

Comprehensive Annual Financial Report

For year ended June 30, 2018



San Bernardino County Transportation Authority
San Bernardino Council of Governments

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**San Bernardino County Transportation Authority
San Bernardino County, CA**

**Comprehensive
ANNUAL FINANCIAL REPORT**

For Year Ended June 30, 2018



Prepared by SBCTA, Finance Department



Lt. Colonel Seth Krummrich, Garrison Commander at the National Training Center in Fort Irwin opened the 2018 City County Conference with an overview of the importance of transportation for one of the county's more significant assets.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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Construction crews demolishing the south side of the Barton Road bridge over Interstate 215 in Grand Terrace.

November 16, 2018

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, 2018 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 is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations 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. The 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, LLP, Certified Public Accountants, has issued an unmodified opinion on SBCTA's financial statements for the fiscal year ended June 30, 2018. 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

San Bernardino Associated Governments (SANBAG) was formed in 1973 as a subregional council of government under a Joint Powers Agreement (JPA). The JPA currently includes the twenty-two cities and two towns 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, the transportation entities of SANBAG, serving in each capacity as described below, became statutorily known as the San Bernardino County Transportation Authority.

SBCTA has included the following transportation 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.

In addition, the JPA will continue to exist for the remaining purpose of performing council of government functions for the County of San Bernardino, currently referred to as the ***San Bernardino Council of Governments (SBCOG) and SANBAG.*** The financial statements for SANBAG are included as a blended component unit of SBCTA due to its governing body being substantially the same as SBCTA and the demonstrated financial benefit relationship between the two entities.

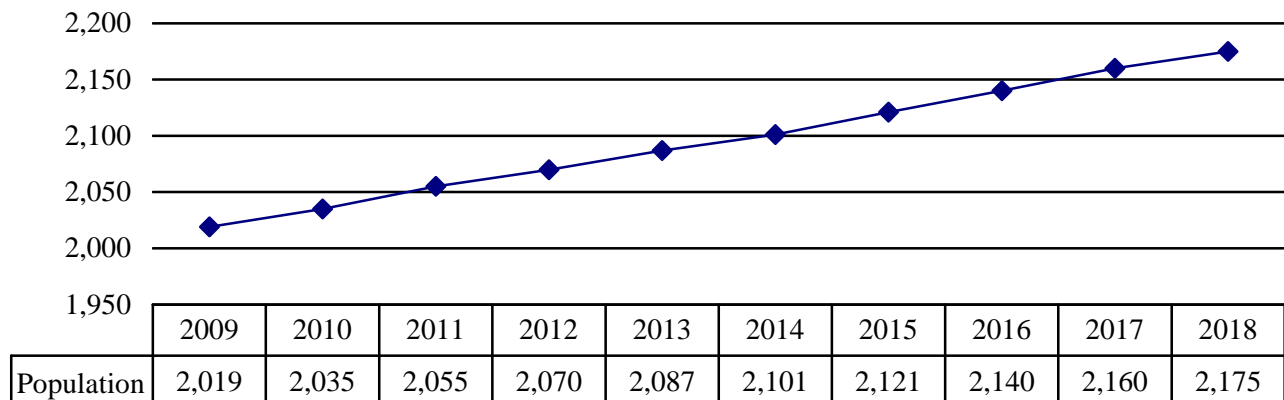
SBCTA is required to adopt a budget prior to the beginning of each fiscal year. The annual budget serves as the foundation for SBCTA's financial planning and control. The budget is prepared by funding source, program and task. Management may transfer resources within each task and between tasks within 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 and Riverside County collectively comprise the Inland Empire. The Inland Empire is 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, continued reduction in unemployment, increase in personal income, and increase in local revenues.

The population of San Bernardino County has grown by 7.7% over the last ten years.

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



The County experienced a significant increase in unemployment during the great economic recession in 2013. The unemployment rate has steadily decreased over the past years to 4.6% in 2018.

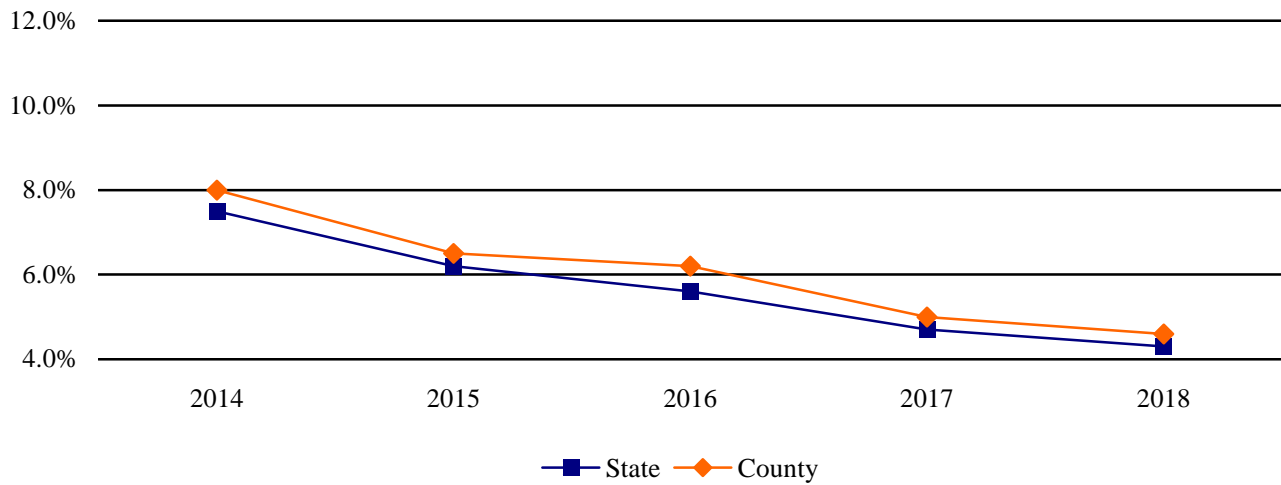
The following table summarizes the civilian labor force, employment and unemployment, and employment rate for the State of California and San Bernardino County for the calendar years 2014 through 2018. The figures for 2018 are as of eight months ending August 2018. Data for each of the years is not seasonally 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)**

	2014		2015		2016		2017		2018	
	State	County	State	County	State	County	State	County	State	County
Civilian labor force	18,828	910.7	18,982	926.6	19,358	938.9	19,450	951.7	19,368	957.4
Employment	17,418	837.9	17,799	866.8	18,282	880.2	18,533	903.8	18,542	917.5
Unemployment	1,410	72.8	1,183	59.8	1,076	58.7	917	48.0	826	39.5
Unemployment rate	7.5%	8.0%	6.2%	6.5%	5.6%	6.2%	4.7%	5.0%	4.3%	4.6%

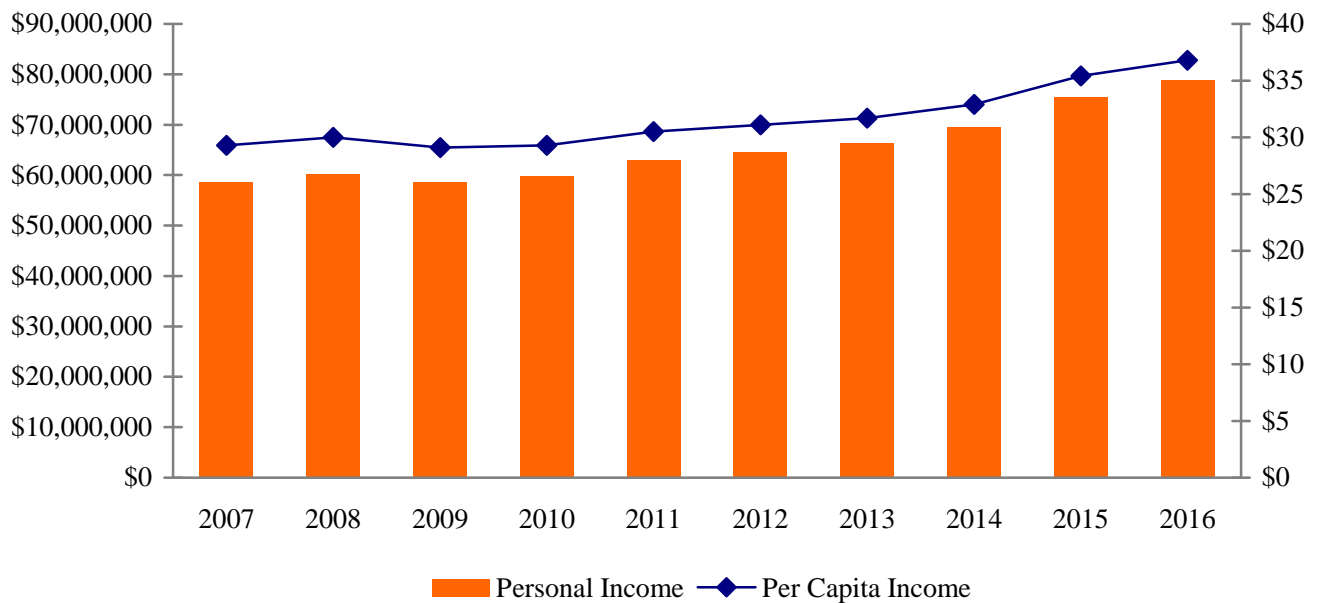
Source: Labor Market Information Division-California State Employment Development Department.

Unemployment Rate County versus State Last Five Years



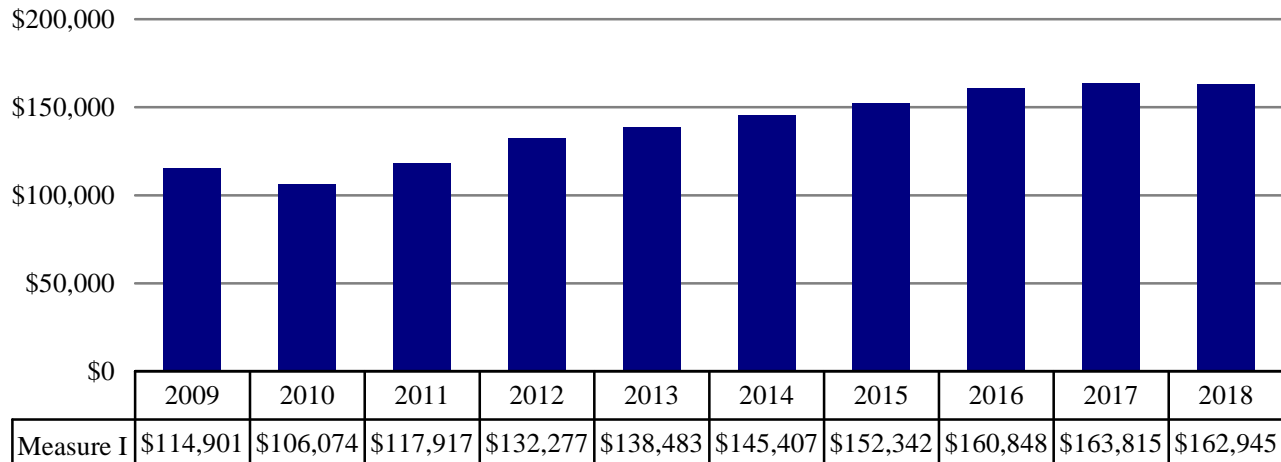
Personal income decreased from \$60.5 billion in 2008 to \$58.7 billion in 2009 due to the economic recession. The strong improvement in the local economy over the last years has increased personal income to a high of \$78.8 billion in 2016. Per capita income followed a similar pattern increasing steadily to a high of \$36.8 thousand in 2016.

Personal Income and Per Capita Income Years 2007-2016 (In Thousands)



Measure I sales tax receipts have increased steadily due a strong recovery in the Inland Empire after a recession in 2008. Measure I sales tax revenue for fiscal year 2018 was \$162.9 million in comparison to \$163.8 million of the prior fiscal year. The decrease is mainly due to understatement of sales tax due to the California Department of Tax and Fee Administration converting to a new financial system that slowed down the reporting of sales tax for the fourth quarter of fiscal year 2018. The deficient amount is expected to be received in fiscal year 2019.

**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 experience a slow, constant growth thru 2020.

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 inception of the new Measure I program occurred on April 1, 2010 and voters approved 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 most recently updated in 2017 which provides for the following:

- 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 continues 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

34th Annual City-County Conference

SBCOG co-sponsors the City-County Conference which enables city and county elected officials and staff to collaborate on addressing mutual concerns. The 2018 conference focused on the areas of effective public meetings, economic development, the local economy, and impacts of new state legislation.

Grant Writing

SBCOG administers a contract with a grant writing firm. The services of this firm are used to find funds for regional initiatives of SBCOG. Through our partnership with several local agencies, over \$2.3 million in grants have been awarded which support projects including affordable housing as well as electric vehicle charging infrastructure readiness.

LEGISLATION AND PUBLIC AFFAIRS

Legislation

SBCTA's robust advocacy program resulted in passage of AB 1523 (Obernolte) 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. SBCTA has initiated planning for the phase out of 3G cellular services and the transition to 4G service.

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. During the year, SBCTA began weekend FSP service on selected beats and also implemented extended hours for FSP service in the morning and afternoon Monday to Friday. FSP assisted more than 36,000 motorists during the year and received a 99% excellent rating from the motorists that were assisted.

REGIONAL AND SUBREGIONAL PLANNING

SB 1 Competitive Grant Awards

The California Transportation Commission (CTC) awarded multiple projects to SBCTA for the SB 1 competitive grant programs. Through the Trade Corridor Enhancement Program, the Commission awarded the I-10 Express Lanes Contract 1 project \$117.8 million and the US-395 Widening project \$24.2 million. In addition, the Redlands Passenger Rail Project (RPRP) received a \$65 million award through the Solutions for Congested Corridors Program and \$10.8 million through the Local Partnership Program.

Customer-Based Ridesharing and Transit Interconnectivity Study

This study was completed jointly with Omnitrans and the Southern California Association of Governments. One of the primary products, the *Customer-Focused, Technology-Enabled Multi-Modalism Action Plan*, provides a road map of strategies to enable “Mobility-as-a-Service” operations. Sixteen specific strategies were defined to facilitate improved mobility services to San Bernardino Valley “customers.” Several have already been implemented, and a multi-agency working group is focused on implementation of the other strategies. Overall, the objectives of the strategies are to:

- Communicate choice,
- Invite people to consider alternatives to driving alone, and
- Encourage travelers to try alternative modes of transportation.

Measure I 2010-2040 Strategic Plan Update

The SBCTA Board adopted a major update of the Measure I Strategic Plan in September 2017. Part 1 of the Plan represents an update on the delivery of Measure I projects and current financial projections for future projects, founded on the 10-Year Delivery Plan. Part 2 provides the detailed policies by which Measure I funding is administered.

TRANSIT

Downtown San Bernardino Passenger Rail Project

Construction on the Downtown San Bernardino Passenger Rail Project (DSBPRP) was completed in September 2017 which allowed for the extension of Metrolink service approximately one mile from its original terminus at the historic San Bernardino Santa Fe Depot to the multi-modal San Bernardino Transit Center in December 2017.

Redlands Passenger Rail Project

Design of the Redlands Passenger Rail Project was substantially completed and design of the Buy America and Federal Railroad Administration crash compliant Diesel Multiple Units (DMU) service vehicles advanced with the start of manufacturing targeted for December 2018. In addition, work on the early utility relocation package progressed and the invitation for bids for the Arrow Maintenance Facility was prepared. The project will provide for a blended passenger rail service with Omnitrans providing twenty-five (25) DMU weekday round trips between the San Bernardino Transit Center and University of Redlands as part of the Arrow Service and the Southern California Regional Rail Authority (SCRRA) providing one (1) weekday round trip locomotive hauled coach as part of Metrolink Service.

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 need for a substantial amount of 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 SCRRA, completed construction of the grade crossing and pedestrian improvements at Sierra Avenue and Juniper Avenue.

Metrolink Double Track – Control Point Lilac to Control Point Rancho

SBCTA progressed with preliminary engineering and the non-federal 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. Public outreach was conducted and the Mitigated Negative Declaration was circulated for comment. 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.

Railroad Right-of-Way

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 2017/2018.

PROJECT DELIVERY

I-10 Corridor Project Development, Multiple Cities

The Project Approval/Environmental Document phase was completed in July 2017 for this project which will add Express lanes for this 33 mile corridor. The entire corridor construction cost is estimated at \$1.8 billion. Procurement for a design-build contractor was completed during the 2017-18 fiscal year with two proposals received for Interstate 10 (I-10) Contract 1- the portion of the corridor from the Los Angeles County line to Interstate 15. Award of a contract to the low bidder was approved at the June 2018 Board meeting.

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 of the Interstate 15 (I-15) from State Route 60 (SR 60) to State Route 210 (SR 210), a distance of approximately 14 miles. The draft environmental document and draft project report were approved and the draft environmental document was publicly circulated for review and comment in February/March 2018. Work on the final documents is ongoing with project approval and environmental document anticipated in fall 2018.

I-10 Cedar Avenue Interchange, County of San Bernardino

A cooperative agreement was executed between the County and SBCTA. Under the cooperative agreement SBCTA is responsible with management of the project design phase beginning in February 2018. Design is ongoing. Commencement of construction is expected mid-2021.

SR 210 Pepper Avenue Interchange, Rialto

The project started construction in April 2017 and was completed in September 2018. The 1 year of plant establishment (landscaping) started August 10, 2018. This is the final interchange for the SR 210 freeway expansion. Ramps were added at Pepper Avenue the roadway was widened to 2 lanes in each direction.

I-215 University Parkway Interchange, San Bernardino

Environmental technical studies are underway for a Diverging Diamond Interchange concept on the Interstate 215 (I-215) University Parkway to improve traffic flow through the interchange. Construction is estimated to start in late-2020.

I-215 Barton Road Interchange, Grand Terrace

The project is using the Construction Manager/General Contractor (CMGC) delivery method. The method enables the contractor to assist Caltrans during the project design phase to improve constructability. Final design was approved in May 2017 and construction is now underway. The project is expected to be completed in early 2020.

US 395 Widening, Victorville, Adelanto

A cooperative agreement for Construction with SBCTA and Caltrans was approved July, 2018. Project design is complete and the construction phase is expected to begin in early 2019.

Mt. Vernon Viaduct, San Bernardino

This objective of this project is the demolition and replacement of the existing bridge which will be built to meet current design standards. The project is expected to be completed using the design-build delivery method. Procurement for this \$140 million project started in 2018. A design-build contract is anticipated to be awarded in 2019 and the new bridge is expected to be complete and open to traffic before the end of 2021.

FUND ADMINISTRATION

Following the passage of Measure I 2010-2040 in November 2004, several member agencies indicated a desire to advance shelf-ready or near-shelf-ready freeway interchange, grade crossing, or arterial projects consistent with the new Expenditure Plan. After considerable deliberation, in December 2005 the SBCTA Board approved a strategy to advance SBCTA Nexus Study interchange, arterial, and grade separation projects to construction with local funds prior to 2010, with provision for reimbursement of the public share of the cost from the applicable Measure I 2010-2040 program. It was originally estimated that the Project Advancement Agreements (PAA) would be fully reimbursed by Fiscal Year 2020/2021, but through efficient use of available revenue and project cost savings, all PAAs were fully reimbursed by fiscal year 2017/2018. In all just over \$86 million was reimbursed to three interchange, one grade separation, and 25 arterial projects throughout the Valley subarea.

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, 2017. This is the sixth year that SBCTA has received this prestigious award.

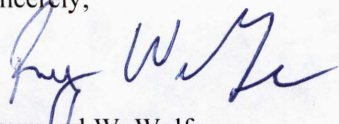
In order to be awarded a Certificate of Achievement, the government needs to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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.

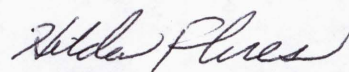
SBCTA has received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2017. To qualify for the award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communicative device.

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 County
Transportation Authority
California**

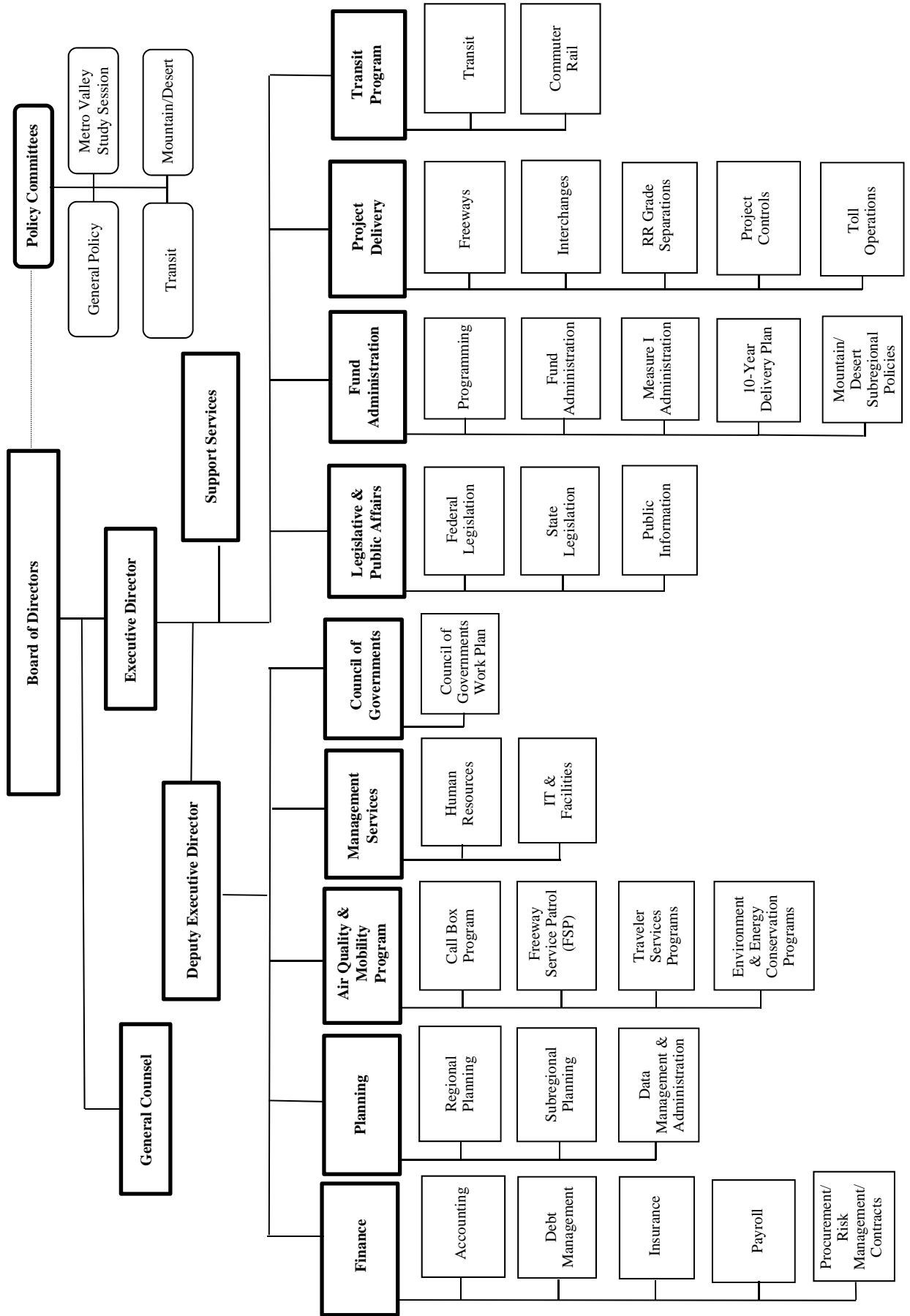
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

**San Bernardino County Transportation Authority
Organization Chart**



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
List of Principal Officials
June 30, 2018

Board of Directors		
Name	Jurisdiction	Title
Alan Wapner	Mayor Pro Tem-City of Onatrio	Board President
James Ramos	Supervisor-County of San Bernardino	General Policy Committee Vice Chair 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	Council Member-City of Big Bear Lake	Transit Committee Chair Mountain/Desert Committee Chair
Eunice Ulloa	Mayor-City of Chino	
Ray Marquez	Council Member-City of Chino Hills	
Frank Navarro	Council Member-City of Colton	
Acquanetta Warren	Mayor-City of Fontana	
Darcy McNaboe	Mayor-City of Grand Terrace	Metro Valley Study Session Chair
Bill Holland	Mayor Pro Tem-City of Hesperia	
Larry McCallon	Mayor-City of Highland	
Rhodes Riggsby	Mayor-City of Loma Linda	Metro Valley Study Session Vice Chair
John Dutrey	Council Member-City of Montclair	
Edward Paget	Mayor-City of Needles	
L. Dennis Michael	Mayor-City of Rancho Cucamonga	
Toni Momberger	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-Town of Yucca Valley	
Robert A. Lovingood	Supervisor-County of San Bernardino	
Janice Rutherford	Supervisor-County of San Bernardino	
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, 2018

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 and Toll Operations
Andrea Zureick, Director of Fund Administration



Celebrating the completion of the new San Bernardino-Downtown Metrolink station which began service on December 16, 2017.

