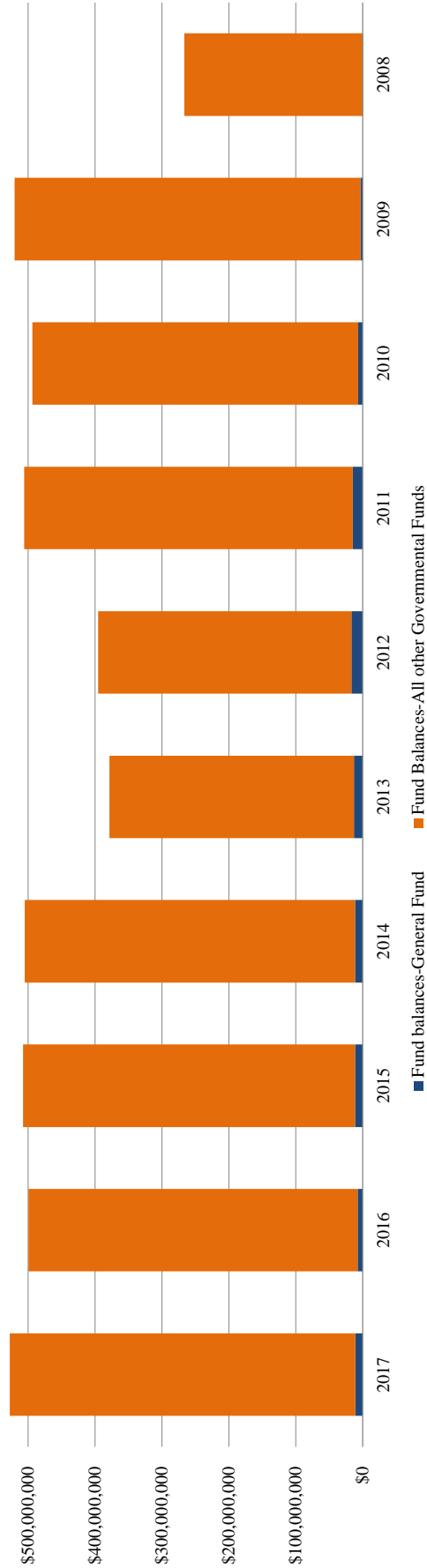


SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years ⁽¹⁾
(modified accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund										
Nonspendable	\$ 36,564	\$ -	\$ 120,659	\$ 182,068	\$ 173,867	\$ 149,194	\$ 129,817	\$ -	\$ -	\$ -
Committed	2,788,309	20,576	24,046	22,211	24,425	99,367	-	-	-	-
Assigned	7,994,915	7,478,672	11,069,579	11,283,052	12,819,740	16,380,791	14,735,595	-	-	-
Reserved	-	-	-	-	-	-	-	3,542,942	570,067	124,535
Unreserved	-	-	-	-	-	-	-	3,038,603	2,797,428	(461,007)
Total general fund	\$ 10,819,788	\$ 7,499,248	\$ 11,214,284	\$ 11,487,331	\$ 13,018,032	\$ 16,629,352	\$ 14,865,412	\$ 6,581,545	\$ 3,367,495	\$ (336,472)
All other governmental funds										
Restricted	\$ 544,917,503	\$ 520,416,463	\$ 511,144,916	\$ 508,391,977	\$ 383,102,734	\$ 386,189,494	\$ 526,372,957	\$ -	\$ -	\$ -
Assigned	-	-	-	-	-	-	6,055,340	-	-	-
Unassigned	(28,271,324)	(28,319,694)	(14,693,201)	(15,058,847)	(17,524,771)	(7,482,364)	(41,584,482)	-	-	-
Reserved	-	-	-	-	-	-	-	169,513,698	134,486,549	50,260,055
Unreserved	-	-	-	-	-	-	-	317,402,754	382,415,703	216,382,442
Total all other governmental funds	\$ 516,646,179	\$ 492,096,769	\$ 496,451,715	\$ 493,333,130	\$ 365,577,963	\$ 378,707,130	\$ 490,843,815	\$ 486,916,452	\$ 516,902,252	\$ 266,642,497

⁽¹⁾ In fiscal year 2011, the Agency implemented GASB 54, *Fund Balance Reporting and Government Fund Type Definitions*. Prior year amounts have not been revised to reflect this change.

\$600,000,000



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years ⁽¹⁾
 (modified accrual basis of accounting)

