

Comprehensive Annual Financial Report

For year ended June 30, 2019



San Bernardino County Transportation Authority
San Bernardino Council of Governments

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San Bernardino County Transportation
Authority
San Bernardino, CA

Comprehensive
ANNUAL FINANCIAL REPORT

For Year Ended June 30, 2019



Prepared by SBCTA, Finance Department



Recent improvements to the curb appeal of the Santa Fe Depot can be seen in the monument sign, flag pole, and bus boarding area, and parking features. The Depot turned 100 years old in July 2018 and is served by Metrolink, Amtrak, Omnitrans and Mountain Area Regional Transportation Authority.

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As nighttime falls on the east valley of San Bernardino County, the demand for effective transportation doesn't stop.

INTRODUCTORY SECTION

November 25, 2019

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, 2019, is submitted herewith. The CAFR is presented in conformity with generally accepted accounting principles in the United States (GAAP) and audited with generally accepted auditing standards. 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 are 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, 2019. 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 on June 2, 1993 and reaffirmed on 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, SBCTA known at the time as the San Bernardino Associated Governments (SANBAG) sponsored Senate Bill 1305 (Morrell), consolidating the agency's transportation entities into a 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).

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 of the Commission 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) as 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 function 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 the same as SBCTA and the demonstrated financial benefit relationship between the two entities.

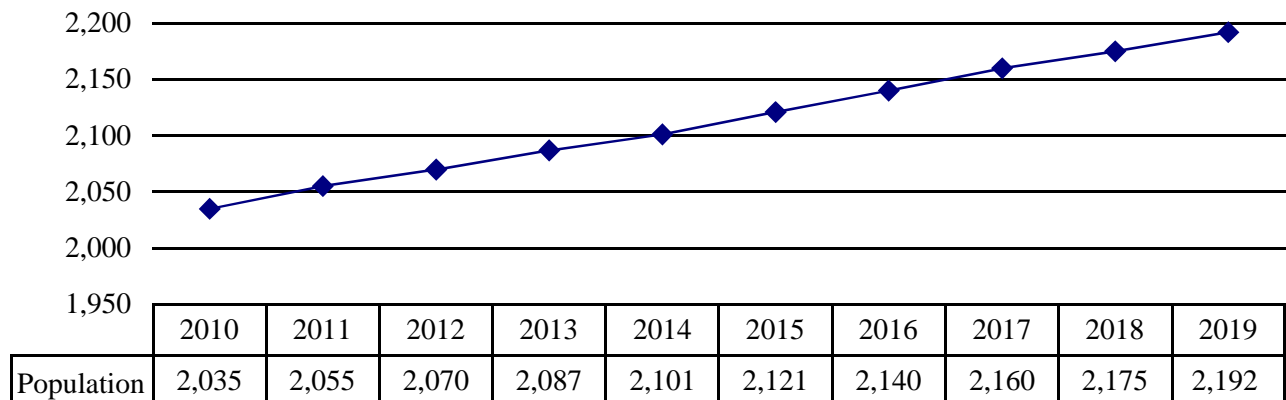
SBCTA is required to adopt a budget prior to the beginning of each fiscal year. The annual budget serves as the foundation for SBCTA's financial planning and control. The budget is prepared by funding source, program and task. Management may transfer resources within each task and between tasks within the same program and funding source. The Executive Director has the authority to substitute funding sources approved with the adopted budget 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. Since July 2009, the United States and Inland Empire economies have experienced strong growth that has resulted in stable population growth, continued reduction in unemployment, increase in personal income, and increase in local revenues. Future challenges include strong growth in qualified workers and logistics, with firms migrating inland to reduce commuting for Inland Empire residents.

The population of San Bernardino County has grown by 6.9% 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 since the end of the recession to 4.1% in 2019.

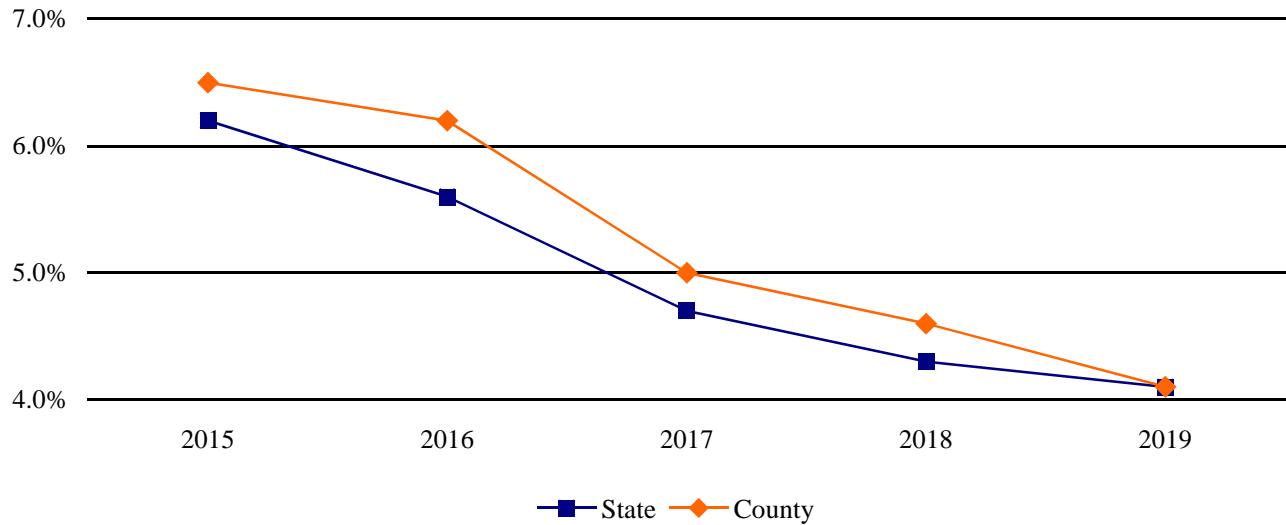
The following table summarizes the civilian labor force, employment and unemployment, and employment rate for the State of California and San Bernardino County for the calendar years 2015 through 2019. The figures for 2019 are as of eight months ending August 2019. Data for each of the years is not seasonally 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)**

	2015		2016		2017		2018		2019	
	State	County	State	County	State	County	State	County	State	County
Civilian labor force	18,982	926.6	19,358	938.9	19,450	951.7	19,368	957.4	19,386	954.8
Employment	17,799	866.8	18,282	880.2	18,533	903.8	18,542	917.5	18,594	915.3
Unemployment	1,183	59.8	1,076	58.7	917	48.0	826	39.5	802	39.5
Unemployment rate	6.2%	6.5%	5.6%	6.2%	4.7%	5.0%	4.3%	4.6%	4.2%	4.1%

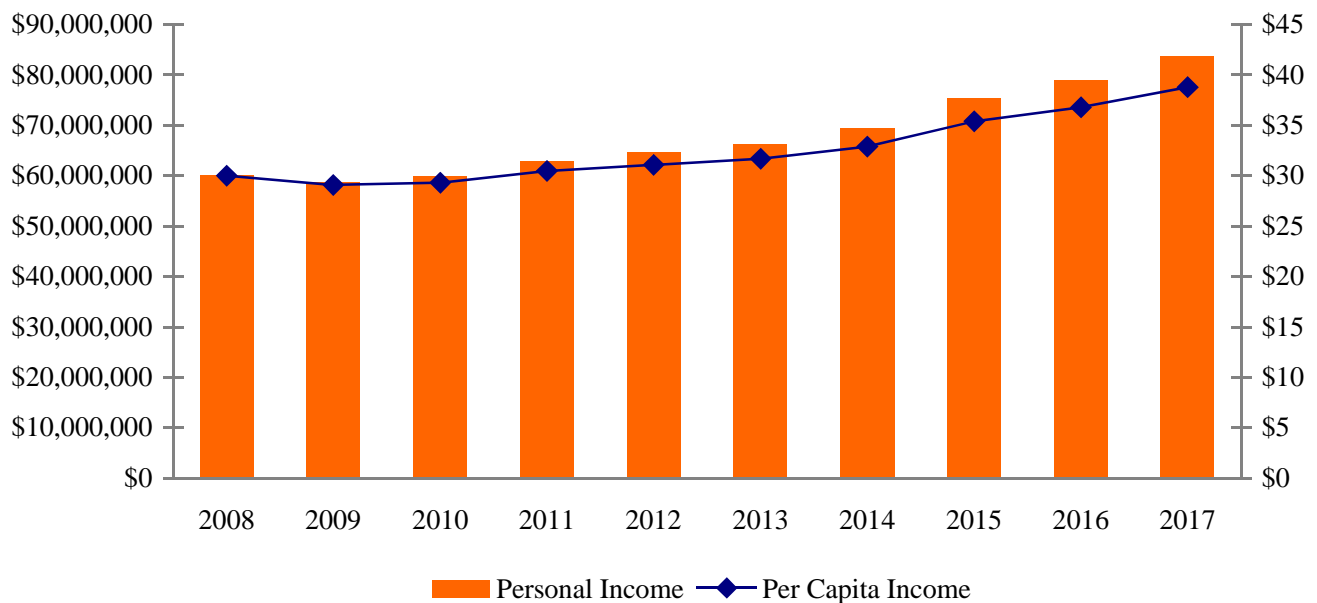
Source: Labor Market Information Division-California State Employment Development Department.