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, 2018, 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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 November 16, 2018, 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 LLP

Costa Mesa, California
November 16, 2018

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, 2018. 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 \$567,780,145 (*net position*).
- The unrestricted net position (deficit) of (\$231,279,244) 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 \$58,334,173 from the previous fiscal year, mainly as a result from operations, increase in capital assets of over \$14.2 million, including recognition of \$1.5 million of donated capital assets and donated construction in progress, recognition of expenditures of \$3.4 million for a change in estimate for construction in progress percentage of ownership related to the completed Downtown San Bernardino Passenger Rail Project, and recognition of revenue of over \$3.5 million.
- The total cost of all SBCTA's activities was \$341,155,690 for the current fiscal year. Net cost of all activities was \$205,849,376.
- The total fund balances of SBCTA's governmental funds were \$568,086,091 at the close of the fiscal year. Majority of the fund balances were restricted, committed and assigned.
- General fund expenditures exceeded revenues and other financing sources by \$1,758,039 for the fiscal year ended. This was mainly due to the change of classification of COG funds from general fund to special revenue fund.
- The total fund balance of the general fund was \$9,039,754 for the fiscal year; \$18,776 nonspendable, and \$9,020,978 was assigned.
- SBCTA's total outstanding long-term bonded debt including unamortized premiums, decreased by \$4,468,589 due to principal payment and amortization of bond premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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.

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 distinguishes 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 government, commuter and motorist assistance, environment and energy conservation, regional and subregional planning, transit, project delivery, fund administration, and interest and fiscal charges.

The government-wide financial statements include only the financial information for SBCTA and its blended component unit, San Bernardino Council of Governments. 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. For Fiscal Year 2018/2019, SBCTA does not have any proprietary or fiduciary funds to report.

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 twenty 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 nine 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 18-25 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 26-62 of this report.

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 actuarial determined contribution rates, and the note to required supplementary information. Required supplementary information can be found on pages 63-74 of this report.

Other Information

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.
- Combining balance sheet and statement of revenues, expenditures and changes in fund balances relating to state transit assistance fund special revenue fund.
- Budgetary comparison schedules for state transit assistance 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 75-115 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, 2018, SBCTA's assets exceeded liabilities by \$567,780,145. The following is condensed financial data related to net position at June 30, 2018 and June 30, 2017:

Condensed Statement of Net Position

	Governmental Activities	
	2018	2017
Current and other assets	\$ 682,582,922	\$ 641,091,138
Capital assets-net of depreciation	167,200,992	157,070,384
Total assets	849,783,914	798,161,522
Deferred outflows of resources	8,437,756	8,341,175
Long-term liabilities outstanding	206,790,593	213,921,626
Net pension liability	14,938,612	13,605,492
Other liabilities	66,495,200	66,672,614
Total liabilities	288,224,405	294,199,732
Deferred inflows of resources	2,217,120	2,856,993
Net position:		
Net investment in capital assets	163,426,341	151,059,762
Restricted	635,633,048	595,349,878
Unrestricted	(231,279,244)	(236,963,668)
Total net position	\$ 567,780,145	\$ 509,445,972

Net Position

Net investment in capital assets represents 28.8% of the net position of SBCTA. Capital assets include the Santa Fe Depot facility, the San Bernardino Downtown Maintenance facility, 50% of the Rialto Station, 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 government, commuter and motorist assistance, environment and energy conservation, regional and subregional planning, transit, project delivery, and fund administration activities 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 represents 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 deficit is \$231,279,244 as of June 30, 2018. This amount results in part from the impact of SBCTA's debt on the statement of net position. The deficit is also the result of expenditures incurred for construction of freeways, freeway interchanges and major streets which are owned and vested by the California Department of Transportation (Caltrans) 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 \$58,334,173 as a result of revenues exceeding expenses. The total cost of SBCTA activities was \$341,155,690 for the fiscal year. Net cost of all activities was \$205,849,376. 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, 2018 and June 30, 2017:

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 873,886	\$ 540,388
Operating grants and contributions	134,432,428	122,252,773
General revenues:		
Sales tax-Measure I	162,945,073	163,814,528
Sales tax-Local Transportation Fund	95,064,513	87,040,490
Unrestricted investment earnings	5,050,075	2,160,355
Miscellaneous	1,318,612	2,164,487
Gain (loss) on sale of assets	(194,724)	-
Total revenues	<u>\$ 399,489,863</u>	<u>\$ 377,973,021</u>
	Governmental Activities	
	2018	2017
Expenses		
General government	\$ 4,451,810	\$ 3,338,658
Environment and energy conservation	4,100,630	2,217,401
Commuter and motorist assistance	6,787,391	4,986,605
Regional and subregional planning	3,063,247	2,914,855
Transit	139,490,342	51,255,392
Project delivery	119,064,025	53,310,890
Fund administration	56,315,916	159,952,967
Interest and fiscal charges	7,882,329	7,964,571
Total expenses	<u>341,155,690</u>	<u>285,941,339</u>
Change in net position	58,334,173	92,031,682
Net position at the beginning of year	<u>509,445,972</u>	<u>417,414,290</u>
Net position at the end of year	<u>\$ 567,780,145</u>	<u>\$ 509,445,972</u>

Changes in Net Position

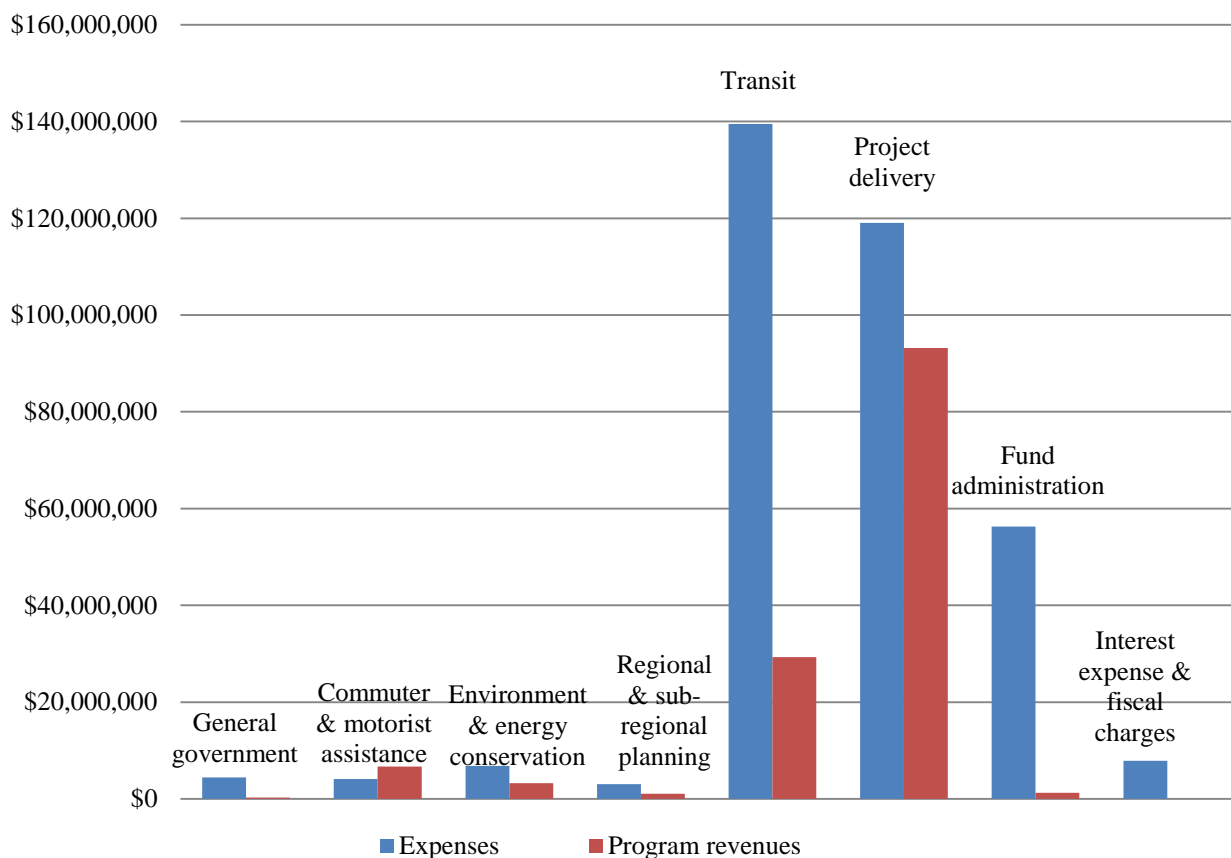
Revenues increased by \$21,516,842 primarily attributed to additional funds from federal and state operating grants and contributions and increase in sales tax - local transportation fund (LTF). Federal and state operating and contributions increase of \$12,179,655 are related to more reimbursable expenditures in the project delivery program. Increase of \$8,024,023 in LTF sales tax revenue reflects an improving economy throughout the County. The increase of \$2,889,720 in unrestricted investment earnings is related to an increase in interest rates.

Expenses increased by \$55,214,351 or 19.31% from the previous fiscal year. The increase was primarily attributed to increase expenditures of project delivery and transit projects due to several projects under construction phase during the year.

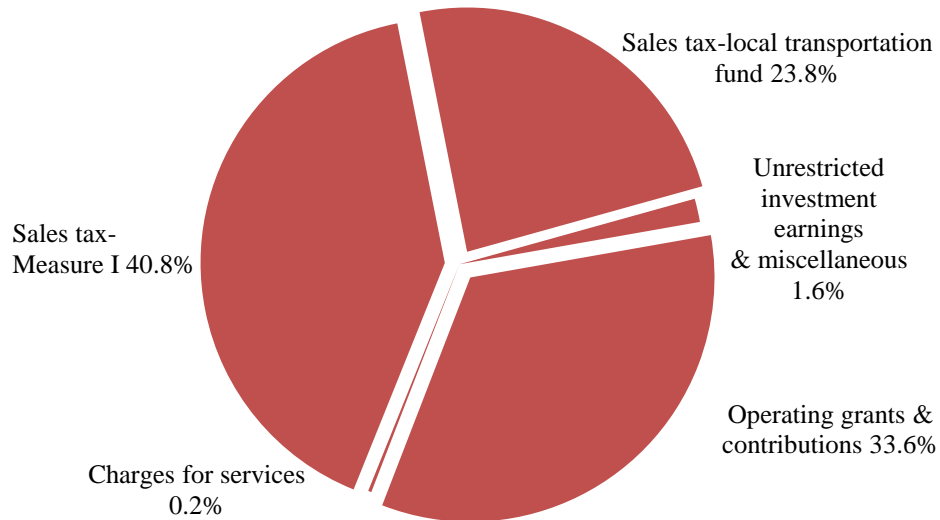
The significant variances between transit, project delivery, and fund administration are due to primarily two changes in presentation: 1) the categorization of LTF pass through allocations to transit operators are now reflected in the transit program instead of fund administration (\$80 million) and 2) prior year deferred revenue was being reflected 100% in fund administration and now is allocated to all programs. This change primarily affected project delivery by \$45.9 million.

Net expenses is a good indication of the extent to which the services provided by SBCTA were 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. Project delivery recovers 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, fund administration; and interest expense and fiscal charges are financed primarily from general revenues.

Expenses and Program Revenues-Governmental Activities

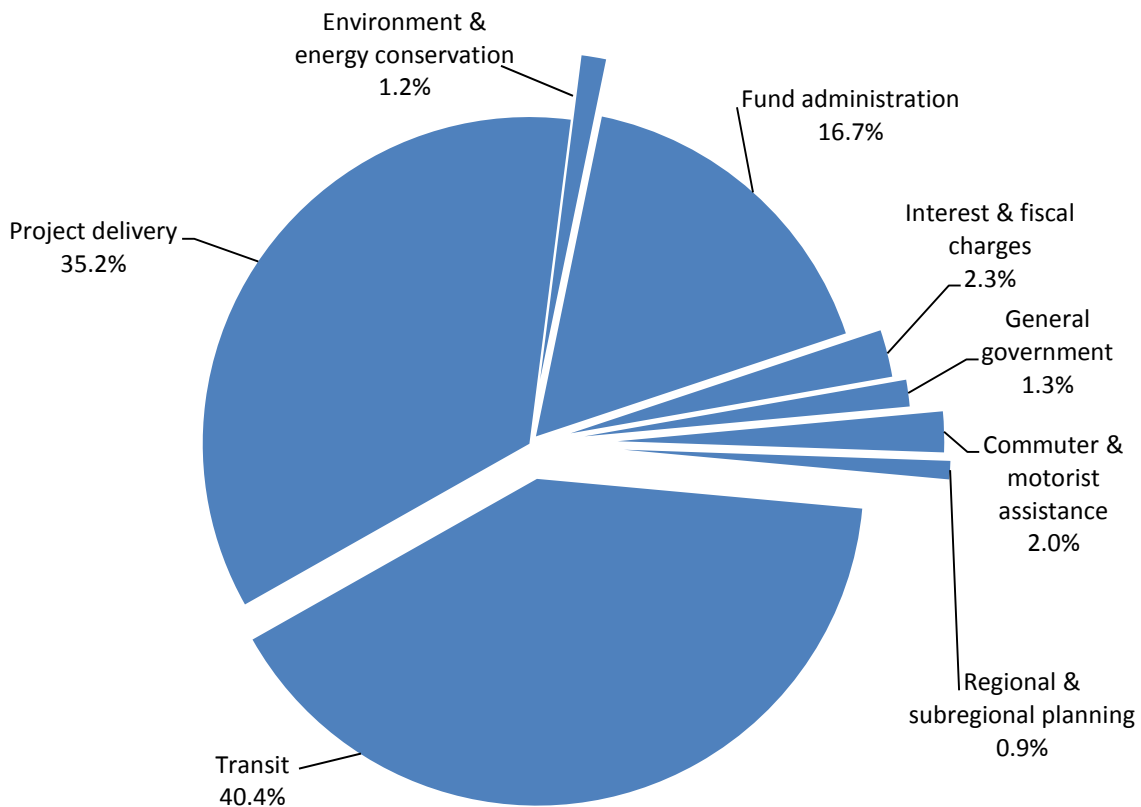


Revenue Sources-Governmental Activities



Measure I and local transportation fund sales tax revenues provided 64.6% of the overall revenue sources of the governmental activities. Another large source of revenue is operating grants and contributions which included various federal, state and local grants and reimbursements. SBCTA leveraged the Measure I sales tax revenue to obtain federal and state grants.

Functions/Programs-Governmental Activities



Project delivery, transit, and fund administration represented 92.3% of the programs of the governmental activities. Project delivery provided for the freeway, freeway interchange and grade separation projects, utilizing federal, state, and local revenues; and Measure I sales tax revenue. Transit provided projects for rail using various funding sources and provided for the apportionment and allocation of local transportation sales tax and state transit assistance fund revenues to transit operators. Each project is identified in the Measure I 2010-2040 expenditure plan and the ten-year delivery plan. Fund administration provided for the apportionment and allocation of Measure I sales tax for various local arterial projects, project advancement agreements which ended in fiscal year 2018 (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 limiting the use to certain purposes by the SBCTA's Board of Directors.

SBCTA's governmental funds reported combined fund balances of \$568,086,091 at June 30, 2018. This represented a \$40,886,683 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 was either *nonspendable*, *restricted*, *committed*, *assigned* or *unassigned* as follows:

- Nonspendable for prepaids-\$39,564
- Restricted due to external and third party restrictions or regulations- \$586,225,728
- Committed for particular purposes by SBCTA board action-\$2,447,646
- Assigned for specific purposes-\$9,020,978
- Unassigned (deficit)-(\$29,647,825)

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

The following information pertains 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 \$9,039,754 which represents a \$1,758,039 decrease from the previous fiscal year. The decrease in fund balance was attributed to the reclassification of the council of governments to a special revenue fund. Total fund balance of the general fund was either *nonspendable* (\$18,776 for prepaid items), or *assigned* (\$9,020,978 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 \$6,402,506 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit was attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2018.

Federal Transit Administration Special Revenue Fund

The federal transit administration special revenue fund reported an unassigned fund deficit of \$65,202 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit was attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2018.

State Highway Special Revenue Fund

The state highway special revenue fund reported an unassigned fund deficit of \$10,517,156 at the end of the fiscal year. The fund primarily accounts for reimbursement of program expenditures and the deficit was attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2018.

Proposition 1B Special Revenue Fund

The proposition 1B special revenue fund had a fund balance increase of \$959,895 from the previous fiscal year. The increase is due to receiving additional awards for certain capital projects in project delivery and rail exceeding expenses incurred as of June 30, 2018. Total fund balance of \$23,430,403 was reported as restricted fund balance at June 30, 2018.

Local Transportation Fund Special Revenue Fund

The fund balance of the local transportation fund special revenue fund decreased by \$5,932,180 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. Total fund balance of \$87,882,428 was reported as *restricted* fund balance at June 30, 2018.

State Transit Assistance Fund Special Revenue Fund

The fund balance of the state transit fund special revenue fund was \$60,793,282 at the end of the fiscal year which represents a \$6,666,824 increase. The increase in fund balance was attributed to revenues received from the State which exceed expenditures for rail projects and due in part to receiving a new funding source, State of Good Repair, as a result of the new Senate Bill 1- transportation funding that went into effect on November 2017. Total fund balance is reported as *restricted* at June 30, 2018.

1990-2010 Measure I Special Revenue Fund

The 1990-2010 Measure I special revenue fund had a decrease in fund balance of \$3,009,947 from the previous fiscal year. The total fund balance of \$12,829,611 was *restricted* at June 30, 2018. The decrease was caused by 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 \$58,469,560 from the previous fiscal year. The total fund balance of \$387,782,546 was *restricted* at June 30, 2018. The increase in fund balance was largely due to sales tax revenues and interest earnings exceeding capital improvement outlays.

Debt Service Fund

At the end of the fiscal year, the fund balance of the debt service fund was \$5,321,387 which represents a \$159,406 increase from the previous fiscal year. The increase was due to setting aside funds for the payment of interest and principal payments, 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 reported an unassigned fund deficit of \$11,942,697 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit was attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2018.

General Fund Budgetary Highlights

The net difference between the original budget for expenditure appropriations and the final budget was an increase of \$6,103,692. The largest general fund appropriation increase was primarily attributed to an anticipated increase in spending for rail projects.

During the fiscal year, actual revenues were higher than budgetary estimated revenues by \$116,049. The increase in revenues was primarily due to an increase in anticipated sales tax and interest revenue. Actual expenditures were less than budgetary appropriations by \$22,436,004. The most significant budgetary appropriation variance between the final budget and actual amount was attributed to transit program. The variance of \$11,617,315 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, 2018 is \$163,426,341 (net of accumulated depreciation and payables for several capital projects). Capital assets include land, land improvements, construction in progress buildings, equipment, vehicles, and software. The following is a summary of capital assets (net of depreciation) at June 30, 2018 and 2017:

Capital Assets (net of depreciation)

	Governmental Activities	
	2018	2017
Governmental activities		
Land	\$ 67,818,087	\$ 62,555,511
Construction in progress	54,616,129	90,288,324
Buildings	8,560,295	3,903,980
Improvements to land	14,339,013	-
Infrastructure	20,496,306	-
Equipment, vehicles, and software	1,371,162	322,569
Total capital assets	<u>\$ 167,200,992</u>	<u>\$ 157,070,384</u>

The net increase in capital assets for the fiscal year was \$10,130,608. The net change in capital assets is attributed to a \$16.2 million addition in construction in progress related primarily to three large projects: Redlands Passenger Rail Project, I-10 Express Lanes, and I-15 Express Lanes.

Other capital asset activity included reclassifying two pedestrian undercrossings projects that were completed in prior years and the completion of the Downtown San Bernardino Passenger Rail Project, which decreased construction in progress and had a corresponding increased in Land, Buildings, Improvements to Land, Infrastructure, and Equipment. Improvements to land include EV charging stations, canopies, parking lots, and signage. Infrastructure includes overpass, undercrossings, platforms, and rail stations.

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, 2018 and 2017:

	Governmental Activities	
	2018	2017
Governmental activities		
Sales tax revenue bonds	\$ 205,722,467	\$ 210,191,056
Total outstanding bonded debt	<u>\$ 205,722,467</u>	<u>\$ 210,191,056</u>

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 County remains stable, increasing by .68% from the previous year.
- Personal income and personal income per capita increased by 4.5% and 3.9%, respectively from 2015 to 2016 (only information available).
- Unemployment rate for the County continuously decreased from 5.8% to 4.6% from the previous year.
- Measure I sales tax revenue experienced a small decrease due to repayment of previously overstated sales tax revenues by certain retailers. Consequently the Department of Tax and Fee Administration retained the overstated sales tax in 2018. 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, \$163.8 million in 2017, and \$162.9 million in 2018. This represents a 53.5% increase since fiscal year 2010.

Estimated fiscal year 2018/2019 budget revenues are \$556.1 million in comparison to \$383.8 million of the previous year. Measure I sales tax revenues are estimated to be \$162.8 million in comparison to \$161.0 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 2018/2019 are \$733.1 million. The largest portion of the budget is related to project delivery of \$352.8 million and the rail program of \$246.1 million. The adopted budget is balanced utilizing existing restricted fund balances including bond proceeds.

SBCTA is seeking short term financing for the Mount Vernon Viaduct project since it is projected that the project will run into cash flow deficit in mid Fiscal Year 2018/2019 as federal funding is not expected to be available until later in the project. The final financing terms will be presented to the Board of Directors for review and approval during Fiscal Year 2018/2019.