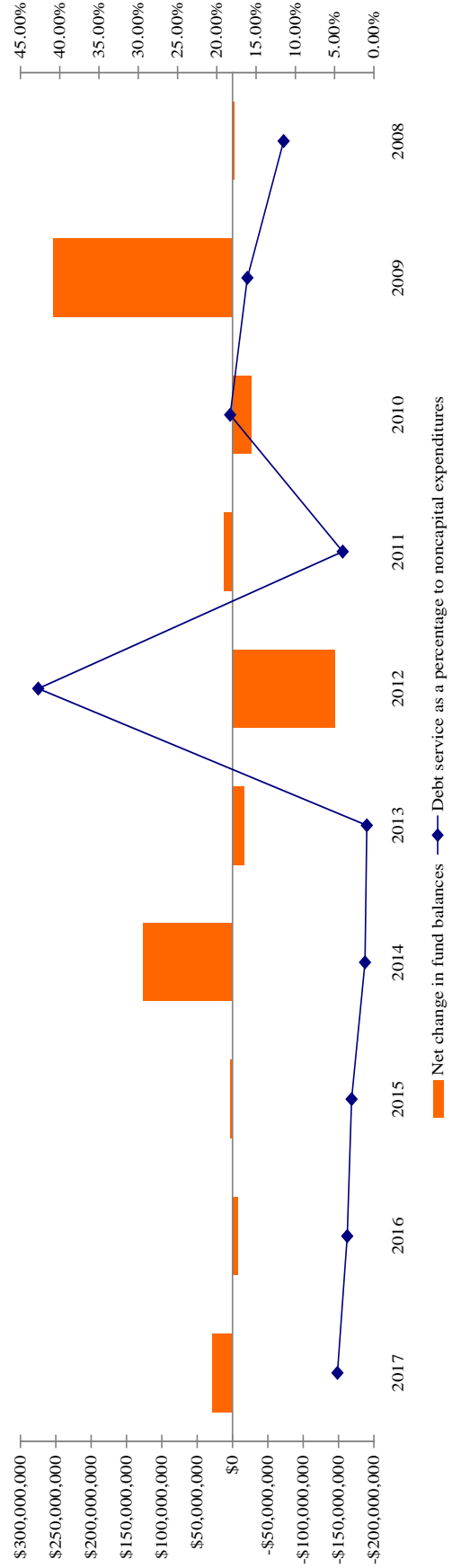
	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Sales tax-Measure I	\$ 163,814,528	\$ 160,848,014	\$ 152,342,401	\$ 145,407,342	\$ 138,482,732	\$ 132,276,581	\$ 117,927,079	\$ 106,073,764	\$ 114,901,053	\$ 140,547,350
Sales tax-local transportation fund	87,040,490	97,002,999	85,531,625	79,559,209	75,100,102	71,168,436	64,418,871	58,681,660	62,726,230	74,557,995
Intergovernmental	74,863,975	84,373,453	143,867,243	173,396,397	193,721,364	154,551,689	73,360,500	55,419,469	41,047,131	56,399,714
Charges for services	387,841	425,936	473,282	483,490	257,204	652,873	1,560,519	1,590,158	1,632,912	1,649,657
Special assessments	152,547	113,886	118,705	129,051	135,849	129,374	-	-	-	-
Investment earnings	2,160,355	4,876,204	1,906,662	165,733	2,824,825	5,934,258	8,911,951	9,745,049	6,133,700	11,988,570
Miscellaneous	2,164,487	2,103,662	1,977,411	1,075,059	479,987	903,880	16,954,928	1,005,402	2,868,225	121,748
Other local revenue	-	-	-	-	-	-	22,331,039	19,619,658	13,758,271	1,449,777
Total revenues	330,584,223	349,744,154	386,217,329	400,216,281	411,002,063	365,617,091	305,464,887	252,135,160	243,067,522	286,714,811
Expenditures										
Current:										
General government	3,969,427	4,226,244	2,400,945	3,479,317	2,188,545	1,880,626	-	-	-	-
Environment and energy conservation	2,191,718	1,426,771	-	-	-	-	-	-	-	-
Commuter and motorist assistance	4,969,483	5,383,571	-	-	-	-	-	-	-	-
Regional and subregional planning	2,850,647	2,163,876	1,967,660	1,810,171	1,723,173	6,027,692	-	-	-	-
Transit and passenger rail	56,879,195	48,908,424	59,395,144	39,297,811	48,249,719	32,939,430	-	-	-	-
Major project delivery	65,950,533	107,474,538	168,147,585	198,290,514	236,573,382	167,055,911	-	-	-	-
Fund administration and programming	129,081,711	150,423,969	133,588,823	136,900,621	126,375,756	125,636,347	-	-	-	-
Air quality and traveler services	-	-	4,191,009	5,626,177	8,720,281	16,561,711	-	-	-	-
General operation	-	-	-	-	-	-	8,349,139	8,478,933	8,467,664	7,626,794
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	-	-	-	-	-	-
Contributions to other governmental agencies	-	-	-	-	-	-	94,325,722	92,046,113	97,742,979	133,102,767
Professional services	-	-	-	-	-	-	43,729,263	33,111,444	26,169,139	22,573,481
Management and technical services	-	-	-	-	-	-	59,625,947	43,945,405	35,646,622	29,739,891
Highways	-	-	-	-	-	-	39,979	130,958	142,019	169,884
Right of way	-	-	-	-	-	-	62,410,680	42,335,579	26,356,468	46,850,413
Debt Service:	-	-	-	-	-	-	12,429,108	7,498,392	14,673,506	10,213,262
Principal	2,845,000	1,990,000	1,910,000	-	-	250,000,000	-	37,380,000	35,500,000	33,875,000
Interest and fiscal charges	9,131,336	9,226,716	8,862,406	4,421,182	3,851,087	11,461,165	11,609,500	13,579,107	4,680,164	5,161,715
Capital outlay	25,111,782	26,590,027	2,908,219	5,001,633	60,607	73,818	699,319	350,979	98,159	363,263
Total expenditures	302,980,832	357,814,136	383,371,791	394,827,426	427,742,550	611,636,700	293,218,657	278,856,910	249,476,720	289,676,470
Excess (deficiency) of revenues over (under) expenditures	27,603,391	(8,069,982)	2,845,538	5,388,855	(16,740,487)	(246,019,609)	12,246,230	(26,721,750)	(6,409,198)	(2,961,659)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years ⁽¹⁾
(modified accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other Financing Sources (Uses):										
Transfers in	58,188,088	48,366,242	43,631,095	43,369,783	44,505,326	362,696,568	20,063,400	45,295,381	54,831,428	56,019,243
Transfers out	(58,188,088)	(48,366,242)	(43,631,095)	(43,369,783)	(44,505,326)	(362,696,568)	(20,098,400)	(45,345,381)	(54,935,428)	(56,019,243)
Sales tax revenue notes issued	-	-	-	-	-	-	-	-	250,000,000	-
Premium on sales tax revenue notes issued	-	-	-	-	-	-	-	-	10,474,214	-
Sales tax revenue bonds issued	-	-	-	110,135,000	-	91,880,000	-	-	-	-
Premium on sales tax revenue bonds issued	-	-	-	(10,700,611)	-	(9,042,588)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	120,835,611	-	100,922,588	(35,000)	(50,000)	260,372,920	-
Net change in fund balances	27,603,391	(8,069,982)	2,845,538	126,224,466	(16,740,487)	(145,097,021)	12,211,230	(26,771,750)	253,963,722	(2,961,659)
Fund balances beginning of year	499,596,017	507,665,999	504,820,461	378,595,995	395,336,482	505,709,227	493,497,997	520,269,747	266,306,025	269,267,684
Prior period and accounting change adjustments	-	-	-	-	-	34,724,276	-	-	-	-
Fund balances beginning of year as restated	499,596,017	507,665,999	504,820,461	378,595,995	395,336,482	540,433,503	493,497,997	520,269,747	266,306,025	269,267,684
Fund balances end of year	\$ 527,199,408	\$ 499,596,017	\$ 507,665,999	\$ 504,820,461	\$ 378,595,995	\$ 395,336,482	\$ 505,709,227	\$ 493,497,997	\$ 520,269,747	\$ 266,306,025
Debt service as a percentage of noncapital expenditures (2)	4.31%	3.39%	2.83%	1.13%	0.90%	42.75%	3.97%	18.30%	16.11%	13.49%