Unemployment Rate County versus State Last Five Years



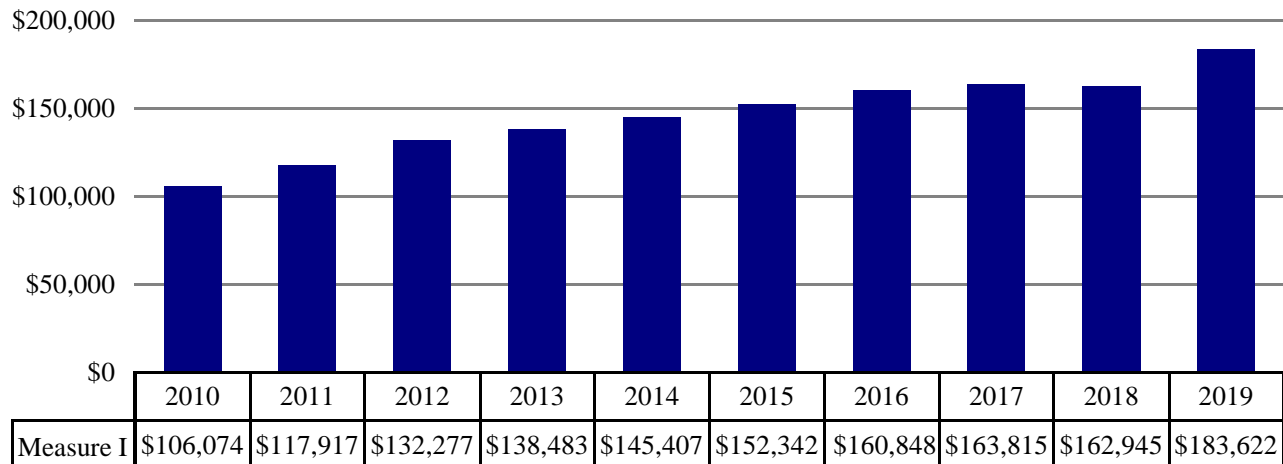
Personal income decreased from \$60.5 billion in 2008 to \$58.7 billion in 2009 due to the economic recession. The strong improvement in the local economy over the last several years has increased personal income to a high of \$83.7 billion in 2017. Per capita income followed a similar pattern increasing steadily to a high of \$38.8 thousand in 2017.

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 2019 was \$183.6 million in comparison to \$162.9 million of the prior fiscal year. The increase is mainly due to understatement of sales tax in prior years 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 was 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 new Measure I program began on April 1, 2010, after 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 2019 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 \$4.4 billion. Funding includes \$1.7 billion from Measure I sales tax revenue, and \$2.7 billion from federal, state, and local sources.

SBCTA continues to explore economically viable ways to advance transportation projects as early as possible. The detailed *Measure I 2010-2040 10-Year Delivery Plan* is posted on SBCTA's web site.

State and Federal funding are an important component in the delivery of projects, but their availability has been steadily declining over the past twenty years. The passage of Senate Bill 1 (SB1) in 2017 created opportunities to compete for state grant funds in specific transportation categories. The bill provides a comprehensive and multi-modal funding package with revenue set-asides for highways, local streets and roads, goods movement projects, active transportation projects, and transit projects and services through a variety of formula and competitive programs managed by numerous State departments and agencies. SB1 augmented the State Transportation Improvement Program (STIP), replacing some of lost revenue streams. Working closely with California Transportation Commission (CTC) staff and Commissioners, SBCTA was successful in securing more than its guaranteed share in the first two years of the 2018 STIP, recuperating in part the deprogramming amount from the 2016 STIP.

SBCTA continues to actively pursue funding from various new sources, such as the Solutions for Congested Corridors Program (SCCP) for projects that implement specific transportation performance, improvements and are part of a comprehensive corridor plan; Local Partnership Program (LPP) for regional transportation agencies and local jurisdictions that have passed sales tax measures, developer fees, or other imposed transportation fees to fund road maintenance and rehabilitation, soundwalls, and other transportation improvement projects; Trade Corridor Enhancement Program (TCEP) for projects that more efficiently enhance the movement of goods along corridors that have a high freight volume; and State of Good Repair Program (SGR) that provides funding for capital assistance to rehabilitate and modernize California's existing local transit systems, with a focus on upgrading, repairing, and maintaining transit infrastructure in a state of good repair.

Major Initiatives

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

COUNCIL OF GOVERNMENTS

35th 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 2019 conference focused on the areas of changing demographics and the 2020 Census, the impacts of the logistics industry on the local economy and land use, changes in emergency medical dispatching, California Environmental Quality Act (CEQA) reform, 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 and to support efforts of SBCTA. Through our partnership with several local agencies, over \$29 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 was very active supporting important funding programs such as Senate Bill 277 (Beall) that would codify the formulaic distribution of the Local Partnership program and provides certainty for project planning. Additionally, the team continues to provide enhanced awareness of a need to address goods movement along the Interstate 10 (I-10) Corridor, awareness of the Redlands Passenger Rail Project (RPRP) 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 activated its enhanced outreach services as a way of expanding the opportunities for citizen engagement, outreach, and education. These in conjunction with other efforts will result in greater awareness of SBCTA projects and more timely and consistent information about the 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 begun the replacement of 3G cellular call boxes with call boxes equipped for 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. SBCTA has begun planning for the addition of a new beat to serve the Cajon Pass. FSP assisted more than 50,000 motorists during the year and received a 99% excellent rating from the motorists that were assisted.

REGIONAL AND SUBREGIONAL PLANNING

SBCTA completed a number of planning and analysis activities in Fiscal Year 2018/2019, the more significant of which include:

- Completed an analysis of the revenue split between the Measure I Valley Express Bus/Bus Rapid Transit (BRT) and Valley Major Street Programs, with Board approval on December 5, 2018. This resulted in raising the percentage of funding in the BRT program to 5 percent of Valley funds and reducing the Major Street Program funds to 18 percent, the minimum shift required by the Measure I Expenditure Plan.
- Continued work on the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Growth forecasts and project lists, representing input for the entire County, were submitted to the Southern California Association of Governments (SCAG) in November 2018.
- Continued delivery of projects with Active Transportation Program (ATP) grants from ATP cycles 1-3 and provided assistance to jurisdictions on Cycle 4 applications. Over \$60 million in grants has been awarded to San Bernardino County jurisdictions in Cycles 1-4 of this program.
- A draft of the Regional Conservation Investment Strategy (RCIS) under Assembly Bill 2087 (AB2087) was prepared and reviewed by stakeholders. This Phase of the Habitat Preservation/Conservation Framework has been funded by the County of San Bernardino and SCAG, with leadership from the Environment Element Group of the Countywide Vision. Additional applications for funding of Phase 2 were submitted to state agencies.
- Phase 2 of the San Bernardino County Sub-regional Greenhouse Gas Reduction Plan Update was initiated.
- The Regional Climate Adaptation Toolkit was initiated, with Western Riverside Council of Governments (WRCOG) as lead agency.
- The Senate Bill 743 (SB 743) Countywide Implementation Study was initiated, preparing local jurisdictions for the use of Vehicle Miles Traveled (VMT) as the basis of traffic analysis going forward. The State has mandated that the VMT-based approach be implemented statewide no later than July 2020.