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, San Bernardino, CA 92410-1715.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash and investments	\$ 545,721,933
Accrued interest receivable	2,285,308
Sales taxes receivable	27,859,010
Accounts receivable	6,609,116
Intergovernmental receivable	67,435,714
Deposit receivable	749,650
Prepaid items	39,564
Loans receivable	23,623,074
Land held for resale	1,060,498
Cash and investments-restricted	7,199,055
Capital assets not being depreciated:	
Land	67,818,087
Construction in progress	54,616,129
Capital assets, net of depreciation:	
Buildings	8,560,295
Improvements to land	14,339,013
Infrastructure	20,496,306
Equipment, furniture, software, and vehicles	1,371,162
Total assets	849,783,914
Deferred outflows of resources related to net pension liability	8,437,756
Liabilities	
Accounts payable	28,213,891
Accrued liabilities	360,538
Accrued interest payable	2,964,550
Intergovernmental payable	27,775,167
Unearned revenue	7,181,054
Long-term liabilities:	
Due within one year	5,080,302
Due in more than one year	201,710,291
Net pension liability	14,938,612
Total liabilities	288,224,405
Deferred inflows of resources related to net pension liability	2,217,120
Net position	
Net investment in capital assets	163,426,341
Restricted for:	
Traveler services	4,086,108
Freeway projects	202,740,946
Major street projects	176,309,481
Commuter rail	54,036,487
Transit services	34,848,305
Traffic management and project development	14,936,011
Transportation development act	148,675,710
Unrestricted (deficit)	(231,279,244)
Total net position	\$ 567,780,145

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Governmental
				Activities
Primary government				
Governmental activities:				
General government	\$ 4,451,810	\$ 873,886	\$ 249,827	\$ (3,328,097)
Environment and energy conservation	4,100,630	-	6,679,586	2,578,956
Commuter and motorist assistance	6,787,391	-	3,213,447	(3,573,944)
Regional and subregional planning	3,063,247	-	1,032,732	(2,030,515)
Transit	139,490,342	-	28,822,983	(110,667,359)
Project delivery	119,064,025	-	93,199,145	(25,864,880)
Fund administration	56,315,916	-	1,234,708	(55,081,208)
Interest and fiscal charges	7,882,329	-	-	(7,882,329)
Total governmental activities	<u>\$ 341,155,690</u>	<u>\$ 873,886</u>	<u>\$ 134,432,428</u>	<u>(205,849,376)</u>
General revenues:				
Sales tax-Measure I				162,945,073
Sales tax-local transportation fund				95,064,513
Unrestricted investment earnings				5,050,075
Miscellaneous				1,318,612
Gain (loss) on sale of assets				<u>(194,724)</u>
Total general revenues				<u>264,183,549</u>
Change in net position				58,334,173
Net position at beginning of year				<u>509,445,972</u>
Net position at end of year				<u>\$ 567,780,145</u>

See accompanying notes to financial statements



Freeway Service Patrol (FSP) vehicle helping reduce traffic congestion and improve air quality on one of the most congested areas that currently exists in the County.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2018

		Special Revenue	
	General	Federal Highway	Federal Transit Administration
Assets			
Cash and investments	\$ 5,112,954	\$ -	\$ -
Accrued interest receivable	101,729	1,624	-
Sales taxes receivable	278,590	-	-
Accounts receivable	25,010	-	-
Intergovernmental receivable	-	18,187,912	127,496
Deposit receivable	663,350	10,300	-
Due from other funds	6,877,991	-	-
Prepaid items	18,776	-	-
Land held for resale	-	149,672	-
Loans receivable	-	-	-
Advances to other funds	-	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 13,078,400</u>	<u>\$ 18,349,508</u>	<u>\$ 127,496</u>
Liabilities			
Accounts payable	\$ 2,250,301	\$ 8,546,253	\$ 98,389
Accrued liabilities	272,106	-	-
Intergovernmental payable	1,516,239	1,553,591	-
Due to other funds	-	8,249,664	29,107
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>4,038,646</u>	<u>18,349,508</u>	<u>127,496</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	-	6,402,506	65,202
Fund balances (deficits)			
Nonspendable-prepaid items	18,776	-	-
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	-	-	-
Assigned:			
General administration	2,891,900	-	-
Regional and subregional planning	3,760,071	-	-
Rail	2,369,007	-	-
Unassigned (deficits)	-	(6,402,506)	(65,202)
Total fund balances (deficits)	<u>9,039,754</u>	<u>(6,402,506)</u>	<u>(65,202)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,078,400</u>	<u>\$ 18,349,508</u>	<u>\$ 127,496</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
\$ -	\$ 23,255,829	\$ 76,329,506	\$ 58,854,443	\$ 13,276,570	\$ 355,997,523	\$ -
7,342	14,721	558,189	402,348	39,190	1,133,652	-
-	-	-	-	-	27,580,420	-
-	-	-	-	-	-	-
12,925,250	528,437	15,617,733	6,200,911	-	-	-
76,000	-	-	-	-	-	-
-	-	-	-	-	27,729,393	-
-	-	-	-	-	-	-
-	-	-	-	30,513	591,254	-
-	-	-	-	-	-	-
-	-	-	-	-	4,709,232	-
-	-	-	-	-	-	5,321,387
<u>\$ 13,008,592</u>	<u>\$ 23,798,987</u>	<u>\$ 92,505,428</u>	<u>\$ 65,457,702</u>	<u>\$ 13,346,273</u>	<u>\$ 417,741,474</u>	<u>\$ 5,321,387</u>
\$ 985,918	\$ 137,918	\$ -	\$ -	\$ 268,657	\$ 9,512,391	\$ -
10,415	-	-	-	-	66,113	-
-	21,160	-	2,409,429	248,005	20,378,896	-
12,012,259	-	4,623,000	2,254,991	-	1,528	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>13,008,592</u>	<u>159,078</u>	<u>4,623,000</u>	<u>4,664,420</u>	<u>516,662</u>	<u>29,958,928</u>	<u>-</u>
<u>10,517,156</u>	<u>209,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	200,321,874	-
-	-	-	-	10,094,309	115,248,991	-
-	23,430,403	-	-	-	28,057,107	-
-	-	-	-	-	31,953,865	-
-	-	-	-	2,735,302	12,200,709	-
-	-	87,882,428	60,793,282	-	-	-
-	-	-	-	-	-	5,321,387
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(10,517,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(10,517,156)</u>	<u>23,430,403</u>	<u>87,882,428</u>	<u>60,793,282</u>	<u>12,829,611</u>	<u>387,782,546</u>	<u>5,321,387</u>
<u>\$ 13,008,592</u>	<u>\$ 23,798,987</u>	<u>\$ 92,505,428</u>	<u>\$ 65,457,702</u>	<u>\$ 13,346,273</u>	<u>\$ 417,741,474</u>	<u>\$ 5,321,387</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2018

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 5,394,043	\$ 7,501,065	\$ 545,721,933
Accrued interest receivable	6,076	20,437	2,285,308
Sales taxes receivable	-	-	27,859,010
Accounts receivable	6,562,548	21,558	6,609,116
Intergovernmental receivable	6,650,463	7,197,512	67,435,714
Deposit receivable	-	-	749,650
Due from other funds	-	-	34,607,384
Prepaid items	-	20,788	39,564
Land held for resale	289,059	-	1,060,498
Loans receivable	23,487,900	135,174	23,623,074
Advances to other funds	-	-	4,709,232
Cash and investments-restricted	1,877,668	-	7,199,055
Total assets	<u>\$ 44,267,757</u>	<u>\$ 14,896,534</u>	<u>\$ 721,899,538</u>
Liabilities			
Accounts payable	\$ 2,712,411	\$ 3,701,653	\$ 28,213,891
Accrued liabilities	806	11,098	360,538
Intergovernmental payable	995,588	652,259	27,775,167
Due to other funds	6,470,085	966,750	34,607,384
Advances from other funds	4,709,232	-	4,709,232
Unearned revenue	7,072,515	108,539	7,181,054
Total liabilities	<u>21,960,637</u>	<u>5,440,299</u>	<u>102,847,266</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	33,044,294	727,517	50,966,181
Fund balances (deficits)			
Nonspendable-Prepaid items	-	20,788	39,564
Restricted:			
Traveler services	-	4,086,108	4,086,108
Freeway projects	1,205,523	-	201,527,397
Major street projects	-	-	125,343,300
Commuter rail	-	-	51,487,510
Transit services	-	2,894,440	34,848,305
Traffic management and project development	-	-	14,936,011
Transportation development act	-	-	148,675,710
Debt service	-	-	5,321,387
Committed-Council of governments	-	2,447,646	2,447,646
Assigned:			
General administration	-	-	2,891,900
Regional and subregional planning	-	-	3,760,071
Rail	-	-	2,369,007
Unassigned (deficits)	<u>(11,942,697)</u>	<u>(720,264)</u>	<u>(29,647,825)</u>
Total fund balances (deficits)	<u>(10,737,174)</u>	<u>8,728,718</u>	<u>568,086,091</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,267,757</u>	<u>\$ 14,896,534</u>	<u>\$ 721,899,538</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, 2018

Fund balances-total governmental funds (page 20)	\$ 568,086,091
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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.	167,200,992
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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.	50,966,181
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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.	(2,964,550)
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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	(1,068,126)
Revenue bonds payable	(191,905,000)
Unamortized premium on revenue bonds	(13,817,467)

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	(14,938,612)
Deferred outflows of resources related to pensions	8,437,756
Deferred inflows of resources related to pensions	<u>(2,217,120)</u>

Net position of governmental activities	<u>\$ 567,780,145</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, 2018

		Special Revenue	
	General	Federal Highway	Federal Transit Administration
Revenues			
Sales tax-Measure I	\$ 1,629,451	\$ -	\$ -
Sales tax-local transportation fund	-	-	-
Intergovernmental	11,000	36,053,753	719,867
Charges for services	671,639	-	-
Special assessments	-	-	-
Investment earnings	157,434	8,350	-
Miscellaneous	201,552	-	-
Total revenues	<u>2,671,076</u>	<u>36,062,103</u>	<u>719,867</u>
Expenditures			
Current:			
General government	1,974,082	-	-
Environment and energy conservation	-	-	-
Commuter and motorist assistance	-	1,338,264	468,819
Regional and subregional planning	885,590	-	-
Transit	30,505,814	-	-
Project delivery	-	33,811,018	-
Fund administration	456,784	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	<u>3,479,584</u>	<u>2,058,208</u>	<u>-</u>
Total expenditures	<u>37,301,854</u>	<u>37,207,490</u>	<u>468,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,630,778)</u>	<u>(1,145,387)</u>	<u>251,048</u>
Other financing sources (uses)			
Transfers in	35,706,756	-	-
Transfers out	(2,834,017)	(1,555,259)	-
Gain (loss) on sale of assets	-	(40,424)	-
Total other financing sources (uses)	<u>32,872,739</u>	<u>(1,595,683)</u>	<u>-</u>
Net change in fund balances	<u>(1,758,039)</u>	<u>(2,741,070)</u>	<u>251,048</u>
Fund balances (deficits) beginning of year	<u>10,797,793</u>	<u>(3,661,436)</u>	<u>(316,250)</u>
Fund balances (deficits) end of year	<u>\$ 9,039,754</u>	<u>\$ (6,402,506)</u>	<u>\$ (65,202)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,315,622	\$ -
-	-	95,064,513	-	-	-	-
3,107,103	4,621,654	-	19,380,882	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,386	269,524	684,937	508,427	87,420	2,479,165	4,261
-	-	-	-	-	-	-
<u>3,147,489</u>	<u>4,891,178</u>	<u>95,749,450</u>	<u>19,889,309</u>	<u>87,420</u>	<u>163,794,787</u>	<u>4,261</u>
-	-	-	-	-	546,188	-
-	-	-	-	-	272,443	-
-	-	-	-	-	577,938	-
35,292	-	-	-	-	1,055,425	-
-	1,872,315	74,173,361	5,169,443	-	18,969,169	-
1,126,699	531,592	-	-	3,133,788	30,992,767	-
1,234,709	-	-	-	-	54,373,998	-
-	-	-	-	-	-	3,365,000
-	-	-	-	-	-	9,026,801
-	1,538,487	-	-	-	8,679,119	-
<u>2,396,700</u>	<u>3,942,394</u>	<u>74,173,361</u>	<u>5,169,443</u>	<u>3,133,788</u>	<u>115,467,047</u>	<u>12,391,801</u>
<u>750,789</u>	<u>948,784</u>	<u>21,576,089</u>	<u>14,719,866</u>	<u>(3,046,368)</u>	<u>48,327,740</u>	<u>(12,387,540)</u>
-	11,471	-	-	43,544	47,266,841	12,546,946
(1,497,766)	(360)	(27,508,269)	(8,053,042)	-	(37,004,798)	-
-	-	-	-	(7,123)	(120,223)	-
<u>(1,497,766)</u>	<u>11,111</u>	<u>(27,508,269)</u>	<u>(8,053,042)</u>	<u>36,421</u>	<u>10,141,820</u>	<u>12,546,946</u>
(746,977)	959,895	(5,932,180)	6,666,824	(3,009,947)	58,469,560	159,406
(9,770,179)	22,470,508	93,814,608	54,126,458	15,839,558	329,312,986	5,161,981
<u>\$ (10,517,156)</u>	<u>\$ 23,430,403</u>	<u>\$ 87,882,428</u>	<u>\$ 60,793,282</u>	<u>\$ 12,829,611</u>	<u>\$ 387,782,546</u>	<u>\$ 5,321,387</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Sales tax-Measure I	\$ -	\$ -	\$ 162,945,073
Sales tax-local transportation fund	-	-	95,064,513
Intergovernmental	8,613,213	9,427,043	81,934,515
Charges for services	-	2,060	673,699
Special assessments	-	200,187	200,187
Investment earnings	755,069	55,102	5,050,075
Miscellaneous	875,906	241,151	1,318,609
Total revenues	<u>10,244,188</u>	<u>9,925,543</u>	<u>347,186,671</u>
Expenditures			
Current:			
General government	-	929,220	3,449,490
Environment and energy conservation	440,917	3,241,705	3,955,065
Commuter and motorist assistance	-	3,317,530	5,702,551
Regional and subregional planning	106,557	755,883	2,838,747
Transit and passenger rail	1,521,577	-	132,211,679
Project delivery	3,325,728	186,819	73,108,411
Fund administration and programming	137,058	-	56,202,549
Debt Service:			
Principal	-	-	3,365,000
Interest and fiscal charges	-	-	9,026,801
Capital outlay	389,973	99,600	16,244,971
Total expenditures	<u>5,921,810</u>	<u>8,530,757</u>	<u>306,105,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,322,378</u>	<u>1,394,786</u>	<u>41,081,407</u>
Other financing sources (uses)			
Transfers in	6,786,449	2,798,900	105,160,907
Transfers out	(26,707,396)	-	(105,160,907)
Gain (loss) on sale of assets	(26,954)	-	(194,724)
Total other financing sources (uses)	<u>(19,947,901)</u>	<u>2,798,900</u>	<u>(194,724)</u>
Net change in fund balances	(15,625,523)	4,193,686	40,886,683
Fund balances (deficits) beginning of year	4,888,349	4,535,032	527,199,408
Fund balances (deficits) end of year	<u>\$ (10,737,174)</u>	<u>\$ 8,728,718</u>	<u>\$ 568,086,091</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, 2018

Net changes in fund balances-total governmental funds (page 24)	\$ 40,886,683
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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:

General capital assets - capital outlay	74,329
Construction in progress - capital outlay	16,170,642
Donated construction in progress	61,322
Depreciation	(4,268,303)
Current year program expenditures related to capital assets adjustments	(3,377,793)
Donated assets	1,470,411

Net changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	3,577,381
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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:

Principal payments on sales tax revenue bonds	3,365,000
Amortization of premium on sales tax revenue bonds	1,103,589

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	(173,305)
Changes in accrued interest on sales tax revenue bonds	40,883
Changes in net pension liability and related deferred inflows/outflows of resources	(596,666)
Change in net position of governmental activities	<u>\$ 58,334,173</u>

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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, the County of San Bernardino local transportation authority, service authority for freeway emergencies, and local congestion management agency. San Bernardino Associated Governments (SANBAG) was established in 1973 for the purpose of improving and coordinating certain governmental services on a countywide subregional basis. The joint powers authority will continue to exist for the purpose of performing council of governments' functions for the County of San Bernardino. SANBAG is included as a blended component unit due to its governing body being the same as the governing body of SBCTA and there is a financial benefit relationship between SBCTA and SANBAG. Separate financial statements are not issued for SANBAG. SANBAG is currently known as the San Bernardino Council of Governments (SBCOG). The balances and activities of SBCOG are reported in the nonmajor governmental funds of the SBCTA financial statements.

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.

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 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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.

Fund financial statements for the primary government's governmental 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.

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 local transportation fund and transit assistance fund for various rail projects, rail assets, Measure I administration, modeling fees and congestion management program. During fiscal year 2018, management transferred approximately \$2.8 million related to council of government activities from the general fund to nonmajor governmental funds.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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, demonstration high priority programs, and highway bridge program.

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.

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 and valley traffic management environmental enhancement.

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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. Expenditures incurred in 2017-18 funded by this grant are for the transit marketing and fare subsidies for mountain/desert operators.

Low Carbon Transportation Special Revenue Fund

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

State Alternative Renewable Fuel and Vehicle Technology Program Special Revenue Fund

This *special revenue fund* accounts for state funding to implement clean energy, energy efficiency, and alternative fuels 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, the 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.

South Coast Air Quality Management District (SCAQMD) Mobile Source Air Pollution Reduction Review Committee (MSRC) Special Revenue Fund

This *special revenue fund* accounts for funding to reduce vehicle emissions. Funds are distributed to Southern California Associated Governments (SCAG) to promote reduction of vehicle emissions.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

Council of Governments Fund

This *special revenue fund* accounts for funding for council of government activities. Funds include special assessment dues, fees to administer the Property Assessed Clean Energy program, and greenhouse gas.

Electric Vehicle Charging Station Fund

This *special revenue fund* accounts for funds received from users of electric car charging stations owned by SBCTA. The stations are currently located at the Santa Fe Depot and additional stations are planned for other locations throughout San Bernardino County.

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 resources*. 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*. 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 collected 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. Investment earnings are recognized when earned. All other revenue items are considered to be measurable when cash is received by SBCTA. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Debt service expenditures, compensated absences, pension expense, and claims and judgments are recorded 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.

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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

- 1) Transfers from one line item to another within the task and same fund, or changes between tasks within 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) Change of sales tax revenue which affects the Measure I Pass-Through allocation to the various participating agencies.
- 4) Substitution of one approved funding source/grant for another approved funding source grant within a program, not-to-exceed \$1 million.

Board Approved Amendments

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 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, 2018, no expenditures exceeded appropriations. However, the General Fund operating transfers appeared over budget due to a transfer to move the Council of Governments fund to a special revenue fund.

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, the Local Agency Investment Fund (LAIF), and California Asset Management Program (CAMP). 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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. CAMP is carried at cost. 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 land acquired as part of a large 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 Governmental Accounting Standards Board (GASB) Statement No. 72.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure, 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. Costs for construction related to capital assets that are owned by or will be maintained by other governments are expensed in the governmental fund and government wide statements.

Outstanding bonds issued do not impact the calculation of net investment in capital assets since the asset is not retained by SBCTA. 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 and building improvements, improvements to land, equipment and furniture, vehicles, software, 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:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

<u>Type of asset</u>	<u>Useful life</u>
Building and building improvements	40 years
Call box network and communications	10 years
Computer network	5 years
Equipment, furniture, software, and vehicles	5 to 7 years
Electric vehicle charging stations	10 years
Improvements to land	10 to 30 years
Infrastructure	30 to 60 years
Train cars	25 years

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 project delivery program expenditures. These expenditures are recorded in the governmental funds and 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.

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, 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 pension, 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 utilizes a net position presentation.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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 fund 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 then unassigned.

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 fund types: General, Special Revenue, Debt Service, and Capital Projects. 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, prepaid amounts.

Restricted

This includes amounts with constraints on their use that either are (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, 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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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 positive residual in the general fund and deficits in the other governmental funds.

SBCTA also uses budget and financial policy to authorize the assignment of fund balance, which is done through adoption of the budget and subsequent budget amendments throughout the year.

H. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include:

- 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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 Interstate 15(I-15)/Interstate 215 (I-215) 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% percent retail sales tax collected countywide. The quarter cent is returned by the State Department of Tax and Fee Administration 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.

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.

I. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term 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.

J. 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 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.

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Notes to the Financial Statements

June 30, 2018

K. 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.

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 \$167,200,992 are as follows:

Land	\$ 67,818,087
Construction in progress	54,616,129
Building and building improvements	10,570,830
Infrastructure	23,113,023
Improvements to land	15,355,175
Equipment, furniture, software, and vehicles	5,486,234
Less: Accumulated depreciation	<u>(9,758,486)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 167,200,992</u></u>

3. DEFICIT FUND EQUITY

At June 30, 2018, the Federal Highway special revenue fund had a deficit fund balance of \$6,402,506, Federal Transit Administration special revenue fund had a deficit fund balance of \$65,202, State Highway special revenue fund had a deficit fund balance of \$10,517,156, and the Capitals Project special revenue fund had a deficit fund balance of \$10,737,174. The Low Carbon Transportation fund, State Alternative Renewable Fuel and Vehicle Technology Program fund, and SCAQMD Mobile Source Air Pollution Reduction Review Committee, nonmajor funds, had a deficit fund balance of \$413,709, \$521, and \$285,246, 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 revenue.

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Notes to the Financial Statements

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4. CASH AND INVESTMENTS

Cash and investments at June 30, 2018 consist of the following:

	Unrestricted			Restricted	Grand
	Cash	Investments	Total	Investments	Total
Cash in bank	\$ 85,444,761	\$ -	\$ 85,444,761	\$ -	\$ 85,444,761
Petty cash	1,000	-	1,000	-	1,000
San Bernardino county pool	261,915,333	-	261,915,333	-	261,915,333
Local agency investment fund	7,071,949	-	7,071,949	-	7,071,949
California asset management program	98,006,754		98,006,754	-	98,006,754
Investments with custodian	-	93,282,136	93,282,136	-	93,282,136
Investments with fiscal agent	-	-	-	7,199,055	7,199,055
	<u>\$ 452,439,797</u>	<u>\$ 93,282,136</u>	<u>\$ 545,721,933</u>	<u>\$ 7,199,055</u>	<u>\$ 552,920,988</u>

Investments Authorized

SBCTA Investment policy 20100 complies with and is more restrictive than applicable state statutes and 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 \$65 million	No Limit
California asset management program	N/A	No Limit	No Limit
Supranationals	5 years	30%	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.

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Notes to the Financial Statements

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Investment Type	Amount Reported	Weighted Average Maturity (in Years)
U.S. Treasuries	\$ 26,141,942	2.21
U.S. government sponsored enterprise securities:		
FHLB	2,381,472	1.43
FHLMC	2,728,626	1.95
FNMA	23,774,608	1.52
Corporate notes	18,789,455	1.79
Certificate of deposits	13,313,935	1.24
Commercial paper	5,860,102	0.35
Money market mutual funds	7,491,052	0.10
Total	<u>\$ 100,481,192</u>	

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.

California Law and SBCTA investment policy 20100 (which is more restrictive than state law) place limitations on the purchase of investments. Purchases of commercial paper, banker's acceptances, and negotiable certificates of deposit are restricted to issuers rated in one nationally recognized statistical rating organization (NRSRO). For an issuer of short-term debt, the rating must be in the highest category while an issuer of medium-term corporate notes must have a minimum letter rating of "A". Negotiable certificates of deposit must have a minimum letter rating of "A for long-term, and "A-1" for short-term. Money markets shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

Presented in the following table are the Standard & Poor's credit ratings for SBCTA's investments which are all within policy limits:

Investment Type	Total as of June 30, 2018	AAA	AA	A-1/A-1+	Not Rated
U.S. Treasuries ⁽¹⁾	\$ 26,141,942	\$ -	\$ -	\$ -	\$ -
U.S. government sponsored enterprise securities					
FHLBB	2,381,472	-	2,381,472	-	-
FHLMC	2,728,626	-	2,728,626	-	-
FNMA	23,774,608	-	23,774,608	-	-
Corporate notes	18,789,455	1,870,037	6,687,969	10,231,449	-
Certificate of deposits	13,313,935	-	3,090,537	10,223,398	-
Commercial paper	5,860,102	-	-	5,860,102	-
Money market mutual funds	7,491,052	1,877,667	-	-	5,613,385
Total	<u>\$ 100,481,192</u>	<u>\$ 3,747,704</u>	<u>\$ 38,663,212</u>	<u>\$ 26,314,949</u>	<u>\$ 5,613,385</u>

⁽¹⁾ Exempt from disclosure.

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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, 2018:

Investment Type	Amount as of June 30, 2018	Level 1	Level 2
US treasuries	\$ 26,141,942	\$ 26,141,942	\$ -
US government sponsored enterprise securities			
FHLBB	2,381,472	-	2,381,472
FHLMC	2,728,626	-	2,728,626
FNMA	23,774,608	-	23,774,608
Corporate notes	18,789,455	-	18,789,455
Certificate of deposits	13,313,935	-	13,313,935
Commercial paper	5,860,102	-	5,860,102
Money market mutual funds	7,491,052	-	7,491,052
Subtotal	<u>100,481,192</u>	<u>\$ 26,141,942</u>	<u>\$ 74,339,250</u>
Other investments not subject to fair measures classification:			
Local agency investment fund	7,071,949		
California asset management program	98,006,754		
San bernardino county pool	261,915,333		
	<u>\$ 467,475,228</u>		

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. No investments are classified as level 3.

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 fair 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.

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SBCTA uses an independent third-party custodian/safekeeper to domicile the securities in its portfolio. SBCTA uses MUFG 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, 2018, SBCTA has bank deposits within two separate bank accounts with a total balance of \$96,072,892 of which \$500,000 is federally insured, \$95,419,098 is collateralized in accordance with the Government Code Section 53630, and \$153,794 is not collateralized. This amount is not collateralized because the property management firm's bank is merging with another financial institution, which will collateralize the full balance upon completion of the merger.

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 value. Fair 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.

California Asset Management Program

SBCTA is a voluntary participant in the California Asset Management Program (CAMP). CAMP is a permitted investment for all local agencies under California Government Code Section 53601(p) and is directed by the Board of Trustees. The Board is composed of experienced local government finance directors and treasurers. The program funds are recorded at cost basis.

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 due to external reimbursements for project costs not being received within the fiscal year.