⁽¹⁾ Other local revenue for prior years has been reclassified as either intergovernmental revenue, charges for services or special assessments in fiscal year 2012. Motor vehicle fee revenue was reclassified as intergovernmental revenue in 2012. It was classified as charges for services in prior fiscal years. The Agency implemented new fund accounting/financial software in 2012 which provides a different classification of expenditures from prior fiscal years. Fiscal years 2007-2011 were not revised to reflect the classification changes. In 2016 general-council of governments support and air quality and traveler services were reclassified to separate general government, environment and energy conservation, and commuter and motorist assistance activities.

⁽²⁾ Debt service reflects principal and interest.



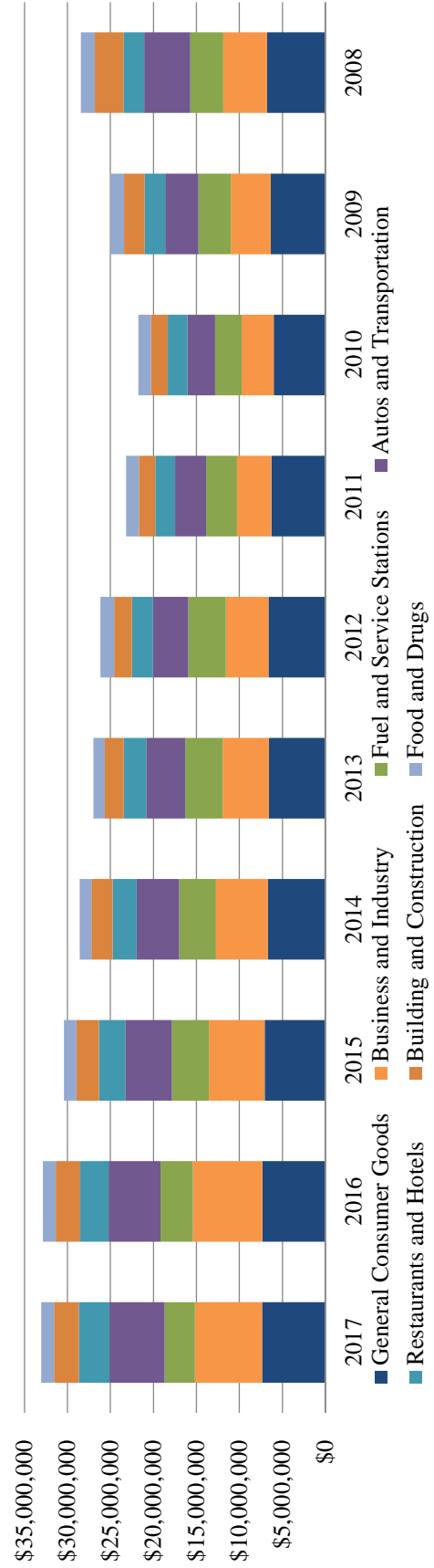
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 County of San Bernardino Taxable Sales by Business Group ⁽¹⁾

Last Ten Fiscal Years
 (In Thousands)