TRANSIT

DMU to ZEMU

SBCTA successfully secured a \$30 million Transit and Intercity Rail Capital Program grant to transform a Diesel Multiple Unit (DMU) to a Zero-Emission Multiple Unit (ZEMU) or near zero-emission vehicle. The ZEMU Concept Feasibility Study was completed and in July 2019, the SBCTA Board of Directors approved advancing a hydrogen fuel cell-battery hybrid propulsion unit and consultation with the Federal Railroad Administration began.

Redlands Passenger Rail Project (RPRP)

Construction on the RPRP began earlier this year, including both the mainline construction and the vehicle maintenance facility. The design of the DMU service vehicle, meeting both Buy America and Federal Railroad Administration crash compliance criteria, was substantially advanced and manufacturing of the car bodies commenced this year as well. Relocation of the wet utilities was completed. The project will provide for a blended hybrid-rail passenger service with twenty-five (25) DMU weekday roundtrips between the San Bernardino Transit Center and the University of Redlands as part of the Arrow Service, and the Southern California Regional Rail Authority (SCRRA) providing one (1) weekday roundtrip locomotive hauled coach as part of Metrolink Service.

West Valley Connector

SBCTA continues to work with the Federal Transit Administration (FTA) to finalize the environmental clearance document which was circulated for public comment recently.

Metrolink

SBCTA helped facilitate the transformation of the Metrolink Technical Advisory Committee to the Member Agency Advisory Committee, changing the focus of the group to policy input, long-term visioning and financial sustainability, and monitoring of performance in lieu of technical input. In addition, grant funding was secured to implement a 25% fair-discount program on the San Bernardino Line in partnership with LA Metro starting in July 2018.

Railroad Right-of-Way (ROW)

On-going ROW 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, twenty-four rights of use agreements and thirteen amendments were executed in Fiscal Year 2018/2019.

PROJECT DELIVERY

Interstate 10 (I-10) Corridor Project Development, Multiple Cities

The Project Approval/Environmental Document (PA/ED) phase was completed in July 2017, 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 (DB) contractor was completed during Fiscal Year 2017/2018 with two proposals received for 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.

Interstate 15 (I-15) Corridor Project Development, Multiple Cities

The preliminary engineering and environmental studies were completed for the addition of two Express Lanes in each direction of the I-15 from State Route 60 (SR 60) to State Route 210 (SR 210), a distance of approximately 14 miles. The environmental document and project report were approved in December 2018. Procurement for final design services is anticipated in fall 2019 with a target for starting construction in 2023.

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 for management of the project design phase which 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) concluded in August 2019. Procurement for a 4-year Establish Existing Planting contract is underway. This is the final interchange for the SR 210 freeway expansion. Ramps were added at Pepper Avenue and the roadway was widened to 2 lanes in each direction.

Interstate 215 (I-215) University Parkway Interchange, San Bernardino

Environmental technical studies are underway for a Diverging Diamond Interchange concept on the I-215 University Parkway to improve traffic flow through the interchange. Construction is estimated to start in mid-2021.

I-215 Barton Road Interchange, Grand Terrace

This project uses 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 underway. The project is expected to be completed in early-2020.

Archibald Avenue Improvement Project, Ontario

Design of the Archibald Avenue Improvement Project at State Route 60 was completed in June 2019. Construction is anticipated to begin in late-2019.

US 395 Widening Project, Victorville and Adelanto

Design of the US 395 Widening Project was completed in October 2018. A construction contract was awarded in February 2019, and construction started in May 2019. The project is expected to be completed in early-2021.

Mt. Vernon Viaduct, San Bernardino

The 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 DB delivery method. Procurement for this \$200 million project started in 2018. A DB contract is anticipated to be awarded in late-2019 and the new bridge is expected to be complete and open to traffic before the end of 2023.

Metrolink Accessibility Improvement Project, San Bernardino, Rialto, Fontana, Rancho Cucamonga, Upland and Montclair

Construction was completed in August 2018, with the project providing safe pedestrian/bicycle access and improvements to connect the Pacific Electric Trail to Metrolink Stations for the cities listed above.

FUND ADMINISTRATION

SBCTA approved the 2019 Update to the 10-Year Delivery Plan in June 2019. The plan was developed within the policy framework established by the voter-approved Measure I Expenditure Plan and provides a transparent list of projects that will be developed during the next decade. The 10-Year Delivery Plan defines the current assumptions related to revenue forecasts and project scope, schedule, and budget, and it enables SBCTA to meet the requirements of bond rating agencies for the sale of bonds. The entire plan provides for the completion of 61 projects that have been prioritized by SBCTA and local jurisdictions at a total estimated cost of \$4.4 billion, including \$1.7 billion from Measure I revenue.

After the passage of SB1, the Road Repair and Accountability Act of 2017, Proposition 6 on the November 2018 ballot proposed to repeal the new transportation revenues provided by SB1. SBCTA identified potential impacts in San Bernardino County and developed alternative funding plans to insure major projects that had been awarded \$230 million in new SB1 funds, such as the I-10 Corridor Contract 1, RPRP, and US 395 Widening Project, could still be delivered if those funds were de-allocated. Although the SB1 repeal effort failed, SBCTA had proactively addressed the potential impacts and risks, and the infusion of these funds was critical to the delivery of these projects. They not only allowed SBCTA to move forward under the rising costs of construction but also allowed for the excess delivery of the SBCTA share of federal funds, which will result in an increased allocation of federal funding to SBCTA and protected SBCTA from loss of funds in a planned Federal rescission.

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, 2018. This is the seventh consecutive 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, 2018. 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 and transparency in the management and reporting 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**

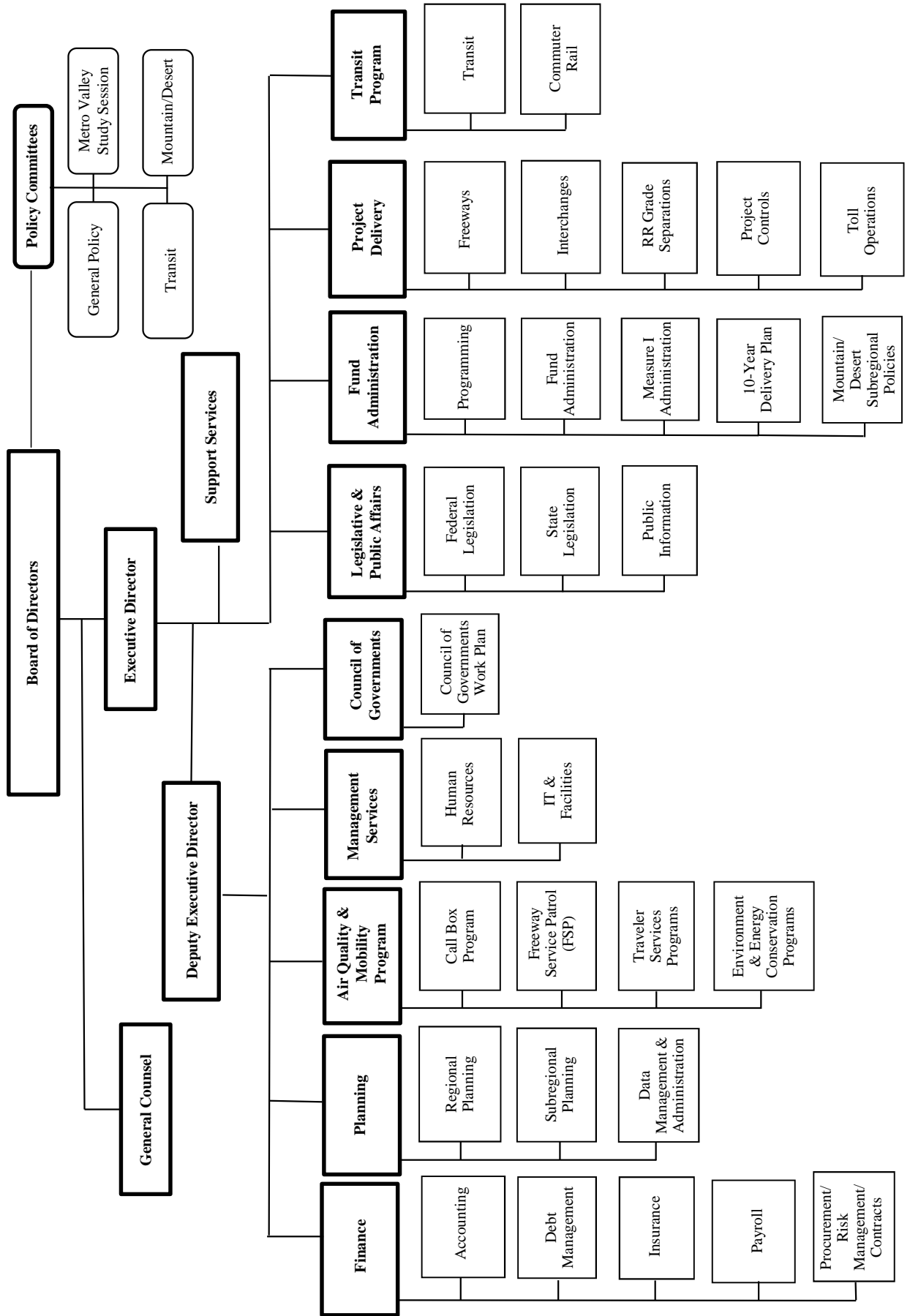
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