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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, 2018:

Receivable Fund	Payable Fund	Amount
General fund	Local transportation fund	\$ 4,623,000
	State transit assistance fund	2,254,991
2010-2040 Measure I	Federal highway	8,249,664
	Federal transit administration	29,107
	State highway	12,012,259
	2010-2040 Measure I	1,528
	Capital projects	6,470,085
	Nonmajor governmental funds	966,750
Total		<u>\$ 34,607,384</u>

B. Advances to and from

SBCTA has approved three interfund loans which are recorded as advances to other funds in the 2010-2040 Measure I special revenue fund and advances from other funds in the capital projects fund as follows:

- 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, 2018 is \$4,404,716.
- An interest-bearing interfund loan for the City of Highland based on the allocation of Measure I Major Street Program - Arterial Sub-Program funds. The interfund loan amount as of June 30, 2018 is \$233,223.
- An interest-bearing interfund loan for the City of Redlands based on the allocation of Measure I Major Street Program - Arterial Sub-Program funds. The interfund loan amount as of June 30, 2018 is \$71,293.

The following are the advances to and advances from balances as of June 30, 2018:

Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Capital projects	<u>\$ 4,709,232</u>

C. 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 General Fund-LTF to reclass project management fees, (3) move funds to General Fund-LTF from Capital Projects to maximize local funding, (4) transfer funds to Proposition 1B fund from General-LTF to reclass salaries, (5) expenditures reclassified to 2010-2040 Measure I fund from Proposition 1B fund due to revision of percentages for funding I-10 Pepper, (6) move expenditures from 1990-2010 Measure I to Federal Highway to maximize use of Congestion Mitigation and Air Quality (CMAQ) funds for the Bi-County project, (7) move expenditures from 2010-2040 Measure I fund to general fund for payment of program management fees,

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(8) move funds to 2010-2040 Measure I from federal highway to maximize use of CMAQ funds for the Bi-County project, (9) transfer from State Highway to 2010-2040 Measure I to maximize Regional Improvement Program funds and State Transportation Improvement Program (STIP) funds for the Barton Road Interchange Project, (10) transfer within 2010-2040 Measure I funds to close the Project Advance Agreements (PAAs) fund to the arterial fund, (11) transfer funds to 2010-2040 Measure I fund from capital project to maximize Public Utilities Commission (PUC) for the Monte Vista Grade Separation Project, move funds from PAAs to Major Street Bond Fund, and return funds to 2010-2040 Measure I funds from bond funds, (12) transfer from 2010-2040 Measure I to debt service to record interest and principal payment to trustee, (13) transfer from general to capital projects to charge to LTF and Measure I funds, (14) move from Proposition 1B to capital project to maximize use of PUC funds for the Monte Vista Grade Separation Project, (15) move expenditures from 2010-2040 Measure I to capital project to closeout rail bond fund and victor valley major local highway bond fund, and transfer cost to the Freeway program, (16) transfer within capital project funds to correct task (or project) costs, (17) transfer of revision of percentages for funding from MSRC to 2010-2040 Measure I fund, and (18) record transfer from general fund for council of government functions to nonmajor special revenue funds.

Transfers In	Transfers Out	Amount
General fund	Local transportation fund	\$ 27,508,269
	State transit assistance fund	8,053,042
	2010-2040 Measure I	12,691
	Capital projects	132,754
Proposition 1B	General	11,440
	2010-2040 Measure I	31
1990-2010 Measure I	Federal highway	43,544
2010-2040 Measure I	General	9,763
	Federal highway	1,511,714
	State highway	1,497,766
	2010-2040 Measure I	18,592,072
	Capital projects	25,655,527
Debt service	2010-2040 Measure I	12,546,946
Capital projects	General	24,451
	Proposition 1B	359
	2010-2040 Measure I	5,842,522
	Capital projects	919,116
Non-major	2010-2040 Measure I	10,537
	General fund	2,788,363
		<u>\$ 105,160,907</u>

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, 2018 are as follows:

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Jurisdiction	Loan agreement number	Amount
City of Victorville	C11200	\$ 4,404,716
City of Hesperia	C12219	18,762,403
City of Highland	16-1001330	238,579
City of Redlands	C14167	82,202
LAFCO	16-101429	135,174
		<u>\$23,623,074</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 not withheld at the same rate as applied to the State of California. The outstanding loan balance as of June 30, 2018 is \$4,404,716.

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. On June 6, 2018, SBCTA and the City of Hesperia entered into a loan agreement (17-1001629), in the amount of \$18,762,403 that superseded the loan terms of C12219. Per Agreement 17-1001629, the City of Hesperia will pay SBCTA one-tenth of the original loan amount with the first payment due on March 15, 2019 plus accrued interest for the period preceding the annual payment due date. 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, 2018 is \$18,762,403.

Per Agreement 16-1001330, with the City of Highland, SBCTA entered into a 2010-2040 Measure I Valley freeway interchange program term loan agreement for the State Route 210 (SR 210) Baseline Interchange Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed 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, 2018 is \$238,579.

Per cooperative Agreement C14167 with the City of Redlands, SBCTA entered into a 2010-2040 Measure I valley freeway interchange program term loan agreement for the Interstate 10 (I-10) University Street Interchange Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$675,267, which is two-thirds of the estimated local share of project costs. The outstanding loan balance as of June 30, 2018 is \$82,202.

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. The loan amount of \$168,967 was based on improvement costs incurred in fiscal year 2016/2017. The outstanding loan balance as of June 30, 2018 is \$135,174. The loan is due on July 23, 2022.

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Per cooperative Agreement 17-1001704 with the City of Ontario, SBCTA entered into a 2010-2040 Measure I valley freeway interchange program term loan agreement for the I-10 Fourth Street Bridge Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$6,385,514, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate a loan balance until fiscal year 2019/2020. The outstanding loan balance as of June 30, 2018 is \$0.

Per cooperative Agreement 17-1001720 with the City of Upland, SBCTA entered into a 2010-2040 Measure I valley freeway interchange program term loan agreement for the I-10 Monte Vista Interchange Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$1,405,281, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate a loan balance until fiscal year 2019/2020. The outstanding loan balance as of June 30, 2018 is \$0.

Per cooperative Agreement 17-1001721 with the City of Upland, SBCTA entered into a 2010-2040 Measure I valley freeway interchange program term loan agreement for the I-10 Euclid Interchange Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$624,591, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate a loan balance until fiscal year 2019/2020. The outstanding loan balance as of June 30, 2018 is \$0.

Per cooperative Agreement 17-1001719 with the City of Montclair, SBCTA entered into a 2010-2040 Measure I valley freeway interchange program term loan agreement and a local pass thru loan agreement for the I-10 Monte Vista Interchange Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds first and then Local Street Program Pass-Through funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$3,897,667, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate a loan balance until fiscal year 2019/2020. The outstanding loan balance as of June 30, 2018 is \$0.

Per cooperative Agreement 16-1001555 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 (Right of Way phase) Project. Per Article 2.2, SBCTA is authorized to withhold Valley Major Street Program – Arterial Sub-Program funds available to the City to pay the City's share of costs. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The loan will not exceed the amount of \$800,010, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate a loan balance until fiscal year 2019/2020. The outstanding loan balance as of June 30, 2018 is \$0.

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7. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 62,555,511	\$ 5,262,576	\$ -	\$ 67,818,087
Construction in progress	90,288,324	16,231,964	(51,904,159)	54,616,129
Total capital assets, not depreciated	\$ 152,843,835	\$ 21,494,540	\$ (51,904,159)	\$ 122,434,216
Capital assets being depreciated/amortized:				
Buildings and building improvements	\$ 5,569,598	\$ 5,001,232	\$ -	\$ 10,570,830
Improvements to land	-	15,355,175	-	15,355,175
Infrastructure	-	23,113,023	-	23,113,023
Equipment, vehicles, and software	4,332,600	1,339,100	(185,465)	5,486,235
Total capital assets, depreciated	9,902,198	44,808,530	(185,465)	54,525,263
Less accumulated depreciation/amortization for:				
Buildings and building improvements	\$ (1,665,618)	\$ (344,917)	\$ -	\$ (2,010,535)
Improvements to land	-	(1,016,162)	-	(1,016,162)
Infrastructure	-	(2,616,717)	-	(2,616,717)
Equipment, vehicles, and software	(4,010,031)	(290,507)	185,465	(4,115,073)
Total accumulated depreciation/amortization	(5,675,649)	(4,268,303)	185,465	(9,758,487)
Total capital assets, depreciated/amortized	4,226,549	40,540,227	-	44,766,776
Total capital assets, net	\$ 157,070,384	\$ 62,034,767	\$ (51,904,159)	\$ 167,200,992

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

Governmental activities:

General government	\$ 504,915
Environment and energy conservation	56,299
Commuter and motorist assistance	1,743
Transit	3,705,346
Total depreciation expense - governmental activities	<u>\$ 4,268,303</u>

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Construction in Progress consists of the following projects:

	Governmental Activities
Sharepoint upgrade	\$ 15,224
Network servers upgrade	141,902
Electric vehicle charging station installation at the Santa Fe Depot	80,049
Electric vehicle plan design and installation	2,125
Redlands passenger rail project	29,703,176
Rialto metrolink parking lot expansion phase 2	72,929
Gold line extension to City of Montclair	1,303,119
Control point Lilac to control point Rancho double track	505,242
Upland metrolink parking lot expansion	3,553
I-10 corridor express lanes contract 1	8,537,404
I-10 corridor express lanes contract 2	7,686,228
I-15 corridor express lanes	6,565,178
Total	<u>\$ 54,616,129</u>

8. LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year
Governmental activities					
Revenue bonds payable	\$ 195,270,000	\$ -	\$ 3,365,000	\$ 191,905,000	\$ 3,860,000
Unamortized premium on revenue bonds payable	14,921,056	-	1,103,589	13,817,467	1,074,524
Compensated absences	894,821	209,308	36,003	1,068,126	145,778
Project advancement agreements	2,835,749	-	2,835,749	-	-
Net pension liability	<u>13,605,492</u>	<u>1,333,120</u>	<u>-</u>	<u>14,938,612</u>	<u>-</u>
Total long-term liabilities, net	<u>\$ 227,527,118</u>	<u>\$ 1,542,428</u>	<u>\$ 7,340,341</u>	<u>\$ 221,729,205</u>	<u>\$ 5,080,302</u>

The general fund, certain Measure I funds, Local Transportation fund, Council of Government fund, State funding such as Planning, Programming and Monitoring, and Service Authority for Freeway Emergencies fund are used to liquidate pension liabilities.

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, 2018 of \$12,381,300 represents 7.6% of total applicable sales tax revenue, which was \$162,945,073. The future maturities of sales tax revenue bonds payable are as follows:

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Year Ending, June 30,	Principal	Interest	Total
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	5,130,000	8,168,451	13,298,451
2024-2028	32,075,000	36,621,502	68,696,502
2029-2033	45,255,000	27,427,753	72,682,753
2034-2038	61,985,000	15,152,827	77,137,827
2039-2040	30,195,000	2,018,195	32,213,195
	\$ 191,905,000	\$ 123,945,079	\$ 315,850,079

Sales Tax Revenue Bonds of 2012, Series A

The sales tax revenue bonds of \$83,720,000 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
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	2,680,000	3,396,638	6,076,638
2024-2028	15,500,000	14,878,187	30,378,187
2029-2033	19,700,000	10,674,188	30,374,188
2034-2038	24,755,000	5,619,300	30,374,300
2039-2040	11,440,000	712,594	12,152,594
	\$ 83,720,000	\$ 49,946,606	\$ 133,666,606

Sales Tax Revenue Bonds of 2014, Series A

The sales tax revenue bonds of \$108,185,000 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 is from \$4,692,922 to \$10,130,963.

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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
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	2,450,000	4,771,813	7,221,813
2024-2028	16,575,000	21,743,315	38,318,315
2029-2033	25,555,000	16,753,565	42,308,565
2034-2038	37,230,000	9,533,527	46,763,527
2039-2040	18,755,000	1,305,601	20,060,601
	<u>\$ 108,185,000</u>	<u>\$ 73,998,473</u>	<u>\$ 182,183,473</u>

Financial covenant compliance for sales tax revenue bonds is illustrated below:

Sales Tax Revenue Fiscal Year Ended <u>June 30, 2018</u>	Maximum Annual <u>Debt Service</u>	Debt Coverage <u>Ratio</u>
\$ 162,945,073	\$ 16,212,601	10.05 X

Conduit Debt

Beginning in October 2013, SBCTA issued bonds for the Property Assessed Clean Energy Program. The 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, 2018 is \$230,899,747.

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.

SBCTA 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 was 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 was determined in the Measure I 2010-2040 Strategic Plan. These allowable project expenditures were not reimbursed until sufficient Measure I 2010-2040 revenue existed to fund those eligible project reimbursements and until the cities have satisfied any and all necessary project requirements.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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The following summarizes the liability activities that took place in fiscal year 2017/2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Valley freeway interchange	\$ 1,815,540	\$ -	\$ 1,815,540	\$ -
Valley major street	1,020,209	-	1,020,209	-
Total project advancement agreements	<u>\$ 2,835,749</u>	<u>\$ -</u>	<u>\$ 2,835,749</u>	<u>\$ -</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	-
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 St	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

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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Measure I 2010-2040 Program	Location	Project	Cost Estimate	Measure I Share
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	M errill 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			<u>\$ 188,655,924</u>	<u>\$ 86,162,142</u>

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 exist to fund those eligible project reimbursements and the cities have satisfied any and all necessary project requirements. Project Advancement Agreements were fully paid in fiscal year 2017/2018.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
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June 30, 2018

	Valley		
	Freeway		
	Interchange	Major Street	Total
Cash payments on projects	\$ 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 2017/2018 and represent liquidations of the overall short and long term liability through the use of available Measure I sales tax revenues collected as of June 30, 2018.

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

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	\$ -	\$ 1,598,635
Changes in actuarial assumptions	3,826,071	-
Net differences between projected and actual earnings on pension plan investments	541,966	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,965,124	618,485
Employer contributions paid subsequent to measurement date	2,104,595	-
Total	\$ 8,437,756	\$ 2,217,120

As of June 30, 2018 combined pension expense is \$2,690,047 and liability is \$14,938,612.

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. Employees who are appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required is an eligible member of SBCERA, and are provided with pension benefits pursuant to Plan requirements.

Pension costs are categorized as fringe costs. Fringe costs are allocated on a monthly basis to funds that are charged salary expense. Fringe costs are funded with certain Measure I funds, Local Transportation Fund, Council of Government fund, and Service Authority for Freeway Emergencies.

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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 the measurement date. 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.

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.

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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, 2018 ranged between 8.45% and 14.24% for Tier 1 General members, and 8.74% for Tier 2 General members.

Employer contribution rates for the year ended June 30, 2018 are as follows:

	<u>Employer Contribution Rates</u>		<u>Paid by Employer for Employee 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	34.53%	30.09%	100%	0%

The required employer contributions and the amount paid to SBCERA by SBCTA for the year ended June 30, 2018 were \$2,104,595.

Net Pension Liability

At June 30, 2018, SBCTA reported a net pension liability of \$14,926,497 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. 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, 2016 through June 30, 2017, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2017, SBCTA's proportion was .566%, which was an increase of .017% from its proportion measured as of June 30, 2016.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2018, SBCTA recognized pension expense of \$2,749,298 for its proportionate share of SBCERA's pension expense. At June 30, 2018, SBCTA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,596,828
Changes in actuarial assumptions	3,814,440	-
Net differences between projected and actual earnings on pension plan investments	541,966	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,965,124	618,485
Employer contributions paid to SBCERA subsequent to the measurement date	2,104,595	-
Total	<u>\$ 8,426,125</u>	<u>\$ 2,215,313</u>

The \$2,104,595 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, 2019. 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:

2019	\$ 1,211,114
2020	1,374,954
2021	714,041
2022	27,553
2023	649,537
2024	129,017
	<u>\$ 4,106,216</u>

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, 2017
Actuarial cost method	Entry age actuarial cost
Amortization method	Level percent of payroll (3.75% payroll growth assumed)
Investment rate of return	7.25%
Inflation	3.00%
Projected Salary increases	General: 4.50% to 14.50%
Administrative Expenses	0.70% of payroll

Post-retirement mortality is based on the RP-2000 Combined Healthy Mortality Tables projected with Scale BB to 2020. The June 30, 2017 actuarial valuation reflected same type of assumptions compared to the June 30, 2016 actuarial valuation, based on the June 30, 2016 experience study.

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The long-term expected rate of return on pension plan investments is 7.25%. 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

Asset Class	As of June 30, 2017	
	Valuation Date	
	Target	Long-Term
	Allocation	Expected Real
		Rate of Return
		(Arithmetic)
Large Cap U.S. Equity	8.00%	5.61%
Small Cap U.S. Equity	2.00%	6.37%
Developed International Equity	6.00%	6.96%
Emerging Market Equity	6.00%	9.28%
U.S. Core Fixed Income	2.00%	1.06%
High Yield/Credit Strategies	13.00%	3.65%
Global Core Fixed Income	1.00%	7.00%
Emerging Market Debt	6.00%	3.85%
Real Estate	9.00%	4.37%
Cash & Equivalents	2.00%	-0.17%
International Credit	11.00%	6.75%
Absolute Return	13.00%	3.56%
Real Assets	5.00%	6.35%
Private Equity	16.00%	8.47%
Total	100.00%	

Changes in Assumptions

The rate of return assumption decreased from 7.5% to 7.25%, inflation was reduced from 3.25% to 3.00%, and projected salary changed due to inflation of the 3% in the June 30, 2017 funding valuation.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. 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.

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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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SBCTA's proportionate share of the net pension liability	\$ 21,597,951	\$ 14,926,497	\$ 9,439,070

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, CA 95814.

Benefits Provided

PERS provides retirement, disability, death and survivor benefits. The CERL and PEPRRA 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, 2018.

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The required employer contributions and the amount paid to PERS by SBCTA for the year ended June 30, 2018 was \$0 toward the payment of unfunded accrued liability.

Pension Liability

At June 30, 2018 SBCTA reported a net pension liability of \$12,115 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2018, SBCTA recognized pension expense of \$(59,251) for its proportionate share of PERS' pension expense. The amount is negative due to additional payment made towards the unfunded accrued liability. At June 30, 2018, SBCTA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,807
Changes in actuarial assumptions	11,631	-
Employer contributions paid to PERS subsequent to the measurement date	-	-
Total	<u>\$ 11,631</u>	<u>\$ 1,807</u>

There is no amount reported as deferred outflows of resources related to pensions resulting from SBCTA's contributions to PERS subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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:

2019	\$ 2,285
2020	5,501
2021	3,303
2022	<u>(1,265)</u>
	<u>\$ 9,824</u>

At June 30, 2017, SBCTA's proportion was .00141%, which was a decrease of .00003% from its proportion measured as of June 30, 2016. This was based on inactive status of the program.

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, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll (2.75% payroll growth assumed)
Investment rate of return	7.15%
Inflation	2.75%
Projected Salary increases	Varies by entry age and service

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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>	Target	Long-term Expected Real Rate of Return	
	Allocation	Years 1-10 ¹	Years 11+ ²
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

⁽¹⁾ An expected inflation rate of 2.50% was used

⁽²⁾ An expected inflation rate of 3.00% 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 7.15%, 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 (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	1.00% Decrease (6.15%)	Current Discount Rate (7.15%)	1.00% Increase (8.15%)
SBCTA's proportionate share of the net pension liability	\$ 18,875	\$ 12,115	\$ 5,476

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.

10. COMMITMENTS

Transportation

Outstanding Contracts

As of June 30, 2018, 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 \$609.3 million at June 30, 2018.

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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.

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

As of June 30, 2018, SBCTA received a total of \$40,239,430 in PTMISEA funds and are accounted for in the Proposition 1B fund. These funds are designated to be used as follows:

Purpose	Amount
Three rail cars to and for Metrolink operations	\$ 5,500,000
Replacement of paratransit vehicles by SBCTA-City of Barstow	420,000
Barstow bus stop reconstruction project	2,232,701
Metrolink positive train control	3,309,525
Rialto metrolink parking lot expansion project	1,500,000
San Bernardino downtown passenger rail project	6,419,844
Redlands passenger rail project (three separate allocations)	19,108,873
Double track project for San Gabriel Subdivision	1,548,487
Needles intermodal transit center	200,000
Total	<u>\$ 40,239,430</u>

Furthermore, a total of \$11,453,081 has been received in Transit System Safety Security and Disaster Response Account (TSSSDRA) funding which has been recorded in the Proposition 1B fund as follows:

Purpose	Amount
Downtown san bernardino passenger rail project - several allocations	\$ 5,738,347
Security surveys	153,727
Redlands passenger rail project (several allocations)	5,061,007
San Bernardino transit center	500,000
Total	<u>\$ 11,453,081</u>

The following summarizes the total disbursements by Fiscal Year for both funding sources:

Fiscal Year	PTMISEA	TSSSDRA	Total
2007-2008	\$ 1,375,000	\$ -	\$ 1,375,000
2009-2010	4,125,000	-	4,125,000
2010-2011	3,659,456	-	3,659,456
2011-2012	-	-	-
2013-2014	1,043,758	-	1,043,758
2014-2015	2,307,954	2,008,902	4,316,856
2015-2016	447,637	2,928,021	3,375,658
2016-2017	6,550,080	1,457,384	8,007,464
2017-2018	764,902	2,645,900	3,410,802
Total	<u>\$ 20,273,787</u>	<u>\$ 9,040,207</u>	<u>\$ 29,313,994</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2018

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 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. There have been no settlements in excess of covered amounts over the prior three years.

13. JOINT VENTURES

SBCTA is one of five members of the Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA) 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 \$13,728,750 during fiscal year 2017/2018 for its share of Metrolink capital and operating costs. The expenditures are recorded in SBCTA's general fund for LTF rail, in the Transit program. Separate financial statements are prepared by and available from the SCRRA at One Gateway Plaza, Floor 12, Los Angeles, CA 90012.

SBCTA executed an agreement in February 2018 to become a member agency of the California Vanpool Authority (CalVans) to provide public vanpool transportation options for the traveling public. There is no financial contribution required to be a member of CalVans. SBCTA also has an agreement with Enterprise Rideshare selected thru procurement process. The participants of the vanpool program may select a vehicle from CalVans or Enterprise Rideshare.

SBCTA executed an agreement with the Metro Gold Line Foothill Extension Construction Authority. The JPA is an independent transportation planning, design, and construction agency created in 1998 by the California State Legislature, SB 1847 to develop the extension of the LA Metro Gold Line from Pasadena to Montclair. The annual membership fee is \$3,000 based on the JPA's needs. On several occasions, the JPA has had this fee suspended and reactivated. Measure I stipulates that SBCTA will contribute funds for the capital improvements and operating costs associated with the Gold Line within the County of San Bernardino. Capital costs are estimated at \$79,000,000 and future operating costs are estimated at \$2.5M per year.

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, 2018

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.

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

SBCTA implemented a PACE program in October 2013 and the 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). The remainder fund balance continues to pay for administrative costs of the existing PACE agreements and to fund other SBCOG activities.

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. 83, *Certain Asset Retirement Obligations* (effective for period fiscal year June 30, 2019). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 84, *Fiduciary Activities* (effective for period fiscal year June 30, 2020). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 87, *Leases* (effective for period fiscal year June 30, 2021). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (effective for period fiscal year June 30, 2019). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (effective for period fiscal year June 30, 2021). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 90, *Accounting and Financial Reporting for Major Equity Interests* (effective for period fiscal year June 30, 2020). SBCTA has not determined the effect of this Statement.