Fiscal Year	General Consumer Goods	Business and Industry	Fuel and Service Stations	Autos and Transportation	Restaurants and Hotels	Building and Construction	Food and Drugs	Total
2017	\$ 7,376,923	\$ 7,787,136	\$ 3,532,294	\$ 6,402,945	\$ 3,569,755	\$ 2,885,786	\$ 1,507,108	\$ 33,061,947
2016	7,319,419	8,083,843	3,762,442	6,034,921	3,310,748	2,842,895	1,493,229	32,847,497
2015	7,051,392	6,489,782	4,325,966	5,405,745	3,062,985	2,601,797	1,478,121	30,415,788
2014	6,702,525	6,020,854	4,285,736	4,935,894	2,780,587	2,486,172	1,371,210	28,582,978
2013	6,572,565	5,365,583	4,342,153	4,572,225	2,585,174	2,202,286	1,348,689	26,988,675
2012	6,608,275	4,963,637	4,383,498	4,103,357	2,452,725	2,071,598	1,584,931	26,168,021
2011	6,289,605	4,004,305	3,587,337	3,589,798	2,320,710	1,885,248	1,493,408	23,170,410
2010	5,997,062	3,729,927	3,091,808	3,227,279	2,273,645	1,975,226	1,472,450	21,767,397
2009	6,339,494	4,666,094	3,759,132	3,878,608	2,353,009	2,422,918	1,545,334	24,964,590
2008	6,794,341	5,082,731	3,836,112	5,356,831	2,427,148	3,324,437	1,629,433	28,451,034

⁽¹⁾ Excludes transfers and unidentified sources.

Source: California State Board of Equalization/Hdl Companies cash basis



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	Measure I Direct Rate ⁽¹⁾	County of San Bernardino ⁽²⁾
2017	0.50%	7.75%
2016	0.50%	8.00%
2015	0.50%	8.00%
2014	0.50%	8.00%
2013	0.50%	8.00%
2012	0.50%	7.75%
2011	0.50%	8.75%
2010	0.50%	8.75%
2009	0.50%	8.75%
2008	0.50%	7.75%

⁽¹⁾ In November 1989 San Bernardino County voters approved passage of Measure I imposing a one-half of one percent sales tax for a period not to exceed twenty years. In November 2004, voters extended the Measure I sales tax for a period of thirty years.

⁽²⁾ In April 2009, the State of California increased the state sales tax rate by 1%. In July 2011, the sales tax rate was decreased by 1%. In January 2013, the sales tax rate was increased by .25%. In January 2017, the sales tax rate was decreased by .25%.

Source: California Department of Finance/Board of Equalization

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 County of San Bernardino Principal Taxable Sales by Business Type
 Current Year and Nine Years Ago
 (In Thousands)

Business Type	2017			2008		
	Taxable Sale	Rank	Percentage of Total Taxable Sales	Taxable Sale	Rank	Percentage of Total Taxable Sales
New motor vehicle dealers	\$ 3,604,320	1	10.90%	\$ 2,704,273	2	9.67%
Service stations	3,170,210	2	9.59%	3,564,086	1	12.75%
Discount department stores	2,300,802	3	6.96%	2,014,295	3	7.21%
Medical/biotech	2,129,348	4	6.44%	755,374	11	2.70%
Lumber/building materials	1,636,856	5	4.95%	1,558,306	4	5.57%
Quick service restaurants	1,625,800	6	4.92%	1,264,921	6	4.53%
Casual dining	1,301,690	7	3.94%	818,556	9	2.93%
Light industrial printers	1,237,204	8	3.74%	663,351	12	2.37%
Used automotive dealers	1,035,210	9	3.13%	552,825	17	1.98%
Contractors	936,832	10	2.83%	1,398,299	5	5.00%
Family apparel	911,382	11	2.76%	537,610	18	1.92%
Grocery stores	897,153	12	2.71%	895,447	7	3.20%
Heavy industrial	780,156	13	2.36%	656,738	13	2.35%
Office supplies/furniture	770,674	14	2.33%	882,721	8	3.16%
Electronics/appliance stores	703,708	15	2.13%	584,275	14	2.09%
Home furnishings	621,469	16	1.88%	568,716	16	2.03%
Specialty stores	621,069	17	1.88%	573,488	15	2.05%
Automotive supply stores	550,596	18	1.67%	433,973	21	1.55%
Department stores	538,132	19	1.63%	777,023	10	2.78%
Trailers/RV's	474,829	20	1.44%	304,195	22	1.09%
Women's apparel	345,942	21	1.05%			
Fulfillment centers	341,066	22	1.03%			
Shoe stores	331,704	23	1.00%			
Convenience stores/liquor	321,618	24	0.97%			
Warehouse/Farm/Construction equipment	319,128	25	0.97%			
Petroleum products/equipment				510,260	19	1.83%
Auto repair shops				250,041	25	0.89%
Office equipment				444,755	20	1.59%
Drugs/chemicals				284,884	23	1.02%
Electrical equipment				273,411	24	0.98%
Total	<u>\$ 27,506,898</u>		<u>83.21%</u>	<u>\$ 23,271,823</u>		<u>83.26%</u>

Source: California State Board of Equalization/Hdl Companies based on Cash basis

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Measure I Sales Tax Revenue by Program and Subarea
For the Year Ended June 30, 2017