**San Bernardino County Transportation Authority
Organization Chart**



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
List of Principal Officials
June 30, 2019

Board of Directors

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

Appointed Officials

Raymond W. Wolfe, Executive Director*
Julianna Tillquist, 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
Steven 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

*Appointed by the Board of Directors



The 100-year dedication of the historic Santa Fe Depot highlighted this beacon of the past and was a celebration for the entire community. The Depot serves as the headquarters for SBCTA.

FINANCIAL SECTION

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, 2019, 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, 2019, 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 25, 2019, 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 25, 2019

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, 2019. Please read it in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of SBCTA exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year by \$620,945,042 (*net position*).
- The unrestricted net position (deficit) of (\$244,842,558) is the result of issuance of long-term debt to finance freeways, freeway interchanges, rail, 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 net position increased by \$53,164,897 from the previous fiscal year, mainly as a result from operations, increase in capital assets of over \$32.4 million net of accumulated depreciation, which were partially offset by the reduction of construction in progress of \$8.6 million for two capital projects no longer being constructed and two capital projects that were completed during the year, and recognition of \$33.8 million of advance expenditure agreements.
- The total cost of all SBCTA's activities was \$460,416,037 for the current fiscal year. Net cost of all activities was \$254,808,790.
- The total fund balances of SBCTA's governmental funds were \$639,820,290 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 \$2,014,819 for the fiscal year ended. This was mainly due to transfers from other funds to fund general indirect costs and set reserves.
- The total fund balance of the general fund was \$11,054,573 for the fiscal year; \$3,287,408 nonspendable, \$7,267,165 assigned, and \$500,000 unassigned.
- Total capital assets, net of accumulated depreciation, increased by \$23,849,365 or 14.3% over June 30, 2018. This increase in capital assets is primarily due to the progress made on the I-10 Corridor Contract I and the Redlands Passenger Rail projects.
- SBCTA's total outstanding long-term bonded debt including unamortized premiums decreased by \$4,934,524 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, express lanes, 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 seven 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 sixteen 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 26-65 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 67-77 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 schedule 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 schedule 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 schedule of revenues, expenditures and changes in fund balances for the 1990-2010 Measure I special revenue fund.
- Combining balance sheet and schedule of revenues, expenditures and changes in fund balances for the 2010-2040 Measure I special revenue fund.
- Combining balance sheet and schedule of revenues, expenditures and changes in fund balances for the debt service fund.
- Combining balance sheet and schedule of revenues, expenditures and changes in fund balances for the capital projects fund.

Supplementary information can be found on pages 79-131 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, 2019, SBCTA's assets exceeded liabilities by \$620,945,042. The following is condensed financial data related to net position at June 30, 2019 and June 30, 2018:

Condensed Statement of Net Position

	Governmental Activities	
	2019	2018
Current and other assets	\$ 766,358,163	\$ 682,582,922
Capital assets-net of depreciation	191,050,357	167,200,992
Total assets	957,408,520	849,783,914
Deferred outflows of resources	7,137,458	8,437,756
Long-term liabilities outstanding	201,989,786	206,790,593
Net pension liability	14,996,039	14,938,612
Other liabilities	124,844,017	66,495,200
Total liabilities	341,829,842	288,224,405
Deferred inflows of resources	1,771,094	2,217,120
Net position:		
Net investment in capital assets	183,187,117	163,426,341
Restricted	682,600,483	635,633,048
Unrestricted	(244,842,558)	(231,279,244)
Total net position	\$ 620,945,042	\$ 567,780,145

Net Position

Net investment in capital assets represents 29.5% 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 \$244,842,558 as of June 30, 2019. 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 \$53,164,897 as a result of revenues exceeding expenses. The total cost of SBCTA activities was \$460,416,037 for the fiscal year. Net cost of all activities was \$254,808,790. 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, 2019 and June 30, 2018:

Condensed Statement of Changes in Net Position

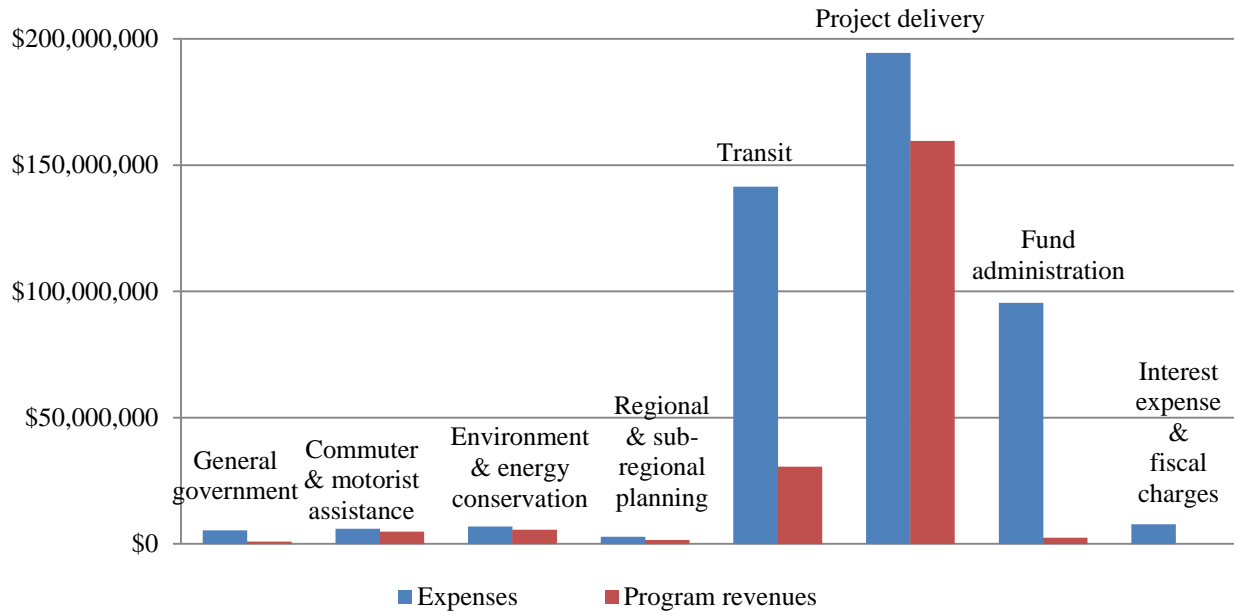
	Governmental Activities	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 855,693	\$ 873,886
Operating grants and contributions	124,767,642	134,432,428
Capital grants and contributions	79,983,912	-
General revenues:		
Sales tax-Measure I	183,621,992	162,945,073
Sales tax-Local Transportation Fund	106,927,206	95,064,513
Unrestricted investment earnings	16,901,051	5,050,075
Miscellaneous	421,971	1,318,612
Gain (loss) on sale of assets	101,467	(194,724)
Total revenues	<u>\$ 513,580,934</u>	<u>\$ 399,489,863</u>
	Governmental Activities	
	2019	2018
Expenses		
General government	\$ 5,388,051	\$ 4,451,810
Environment and energy conservation	5,992,817	4,100,630
Commuter and motorist assistance	6,910,089	6,787,391
Regional and subregional planning	2,803,421	3,063,247
Transit	141,450,567	139,490,342
Project delivery	194,496,081	119,064,025
Fund administration	95,419,251	56,315,916
Express Lanes	167,101	-
Interest and fiscal charges	7,788,659	7,882,329
Total expenses	<u>460,416,037</u>	<u>341,155,690</u>
Change in net position	53,164,897	58,334,173
Net position at the beginning of year	<u>567,780,145</u>	<u>509,445,972</u>
Net position at the end of year	<u>\$ 620,945,042</u>	<u>\$ 567,780,145</u>