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 1,609,750	\$ 1,428,381	\$ 1,629,451	\$ 201,070
Intergovernmental	-	-	11,000	11,000
Charges for services	462,932	1,126,285	671,639	(454,646)
Investment earnings	-	-	157,434	157,434
Miscellaneous	-	361	201,552	201,191
Total revenues	<u>2,072,682</u>	<u>2,555,027</u>	<u>2,671,076</u>	<u>116,049</u>
Expenditures				
Current:				
General government	3,278,643	3,730,970	1,974,082	1,756,888
Regional and subregional planning	1,393,665	1,394,290	885,590	508,700
Transit	39,217,453	42,123,129	30,505,814	11,617,315
Project delivery	144,415	144,415	-	144,415
Fund administration	468,104	481,756	456,784	24,972
Capital outlay	<u>9,131,886</u>	<u>11,863,298</u>	<u>3,479,584</u>	<u>8,383,714</u>
Total expenditures	<u>53,634,166</u>	<u>59,737,858</u>	<u>37,301,854</u>	<u>22,436,004</u>
Excess (deficiency) of revenues over (under) expenditures	(51,561,484)	(57,182,831)	(34,630,778)	22,552,053
Other financing sources (uses)				
Transfers in	34,423,507	33,515,111	35,706,756	2,191,645
Transfers out ⁽¹⁾	-	(45,657)	(2,834,017)	(2,788,360)
Total other financing sources (uses)	<u>34,423,507</u>	<u>33,469,454</u>	<u>32,872,739</u>	<u>(596,715)</u>
Net change in fund balances	(17,137,977)	(23,713,377)	(1,758,039)	21,955,338
Fund balances beginning of year	<u>10,797,793</u>	<u>10,797,793</u>	<u>10,797,793</u>	-
Fund balances end of year	<u>\$ (6,340,184)</u>	<u>\$ (12,915,584)</u>	<u>\$ 9,039,754</u>	<u>\$ 21,955,338</u>

⁽¹⁾ Transfers out is due to recording a transfer from the general fund to special revenue fund for COG. A budget adjustment was not done to accommodate this reclassification. This classification mirrors the budget presentation commencing in Fiscal Year 2017/2018.

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 68,906,119	\$ 68,906,119	\$ 36,053,753	\$(32,852,366)
Investment earnings	-	-	8,350	8,350
Total revenues	<u>68,906,119</u>	<u>68,906,119</u>	<u>36,062,103</u>	<u>(32,844,016)</u>
Expenditures				
Current:				
Commuter and motorist assistance	1,420,176	1,420,176	1,338,264	81,912
Project delivery	61,952,090	61,657,787	33,811,018	27,846,769
Capital outlay	<u>5,533,853</u>	<u>4,272,897</u>	<u>2,058,208</u>	<u>2,214,689</u>
Total expenditures	<u>68,906,119</u>	<u>67,350,860</u>	<u>37,207,490</u>	<u>30,143,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,555,259</u>	<u>(1,145,387)</u>	<u>(2,700,646)</u>
Other financing sources (uses)				
Transfers out	-	(1,555,259)	(1,555,259)	-
Gain (loss) on sale of assets	<u>-</u>	<u>-</u>	<u>(40,424)</u>	<u>(40,424)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,555,259)</u>	<u>(1,595,683)</u>	<u>(40,424)</u>
Net change in fund balances	-	-	(2,741,070)	(2,741,070)
Fund balances (deficits) beginning of year	<u>(3,661,436)</u>	<u>(3,661,436)</u>	<u>(3,661,436)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (3,661,436)</u>	<u>\$ (3,661,436)</u>	<u>\$ (6,402,506)</u>	<u>\$ (2,741,070)</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,244,300	\$ 1,884,300	\$ 719,867	\$ (1,164,433)
Expenditures				
Commuter and motorist assistance	1,634,300	1,634,300	468,819	1,165,481
Transit	610,000	250,000	-	250,000
Total expenditures	2,244,300	1,884,300	468,819	1,415,481
Net change in fund balances	-	-	251,048	251,048
Fund balances beginning of year	(316,250)	(316,250)	(316,250)	-
Fund balances end of year	<u>\$ (316,250)</u>	<u>\$ (316,250)</u>	<u>\$ (65,202)</u>	<u>\$ 251,048</u>

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 5,885,000	\$ 9,183,941	\$ 3,107,103	\$ (6,076,838)
Investment earnings	-	-	40,386	40,386
Total revenues	<u>5,885,000</u>	<u>9,183,941</u>	<u>3,147,489</u>	<u>(6,036,452)</u>
Expenditures				
Current:				
Regional and subregional planning	-	35,292	35,292	-
Project delivery	4,615,000	6,416,174	1,126,699	5,289,475
Fund administration	<u>1,270,000</u>	<u>1,234,709</u>	<u>1,234,709</u>	-
Total expenditures	<u>5,885,000</u>	<u>7,686,175</u>	<u>2,396,700</u>	<u>5,289,475</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,497,766	750,789	(746,977)
Other financing sources (uses)				
Transfers out	-	(1,497,766)	(1,497,766)	-
Net change in fund balances	-	-	(746,977)	(746,977)
Fund balances (deficits) beginning of year	<u>(9,770,179)</u>	<u>(9,770,179)</u>	<u>(9,770,179)</u>	-
Fund balances (deficits) end of year	<u>\$ (9,770,179)</u>	<u>\$ (9,770,179)</u>	<u>\$ (10,517,156)</u>	<u>\$ (746,977)</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,231,837	\$ 2,679,430	\$ 4,621,654	\$ 1,942,224
Investment earnings	-	214,997	269,524	54,527
Total revenues	<u>2,231,837</u>	<u>2,894,427</u>	<u>4,891,178</u>	<u>1,996,751</u>
Expenditures				
Current:				
Transit	751,058	3,361,227	1,872,315	1,488,912
Project delivery	2,231,837	2,221,377	531,592	1,689,785
Capital outlay	<u>253,779</u>	<u>2,843,750</u>	<u>1,538,487</u>	<u>1,305,263</u>
Total expenditures	<u>3,236,674</u>	<u>8,426,354</u>	<u>3,942,394</u>	<u>4,483,960</u>
Excess (deficiency) of revenues over (under) expenditures	(1,004,837)	(5,531,927)	948,784	6,480,711
Other financing sources (uses)				
Transfers in	-	-	11,471	11,471
Transfers out	<u>-</u>	<u>(360)</u>	<u>(360)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(360)</u>	<u>11,111</u>	<u>11,471</u>
Net change in fund balances	(1,004,837)	(5,532,287)	959,895	6,492,182
Fund balances (deficits) beginning of year	<u>22,470,508</u>	<u>22,470,508</u>	<u>22,470,508</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 21,465,671</u>	<u>\$ 16,938,221</u>	<u>\$ 23,430,403</u>	<u>\$ 6,492,182</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-local transportation fund	\$ 62,095,552	\$ 96,519,059	\$ 95,064,513	\$ (1,454,546)
Investment earnings	-	-	684,937	684,937
Total revenues	<u>62,095,552</u>	<u>96,519,059</u>	<u>95,749,450</u>	<u>(769,609)</u>
Expenditures				
Current-transit	<u>86,700,000</u>	<u>92,304,205</u>	<u>74,173,361</u>	<u>18,130,844</u>
Excess (deficiency) of revenues over (under) expenditures	(24,604,448)	4,214,854	21,576,089	17,361,235
Other financing sources (uses)				
Transfers out	-	(27,508,269)	(27,508,269)	-
Net change in fund balances	(24,604,448)	(23,293,415)	(5,932,180)	17,361,235
Fund balances beginning of year	<u>93,814,608</u>	<u>93,814,608</u>	<u>93,814,608</u>	<u>-</u>
Fund balances end of year	<u>\$ 69,210,160</u>	<u>\$ 70,521,193</u>	<u>\$ 87,882,428</u>	<u>\$ 17,361,235</u>

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 9,791,716	\$ 9,791,716	\$ 19,380,882	\$ 9,589,166
Investment earnings	-	-	508,427	508,427
Total revenues	<u>9,791,716</u>	<u>9,791,716</u>	<u>19,889,309</u>	<u>10,097,593</u>
Expenditures				
Current-transit	<u>15,607,550</u>	<u>7,390,286</u>	<u>5,169,443</u>	<u>2,220,843</u>
Excess (deficiency) of revenues over (under) expenditures	(5,815,834)	2,401,430	14,719,866	12,318,436
Other financing sources (uses)				
Transfers out	-	(8,053,042)	(8,053,042)	-
Net change in fund balances	(5,815,834)	(5,651,612)	6,666,824	12,318,436
Fund balances beginning of year	<u>54,126,458</u>	<u>54,126,458</u>	<u>54,126,458</u>	<u>-</u>
Fund balances end of year	<u>\$ 48,310,624</u>	<u>\$ 48,474,846</u>	<u>\$ 60,793,282</u>	<u>\$ 12,318,436</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 29,997	\$ 29,997	\$ 87,420	\$ 57,423
Expenditures				
Current-project delivery	<u>8,814,125</u>	<u>8,931,845</u>	<u>3,133,788</u>	<u>5,798,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,784,128)</u>	<u>(8,901,848)</u>	<u>(3,046,368)</u>	<u>5,855,480</u>
Other financing sources (uses)				
Transfers in	-	-	43,544	43,544
Gain (loss) on sale of assets	<u>-</u>	<u>-</u>	<u>(7,123)</u>	<u>(7,123)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>36,421</u>	<u>36,421</u>
Net change in fund balances	(8,784,128)	(8,901,848)	(3,009,947)	5,891,901
Fund balances beginning of year	<u>15,839,558</u>	<u>15,839,558</u>	<u>15,839,558</u>	<u>-</u>
Fund balances end of year	<u>\$ 7,055,430</u>	<u>\$ 6,937,710</u>	<u>\$ 12,829,611</u>	<u>\$ 5,891,901</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 159,365,250	\$ 158,523,716	\$ 161,315,622	\$ 2,791,906
Investment earnings	2,062,284	2,062,284	2,479,165	416,881
Total revenues	161,427,534	160,586,000	163,794,787	3,208,787
Expenditures				
Current:				
General government	1,647,343	1,756,437	546,188	1,210,249
Environment and energy conservation	733,947	361,947	272,443	89,504
Commuter and motorist assistance	1,699,871	1,714,871	577,938	1,136,933
Regional and subregional planning	1,344,522	1,345,355	1,055,425	289,930
Transit	34,304,704	34,996,728	18,969,169	16,027,559
Project delivery	63,581,181	38,343,091	30,992,767	7,350,324
Fund administration	73,600,936	63,033,949	54,373,998	8,659,951
Capital outlay	23,732,529	19,616,357	8,679,119	10,937,238
Total expenditures	200,645,033	161,168,735	115,467,047	45,701,688
Excess (deficiency) of revenues over (under) expenditures	(39,217,499)	(582,735)	48,327,740	48,910,475
Other financing sources (uses)				
Transfers in	-	-	47,266,841	47,266,841
Transfers out	(12,559,630)	(37,165,477)	(37,004,798)	160,679
Gain (loss) on sale of assets	-	-	(120,223)	(120,223)
Total other financing sources (uses)	(12,559,630)	(37,165,477)	10,141,820	47,307,297
Net change in fund balances	(51,777,129)	(37,748,212)	58,469,560	96,337,995
Fund balances beginning of year	329,312,986	329,312,986	329,312,986	-
Fund balances end of year	\$ 277,535,857	\$ 291,564,774	\$ 387,782,546	\$ 96,337,995

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Pension Information
June 30, 2018

Schedule of SBCTA's Proportionate Share of Net Pension Liability

SBCERA Pension Plan Last 10 Fiscal Years ^{1, 2}					
	<u>June 30, 2018</u>	<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	0.566%	0.549%	0.507%	0.556%	0.491%
SBCTA's proportionate share of net pension liability	14,926,497	13,543,950	9,853,252	9,456,951	9,749,799
SBCTA's covered payroll	6,324,582	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	236.01%	257.73%	206.61%	183.73%	232.80%
SBCERA's fiduciary net position as a percentage of the total pension liability	69.06%	67.91%	71.68%	71.89%	66.34%

Schedule of SBCTA's Contributions

SBCERA Pension Plan Last 10 Fiscal Years ¹					
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	2,104,595	1,963,526	1,915,346	1,464,122	1,380,637
Contributions in relation to contractually required contributions	2,104,595	1,963,526	1,915,346	1,464,122	1,380,637
Contributions deficiency (excess)	-	-	-	-	-
SBCTA's covered payroll	6,565,321	6,324,582	5,255,190	4,769,044	5,147,134
SBCTA's covered payroll contributions as a percentage of covered payroll	32.06%	31.05%	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, 2018</u>	<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	0.00141%	0.00152%	0.00164%	0.00176%	0.00176%
SBCTA's proportionate share of net pension liability	12,115	61,542	44,856	39,108	53,435
SBCTA's covered payroll	N/A	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	N/A
PERS fiduciary net position as a percentage of the total pension liability	68.21%	74.95%	68.20%	74.90%	79.5%

Schedule of SBCTA's Contributions

PERS Pension Plan Last 10 Fiscal Years ¹					
	<u>June 30, 2018</u>	<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	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

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 four types of administrative budget amendments that do not result in an increase to the overall program budget. The first one requires approval of the program/task manager. The second and third one requires approval of the Chief Financial Officer. The fourth one requires approval of the Executive Director.

- 1) Transfers from one line item to another within the task and same fund, or changes between tasks within 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) Change of sales tax revenue which affects the Measure I Pass-Through allocation to the various participating agencies.
- 4) Substitution of one approved funding source/grant for another approved funding sourcegrant 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, 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, 2018, no expenditures exceeded appropriations. However, the General Fund operating transfers appeared over budget due to a transfer to move the Council of Governments from general fund to a special revenue fund.

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.

Changes in assumptions for the San Bernardino County Employees Retirement Association Plan

The rate of return assumption decreased from 7.5% to 7.25%, inflation was reduced from 3.25% to 3.00%, and projected salary changed due to inflation of the 3% in the June 30, 2017 funding valuation.

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.

State Alternative Renewable Fuel and Vehicle Technology Program accounts for expenditures relating to implementing clean energy, energy efficiency, and alternative fuels programs.

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 Air Pollution Reduction Review Committee accounts for expenditures relating to reduction of vehicle emissions.

Council of Governments accounts for expenditures relating to cooperative regional activities.

Electric Vehicle Charging Station accounts for expenditures relating to owning and maintaining electric car vehicle charging stations.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			
	Low Carbon Transit Operations Program	Low Carbon Transportation Fund	State Alternative Renewable Fuel and Vehicle Technology Program	Service Authority for Freeway Emergencies
Assets				
Cash and investments	\$ 992,842	\$ 105,391	\$ -	\$ 3,933,810
Accrued interest receivable	1,429	500	-	11,164
Accounts receivable	-	-	-	-
Intergovernmental receivable	1,930,574	3,095,994	10,731	330,179
Prepays	-	-	-	-
Loans Receivable	-	-	-	-
Total assets	<u>\$ 2,924,845</u>	<u>\$ 3,201,885</u>	<u>\$ 10,731</u>	<u>\$ 4,275,153</u>
Liabilities				
Accounts payable	\$ 30,405	\$ 3,200,995	\$ 10,731	\$ 110,690
Accrued liabilities	-	-	-	3,258
Intergovernmental payable	-	-	-	76,652
Due to other funds	-	-	-	-
Unearned revenue	-	108,023	-	516
Total liabilities	<u>30,405</u>	<u>3,309,018</u>	<u>10,731</u>	<u>191,116</u>
Deferred inflows of resources				
Unavailable grant and local reimbursements	-	306,576	521	-
Fund balances				
Nonspendable-prepaid items	-	-	-	-
Restricted:				
Traveler services	-	-	-	4,084,037
Transit services	2,894,440	-	-	-
Committed - Council of governments	-	-	-	-
Unassigned (deficits)	-	(413,709)	(521)	-
Total fund balances (deficits)	<u>2,894,440</u>	<u>(413,709)</u>	<u>(521)</u>	<u>4,084,037</u>
Total liabilities and fund balances	<u>\$ 2,924,845</u>	<u>\$ 3,201,885</u>	<u>\$ 10,731</u>	<u>\$ 4,275,153</u>

Special Revenue					
SCAQMD					
Freeway Service Patrol	Active Transportation Program	Mobile Source Air Pollution Reduction Review Committee	Council of Governments	Electric Vehicle Charging Station	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,467,210	\$ 1,812	\$ 7,501,065
-	-	-	7,339	5	20,437
-	-	-	21,304	254	21,558
558,213	161,606	1,104,199	6,016	-	7,197,512
-	-	20,788	-	-	20,788
-	-	-	135,174	-	135,174
<u>\$ 558,213</u>	<u>\$ 161,606</u>	<u>\$ 1,124,987</u>	<u>\$ 2,637,043</u>	<u>\$ 2,071</u>	<u>\$ 14,896,534</u>
\$ 225,458	\$ -	\$ 78,798	\$ 44,576	\$ -	\$ 3,701,653
-	-	-	7,840	-	11,098
-	-	573,800	1,807	-	652,259
332,755	161,606	472,389	-	-	966,750
-	-	-	-	-	108,539
<u>558,213</u>	<u>161,606</u>	<u>1,124,987</u>	<u>54,223</u>	<u>-</u>	<u>5,440,299</u>
-	-	285,246	135,174	-	727,517
-	-	20,788	-	-	20,788
-	-	-	-	2,071	4,086,108
-	-	-	-	-	2,894,440
-	-	-	2,447,646	-	2,447,646
-	-	(306,034)	-	-	(720,264)
-	-	(285,246)	2,447,646	2,071	8,728,718
<u>\$ 558,213</u>	<u>\$ 161,606</u>	<u>\$ 1,124,987</u>	<u>\$ 2,637,043</u>	<u>\$ 2,071</u>	<u>\$ 14,896,534</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, 2018

	Special Revenue			
	Low Carbon Transit Operations Program	Low Carbon Transportation Fund	State Alternative Renewable Fuel and Vehicle Technology Program	Service Authority for Freeway Emergencies
Revenues				
Intergovernmental	\$ 1,930,574	\$ 2,759,190	\$ 10,210	\$ 1,913,069
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	13,478	891	-	24,427
Miscellaneous	-	-	-	7,289
Total revenues	<u>1,944,052</u>	<u>2,760,081</u>	<u>10,210</u>	<u>1,944,785</u>
Expenditures				
Current:				
General government	198,761	-	-	64,019
Environment and energy conservation	-	3,065,767	10,731	-
Commuter and motorist assistance	-	-	-	1,449,171
Regional and subregional planning	-	-	-	-
Project delivery	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>198,761</u>	<u>3,065,767</u>	<u>10,731</u>	<u>1,513,190</u>
Excess (deficiency) of revenues over (under) expenditures	1,745,291	(305,686)	(521)	431,595
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balances	1,745,291	(305,686)	(521)	431,595
Fund balances (deficits) beginning of year	<u>1,149,149</u>	<u>(108,023)</u>	<u>-</u>	<u>3,652,442</u>
Fund balances (deficits) end of year	<u>\$ 2,894,440</u>	<u>\$ (413,709)</u>	<u>\$ (521)</u>	<u>\$ 4,084,037</u>

Special Revenue					
SCAQMD					
Freeway Service Patrol	Active Transportation Program	Mobile Source Air Pollution Reduction Review Committee	Council of Governments	Electric Vehicle Charging Station	Total Nonmajor Governmental Funds
\$ 1,713,371	\$ 159,840	\$ 901,155	\$ 39,634	\$ -	\$ 9,427,043
-	-	-	-	2,060	2,060
-	-	-	200,187	-	200,187
-	-	-	16,295	11	55,102
-	-	-	233,862	-	241,151
<u>1,713,371</u>	<u>159,840</u>	<u>901,155</u>	<u>489,978</u>	<u>2,071</u>	<u>9,925,543</u>
-	-	-	666,440	-	929,220
-	-	952	164,255	-	3,241,705
1,700,372	-	167,987	-	-	3,317,530
-	159,840	596,043	-	-	755,883
-	-	186,819	-	-	186,819
-	-	99,600	-	-	99,600
<u>1,700,372</u>	<u>159,840</u>	<u>1,051,401</u>	<u>830,695</u>	<u>-</u>	<u>8,530,757</u>
12,999	-	(150,246)	(340,717)	2,071	1,394,786
-	-	10,537	2,788,363	-	2,798,900
12,999	-	(139,709)	2,447,646	2,071	4,193,686
(12,999)	-	(145,537)	-	-	4,535,032
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (285,246)</u>	<u>\$ 2,447,646</u>	<u>\$ 2,071</u>	<u>\$ 8,728,718</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,091,282	\$ 1,091,282	\$ 1,930,574	\$ 839,292
Investment earnings	-	-	13,478	13,478
Total revenues	<u>1,091,282</u>	<u>1,091,282</u>	<u>1,944,052</u>	<u>852,770</u>
Expenditures				
Current:				
General government	461,683	461,683	198,761	262,922
Transit	<u>629,599</u>	<u>629,599</u>	-	<u>629,599</u>
Total expenditures	<u>1,091,282</u>	<u>1,091,282</u>	<u>198,761</u>	<u>892,521</u>
Net change in fund balance	-	-	1,745,291	1,745,291
Fund balances (deficits) beginning of year	<u>1,149,149</u>	<u>1,149,149</u>	<u>1,149,149</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 1,149,149</u>	<u>\$ 1,149,149</u>	<u>\$ 2,894,440</u>	<u>\$ 1,745,291</u>

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 4,500,000	\$ 4,500,000	\$ 2,759,190	\$ (1,740,810)
Investment earnings	<u>-</u>	<u>-</u>	<u>891</u>	<u>891</u>
Total revenues	4,500,000	4,500,000	2,760,081	(1,739,919)
Expenditures				
Current-environment and energy conservation	<u>4,500,000</u>	<u>4,500,000</u>	<u>3,065,767</u>	<u>1,434,233</u>
Net change in fund balance	-	-	(305,686)	(305,686)
Fund balances (deficits) beginning of year	<u>(108,023)</u>	<u>(108,023)</u>	<u>(108,023)</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$ (108,023)</u></u>	<u><u>\$ (108,023)</u></u>	<u><u>\$ (413,709)</u></u>	<u><u>\$ (305,686)</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State Alternative Renewable Fuel and Vehicle Technology Program
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 181,000	\$ 10,210	\$ (170,790)
Expenditures				
Current-environment and energy conservation	-	106,000	10,731	95,269
Net change in fund balance	-	75,000	(521)	(75,521)
Fund balances beginning of year	-	-	-	-
Fund balances end of year	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ (521)</u>	<u>\$ (75,521)</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,877,554	\$ 1,883,551	\$ 1,913,069	\$ 29,518
Investment earnings	-	24,427	24,427	-
Miscellaneous	-	-	7,289	7,289
Total revenues	<u>1,877,554</u>	<u>1,907,978</u>	<u>1,944,785</u>	<u>36,807</u>
Expenditures				
Current:				
General government	98,274	98,274	64,019	34,255
Commuter and motorist assistance	<u>1,869,805</u>	<u>2,113,556</u>	<u>1,449,171</u>	<u>664,385</u>
Total expenditures	<u>1,968,079</u>	<u>2,211,830</u>	<u>1,513,190</u>	<u>698,640</u>
Net change in fund balance	(90,525)	(303,852)	431,595	735,447
Fund balances beginning of year	<u>3,652,442</u>	<u>3,652,442</u>	<u>3,652,442</u>	-
Fund balances end of year	<u>\$ 3,561,917</u>	<u>\$ 3,348,590</u>	<u>\$ 4,084,037</u>	<u>\$ 735,447</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,407,617	\$ 1,431,617	\$ 1,713,371	\$ 281,754
Expenditures				
Current-commuter and motorist assistance	<u>1,407,617</u>	<u>1,871,297</u>	<u>1,700,372</u>	<u>170,925</u>
Net change in fund balance	-	(439,680)	12,999	452,679
Fund balances (deficits) beginning of year	<u>(12,999)</u>	<u>(12,999)</u>	<u>(12,999)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (12,999)</u>	<u>\$ (452,679)</u>	<u>\$ -</u>	<u>\$ 452,679</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 360,904	\$ 211,513	\$ 159,840	\$ (51,673)
Expenditures				
Current-regional and subregional planning	360,904	211,513	159,840	51,673
Net change in fund balance	-	-	-	-
Fund balances beginning of year	-	-	-	-
Fund balances end of year	<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 Air Pollution Reduction Review Committee
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,515,960	\$ 2,706,960	\$ 901,155	\$ (1,805,805)
Expenditures				
Current:				
Environment and energy conservation	-	266,000	952	265,048
Commuter and motorist assistance	190,960	190,960	167,987	22,973
Regional and subregional planning	1,325,000	1,325,000	596,043	728,957
Project delivery	1,000,000	1,000,000	186,819	813,181
Capital Outlay	-	-	99,600	(99,600)
Total expenditures	2,515,960	2,781,960	1,051,401	1,730,559
Excess (deficiency) of revenues over (under) expenditures	-	(75,000)	(150,246)	(75,246)
Other Financing Sources				
Transfers in	-	-	10,537	10,537
Net change in fund balance	-	(75,000)	(139,709)	(64,709)
Fund balances beginning of year	(145,537)	(145,537)	(145,537)	-
Fund balances end of year	\$ (145,537)	\$ (220,537)	\$ (285,246)	\$ (64,709)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Council of Governments
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 103,467	\$ 103,467	\$ 39,634	\$ (63,833)
Special assessments	200,187	234,987	200,187	(34,800)
Investment earnings	-	-	16,295	16,295
Miscellaneous	<u>2,809,229</u>	<u>2,852,523</u>	<u>233,862</u>	<u>(2,618,661)</u>
Total revenues	3,112,883	3,190,977	489,978	(2,700,999)
Expenditures				
Current:				
General government	1,444,847	1,522,938	666,440	856,498
Environment and energy conservation	1,880,359	1,880,359	164,255	1,716,104
Regional and subregional planning	<u>20,376</u>	<u>20,376</u>	<u>-</u>	<u>20,376</u>
Total expenditures	<u>3,345,582</u>	<u>3,423,673</u>	<u>830,695</u>	<u>2,592,978</u>
Excess (deficiency) of revenues over (under) expenditures	(232,699)	(232,696)	(340,717)	(108,021)
Other financing sources (uses)				
Transfers in ⁽¹⁾	<u>-</u>	<u>-</u>	<u>2,788,363</u>	<u>(108,021)</u>
Net change in fund balances	(232,699)	(232,696)	2,447,646	(216,042)
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances end of year	<u>\$ (232,699)</u>	<u>\$ (232,696)</u>	<u>\$ 2,447,646</u>	<u>\$ (216,042)</u>