	General Fund	Special Revenue Funds	Total
Administration			
Administration	\$ 1,638,145	\$ -	\$ 1,638,145
Valley			
Freeway projects	-	38,223,742	38,223,742
Freeway interchanges	-	14,498,661	14,498,661
Major street	-	26,361,200	26,361,200
Local street	-	26,361,201	26,361,201
Metrolink/rail service	-	10,544,480	10,544,480
Express bus/bus rapid transit service	-	2,636,120	2,636,120
Senior and disabled transit	-	10,544,480	10,544,480
Transportation management systems	-	2,636,120	2,636,120
Victor Valley			
Major local highway	-	4,186,671	4,186,671
Local street	-	11,387,745	11,387,745
Senior and disabled transit	-	837,334	837,334
Project development/traffic management	-	334,934	334,934
North Desert			
Major local highway	-	1,119,954	1,119,954
Local street	-	3,046,276	3,046,276
Senior and disabled transit	-	223,991	223,991
Project development/traffic management	-	89,596	89,596
Colorado River			
Major local highway	-	59,842	59,842
Local street	-	162,770	162,770
Senior and disabled transit	-	11,969	11,969
Project development/traffic management	-	4,787	4,787
Morongo Basin			
Major local highway	-	569,994	569,994
Local street	-	1,550,384	1,550,384
Senior and disabled transit	-	113,999	113,999
Project development/traffic management	-	45,600	45,600
Mountain			
Major local highway	-	507,530	507,530
Local street	-	1,380,482	1,380,482
Senior and disabled transit	-	101,506	101,506
Project development/traffic management	-	40,602	40,602
Cajon Pass			
Cajon Pass	-	4,594,413	4,594,413
	<u>\$ 1,638,145</u>	<u>\$ 162,176,383</u>	<u>\$ 163,814,528</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

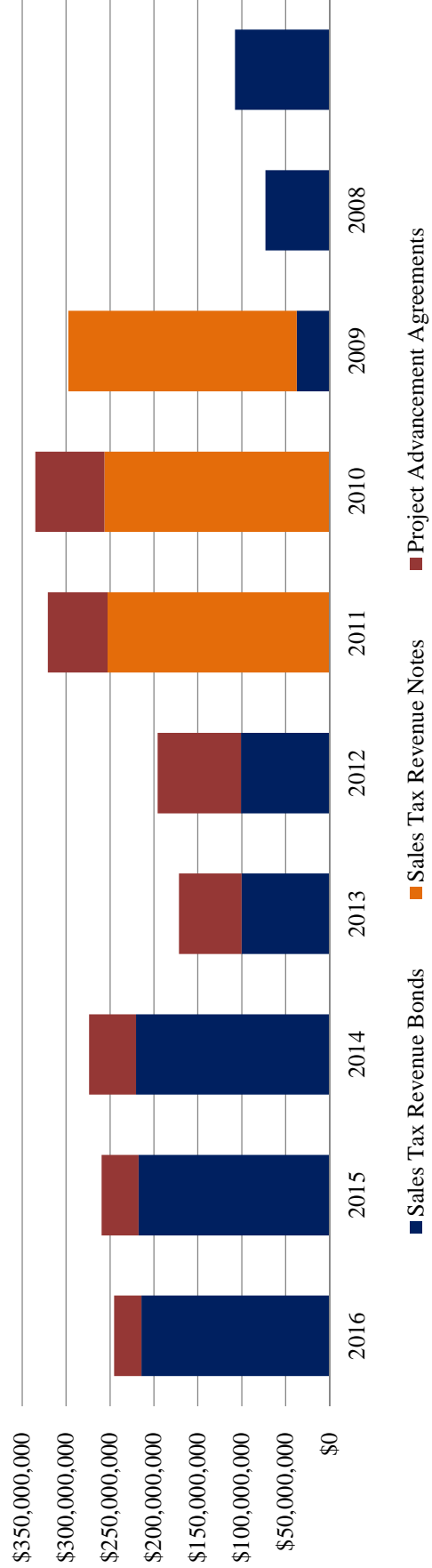
Fiscal Year	Sales Tax Revenue Bonds ⁽¹⁾	Sales Tax Revenue Notes ⁽¹⁾	Project Advancement Agreements ⁽²⁾	Total	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
2017	\$ 210,191,056	\$ -	2,835,749	\$ 213,026,805	NA	\$ 98.61
2016	\$ 214,167,404	\$ -	31,092,352	\$ 245,259,756	NA	\$ 114.63
2015	217,309,118	-	42,186,696	259,495,814	0.34%	122.34
2014	220,407,142	-	53,267,750	273,674,892	0.39%	130.28
2013	100,261,590	-	71,175,791	171,437,381	0.26%	82.16
2012	100,789,178	-	95,035,323	195,824,501	0.30%	94.58
2011	-	252,909,504	67,765,408	320,674,912	0.51%	156.07
2010	-	256,400,908	78,456,788	334,857,696	0.56%	164.53
2009	37,550,811	259,892,313	-	297,443,124	0.51%	147.29
2008	73,209,830	-	-	73,209,830	0.12%	349.29

Note: Details regarding the Agency's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Includes unamortized premium.

⁽²⁾ Project advancement agreements debt not reported in financial statements prior to fiscal year 2010.

⁽³⁾ See Demographic and Economic Statistics on page 126.