Changes in Net Position

Revenues increased by \$114,091,071 primarily attributed to additional funds from federal and state operating and capital grants and contributions and an increase in sales tax revenue from Measure I and Local Transportation Fund. The net increase of \$70,319,126 in operating grants and capital grants are related to more reimbursable expenditures in the project delivery program due to several projects currently under construction. Increase of \$20,676,919 in Measure I sales tax revenue reflects a strong economy and funds received from the Department of Tax and Fee Administration that pertained to the prior year due to conversion of financial system. The increase of \$11,850,976 in unrestricted investment earnings is related to increase earnings on investments.

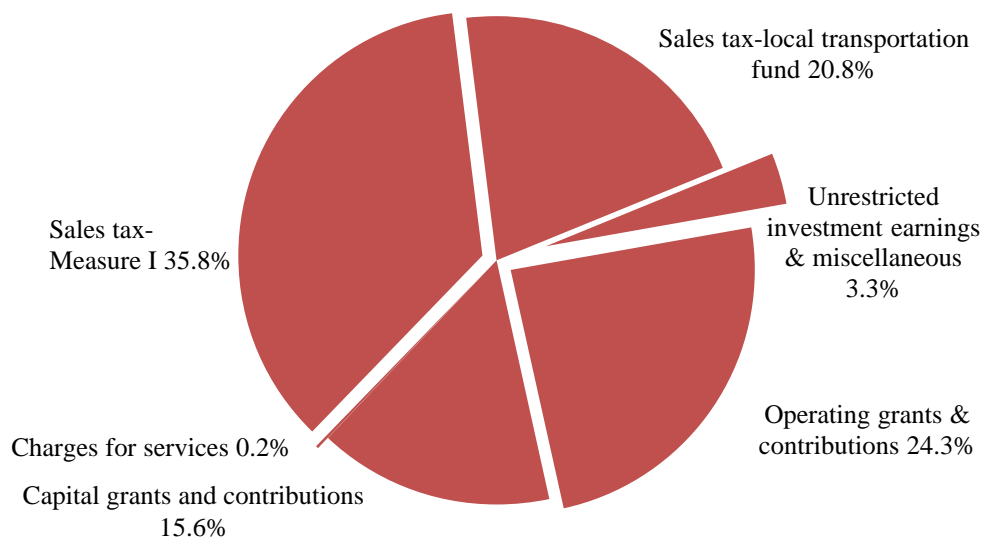
Expenses increased by \$119,260,347 or 34.96% from the previous fiscal year. The increase was primarily attributed to increase expenditures of project delivery and transit projects due to several projects under construction phase during the year.

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. Express lanes are currently funded through Measure I revenue but once the express lanes are in operations Measure I will be reimbursed for costs from toll revenues.

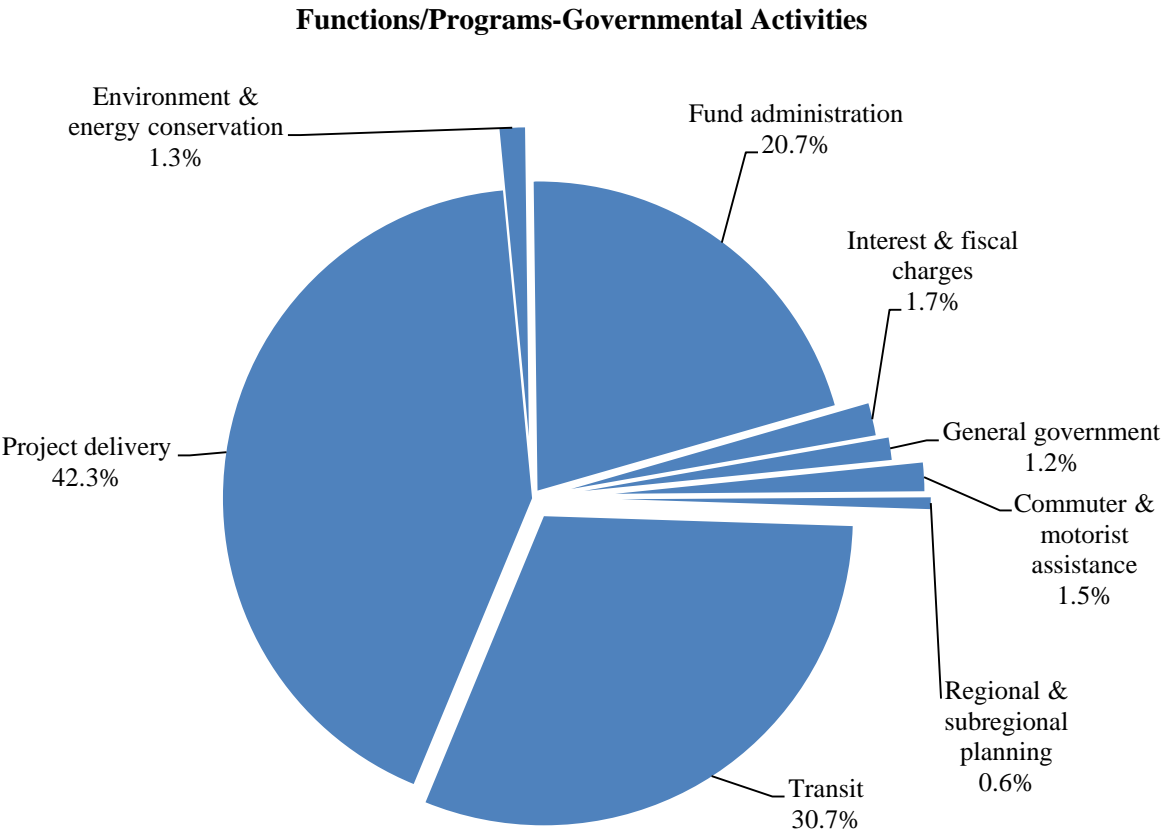


Expenses and Program Revenues-Governmental Activities

Revenue Sources-Governmental Activities



Measure I and local transportation fund sales tax revenues provided 56.6% 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.



Project delivery, transit, and fund administration represented 93.7% 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, advance expenditure agreements (see note 8 of *notes to financial statements*), transit operator support and local street pass-through payments.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds

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

SBCTA itself, or individuals that have been delegated authority to assign resources limiting the use to certain purposes by the SBCTA's Board of Directors.

SBCTA's governmental funds reported combined fund balances of \$639,820,290 at June 30, 2019. This represented a \$71,734,199 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 and deposits-\$3,302,408
- Restricted due to external and third party restrictions or regulations- \$643,327,781
- Committed for particular purposes by SBCTA board action-\$2,346,780
- Assigned for specific purposes-\$7,267,165
- Unassigned (general purpose and deficit)-(\$16,423,844)

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 \$11,054,573 which represents a \$2,014,819 increase from the previous fiscal year. The increase in fund balance was attributed to the transfers from other fund to fund indirect costs and reserves. Total fund balance of the general fund was either *nonspendable* (\$3,287,408 for prepaid items and deposits receivable), assigned (\$7,267,165) for general administration; regional and subregional planning; and transit services) and unassigned general purpose (\$500,000).