⁽¹⁾ Transfer is due to recording a transfer from the general fund to special revenue fund for COG.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Electric Vehicle Charging Station
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 2,060	\$ 2,060
Investments earnings	-	-	11	11
Total revenues	-	-	2,071	2,071
Net change in fund balance	-	-	2,071	2,071
Fund balances beginning of year	-	-	-	-
Fund balances end of year	\$ -	\$ -	\$ 2,071	\$ 2,071

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 4,261	\$ 4,261
Expenditures				
Debt Service:				
Principal	3,365,000	3,365,000	3,365,000	-
Interest and fiscal charges	9,032,301	9,032,301	9,026,801	5,500
Total expenditures	12,397,301	12,397,301	12,391,801	5,500
Excess (deficiency) of revenues over (under) expenditures	(12,397,301)	(12,397,301)	(12,387,540)	9,761
Other financing sources				
Transfers in	12,397,301	12,397,301	12,546,946	149,645
Transfers out	-	-	-	-
Total other financing sources (uses)	12,397,301	12,397,301	12,546,946	149,645
Net change in fund balances	-	-	159,406	159,406
Fund balances beginning of year	5,161,981	5,161,981	5,161,981	-
Fund balances end of year	\$ 5,161,981	\$ 5,161,981	\$ 5,321,387	\$ 159,406

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 18,661,346	\$ 20,161,721	\$ 8,613,213	\$(11,548,508)
Investment earnings	-	2,120,585	755,069	(1,365,516)
Miscellaneous	<u>1,194,659</u>	<u>3,460,472</u>	<u>875,906</u>	<u>(2,584,566)</u>
Total revenues	<u>19,856,005</u>	<u>25,742,778</u>	<u>10,244,188</u>	<u>(15,498,590)</u>
Expenditures				
Current:				
Environment and energy conservation	-	2,265,813	440,917	1,824,896
Commuter and motorist assistance	600,000	600,000	-	600,000
Regional and subregional planning	225,000	225,000	106,557	118,443
Transit	3,307,925	3,233,870	1,521,577	1,712,293
Project delivery	16,450,667	20,210,494	3,325,728	16,884,766
Fund administration	150,000	213,470	137,058	76,412
Capital outlay	<u>2,743,317</u>	<u>1,996,224</u>	<u>389,973</u>	<u>1,606,251</u>
Total expenditures	<u>23,476,909</u>	<u>28,744,871</u>	<u>5,921,810</u>	<u>22,823,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,620,904)</u>	<u>(3,002,093)</u>	<u>4,322,378</u>	<u>7,324,471</u>
Other financing sources (uses)				
Transfers in	-	3,291,589	6,786,449	3,494,860
Transfers out	-	(26,707,403)	(26,707,396)	7
Gain (loss) on sale of assets	<u>-</u>	<u>-</u>	<u>(26,954)</u>	<u>(26,954)</u>
Total other financing sources (uses)	<u>-</u>	<u>(23,415,814)</u>	<u>(19,947,901)</u>	<u>3,467,913</u>
Net change in fund balances	<u>(3,620,904)</u>	<u>(26,417,907)</u>	<u>(15,625,523)</u>	<u>10,792,384</u>
Fund balances beginning of year	<u>4,888,349</u>	<u>4,888,349</u>	<u>4,888,349</u>	<u>-</u>
Fund balances end of year	<u>\$ 1,267,445</u>	<u>\$(21,529,558)</u>	<u>\$(10,737,174)</u>	<u>\$ 10,792,384</u>



Metrolink's new Tier 4 Locomotives testing began June 1, 2017. The new locomotives are the cleanest diesel locomotives in the nation, providing wide-ranging environmental benefits for the Southern California region.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
State Transit Assistance Fund Special Revenue Funds
June 30, 2018

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Assets			
Cash and investments	\$ 56,605,060	\$ 2,249,383	\$ 58,854,443
Accrued interest receivable	398,217	4,131	402,348
Intergovernmental receivable	5,075,907	1,125,004	6,200,911
Total assets	<u>\$ 62,079,184</u>	<u>\$ 3,378,518</u>	<u>\$ 65,457,702</u>
Liabilities			
Intergovernmental payable	2,409,429	-	2,409,429
Due to other funds	2,254,991	-	2,254,991
Total liabilities	<u>4,664,420</u>	<u>-</u>	<u>4,664,420</u>
Fund balances			
Restricted-transportation development act	57,414,764	3,378,518	60,793,282
Total fund balances (deficits)	<u>57,414,764</u>	<u>3,378,518</u>	<u>60,793,282</u>
Total liabilities and fund balances	<u>\$ 62,079,184</u>	<u>\$ 3,378,518</u>	<u>\$ 65,457,702</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
State Transit Assistance Fund Special Revenue Funds
For the Year Ended June 30, 2018

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Revenues			
Intergovernmental	\$ 16,005,869	\$ 3,375,013	\$ 19,380,882
Investment earnings	504,922	3,505	508,427
Total revenues	16,510,791	3,378,518	19,889,309
Expenditures			
Current:			
Transit	5,169,443	-	5,169,443
Excess (deficiency) of revenues over (under) expenditures	11,341,348	3,378,518	14,719,866
Other financing sources			
Transfers out	(8,053,042)	-	(8,053,042)
Net change in fund balances	3,288,306	3,378,518	6,666,824
Fund balances (deficits) beginning of year	54,126,458	-	54,126,458
Fund balances (deficits) end of year	\$ 57,414,764	\$ 3,378,518	\$ 60,793,282

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 9,791,716	\$ 9,791,716	\$ 16,005,869	\$ 6,214,153
Investment earnings	-	-	504,922	504,922
Total revenues	9,791,716	9,791,716	16,510,791	6,719,075
Expenditures				
Current-transit	15,607,550	7,390,286	5,169,443	2,220,843
Excess (deficiency) of revenues over (under) expenditures	(5,815,834)	2,401,430	11,341,348	8,939,918
Other financing sources (uses)				
Transfers out	-	(8,053,042)	(8,053,042)	-
Net change in fund balances	(5,815,834)	(5,651,612)	3,288,306	8,939,918
Fund balances beginning of year	54,126,458	54,126,458	54,126,458	-
Fund balances end of year	<u>\$ 48,310,624</u>	<u>\$ 48,474,846</u>	<u>\$ 57,414,764</u>	<u>\$ 8,939,918</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State of Good Repair Special Revenue Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 3,375,013	\$ 3,375,013
Investment earnings	-	-	3,505	3,505
Total revenues	-	-	3,378,518	3,378,518
Expenditures				
Current-transit	-	-	-	-
Net change in fund balances	-	-	3,378,518	3,378,518
Fund balances beginning of year	-	-	-	-
Fund balances end of year	\$ -	\$ -	\$ 3,378,518	\$ 3,378,518

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
1990-2010 Measure I Special Revenue Fund
June 30, 2018

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Assets			
Cash and investments	\$ 10,515,533	\$ 2,761,037	\$ 13,276,570
Accrued interest receivable	31,040	8,150	39,190
Land held for resale	30,513	-	30,513
Total assets	<u>\$ 10,577,086</u>	<u>\$ 2,769,187</u>	<u>\$ 13,346,273</u>
Liabilities			
Accounts payable	\$ 261,285	\$ 7,372	\$ 268,657
Intergovernmental payable	221,492	26,513	248,005
Total liabilities	482,777	33,885	516,662
Fund balances			
Restricted	10,094,309	2,735,302	12,829,611
Total liabilities and fund balances	<u>\$ 10,577,086</u>	<u>\$ 2,769,187</u>	<u>\$ 13,346,273</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, 2018

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Revenues			
Investment earnings	\$ 69,233	\$ 18,187	\$ 87,420
Expenditures			
Current-project delivery	<u>2,617,217</u>	<u>516,571</u>	<u>3,133,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,547,984)</u>	<u>(498,384)</u>	<u>(3,046,368)</u>
Other financing sources (uses)			
Transfers in:			
Federal Highway	43,544	-	43,544
Gain (loss) on sale of assets	<u>(7,123)</u>	<u>-</u>	<u>(7,123)</u>
Total other financing sources (uses)	<u>36,421</u>	<u>-</u>	<u>36,421</u>
Net change in fund balances	(2,511,563)	(498,384)	(3,009,947)
Fund balances beginning of year	<u>12,605,872</u>	<u>3,233,686</u>	<u>15,839,558</u>
Fund balances end of year	<u><u>\$ 10,094,309</u></u>	<u><u>\$ 2,735,302</u></u>	<u><u>\$ 12,829,611</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Assets				
Cash and investments	\$ 115,513,395	\$ 53,972,283	\$ 77,096,924	\$ -
Accrued interest receivable	382,074	174,427	241,500	-
Sales taxes receivable	6,579,650	2,495,729	4,537,690	4,537,690
Due from other funds	13,923,172	5,119,161	4,412,575	-
Land held for resale	-	-	564,254	-
Advances to other funds	-	-	304,516	-
Total assets	<u>\$ 136,398,291</u>	<u>\$ 61,761,600</u>	<u>\$ 87,157,459</u>	<u>\$ 4,537,690</u>
Liabilities				
Accounts payable	\$ 5,665,732	\$ 898,683	\$ 210,176	\$ -
Accrued liabilities	14,929	8,791	2,586	-
Intergovernmental payable	3,175,159	97,298	2,747,987	4,537,690
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	8,855,820	1,004,772	2,960,749	4,537,690
Fund balances				
Restricted	<u>127,542,471</u>	<u>60,756,828</u>	<u>84,196,710</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 136,398,291</u>	<u>\$ 61,761,600</u>	<u>\$ 87,157,459</u>	<u>\$ 4,537,690</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

Valley Metrolink/ Rail Service	Valley Express Bus/ Bus Rapid Transit Service	Valley Senior & Disabled Transit	Valley Transportation Management Systems	Victor Valley Major Local Highway	Victor Valley Local Street
\$ 25,973,581	\$ 11,470,634	\$ 19,421,468	\$ 9,290,960	\$ 18,975,501	\$ -
87,563	33,859	57,329	28,358	56,855	-
1,815,076	453,769	1,815,076	453,769	684,583	1,848,374
3,690,359	-	-	315,996	268,130	-
-	-	-	-	-	-
-	-	-	-	-	4,404,716
<u>\$ 31,566,579</u>	<u>\$ 11,958,262</u>	<u>\$ 21,293,873</u>	<u>\$ 10,089,083</u>	<u>\$ 19,985,069</u>	<u>\$ 6,253,090</u>
\$ 2,128,364	\$ 353,865	\$ -	\$ 79,993	\$ 172,863	\$ -
4,654	3,993	-	28,969	285	-
1,376,454	2,653	938,364	1,696	-	6,251,562
-	-	-	-	-	1,528
<u>3,509,472</u>	<u>360,511</u>	<u>938,364</u>	<u>110,658</u>	<u>173,148</u>	<u>6,253,090</u>
28,057,107	11,597,751	20,355,509	9,978,425	19,811,921	-
<u>\$ 31,566,579</u>	<u>\$ 11,958,262</u>	<u>\$ 21,293,873</u>	<u>\$ 10,089,083</u>	<u>\$ 19,985,069</u>	<u>\$ 6,253,090</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development/ Traffic Management	North Desert Major Local Highway	North Desert Local Street
Assets				
Cash and investments	\$ 67,234	\$ 925,265	\$ 7,718,599	\$ -
Accrued interest receivable	198	2,731	22,784	-
Sales taxes receivable	150,608	54,767	162,470	441,917
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 218,040</u>	<u>\$ 982,763</u>	<u>\$ 7,903,853</u>	<u>\$ 441,917</u>
Liabilities				
Accounts payable	\$ -	\$ 1,947	\$ 768	\$ -
Accrued liabilities	-	1,653	-	-
Intergovernmental payable	217,627	3,377	-	441,917
Due to other funds	-	-	-	-
Total liabilities	<u>217,627</u>	<u>6,977</u>	<u>768</u>	<u>441,917</u>
Fund balances				
Restricted	413	975,786	7,903,085	-
Total liabilities and fund balances	<u>\$ 218,040</u>	<u>\$ 982,763</u>	<u>\$ 7,903,853</u>	<u>\$ 441,917</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

<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>
\$ 14,448	\$ 827,806	\$ 29,719	\$ -	\$ 581	\$ 32,860
43	2,444	88	-	2	97
32,494	12,998	8,120	22,088	1,624	650
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 46,985</u>	<u>\$ 843,248</u>	<u>\$ 37,927</u>	<u>\$ 22,088</u>	<u>\$ 2,207</u>	<u>\$ 33,607</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
46,895	-	-	22,088	2,204	-
-	-	-	-	-	-
<u>46,895</u>	<u>-</u>	<u>-</u>	<u>22,088</u>	<u>2,204</u>	<u>-</u>
90	843,248	37,927	-	3	33,607
<u>\$ 46,985</u>	<u>\$ 843,248</u>	<u>\$ 37,927</u>	<u>\$ 22,088</u>	<u>\$ 2,207</u>	<u>\$ 33,607</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

	Morongo Basin Major Local Highway	Morongo Basin Local Street	Morongo Basin Senior & Disabled Transit	Morongo Basin Project Development/ Traffic Management
Assets				
Cash and investments	\$ 1,751,808	\$ -	\$ 10,512	\$ 235,214
Accrued interest receivable	5,171	-	31	694
Sales taxes receivable	97,805	266,029	19,561	7,824
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 1,854,784</u>	<u>\$ 266,029</u>	<u>\$ 30,104</u>	<u>\$ 243,732</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Intergovernmental payable	-	266,029	30,039	-
Due to other funds	-	-	-	-
Total liabilities	-	266,029	30,039	-
Fund balances				
Restricted	1,854,784	-	65	243,732
Total liabilities and fund balances	<u>\$ 1,854,784</u>	<u>\$ 266,029</u>	<u>\$ 30,104</u>	<u>\$ 243,732</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2018

Mountain Major Local Highway	Mountain Local Street	Mountain Senior & Disabled Transit	Mountain Project Development/ Traffic Management	Cajon Pass	Total 2010-2040 Measure I
\$ 1,367,113	\$ -	\$ 5,500	\$ 119,937	\$ 11,176,181	\$ 355,997,523
4,035	-	16	354	32,999	1,133,652
73,416	199,692	14,683	5,873	786,395	27,580,420
-	-	-	-	-	27,729,393
-	-	-	-	27,000	591,254
-	-	-	-	-	4,709,232
<u>\$ 1,444,564</u>	<u>\$ 199,692</u>	<u>\$ 20,199</u>	<u>\$ 126,164</u>	<u>\$ 12,022,575</u>	<u>\$ 417,741,474</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,512,391
-	-	-	253	-	66,113
-	199,692	20,165	-	-	20,378,896
-	-	-	-	-	1,528
-	199,692	20,165	253	-	29,958,928
<u>1,444,564</u>	<u>-</u>	<u>34</u>	<u>125,911</u>	<u>12,022,575</u>	<u>387,782,546</u>
<u>\$ 1,444,564</u>	<u>\$ 199,692</u>	<u>\$ 20,199</u>	<u>\$ 126,164</u>	<u>\$ 12,022,575</u>	<u>\$ 417,741,474</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, 2018

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 38,287,243	\$ 14,522,748	\$ 26,404,995	\$ 26,404,995
Investment earnings	835,328	379,819	522,808	-
Total Revenues	<u>39,122,571</u>	<u>14,902,567</u>	<u>26,927,803</u>	<u>26,404,995</u>
Expenditures				
Current:				
General government	397,000	88,983	60,205	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	833	14,521	-	-
Transit	-	-	-	-
Project delivery	24,006,190	2,260,269	3,643,405	-
Fund administration	7,889	10,873	7,468,183	26,404,995
Capital outlay	<u>1,613,461</u>	<u>138,461</u>	<u>12,420</u>	<u>-</u>
Total Expenditures	<u>26,025,373</u>	<u>2,513,107</u>	<u>11,184,213</u>	<u>26,404,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,097,198</u>	<u>12,389,460</u>	<u>15,743,590</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	18,595,332	-
Federal Transit Fund Special Revenue Fund	1,511,714	-	-	-
State Highway Fund Special Revenue Fund	1,497,766	-	-	-
2010-2040 Measure I Special Revenue Fund	130	-	-	-
Capital Projects Fund	-	2,469,004	19,414,089	-
Transfers out:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	(31)	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	(18,591,941)	-
Debt Service Fund	-	(1,293,355)	-	-
Capital Projects Fund	(1,734)	-	(4,803,835)	-
Nonmajor Fund - SCAQMD	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total other financing sources (uses)	<u>3,007,845</u>	<u>1,175,649</u>	<u>14,613,645</u>	<u>-</u>
Net change in fund balances	<u>16,105,043</u>	<u>13,565,109</u>	<u>30,357,235</u>	<u>-</u>
Fund balances beginning of year	<u>111,437,428</u>	<u>47,191,719</u>	<u>53,839,475</u>	<u>-</u>
Fund balances end of year	<u>\$ 127,542,471</u>	<u>\$ 60,756,828</u>	<u>\$ 84,196,710</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$162,945,073 less 1% of \$1,629,451 for Measure I administration accounted for in the General Fund (page 22).

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, 2018

<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>
\$ 10,561,998	\$ 2,640,499	\$ 10,561,998	\$ 2,640,499	\$ 4,091,501	\$ 10,909,716
195,188	74,202	127,822	62,315	124,606	-
<u>10,757,186</u>	<u>2,714,701</u>	<u>10,689,820</u>	<u>2,702,814</u>	<u>4,216,107</u>	<u>10,909,716</u>
-	-	-	-	-	-
-	-	-	272,443	-	-
-	-	-	557,051	-	-
-	-	-	885,789	-	-
6,452,138	1,976,081	8,740,500	-	-	-
-	-	-	548,474	474,936	-
3,643	-	-	-	1,244,671	10,909,716
<u>6,914,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,370,558</u>	<u>1,976,081</u>	<u>8,740,500</u>	<u>2,263,757</u>	<u>1,719,607</u>	<u>10,909,716</u>
<u>(2,613,372)</u>	<u>738,620</u>	<u>1,949,320</u>	<u>439,057</u>	<u>2,496,500</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,150,262	-
-	-	-	(12,691)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,455,024)	-	-	-	(1,630,576)	-
(2,673,950)	-	-	-	(2,933,105)	-
-	-	-	(10,537)	-	-
-	-	-	-	-	-
<u>(4,128,974)</u>	<u>-</u>	<u>-</u>	<u>(23,228)</u>	<u>(1,413,419)</u>	<u>-</u>
(6,742,346)	738,620	1,949,320	415,829	1,083,081	-
<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>
<u>\$ 28,057,107</u>	<u>\$ 11,597,751</u>	<u>\$ 20,355,509</u>	<u>\$ 9,978,425</u>	<u>\$ 19,811,921</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, 2018

	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⁾	\$ 1,037,466	\$ 327,320	\$ 1,009,240	\$ 2,745,133
Investment earnings	443	5,982	50,603	-
Total Revenues	<u>1,037,909</u>	<u>333,302</u>	<u>1,059,843</u>	<u>2,745,133</u>
Expenditures				
Current:				
General government	-	-	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	20,887	-	-
Regional and subregional planning	-	130,844	-	-
Transit	1,291,366	-	-	-
Project delivery	-	-	56,363	-
Fund administration	-	-	2,199,544	2,745,133
Capital outlay	-	-	-	-
Total Expenditures	<u>1,291,366</u>	<u>151,731</u>	<u>2,255,907</u>	<u>2,745,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(253,457)</u>	<u>181,571</u>	<u>(1,196,064)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	-	-
Federal Transit Fund Special Revenue Fund	-	-	-	-
State Highway Fund Special Revenue Fund	-	-	-	-
Measure I	-	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	(130)	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Nonmajor Fund - SCAQMD	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(130)</u>	<u>-</u>
Net change in fund balances	<u>(253,457)</u>	<u>181,571</u>	<u>(1,196,194)</u>	<u>-</u>
Fund balances beginning of year	<u>253,870</u>	<u>794,215</u>	<u>9,099,279</u>	<u>-</u>
Fund balances end of year	<u>\$ 413</u>	<u>\$ 975,786</u>	<u>\$ 7,903,085</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$162,945,073 less 1% of \$1,629,451 for Measure I administration accounted for in the General Fund (page 22).

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, 2018

<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>
\$ 201,848	\$ 80,739	\$ 55,757	\$ 151,659	\$ 11,151	\$ 4,461
102	5,356	183	-	3	212
<u>201,950</u>	<u>86,095</u>	<u>55,940</u>	<u>151,659</u>	<u>11,154</u>	<u>4,673</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	7,332	-	-	-	-
277,317	-	-	-	9,501	-
-	-	-	-	-	-
-	-	-	151,659	-	-
-	-	-	-	-	-
<u>277,317</u>	<u>7,332</u>	<u>-</u>	<u>151,659</u>	<u>9,501</u>	<u>-</u>
<u>(75,367)</u>	<u>78,763</u>	<u>55,940</u>	<u>-</u>	<u>1,653</u>	<u>4,673</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(75,367)</u>	<u>78,763</u>	<u>55,940</u>	<u>-</u>	<u>1,653</u>	<u>4,673</u>
<u>75,457</u>	<u>764,485</u>	<u>(18,013)</u>	<u>-</u>	<u>(1,650)</u>	<u>28,934</u>
<u>\$ 90</u>	<u>\$ 843,248</u>	<u>\$ 37,927</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 33,607</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, 2018

	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⁾	\$ 555,272	\$ 1,510,339	\$ 111,054	\$ 44,422
Investment earnings	11,280	-	70	1,514
Total Revenues	<u>566,552</u>	<u>1,510,339</u>	<u>111,124</u>	<u>45,936</u>
Expenditures				
Current:				
General government	-	-	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	-	-	-	4,606
Transit	-	-	118,643	-
Project delivery	-	-	-	-
Fund administration	256,526	1,510,339	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>256,526</u>	<u>1,510,339</u>	<u>118,643</u>	<u>4,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>310,026</u>	<u>-</u>	<u>(7,519)</u>	<u>41,330</u>
Other financing sources (uses)				
Transfers in:				
General Fund	-	-	-	-
Federal Transit Fund Special Revenue Fund	-	-	-	-
State Highway Fund Special Revenue Fund	-	-	-	-
Measure I	-	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
General Fund	-	-	-	-
Proposition 1B Fund Special Revenue Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Nonmajor Fund - SCAQMD	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	310,026	-	(7,519)	41,330
Fund balances beginning of year	<u>1,544,758</u>	<u>-</u>	<u>7,584</u>	<u>202,402</u>
Fund balances end of year	<u>\$ 1,854,784</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 243,732</u>

⁽¹⁾ Total sales tax-Measure I of \$162,945,073 less 1% of \$1,629,451 for Measure I administration accounted for in the General Fund (page 22).