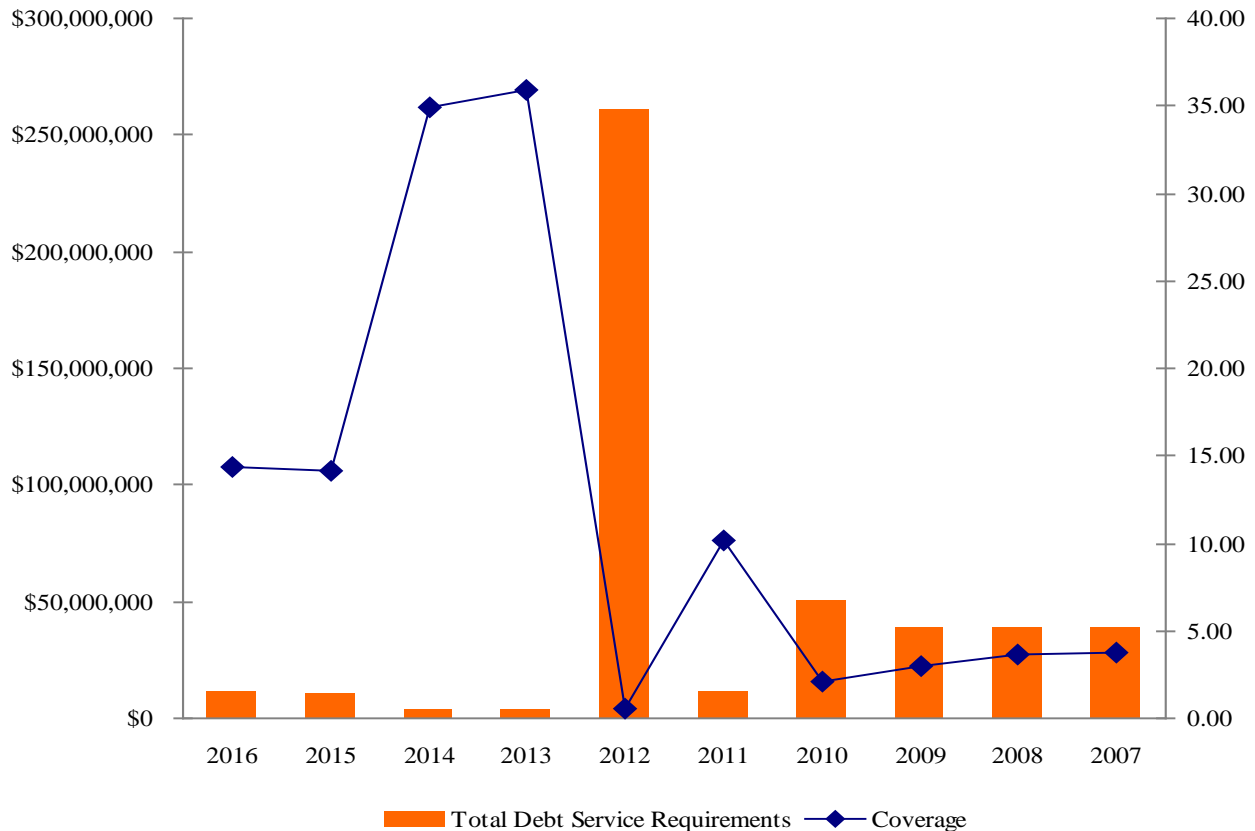


SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Measure I Sales Tax Revenues ⁽¹⁾	Debt Service Requirements ⁽²⁾			Coverage
		Principal	Interest	Total	
2017	\$ 163,814,528	\$ 2,845,000	\$ 9,122,550	\$ 11,967,550	13.69
2016	\$ 160,848,014	\$ 1,990,000	\$ 9,222,050	\$ 11,212,050	14.35
2015	152,342,401	1,910,000	8,856,259	10,766,259	14.15
2014	145,407,342	-	4,163,338	4,163,338	34.93
2013	138,482,732	-	3,851,087	3,851,087	35.96
2012	132,276,581	250,000,000	11,461,155	261,461,155	0.51
2011	117,927,079	-	11,609,500	11,609,500	10.16
2010	106,073,764	37,380,000	12,896,543	50,276,543	2.11
2009	114,901,053	35,500,000	3,453,006	38,953,006	2.95
2008	140,547,350	33,875,000	5,146,594	39,021,594	3.60

⁽¹⁾ Measure I sales tax revenue net of Board of Equalization fees.

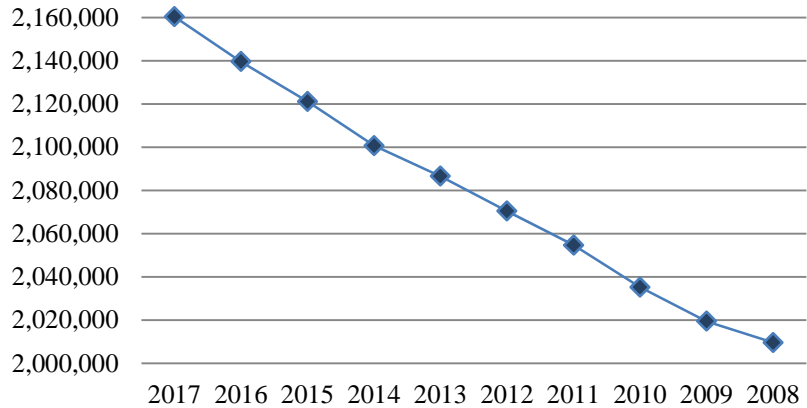
⁽²⁾ Debt service requirement for fiscal year 2012 reflects payment of Sales Tax Revenue Note, 2009A from an established escrow account relating to the issuance of the Sales Tax Revenue Bonds, 2012A.