Federal Highway Special Revenue Fund

The federal highway special revenue fund reported an unassigned fund deficit of \$5,629,809 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, 2019.

Federal Transit Administration Special Revenue Fund

The federal transit administration special revenue fund reported an unassigned fund deficit of \$509,078 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, 2019.

State Highway Special Revenue Fund

The state highway special revenue fund reported an unassigned fund deficit of \$1,237,917 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, 2019.

Proposition 1B Special Revenue Fund

The proposition 1B special revenue fund had a fund balance decrease of \$2,171,836 from the previous fiscal year. The decrease is due to spending funds received for certain capital projects in project delivery and transit. Total fund balance of \$21,258,567 was reported as restricted fund balance at June 30, 2019.

Local Transportation Fund Special Revenue Fund

The fund balance of the local transportation fund special revenue fund increased by \$15,596,112 from the previous fiscal year. The increase in fund balance was primarily attributed to increase in local transportation sales tax funds and lower amounts of expenditures for general administrative, planning and rail expenditures. Total fund balance of \$103,478,540 was reported as *restricted* fund balance at June 30, 2019.

State Transit Assistance Fund Special Revenue Fund

The fund balance of the state transit fund special revenue fund was \$68,013,854 at the end of the fiscal year which represents a \$7,220,572 increase. The increase in fund balance was attributed to revenues from the State exceed expenditures for rail projects and also 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, 2019.

1990-2010 Measure I Special Revenue Fund

The 1990-2010 Measure I special revenue fund had a decrease in fund balance of \$2,743,327 from the previous fiscal year. The total fund balance of \$10,086,284 was *restricted* at June 30, 2019. The decrease is a result of drawdown of fund balance of the 1990-2010 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 \$39,705,588 from the previous fiscal year. The total fund balance of \$427,488,134 was *restricted* at June 30, 2019. The increase in fund balance was largely attributed 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 \$5,380,383 which represents a \$58,996 increase from the previous fiscal year. The increase was due to increase of reserve of 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 \$5,448,321 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, 2019.

General Fund Budgetary Highlights

The net difference between the original budget for expenditure appropriations and the final budget was an increase of \$14,859,151. The largest general fund appropriation increase was primarily attributed to an anticipated increase in spending for rail projects. There was no difference between original estimated revenues and final estimated revenues for the general fund.

During the fiscal year, actual revenues were higher than budgetary estimated revenues by \$758,276. The increase in revenues was primarily due to an increase in anticipated sales tax and investment earnings. Actual expenditures were less than budgetary appropriations by \$56.0 million. The most significant budgetary appropriation variance between the final budget and actual amount was attributed to transit program. The variance of \$36.9 million 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, 2019 is \$183,187,117 (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, 2019 and 2018:

Capital Assets (net of depreciation)

	Governmental Activities	
	2019	2018
Governmental activities		
Land	\$ 67,818,087	\$ 67,818,087
Construction in progress	80,258,819	54,616,129
Buildings	8,249,835	8,560,295
Improvements to land	13,428,074	14,339,013
Infrastructure	19,949,381	20,496,306
Equipment, furniture, software, and vehicles	1,346,161	1,371,162
Total capital assets	<u>\$ 191,050,357</u>	<u>\$ 167,200,992</u>

The net increase in capital assets for the fiscal year was \$23,849,365. The net change in capital assets is primarily attributed to a \$34.2 million addition in construction in progress related mainly to three large projects: Redlands Passenger Rail Project, I-10 Corridor Contract 1, and the conversion of a diesel multiple unit (DMU) to zero DMU rail car. This increase in construction in progress was partially offset by the removal of two express lanes projects that became unfunded and are no longer in the 10-year delivery plan, which decreased construction in progress by \$8,394,517. Other capital asset activity included the completion of two capital projects, servers upgrade and SharePoint upgrade, which decreased construction in progress by \$157,125, increased other capital assets by \$512,381, partially offset by an increase in accumulated depreciation of \$2.3 million.

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 \$188,045,000. 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, 2019 and 2018:

	Governmental Activities	
	2019	2018
Governmental activities		
Sales tax revenue bonds	\$ 200,787,943	\$ 205,722,467
Total outstanding bonded debt	<u>\$ 200,787,943</u>	<u>\$ 205,722,467</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 .79% from the previous year.
- Personal income and personal income per capita increased by 6.2% and 5.4%, respectively from 2016 to 2017 (most current information available).
- Unemployment rate for the County continuously decreased from 4.6% to 4.1% from the previous year.
- Measure I sales tax revenue experienced an increase due the California Department of Tax and Fee Administration software conversion which delayed release of sales tax funds to SBCTA. 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, \$162.9 million in 2018, and \$183.6 in 2019. This represents a 73.1% increase since fiscal year 2010.

Estimated fiscal year 2019/2020 budget revenues are \$750.0 million in comparison to \$556.1 million of the previous year. Measure I sales tax revenues are estimated to be \$166.9 million in comparison to \$162.8 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.

Budgeted appropriations for fiscal year 2019/2020 are \$927.2 million. The largest portion of the budget is related to project delivery of \$458.7 million and the transit program of \$332.9 million. The adopted budget is balanced utilizing existing restricted fund balances including bond and short-term proceeds.

SBCTA obtained approval to secure short term financing for the Mount Vernon Viaduct project since the project ran into cash flow deficit in Fiscal Year 2018/2019 as federal funding is not expected to be available until years later. The financing terms were adopted by the Board of Directors on September 4, 2019.

On both a federal and state level, there is expectation of slowdown 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.



The Mt. Vernon Viaduct (bridge) connects north and south San Bernardino. The City of San Bernardino identified SBCTA as the expert agency to deliver the reconstruction of this historic crossing.

BASIC FINANCIAL STATEMENTS

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash and investments	\$ 586,955,274
Accrued interest receivable	2,710,486
Sales taxes receivable	30,994,500
Accounts receivable	7,827,889
Intergovernmental receivable	105,361,077
Deposit receivable	7,540,843
Prepaid items	105,945
Loans receivable	19,442,715
Land held for resale	31,499
Cash and investments-restricted	5,387,935
Capital assets not being depreciated:	
Land	67,818,087
Construction in progress	80,258,819
Capital assets, net of depreciation:	
Buildings and building improvements	8,249,835
Improvements to land	13,428,074
Infrastructure	19,949,381
Equipment, furniture, software, and vehicles	1,346,161
Total assets	957,408,520
Deferred outflows of resources related to net pension liability	7,137,458
Liabilities	
Accounts payable	52,690,626
Accrued liabilities	446,032
Accrued interest payable	2,913,084
Intergovernmental payable	28,255,364
Unearned revenue	6,776,911
Long-term liabilities:	
Compensated absences due within one year	134,982
Compensated absences due in more than one year	1,066,861
Long-term debt due within one year	5,194,092
Long-term debt due in more than one year	195,593,851
Net pension liability	14,996,039
Advance expenditure agreements	33,762,000
Total liabilities	341,829,842
Deferred inflows of resources related to net pension liability	1,771,094
Net position	
Net investment in capital assets	183,187,117
Restricted for:	
Traveler services	4,775,294
Freeway projects	156,781,700
Interchange projects	71,218,415
Major street projects	168,907,929
Rail	56,965,753
Transit services	35,857,430
Traffic management and project development	16,601,568
Transportation development act	171,492,394
Unrestricted (deficit)	(244,842,558)
Total net position	\$ 620,945,042