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, 2018

Mountain Major Major Local Highway	Mountain Local Local Street	Mountain Senior & Disabled Transit	Mountain Project Development Traffic/ Management	Cajon Pass	Total 2010-2040 Measure I
\$ 463,539	\$ 1,260,827	\$ 92,708	\$ 37,083	\$ 4,589,412	\$ 161,315,622
8,789	-	39	769	71,732	2,479,165
<u>472,328</u>	<u>1,260,827</u>	<u>92,747</u>	<u>37,852</u>	<u>4,661,144</u>	<u>163,794,787</u>
-	-	-	-	-	546,188
-	-	-	-	-	272,443
-	-	-	-	-	577,938
-	-	-	11,500	-	1,055,425
-	-	103,623	-	-	18,969,169
-	-	-	-	3,130	30,992,767
200,000	1,260,827	-	-	-	54,373,998
-	-	-	-	-	8,679,119
<u>200,000</u>	<u>1,260,827</u>	<u>103,623</u>	<u>11,500</u>	<u>3,130</u>	<u>115,467,047</u>
<u>272,328</u>	<u>-</u>	<u>(10,876)</u>	<u>26,352</u>	<u>4,658,014</u>	<u>48,327,740</u>
-	-	-	-	-	18,595,332
-	-	-	-	-	1,511,714
-	-	-	-	-	1,497,766
-	-	-	-	-	130
-	-	-	-	628,544	25,661,899
-	-	-	-	-	(12,691)
-	-	-	-	-	(31)
-	-	-	-	(233,734)	(18,825,805)
-	-	-	-	(3,364,155)	(7,743,110)
-	-	-	-	-	(10,412,624)
-	-	-	-	-	(10,537)
-	-	-	-	(120,223)	(120,223)
-	-	-	-	(3,089,568)	10,141,820
272,328	-	(10,876)	26,352	1,568,446	58,469,560
1,172,236	-	10,910	99,559	10,454,129	329,312,986
<u>\$ 1,444,564</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 125,911</u>	<u>\$ 12,022,575</u>	<u>\$ 387,782,546</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Debt Service Fund
June 30, 2018

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Assets			
Cash and investments-restricted	\$ 2,535,608	\$ 2,785,779	\$ 5,321,387
Fund balances			
Restricted	\$ 2,535,608	\$ 2,785,779	\$ 5,321,387
Total liabilities and fund balances	\$ 2,535,608	\$ 2,785,779	\$ 5,321,387

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2018

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Revenues			
Investment earnings	\$ 2,086	\$ 2,175	\$ 4,261
Expenditures			
Debt service:			
Principal	2,170,000	1,195,000	3,365,000
Interest and fiscal charges	3,908,838	5,117,963	9,026,801
Total Expenditures	6,078,838	6,312,963	12,391,801
Excess (deficiency) of revenues over (under) expenditures	(6,076,752)	(6,310,788)	(12,387,540)
Other financing sources			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	6,080,171	6,466,775	12,546,946
Net change in fund balances	3,419	155,987	159,406
Fund balances beginning of year	2,532,189	2,629,792	5,161,981
Fund balances end of year	\$ 2,535,608	\$ 2,785,779	\$ 5,321,387

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Capital Projects Fund
June 30, 2018

	Local Projects	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Assets			
Cash and investments	\$ 5,333,350	\$ 60,693	\$ -
Accrued interest receivable	5,897	179	-
Accounts receivable	6,562,548	-	-
Intergovernmental receivable	5,447,799	164,894	1,037,770
Loans receivable	23,487,900	-	-
Land held for resale	289,059	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 41,126,553</u>	<u>\$ 225,766</u>	<u>\$ 1,037,770</u>
Liabilities			
Accounts payable	\$ 2,565,643	\$ 51,949	\$ 2,683
Accrued liabilities	806	-	-
Intergovernmental payable	23,185	-	392,394
Due to other funds	5,827,393	-	642,692
Advances from other funds	4,709,232	-	-
Unearned revenue	6,852,066	220,449	-
Total liabilities	<u>19,978,325</u>	<u>272,398</u>	<u>1,037,769</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>32,008,028</u>	<u>579</u>	<u>1,035,687</u>
Fund balances (deficits)			
Restricted	-	-	-
Unassigned	<u>(10,859,800)</u>	<u>(47,211)</u>	<u>(1,035,686)</u>
Total fund balances (deficits)	<u>(10,859,800)</u>	<u>(47,211)</u>	<u>(1,035,686)</u>
Total liabilities and fund balances	<u>\$ 41,126,553</u>	<u>\$ 225,766</u>	<u>\$ 1,037,770</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,394,043
-	-	-	-	-	6,076
-	-	-	-	-	6,562,548
-	-	-	-	-	6,650,463
-	-	-	-	-	23,487,900
-	-	-	-	-	289,059
204,756	561,157	-	-	1,111,755	1,877,668
<u>\$ 204,756</u>	<u>\$ 561,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111,755</u>	<u>\$ 44,267,757</u>
\$ 85,807	\$ 1,648	\$ -	\$ -	\$ 4,681	\$ 2,712,411
-	-	-	-	-	806
-	559,509	-	-	20,500	995,588
-	-	-	-	-	6,470,085
-	-	-	-	-	4,709,232
-	-	-	-	-	7,072,515
<u>85,807</u>	<u>561,157</u>	<u>-</u>	<u>-</u>	<u>25,181</u>	<u>21,960,637</u>
-	-	-	-	-	33,044,294
118,949	-	-	-	1,086,574	1,205,523
-	-	-	-	-	(11,942,697)
<u>118,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,574</u>	<u>(10,737,174)</u>
<u>\$ 204,756</u>	<u>\$ 561,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111,755</u>	<u>\$ 44,267,757</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
For the Year Ended June 30, 2018

	Local Projects	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Revenues			
Intergovernmental	\$ 8,140,665	\$ 212,948	\$ 259,600
Investment earnings	12,755	507	-
Miscellaneous	729,902	146,004	-
Total revenues	<u>8,883,322</u>	<u>359,459</u>	<u>259,600</u>
Expenditures			
Current:			
Environment and energy conservation	440,917	-	-
Regional and subregional planning	106,557	-	-
Transit	290,590	164,551	1,066,436
Project delivery ⁽¹⁾	7,239,232	-	-
Fund administration	-	-	-
Capital outlay	56,668	171,266	-
Total expenditures	<u>8,133,964</u>	<u>335,817</u>	<u>1,066,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>749,358</u>	<u>23,642</u>	<u>(806,836)</u>
Other Financing Sources (Uses)			
Transfers in:			
General Fund	24,451	-	-
Proposition 1B Special Revenue Fund	360	-	-
2010-2040 Measure I Special Revenue Fund	32,416	-	-
Capital Projects Fund	213,774	-	-
Transfers out:			
General Fund	-	-	(132,754)
2010-2040 Measure I Special Revenue Fund	(27,188)	-	-
Capital Projects Fund	(213,774)	-	-
Gain (loss) on sale of assets	(26,954)	-	-
Total other financing sources (uses)	<u>3,085</u>	<u>-</u>	<u>(132,754)</u>
Net change in fund balances	752,443	23,642	(939,590)
Fund balances (deficits) beginning of year	(11,612,243)	(70,853)	(96,096)
Fund balances (deficits) end of year	<u>\$ (10,859,800)</u>	<u>\$ (47,211)</u>	<u>\$ (1,035,686)</u>

⁽¹⁾ Negative expenditures of \$5,826,108 in the Valley Major Street Bond fund is result of a fiscal year 2017 accrual that was not paid as the payee received a grant to cover the expenses.

Valley Freeway Interchanges Bond	Valley Major Street Bond	Valley Metrolink/Rail Bond	Victor Valley Major Local Highway Bond	Cajon Pass Bond	Total Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,613,213
162,165	297,513	100,999	39,536	141,594	755,069
-	-	-	-	-	875,906
<u>162,165</u>	<u>297,513</u>	<u>100,999</u>	<u>39,536</u>	<u>141,594</u>	<u>10,244,188</u>
-	-	-	-	-	440,917
-	-	-	-	-	106,557
-	-	-	-	-	1,521,577
1,611,511	(5,826,108)	-	91,116	209,977	3,325,728
-	-	-	137,058	-	137,058
<u>162,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,973</u>
<u>1,773,550</u>	<u>(5,826,108)</u>	<u>-</u>	<u>228,174</u>	<u>209,977</u>	<u>5,921,810</u>
<u>(1,611,385)</u>	<u>6,123,621</u>	<u>100,999</u>	<u>(188,638)</u>	<u>(68,383)</u>	<u>4,322,378</u>
-	-	-	-	-	24,451
-	-	-	-	-	360
-	-	2,643,268	2,933,105	233,734	5,842,523
705,341	-	-	-	-	919,115
-	-	-	-	-	(132,754)
(2,469,004)	(19,380,529)	-	(3,150,262)	(628,544)	(25,655,527)
(705,341)	-	-	-	-	(919,115)
-	-	-	-	-	(26,954)
<u>(2,469,004)</u>	<u>(19,380,529)</u>	<u>2,643,268</u>	<u>(217,157)</u>	<u>(394,810)</u>	<u>(19,947,901)</u>
(4,080,389)	(13,256,908)	2,744,267	(405,795)	(463,193)	(15,625,523)
4,199,338	13,256,908	(2,744,267)	405,795	1,549,767	4,888,349
<u>\$ 118,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,086,574</u>	<u>\$ (10,737,174)</u>

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.	117
<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.	123
<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.	127
<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.	129
<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.	131

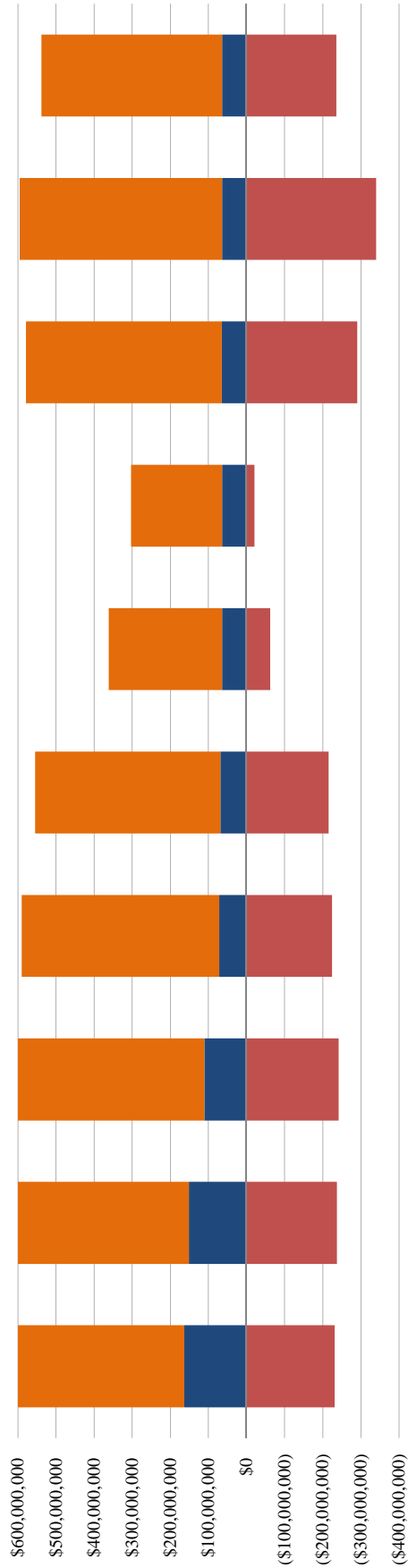
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 163,426,341	\$ 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
Restricted	635,633,048	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
Unrestricted	(231,279,244)	(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)
Total governmental activities net position	\$ 567,780,145	\$ 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



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	\$ 4,451,810	\$ 3,338,658	\$ 4,579,995	\$ 2,833,042	\$ 3,825,691	\$ 2,634,953	\$ 1,919,964	\$ -	\$ -	\$ -
Environment and energy conservation	4,100,630	2,217,401	1,392,074	-	-	-	-	-	-	-
Commuter and motorist assistance	6,787,391	4,986,605	5,360,439	-	-	-	-	-	-	-
Regional and subregional planning	3,063,247	2,914,855	2,077,133	1,951,391	1,810,171	1,723,173	6,027,692	-	-	-
Transit	139,490,342	51,255,392	33,664,779	59,376,860	39,297,811	48,249,719	32,939,430	-	-	-
Project delivery	119,064,025	53,310,890	107,387,795	168,126,021	198,290,514	236,573,382	165,717,535	-	-	-
Fund administration	56,315,916	159,952,967	184,361,902	153,722,554	137,111,875	113,211,850	142,700,712	-	-	-
Interest and fiscal charges	7,882,329	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
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
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	-	-	-	84,839,312	120,594,813	97,602,990
Contributions to other governmental agencies	-	-	-	-	-	-	-	43,729,263	33,111,444	26,169,139
Professional services	-	-	-	-	-	-	-	59,625,947	43,945,405	35,646,622
Management and technical services	-	-	-	-	-	-	-	39,979	130,958	142,019
Highways	-	-	-	-	-	-	-	62,410,680	42,335,579	26,356,468
Total governmental activities expenses	341,155,690	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
Program revenues										
Government activities:										
Charges for services:										
General government	873,886	540,388	539,822	591,987	612,541	393,053	782,247	-	-	-
General operation	-	-	-	-	-	-	-	1,620,021	1,648,539	1,667,858
Operating grants and contributions	134,432,428	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
Total governmental activities program revenues	135,306,314	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
Net (expense) revenue	(205,849,376)	(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)
Governmental activities										
General revenues										
Sales tax-Measure I	162,945,073	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
Sales tax-local transportation fund	95,064,513	87,040,490	97,002,999	85,531,625	79,559,209	75,100,102	71,168,436	-	-	-
Unrestricted investment earnings	5,050,075	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
Gain (loss) on disposal of capital assets	(194,724)	-	-	-	-	-	-	-	(75,000)	2,706
Miscellaneous	1,318,612	2,164,487	2,103,662	1,987,011	1,116,648	479,987	903,880	-	-	-
Total governmental activities general revenues	264,183,549	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

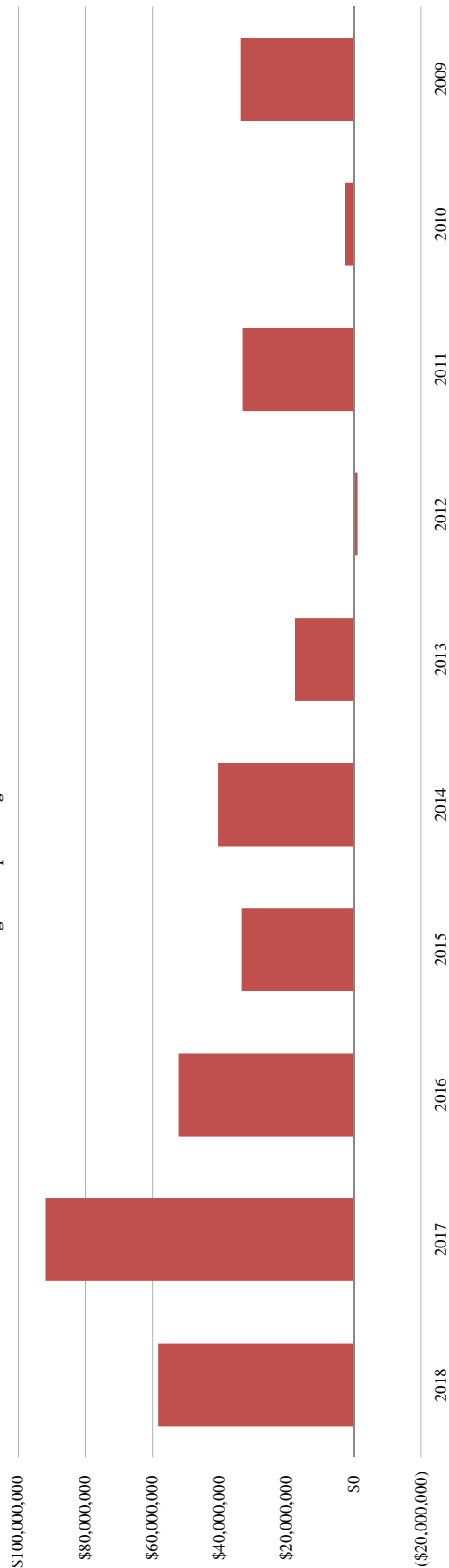
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Change in net position										
Governmental activities	\$ 58,334,173	\$ 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

⁽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.

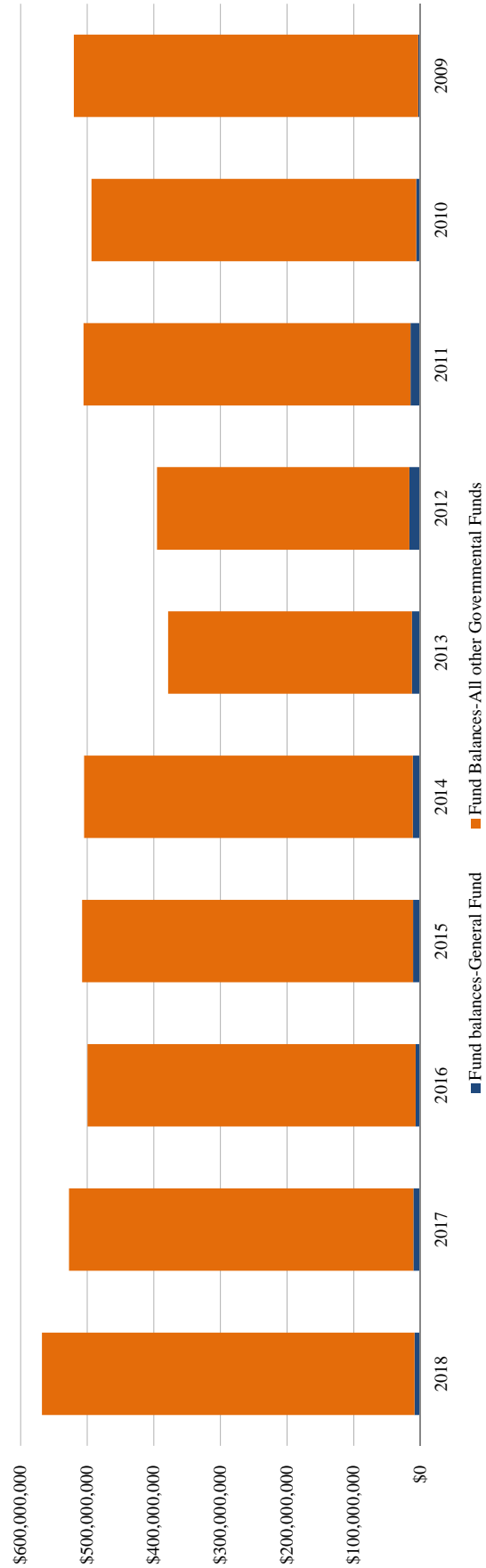
Change in net position-governmental activities



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

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	
General fund											
Nonspendable	\$ 18,776	\$ 14,569	\$ -	\$ 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	9,020,978	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	
Unreserved	-	-	-	-	-	-	-	-	3,038,603	2,797,428	
Total general fund	\$ 9,039,754	\$ 10,797,793	\$ 7,499,248	\$ 11,214,284	\$ 11,487,331	\$ 13,018,032	\$ 16,629,352	\$ 14,865,412	\$ 6,581,545	\$ 3,367,495	
All other governmental funds											
Restricted	\$ 586,225,728	\$ 544,917,503	\$ 520,416,463	\$ 511,144,916	\$ 508,391,977	\$ 383,102,734	\$ 386,189,494	\$ 526,372,957	\$ -	\$ -	
Nonspendable	20,788	21,995	-	-	-	-	-	-	-	-	
Committed	2,447,646	-	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	6,055,340	-	-	
Unassigned /	(29,647,825)	(28,537,883)	(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	
Unreserved	-	-	-	-	-	-	-	-	317,402,754	382,415,703	
Total all other governmental funds	\$ 559,046,337	\$ 516,401,615	\$ 492,096,769	\$ 496,451,715	\$ 493,333,130	\$ 365,577,963	\$ 378,707,130	\$ 490,843,815	\$ 486,916,452	\$ 516,902,252	

⁽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.



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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Sales tax-Measure I	\$ 162,945,073	\$ 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
Sales tax-local transportation fund	95,064,513	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
Intergovernmental	81,934,515	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
Charges for services	673,699	387,841	425,936	473,282	483,490	257,204	652,873	1,560,519	1,590,158	1,632,912
Special assessments	200,187	152,547	113,886	118,705	129,051	135,849	129,374	-	-	-
Investment earnings	5,050,075	2,160,355	4,876,204	1,906,662	1,657,733	2,824,825	5,934,258	8,911,951	9,745,049	6,133,700
Miscellaneous	1,318,609	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
Other local revenue	-	-	-	-	-	-	-	22,331,039	19,619,658	13,758,271
Total revenues	347,186,671	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
Expenditures										
Current:										
General government	3,449,490	3,969,427	4,226,244	2,400,945	3,479,317	2,188,545	1,880,626	-	-	-
Environment and energy conservation	3,955,065	2,191,718	1,426,771	-	-	-	-	-	-	-
Commuter and motorist assistance	5,702,551	4,969,483	5,383,571	-	-	-	-	-	-	-
Regional and subregional planning	2,838,747	2,850,647	2,163,876	1,967,660	1,810,171	1,723,173	6,027,692	-	-	-
Transit	132,211,679	56,879,195	48,908,424	59,395,144	39,297,811	48,249,719	32,939,430	-	-	-
Project delivery	73,108,411	65,950,533	107,474,538	168,147,585	198,290,514	236,573,382	167,055,911	-	-	-
Fund administration	56,202,549	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
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	-	-	-	94,325,722	92,046,113	97,742,979
Contributions to other governmental agencies	-	-	-	-	-	-	-	43,729,263	33,111,444	26,169,139
Professional services	-	-	-	-	-	-	-	59,625,947	43,945,405	35,646,622
Management and technical services	-	-	-	-	-	-	-	39,979	130,958	142,019
Highways	-	-	-	-	-	-	-	62,410,680	42,335,579	26,356,468
Right of way	-	-	-	-	-	-	-	12,429,108	7,498,392	14,673,506
Debt Service:										
Principal	3,365,000	2,845,000	1,990,000	1,910,000	-	-	250,000,000	-	37,380,000	35,500,000
Interest and fiscal charges	9,026,801	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
Capital outlay	16,244,971	25,111,782	26,590,027	2,908,219	5,001,633	60,607	73,818	699,319	350,979	98,159
Total expenditures	306,105,264	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
Excess (deficiency) of revenues over (under) expenditures	41,081,407	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)

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

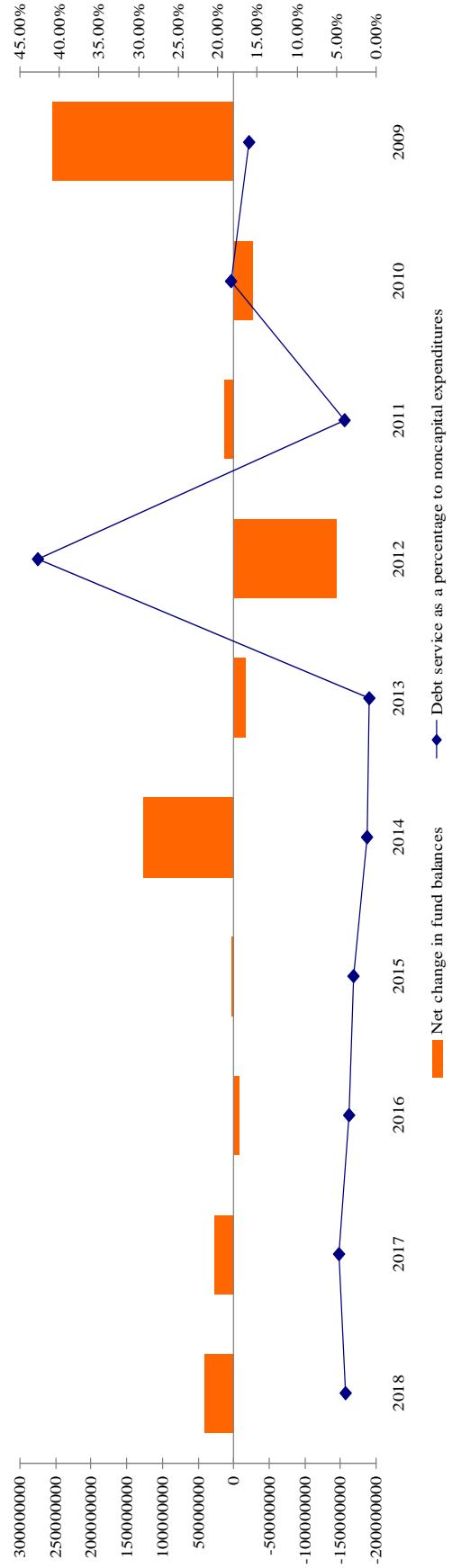
	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing Sources (Uses):										
Transfers in	105,160,907	58,188,088	48,366,242	43,631,095	43,369,783	44,505,326	362,696,568	20,063,400	45,295,381	54,831,428
Transfers out	(105,160,907)	(58,188,088)	(48,366,242)	(43,631,095)	(43,369,783)	(44,505,326)	(362,696,568)	(20,098,400)	(45,345,381)	(54,935,428)
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	(194,724)	-	-	-	-	-	-	-	-	2,706
Total other financing sources (uses)	(194,724)	-	-	-	120,835,611	-	100,922,588	(35,000)	(50,000)	260,372,920
Net change in fund balances	40,886,683	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
Fund balances beginning 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
Prior period and accounting change adjustments	-	-	-	-	-	-	34,724,276	-	-	-
Fund balances beginning of year as restated	527,199,408	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
Fund balances end of year	\$ 568,086,091	\$ 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