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 County of San Bernardino Demographic and Economic Statistics

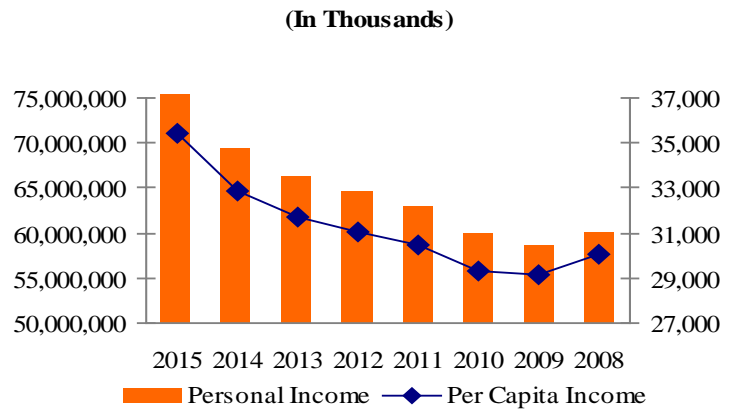
Last Ten Fiscal Years ⁽¹⁾

Year	Population
2017	2,160,256
2016	2,139,570
2015	2,121,088
2014	2,100,700
2013	2,086,559
2012	2,070,374
2011	2,054,735
2010	2,035,210
2009	2,019,432
2008	2,009,594



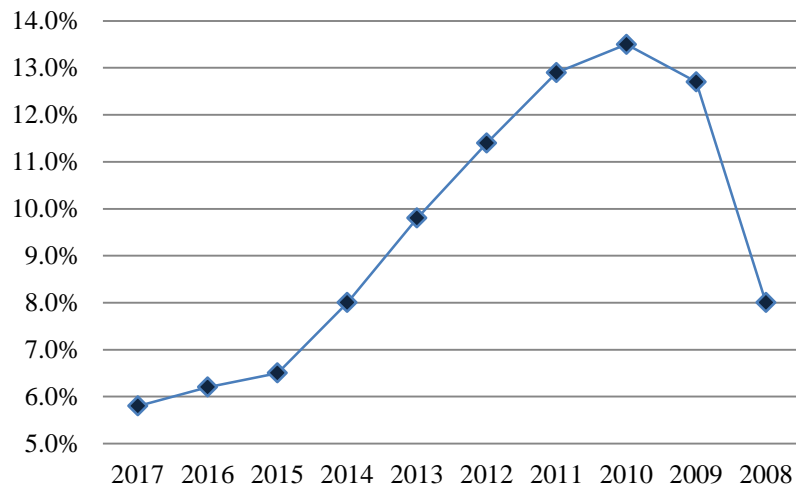
Fiscal Years 2005-2012 ⁽²⁾

Year	Personal Income (In Thousands)	Personal Per Capita Income
2015	\$ 75,402,896	\$ 35,431
2014	69,487,877	32,892
2013	66,321,591	31,683
2012	64,633,723	31,064
2011	62,952,683	30,491
2010	59,850,108	29,314
2009	58,693,991	29,144
2008	60,145,538	30,017



Last Ten Fiscal Years ⁽³⁾

Year	Unemployment Rate
2017	5.8%
2016	6.2%
2015	6.5%
2014	8.0%
2013	9.8%
2012	11.4%
2011	12.9%
2010	13.5%
2009	12.7%
2008	8.0%



⁽¹⁾ California Department of Finance. Population for fiscal year 2017 as of January 2017.

⁽²⁾ U.S. Department of Commerce-Bureau of Economic Analysis. Represents most recent information.

⁽³⁾ California Employment Development Department. Unemployment rate for FY2017 as of August 2017.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 County of San Bernardino Employment Statistics by Industry
 Fiscal Year 2016 and Nine Years Prior ⁽¹⁾

Industry Type	2016	Percentage of Total Employment	2007	Percentage of Total Employment
Agricultural services, forestry and fishing	2,200	0.30%	3,500	0.52%
Mining	500	0.07%	600	0.09%
Construction	33,700	4.67%	43,600	6.46%
Manufacturing	56,100	7.77%	64,200	9.51%
Transportation, warehousing and public utilities	64,400	8.92%	47,700	7.06%
Wholesale trade	39,100	5.42%	35,800	5.30%
Retail trade	85,700	11.87%	87,600	12.97%
Professional and business services	79,300	10.99%	82,500	12.21%
Education and health services	113,000	15.66%	79,400	11.76%
Leisure and hospitality	71,800	9.95%	58,800	8.71%
Information	5,300	0.73%	7,600	1.13%
Finance, insurance and real estate	23,700	3.28%	26,400	3.91%
Federal government-civilian	13,400	1.86%	13,100	1.94%
State government	12,900	1.79%	13,400	1.98%
Local government	97,900	13.57%	90,100	13.34%
Other services	22,700	3.15%	21,100	3.11%
Total	<u>721,700</u>	<u>100.00%</u>	<u>675,400</u>	<u>100.00%</u>

⁽¹⁾ Most current information available.