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Allocation of Overhead	Program Revenues			Net (Expense)
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities						
Primary government						
Governmental activities:						
General government	\$ 10,029,052	\$ (4,641,001)	\$ 855,693	\$ 123,718	\$ -	\$ (4,408,640)
Environment and energy conservation	5,804,147	188,670	-	4,809,648	64,749	(1,118,420)
Commuter and motorist assistance	6,563,769	346,320	-	5,585,490	-	(1,324,599)
Regional and subregional planning	1,962,861	840,560	-	1,524,997	-	(1,278,424)
Transit	140,288,115	1,162,452	-	27,018,701	3,593,723	(110,838,143)
Project delivery	193,438,271	1,057,810	-	83,205,097	76,325,440	(34,965,544)
Fund administration	94,447,423	971,828	-	2,499,991	-	(92,919,260)
Express lanes	93,740	73,361	-	-	-	(167,101)
Interest and fiscal charges	7,788,659	-	-	-	-	(7,788,659)
Total governmental activities	<u>\$ 460,416,037</u>	<u>\$ -</u>	<u>\$ 855,693</u>	<u>\$ 124,767,642</u>	<u>\$ 79,983,912</u>	<u>(254,808,790)</u>
General revenues:						
Sales tax-Measure I						183,621,992
Sales tax-local transportation fund						106,927,206
Unrestricted investment earnings						16,901,051
Miscellaneous						421,971
Gain on sale of capital assets						101,467
Total general revenues						307,973,687
Change in net position						53,164,897
Net position at beginning of year						567,780,145
Net position at end of year						\$ 620,945,042

See accompanying notes to financial statements



SBCTA is already delivering on the next phase of southern California connectivity through the development of the I-15 Express Lanes. This project will connect with the Riverside County Transportation Commission project to provide a continuous, reliable option for travelers on this north/south corridor.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2019

		Special Revenue	
	General	Federal Highway	Federal Transit Administration
Assets			
Cash and investments	\$ 8,605,504	\$ -	\$ -
Accrued interest receivable	191,687	34,422	-
Sales taxes receivable	309,945	-	-
Accounts receivable	134,240	5,154	-
Intergovernmental receivable	-	46,055,422	560,525
Deposit receivable	3,208,144	2,075,263	-
Due from other funds	1,860,635	-	-
Prepaid items	79,264	-	-
Land held for resale	-	4,200	-
Loans receivable	-	-	-
Advances to other funds	-	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 14,389,419</u>	<u>\$ 48,174,461</u>	<u>\$ 560,525</u>
Liabilities			
Accounts payable	\$ 1,786,011	\$ 21,871,336	\$ 230,798
Accrued liabilities	350,897	-	-
Intergovernmental payable	124,223	899,660	289,977
Due to other funds	1,073,715	25,403,465	39,750
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>3,334,846</u>	<u>48,174,461</u>	<u>560,525</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>-</u>	<u>5,629,809</u>	<u>509,078</u>
Fund balances (deficits)			
Nonspendable:			
Deposit receivable	3,208,144	-	-
Prepaid items	79,264	-	-
Restricted:			
Traveler services	-	-	-
Freeway projects	-	-	-
Interchange projects	-	-	-
Major street projects	-	-	-
Rail	-	-	-
Transit services	-	-	-
Traffic management and project development	-	-	-
Transportation development act	-	-	-
Debt service	-	-	-
Committed-council of governments	-	-	-
Assigned:			
General administration	1,063,120	-	-
Capital improvements	494,381	-	-
Regional and subregional planning	3,115,266	-	-
Transit services	2,594,398	-	-
Unassigned:			
General purpose	500,000	-	-
(Deficits)	<u>-</u>	<u>(5,629,809)</u>	<u>(509,078)</u>
Total fund balances (deficits)	<u>11,054,573</u>	<u>(5,629,809)</u>	<u>(509,078)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,389,419</u>	<u>\$ 48,174,461</u>	<u>\$ 560,525</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
\$ -	\$ 20,751,212	\$ 85,909,783	\$ 61,997,811	\$ 11,332,938	\$ 376,002,468	\$ -
4,816	-	769,383	621,423	21,333	799,000	-
-	-	-	-	-	30,684,555	-
2,229	-	-	-	-	1,316	-
7,940,600	881,744	17,903,767	6,304,733	-	6,877	-
33,600	-	-	-	-	2,148,026	-
-	-	-	1,073,715	-	48,507,199	-
-	-	-	-	-	-	-
-	-	-	-	61	27,000	-
-	-	-	-	-	-	-
-	-	-	-	-	2,421,795	-
-	-	-	-	-	-	5,380,383
<u>\$ 7,981,245</u>	<u>\$ 21,632,956</u>	<u>\$ 104,582,933</u>	<u>\$ 69,997,682</u>	<u>\$ 11,354,332</u>	<u>\$ 460,598,236</u>	<u>\$ 5,380,383</u>
\$ 3,958,212	\$ 263,289	\$ -	\$ -	\$ 646,646	\$ 9,617,783	\$ -
16,407	-	-	-	-	57,576	-
-	80,733	-	1,227,586	621,402	23,434,743	-
4,006,626	-	1,104,393	756,242	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,981,245</u>	<u>344,022</u>	<u>1,104,393</u>	<u>1,983,828</u>	<u>1,268,048</u>	<u>33,110,102</u>	<u>-</u>
<u>1,237,917</u>	<u>30,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	145,258,280	-
-	-	-	-	-	70,826,824	-
-	-	-	-	7,452,011	132,203,875	-
-	21,258,567	-	-	-	30,662,318	-
-	-	-	-	-	34,569,542	-
-	-	-	-	2,634,273	13,967,295	-
-	-	103,478,540	68,013,854	-	-	-
-	-	-	-	-	-	5,380,383
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,237,917)	-	-	-	-	-	-
<u>(1,237,917)</u>	<u>21,258,567</u>	<u>103,478,540</u>	<u>68,013,854</u>	<u>10,086,284</u>	<u>427,488,134</u>	<u>5,380,383</u>
<u>\$ 7,981,245</u>	<u>\$ 21,632,956</u>	<u>\$ 104,582,933</u>	<u>\$ 69,997,682</u>	<u>\$ 11,354,332</u>	<u>\$ 460,598,236</u>	<u>\$ 5,380,383</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2019

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 12,109,573	\$ 10,245,985	\$ 586,955,274
Accrued interest receivable	238,968	29,454	2,710,486
Sales taxes receivable	-	-	30,994,500
Accounts receivable	7,677,015	7,935	7,827,889
Intergovernmental receivable	4,835,760	20,871,649	105,361,077
Deposit receivable	75,810	-	7,540,843
Due from other funds	-	-	51,441,549
Prepaid items	-	26,681	105,945
Land held for resale	238	-	31,499
Loans receivable	19,341,335	101,380	19,442,715
Advances to other funds	-	-	2,421,795
Cash and investments-restricted	7,552	-	5,387,935
Total assets	<u>\$ 44,286,251</u>	<u>\$ 31,283,084</u>	<u>\$ 820,221,507</u>
Liabilities			
Accounts payable	\$ 3,552,020	\$ 10,764,531	\$ 52,690,626
Accrued liabilities	10,822	10,330	446,032
Intergovernmental payable	81,989	1,495,051	28,255,364
Due to other funds	10,140,062	8,917,296	51,441,549
Advances from other funds	2,421,795	-	2,421,795
Unearned revenue	6,362,240	414,671	6,776,911
Total liabilities	<u>22,568,928</u>	<u>21,601,879</u>	<u>142,032,277</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>27,165,644</u>	<u>3,796,125</u>	<u>38,368,940</u>
Fund balances (deficits)			
Nonspendable:			
Deposit receivable	-	-	3,208,144
Prepaid items	-	15,000	94,264
Restricted:			
Traveler services	-	4,504,507	4,504,507
Freeway projects	-	-	145,258,280
Interchange projects	-	-	70,826,824
Major street projects	-	-	139,655,886
Rail	-	3,094,160	55,015,045
Transit services	-	23,352	34,592,894
Traffic management and project development	-	-	16,601,568
Transportation development act	-	-	171,492,394
Debt service	-	-	5,380,383
Committed-council of governments	-	2,346,780	2,346,780
Assigned:			
General administration	-	-	1,063,120
Capital improvements	-	-	494,381
Regional and subregional planning	-	-	3,115,266
Rail	-	-	2,594,398
Unassigned:			
General purpose	-	-	500,000
(Deficits)	<u>(5,448,321)</u>	<u>(4,098,719)</u>	<u>(16,923,844)</u>
Total fund balances (deficits)	<u>(5,448,321)</u>	<u>5,885,080</u>	<u>639,820,290</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,286,251</u>	<u>\$ 31,283,084</u>	<u>\$ 820,221,507</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, 2019