Debt service as a percentage of noncapital expenditures ⁽²⁾

3.85% 4.62% 3.39% 2.83% 1.13% 0.90% 42.75% 3.97% 18.30% 16.11%

⁽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

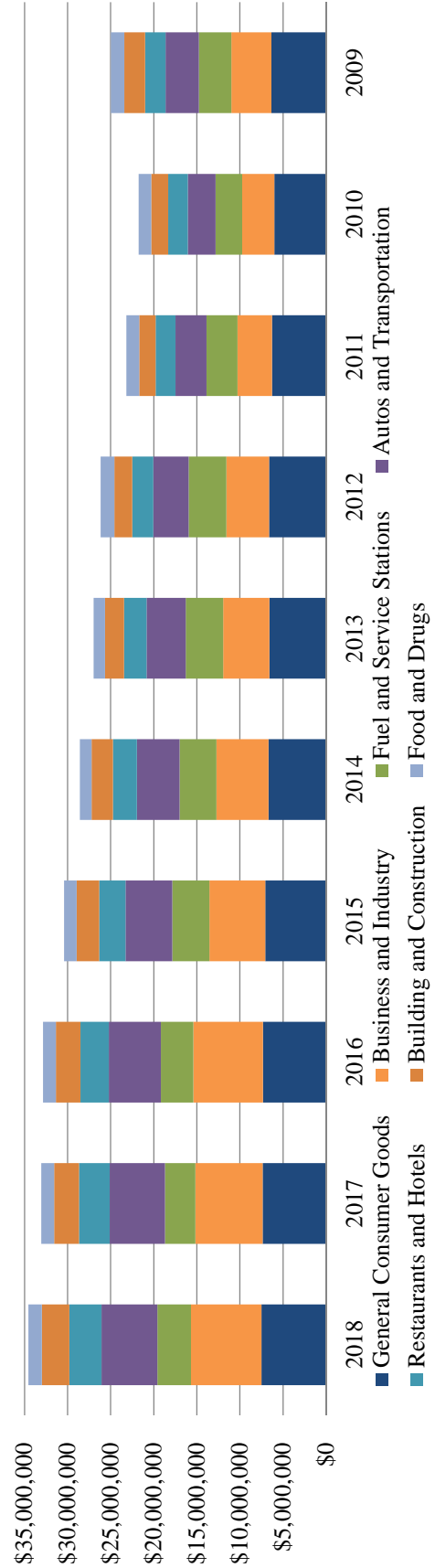
County of San Bernardino Taxable Sales by Business Group ⁽¹⁾

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
2018	\$ 7,494,134	\$ 8,202,417	\$ 3,886,311	\$ 6,470,286	\$ 3,728,275	\$ 3,213,382	\$ 1,535,514	\$ 34,530,319
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

⁽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⁾
2018	0.50%	7.75%
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%

⁽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	2018			2009		
	Taxable Sale	Rank	Percentage of Total Taxable Sales	Taxable Sale	Rank	Percentage of Total Taxable Sales
New motor vehicle dealers	\$ 3,607,067	1	10.42%	\$ 1,852,622	3	7.58%
Service stations	3,401,542	2	9.82%	3,329,844	1	13.62%
Discount department stores	2,386,065	3	6.89%	1,956,503	2	8.01%
Medical/biotech	2,113,081	4	6.10%	850,129	7	3.48%
Quick service restaurants	1,821,533	5	5.26%	1,214,892	5	4.97%
Lumber/building materials	1,791,772	6	5.17%	1,266,501	4	5.18%
Casual dining	1,383,282	7	3.99%	842,091	8	3.45%
Light industrial printers	1,238,286	8	3.58%	735,048	11	3.01%
Contractors	1,066,317	9	3.08%	1,013,416	6	4.15%
Fulfillment centers	1,014,984	10				
Used automotive dealers	1,009,016	11	2.91%	419,262	19	1.72%
Family apparel	950,259	12	2.74%	538,646	15	2.20%
Grocery stores	890,330	13	2.57%	832,409	10	3.41%
Heavy industrial	840,645	14	2.43%	666,924	12	2.73%
Electronics/appliance stores	754,376	15	2.18%	585,624	14	2.40%
Office supplies/furniture	682,593	16		837,799	9	3.43%
Specialty stores	616,001	17	1.78%	512,208	16	2.10%
Home furnishings	604,742	18	1.75%	474,315	17	1.94%
Automotive supply stores	572,655	19	1.65%	410,608	20	1.68%
Department stores	483,337	20		655,524	13	2.68%
Trailers/RV's	413,067	21				
Petroleum products/equipment	400,305	22		428,291	18	1.75%
Convenience stores/liquor	358,481	23	1.04%			
Shoe stores	337,917	24	0.98%			
Women's apparel	332,771	25	0.96%	236,590	21	0.97%
Auto repair shops				222,394	25	0.91%
Sporting goods				224,430	23	0.92%
Trailers/Auto parts				223,763	24	0.92%
Drug stores				226,904	22	0.93%
Total	<u>\$ 29,070,424</u>		<u>75.30%</u>	<u>\$ 20,556,737</u>		<u>84.14%</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, 2018

	General Fund	Special Revenue Funds	Total
Administration			
Administration	\$ 1,629,451	\$ -	\$ 1,629,451
Valley			
Freeway projects	-	38,287,243	38,287,243
Freeway interchanges	-	14,522,748	14,522,748
Major street	-	26,404,995	26,404,995
Local street	-	26,404,995	26,404,995
Metrolink/rail service	-	10,561,998	10,561,998
Express bus/bus rapid transit service	-	2,640,499	2,640,499
Senior and disabled transit	-	10,561,998	10,561,998
Transportation management systems	-	2,640,499	2,640,499
Victor Valley			
Major local highway	-	4,091,501	4,091,501
Local street	-	10,909,716	10,909,716
Senior and disabled transit	-	1,037,466	1,037,466
Project development/traffic management	-	327,320	327,320
North Desert			
Major local highway	-	1,009,240	1,009,240
Local street	-	2,745,133	2,745,133
Senior and disabled transit	-	201,848	201,848
Project development/traffic management	-	80,739	80,739
Colorado River			
Major local highway	-	55,757	55,757
Local street	-	151,659	151,659
Senior and disabled transit	-	11,151	11,151
Project development/traffic management	-	4,461	4,461
Morongo Basin			
Major local highway	-	555,272	555,272
Local street	-	1,510,339	1,510,339
Senior and disabled transit	-	111,054	111,054
Project development/traffic management	-	44,422	44,422
Mountain			
Major local highway	-	463,539	463,539
Local street	-	1,260,827	1,260,827
Senior and disabled transit	-	92,708	92,708
Project development/traffic management	-	37,083	37,083
Cajon Pass	-	4,589,412	4,589,412
	\$ 1,629,451	\$ 161,315,622	\$ 162,945,073

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

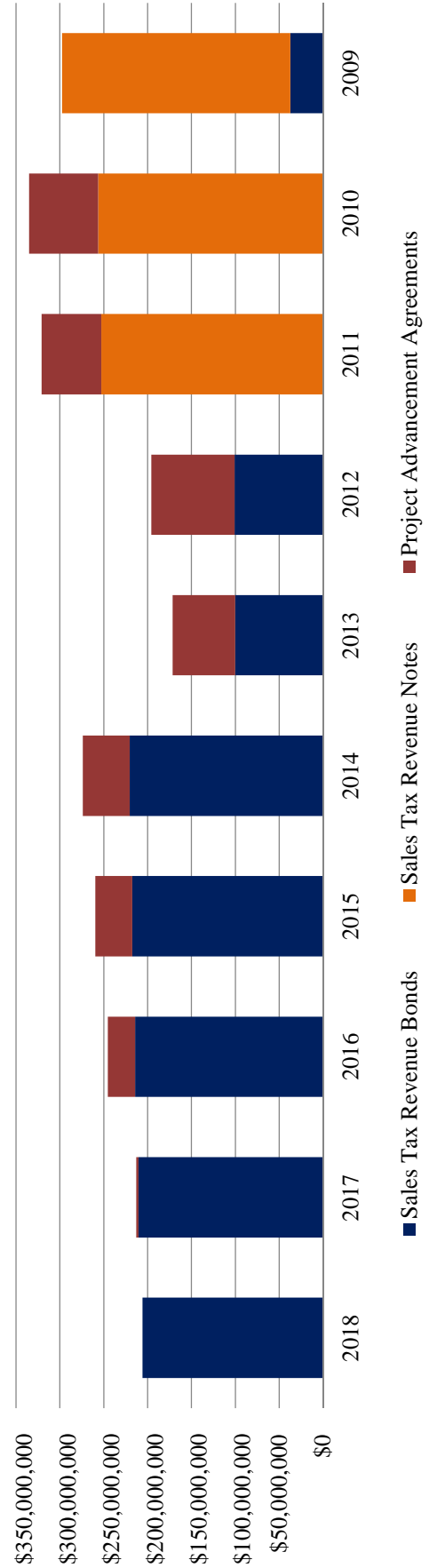
Fiscal Year	Sales Tax Revenue Bonds ⁽¹⁾	Sales Tax Revenue Notes ⁽¹⁾	Project Advancement Agreements ⁽²⁾	Total	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
2018	\$ 205,722,467	\$ -	\$ -	205,722,467	NA	\$ 94.59
2017	210,191,056	-	2,835,749	213,026,805	NA	98.61
2016	214,167,404	-	31,092,352	245,259,756	0.31%	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

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 129.

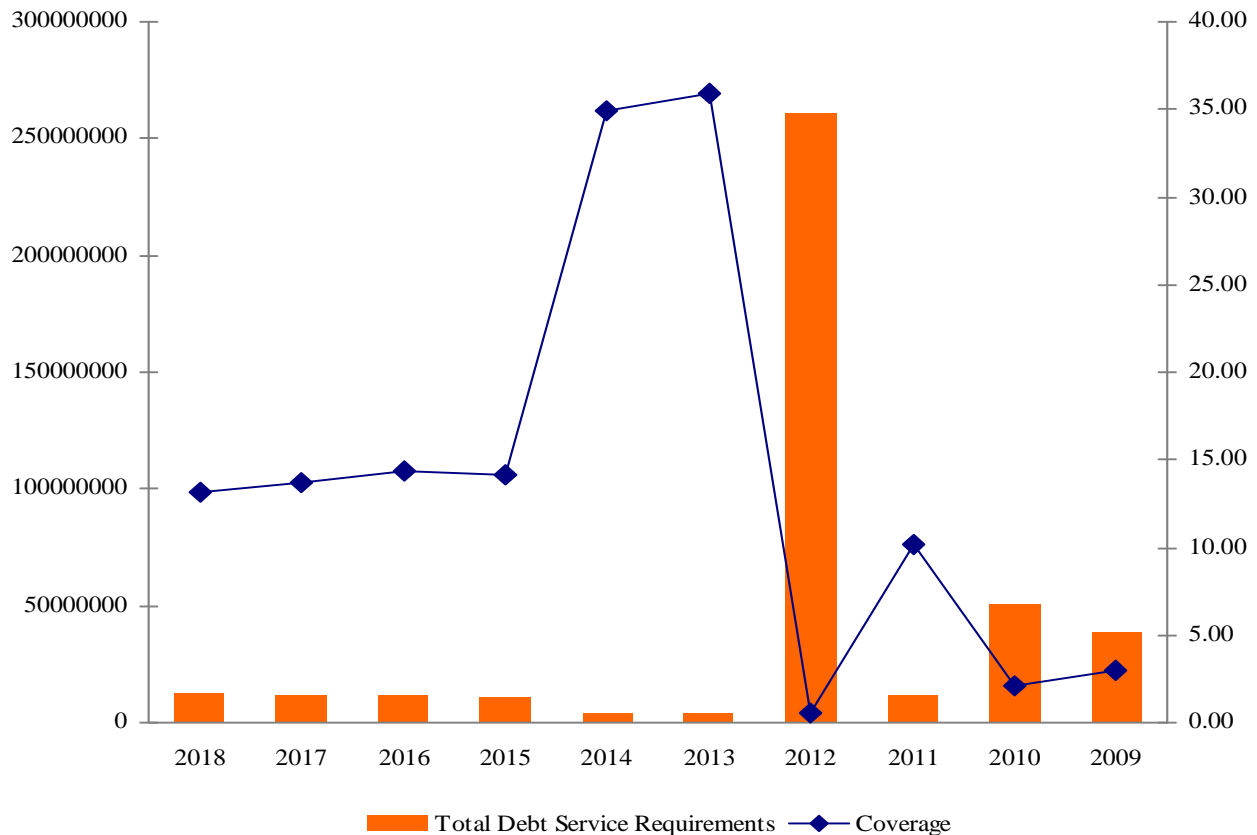


SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

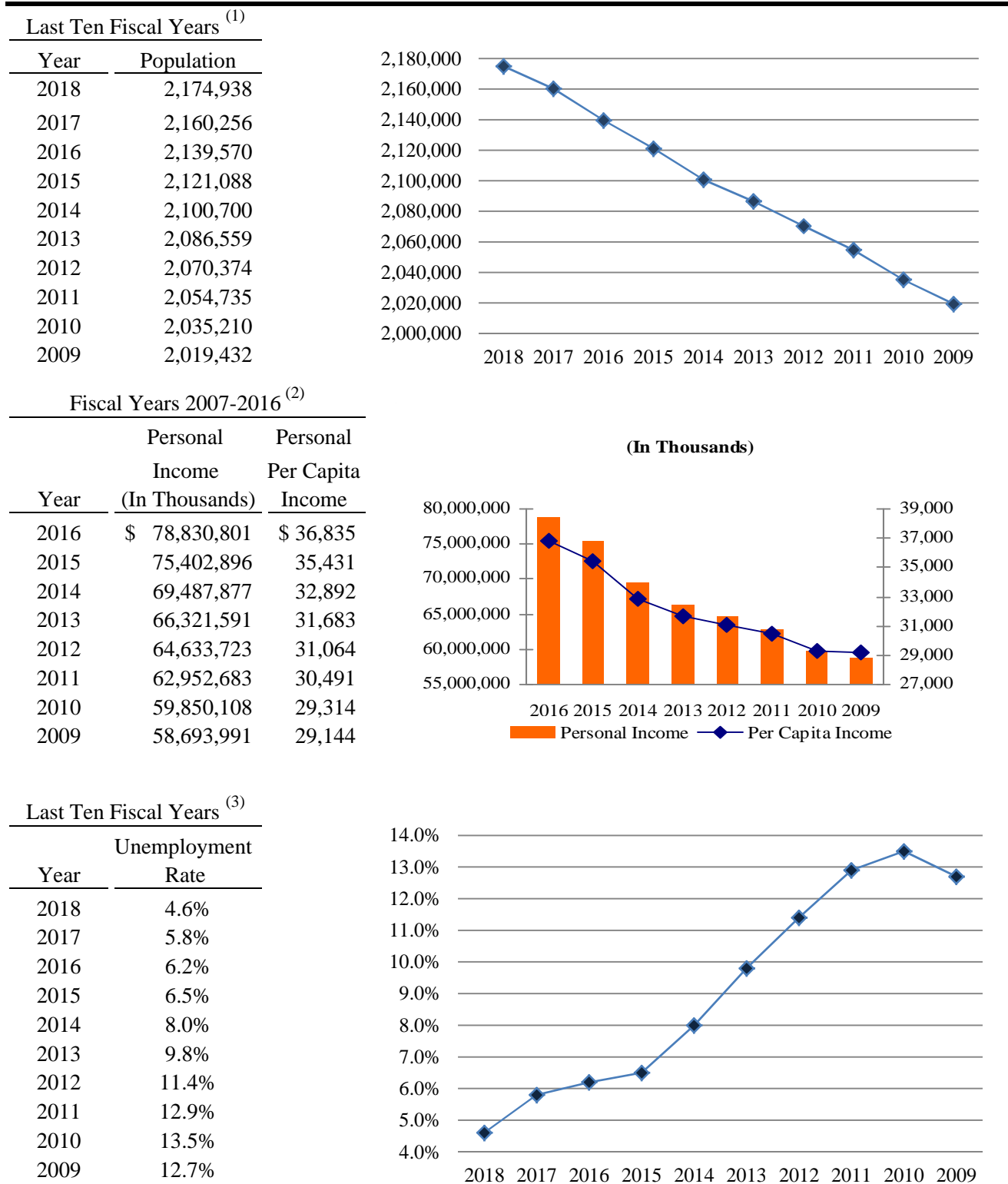
Fiscal Year	Measure I Sales Tax Revenues ⁽¹⁾	Debt Service Requirements ⁽²⁾			Coverage
		Principal	Interest	Total	
2018	\$ 162,945,073	\$ 3,365,000	\$ 9,016,301	\$ 12,381,301	13.16
2017	163,814,528	2,845,000	9,122,550	11,967,550	13.69
2016	160,848,014	1,990,000	9,222,050	11,212,050	14.35
2015	152,342,401	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

⁽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



⁽¹⁾ California Department of Finance. Population for FY2018 as of January 2018.

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

⁽³⁾ California Employment Development Department. Unemployment rate for FY2018 as of June 2018.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
County of San Bernardino Employment Statistics by Industry
Fiscal Year 2017 and Nine Years Prior ⁽¹⁾

Industry Type	2017	Percentage of Total Employment	2008	Percentage of Total Employment
Agricultural services, forestry and fishing	2,200	0.29%	3,100	0.47%
Mining	500	0.07%	700	0.11%
Construction	35,200	4.72%	37,400	5.61%
Manufacturing	56,300	7.55%	59,600	8.94%
Transportation, warehousing and public utilities	75,800	10.16%	48,000	7.20%
Wholesale trade	39,500	5.30%	34,600	5.19%
Retail trade	87,700	11.76%	83,900	12.59%
Professional and business services	78,600	10.54%	80,500	12.08%
Education and health services	116,700	15.65%	84,000	12.61%
Leisure and hospitality	75,900	10.18%	58,300	8.75%
Information	5,100	0.68%	7,000	1.05%
Finance, insurance and real estate	22,500	3.02%	23,700	3.56%
Federal government-civilian	13,500	1.81%	13,000	1.95%
State government	13,000	1.74%	14,200	2.13%
Local government	100,400	13.46%	95,500	14.33%
Other services	<u>23,000</u>	<u>3.08%</u>	<u>22,900</u>	<u>3.44%</u>
Total	<u>745,900</u>	<u>100.00%</u>	<u>666,400</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General:										
Executive administration and support	12.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
General counsel	3.0	2.0	2.0	2.0	2.0	2.0	1.0	-	-	-
Financial management	14.0	12.0	9.5	8.5	6.5	6.5	6.0	5.0	5.0	5.0
Management services	3.0	2.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0
Legislation	2.0	3.0	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	3.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Regional and subregional planning	5.0	5.0	5.0	5.0	5.0	4.0	4.0	9.0	9.0	9.0
Transit	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Project delivery	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	4.0
Fund administration	8.0	9.0	8.0	8.0	7.0	7.0	7.0	-	-	-
Council of governments	2.0	2.0	-	-	-	-	-	-	-	-
Total full-time equivalent positions	64.0	61.0	54.5	53.5	50.5	49.5	47.0	45.0	45.0	43.0

⁽¹⁾ Authorized positions per adopted budget. Does not include contract positions for project management in 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Environmental and energy conservation										
HERO program ⁽²⁾:										
Number of projects approved	-	6,805	8,098	5,987	4,433	-	-	-	-	-
Number of projects completed	580	4,355	5,177	5,128	3,458	-	-	-	-	-
Value of projects completed	\$ 12,256,788	\$ 87,395,340	\$ 103,832,407	\$ 94,925,696	\$ 59,481,299	\$ -	\$ -	\$ -	\$ -	\$ -
GW/h saved	132.45	28.10	11.88	37.58	23.81	-	-	-	-	-
GHG reduction in tons	120	7,589	10,293	10,362	6,514	-	-	-	-	-
Commuter and motorist assistance										
Annual rideshare participants	1,467	1,383	1,229	750	997	1,213	1,373	1,416	1,370	2,557
Park and ride lots	19	20	21	21	19	19	19	17	18	18
Motorist assistance by freeway service patrol	49,644	33,369	35,100	34,669	34,141	30,347	35,894	36,366	84,564	34,370
Call boxes	1,022	1,022	1,022	1,048	1,244	1,224	1,224	1,192	1,245	1,343
Calls to 511	142,287	201,099	233,895	282,180	306,108	362,395	360,171	479,331	112,217	N/A
Visits to IE511.org	408,021	618,627	473,462	604,799	471,778	388,496	341,716	246,318	32,935	N/A
Transit										
Weekly commuter rail trips	9,559	9,721	10,659	11,078	11,159	12,044	12,325	11,523	11,700	13,162
Annual ridership on commuter rail	2,713,313	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
Transit operators	5	5	5	7	7	7	7	7	7	7
Transit projects	3	4	3	6	3	-	-	-	-	-
Passenger rail projects	7	7	8	5	7	-	-	-	-	-
Project delivery										
Freeway projects	9	9	9	9	12	14	17	13	12	13
Freeway interchange projects	17	20	17	18	19	14	7	6	6	6
Grade separation projects	5	8	8	11	8	10	11	11	11	7
Fund administration										
Project advancement agreements ⁽³⁾	-	24	24	24	24	24	24	24	24	19
Arterial program jurisdiction master agreements	15	15	15	16	16	16	16	16	N/A	N/A
Measure I Valley Major Street/Arterial allocation	\$ 20,958,276	\$ 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
Project advancement allocation-Valley interchange	\$ 1,815,540	\$ -	\$ 966,835	\$ -	\$ 2,039,283	\$ 4,215,200	\$ 3,830,000	\$ 2,911,000	N/A	N/A
Project advancement allocation-Valley arterials	\$ 1,020,209	\$ 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
Victor Valley Major Local Highway Allocation	\$ 41,100	\$ 2,970,614	\$ -	\$ 4,837,945	\$ 1,199,345	\$ 9,029,230	\$ 6,305,622	\$ 14,445,025	N/A	N/A
Rural Mountain/Desert Local Highway Allocation	\$ 53,697	\$ 6,620,303	\$ 4,130,572	\$ 8,770,963	\$ 713,630	\$ 1,975,000	\$ 450,000	\$ 3,553,108	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.

⁽²⁾ The HERO program ended in fiscal year 2017.

⁽³⁾ Project Advancement Agreements were paid in full in fiscal year 2018.

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
Santa fe depot parking lot -employee/visitor	2	2	2	2	2	2	2	2	2	2
Environment and energy conservation										
Electric vehicle charging stations	2	-	-	-	-	-	-	-	-	-
Transit										
Acres of commuter rail land	621.0	621.0	621.0	608.0	591.8	590.5	590.5	590.5	590.5	590.5
Acres of commuter rail parking land	*21.9	*21.9	*16.9	*16.9	3.3	3.3	3.3	3.3	3.3	3.3
Building-downtown san bernardino crew house	1	-	-	-	-	-	-	-	-	-
Downtown san bernardino crew house parking lot	1	-	-	-	-	-	-	-	-	-
Santa fe depot station parking lot	1	1	1	1	1	1	1	1	1	1

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