Source: California Employment Development Department.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Full-time Equivalent Employees by Function ⁽¹⁾

Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General:										
Executive administration and support	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
General counsel	2.0	2.0	2.0	2.0	2.0	1.0	-	-	-	-
Financial management	12.0	9.5	8.5	6.5	6.5	6.0	5.0	5.0	5.0	5.0
Management services	2.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0	3.0
Legislation	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public affairs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Commuter and motorist assistance	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Regional and subregional planning	5.0	5.0	5.0	5.0	4.0	4.0	9.0	9.0	9.0	8.0
Transit and passenger rail	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	2.0
Major project delivery	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	4.0	3.0
Fund administration and programming	9.0	8.0	8.0	7.0	7.0	7.0	-	-	-	-
Council of Governments	2.0	-	-	-	-	-	-	-	-	-
Total full-time equivalent positions	<u>61.0</u>	<u>54.5</u>	<u>53.5</u>	<u>50.5</u>	<u>49.5</u>	<u>47.0</u>	<u>45.0</u>	<u>45.0</u>	<u>43.0</u>	<u>39.0</u>

⁽¹⁾ Authorized positions per adopted budget. Does not include contract positions for project management in major project delivery nor transit. Programming staff were reclassified from planning to fund administration in fiscal year 2012.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Operating Indicators by Function ⁽¹⁾
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Environmental and energy conservation										
HERO program:										
Number of projects approved	6,805	8,098	5,987	4,433	-	-	-	-	-	-
Number of projects completed	4,355	5,177	5,128	3,458	-	-	-	-	-	-
Value of projects completed	\$ 87,395,340	\$ 103,832,407	\$ 94,925,696	\$ 59,481,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GW/h saved	28.10	11.88	37.58	23.81	-	-	-	-	-	-
GHG reduction in tons	7,589	10,293	10,362	6,514	-	-	-	-	-	-
Commuter and motorist assistance										
Annual rideshare participants	1,383	1,229	750	997	1,213	1,373	1,416	1,370	2,557	1,422
Park and ride lots	20	21	21	19	19	19	17	18	18	15
Motorist assistance by freeway service patrol	33,369	35,100	34,669	34,141	30,347	35,894	36,366	84,564	34,370	42,750
Call boxes	1,022	1,022	1,048	1,244	1,224	1,224	1,192	1,245	1,343	1,395
Calls to 511	201,099	233,895	282,180	306,108	362,395	360,171	479,331	112,217	N/A	N/A
Visits to IE511.org	618,627	473,462	604,799	471,778	388,496	341,716	246,318	32,935	N/A	N/A
Transit and passenger rail										
Weekly commuter rail trips	9,721	10,659	11,078	11,159	12,044	12,325	11,523	11,700	13,162	12,493
Annual ridership on commuter rail	2,745,469	3,073,878	3,183,922	3,241,225	3,448,078	3,503,126	3,215,354	3,258,070	3,618,314	3,456,000
Transit operators	5	5	7	7	7	7	7	7	7	7
Transit projects	4	3	6	3	-	-	-	-	-	-
Passenger rail projects	7	8	5	7	-	-	-	-	-	-
Major project delivery										
Freeway projects	9	9	9	12	14	17	13	12	13	14
Freeway interchange projects	20	17	18	19	14	7	6	6	6	4
Grade separation projects	8	8	11	8	10	11	11	11	7	4
Transportation fund administration										
Project advancement agreements	24	24	24	24	24	24	24	24	19	19
Arterial program jurisdiction master agreements	15	15	16	16	16	16	16	N/A	N/A	N/A
Measure I Valley Major Street/Arterial allocation	\$ 10,780,897	\$ 8,632,276	\$ 8,292,988	\$ 2,297,670	\$ 4,176,710	\$ 8,400,000	\$ 6,351,000	N/A	N/A	N/A
Project advancement allocation-Valley interchange	-	966,835	-	\$ 2,039,283	\$ 4,215,200	\$ 3,830,000	\$ 2,911,000	N/A	N/A	N/A
Project advancement allocation-Valley arterials	\$ 8,188,822	\$ 9,351,584	\$ 11,361,899	\$ 15,665,520	\$ 12,533,250	\$ 6,970,000	\$ 5,293,000	N/A	N/A	N/A
Victor Valley Major Local Highway Allocation	\$ 2,970,614	\$ -	\$ 4,837,945	\$ 1,199,345	\$ 9,029,230	\$ 6,305,622	\$ 14,445,025	N/A	N/A	N/A
Rural Mountain/Desert Local Highway Allocation	\$ 6,620,303	\$ 4,130,572	\$ 8,770,963	\$ 713,630	\$ 1,975,000	\$ 450,000	\$ 3,553,108	N/A	N/A	N/A
Federal obligation authority redistribution received	\$ -	\$ -	\$ -	\$ 366,977	\$ 2,851,893	\$ 3,933,579	\$ 2,722,631	-	5,582,726	-

⁽¹⁾ Information provided by various departments.
 Note: N/A-information not available for fiscal year.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Building-Santa Fe Depot	1	1	1	1	1	1	1	1	1	1
Sport utility vehicle	1	1	1	1	1	1	1	1	1	1
Transit and passenger rail										
Acres of commuter rail land	621.0	621.0	608.0	591.8	590.5	590.5	590.5	590.5	590.5	590.5
Acres of commuter rail parking land	*21.9	*16.9	*16.9	3.3	3.3	3.3	3.3	3.3	3.3	3.3

* Although agreed to in Co-op agreements with various cities, some realty has not yet been transferred to SBCTA or from SBCTA to the cities.