Fund balances-total governmental funds (page 20)	\$ 639,820,290
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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.	191,050,357
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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.	38,368,940
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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.	(2,913,084)
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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	(1,201,843)
Revenue bonds payable	(188,045,000)
Unamortized premium on revenue bonds	(12,742,943)
Advance expenditure agreements	(33,762,000)

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	(14,996,039)
Deferred outflows of resources related to pensions	7,137,458
Deferred inflows of resources related to pensions	<u>(1,771,094)</u>

Net position of governmental activities	<u>\$ 620,945,042</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, 2019

		Special Revenue	
	General	Federal Highway	Federal Transit Administration
Revenues			
Sales tax-Measure I	\$ 1,836,220	\$ -	\$ -
Sales tax-local transportation fund	-	-	-
Intergovernmental	2,750	76,940,226	384,183
Charges for services	603,390	-	-
Special assessments	-	-	-
Investment earnings	704,766	57,123	-
Miscellaneous	1,150	-	-
Total revenues	<u>3,148,276</u>	<u>76,997,349</u>	<u>384,183</u>
Expenditures			
Current:			
General government	7,522,858	-	-
Environment and energy conservation	-	-	-
Commuter and motorist assistance	-	1,196,212	498,423
Regional and subregional planning	623,264	-	-
Transit	1,117,966	-	161,522
Project delivery	699	60,092,329	-
Fund administration	381,796	-	-
Express lanes	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	108,842	14,694,085	168,114
Total expenditures	<u>9,755,425</u>	<u>75,982,626</u>	<u>828,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,607,149)</u>	<u>1,014,723</u>	<u>(443,876)</u>
Other financing sources (uses)			
Transfers in	8,815,394	-	-
Transfers out	(193,426)	(241,413)	-
Gain (loss) on sale of assets	-	(613)	-
Total other financing sources (uses)	<u>8,621,968</u>	<u>(242,026)</u>	<u>-</u>
Net change in fund balances	2,014,819	772,697	(443,876)
Fund balances (deficits) beginning of year	9,039,754	(6,402,506)	(65,202)
Fund balances (deficits) end of year	<u>\$ 11,054,573</u>	<u>\$ (5,629,809)</u>	<u>\$ (509,078)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,785,772	\$ -
-	-	106,927,206	-	-	-	-
18,515,814	1,053,661	-	24,985,877	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,060	406,558	2,404,861	1,995,368	274,900	10,000,449	2,515
-	-	-	-	-	-	-
<u>18,533,874</u>	<u>1,460,219</u>	<u>109,332,067</u>	<u>26,981,245</u>	<u>274,900</u>	<u>191,786,221</u>	<u>2,515</u>
6,924	-	-	-	-	738,223	-
-	-	-	-	1,082	189,134	-
-	-	-	-	72,675	469,760	-
4,326	-	-	-	-	472,556	-
12,447	1,352,000	89,862,691	15,626,781	-	18,418,809	-
6,769,491	660,547	-	-	2,942,926	49,084,607	-
623,750	-	-	-	-	59,571,279	-
-	-	-	-	-	85,542	-
-	-	-	-	-	-	3,860,000
-	-	-	-	-	-	8,914,649
<u>1,831,722</u>	<u>1,512,735</u>	<u>220,361</u>	<u>4,133,892</u>	<u>-</u>	<u>6,670,721</u>	<u>-</u>
<u>9,248,660</u>	<u>3,525,282</u>	<u>90,083,052</u>	<u>19,760,673</u>	<u>3,016,683</u>	<u>135,700,631</u>	<u>12,774,649</u>
<u>9,285,214</u>	<u>(2,065,063)</u>	<u>19,249,015</u>	<u>7,220,572</u>	<u>(2,741,783)</u>	<u>56,085,590</u>	<u>(12,772,134)</u>
-	360	-	-	-	1,288,671	12,831,130
(5,975)	(107,133)	(3,652,903)	-	-	(17,728,810)	-
-	-	-	-	(1,544)	60,137	-
<u>(5,975)</u>	<u>(106,773)</u>	<u>(3,652,903)</u>	<u>-</u>	<u>(1,544)</u>	<u>(16,380,002)</u>	<u>12,831,130</u>
9,279,239	(2,171,836)	15,596,112	7,220,572	(2,743,327)	39,705,588	58,996
<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>\$ (1,237,917)</u>	<u>\$ 21,258,567</u>	<u>\$ 103,478,540</u>	<u>\$ 68,013,854</u>	<u>\$ 10,086,284</u>	<u>\$ 427,488,134</u>	<u>\$ 5,380,383</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Sales tax-Measure I	\$ -	\$ -	\$ 183,621,992
Sales tax-local transportation fund	-	-	106,927,206
Intergovernmental	24,080,289	20,172,284	166,135,084
Charges for services	-	3,758	607,148
Special assessments	-	248,545	248,545
Investment earnings	806,622	229,829	16,901,051
Miscellaneous	562,314	104,956	668,420
Total revenues	<u>25,449,225</u>	<u>20,759,372</u>	<u>475,109,446</u>
Expenditures			
Current:			
General government	-	541,462	8,809,467
Environment and energy conservation	391,613	4,778,407	5,360,236
Commuter and motorist assistance	40,941	3,804,159	6,082,170
Regional and subregional planning	66,771	703,300	1,870,217
Transit and passenger rail	988,368	1,454,151	128,994,735
Project delivery	15,525,762	9,278,624	144,354,985
Fund administration and programming	-	-	60,576,825
Express lanes	-	-	85,542
Debt Service:			
Principal	-	-	3,860,000
Interest and fiscal charges	-	-	8,914,649
Capital outlay	2,428,126	2,779,907	34,548,505
Total expenditures	<u>19,441,581</u>	<u>23,340,010</u>	<u>403,457,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,007,644</u>	<u>(2,580,638)</u>	<u>71,652,115</u>
Other financing sources (uses)			
Transfers in	582,226	6,002	23,523,783
Transfers out	(1,325,121)	(269,002)	(23,523,783)
Gain (loss) on sale of assets	24,104	-	82,084
Total other financing sources (uses)	<u>(718,791)</u>	<u>(263,000)</u>	<u>82,084</u>
Net change in fund balances	5,288,853	(2,843,638)	71,734,199
Fund balances (deficits) beginning of year	(10,737,174)	8,728,718	568,086,091
Fund balances (deficits) end of year	<u>\$ (5,448,321)</u>	<u>\$ 5,885,080</u>	<u>\$ 639,820,290</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, 2019

Net changes in fund balances-total governmental funds (page 24) \$ 71,734,199

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	512,381
Construction in progress for completed projects included in capital outlay	(157,125)
Prior year program expenditures related to construction in progress adjustments	(8,394,517)
Construction in progress - capital outlay	34,193,251
Donated construction in progress	1,081
Depreciation	(2,305,706)

Net changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (12,597,239)

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	3,860,000
Amortization of premium on sales tax revenue bonds	1,074,524
Advance expenditure agreements	(33,762,000)

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	(133,717)
Changes in accrued interest on sales tax revenue bonds	51,464
Changes in net pension liability and related deferred inflows/outflows of resources	<u>(911,699)</u>
Change in net position of governmental activities	<u>\$ 53,164,897</u>

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019

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. Indirect expenses are allocated based on direct salaries and benefits. 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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. Starting in fiscal year 2019, the Measure I freeway

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

fund also includes costs associated with the I-10 Express Lanes activities until substantial completion of the project, which is anticipated to be in 2023.

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 by this grant funded transit marketing activities 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.

ARRA DOE Clean Cities Special Revenue Fund

This *special revenue fund* accounts for federal funding for development of the San Bernardino County Sub-regional Greenhouse Reduction Plan Update.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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.

Local Partnership Program Formula Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017 which funds projects for road maintenance and rehabilitation purposes and other transportation infrastructure improvements. The program is providing funding for the Redlands Passenger Rail Project and the I-10 Corridor Contract 1 Projects.

Freeway Service Patrol Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017 for the Freeway Service Patrol program. The additional funding covers five of the nine beats during the weekend and will add a new beat in the Cajon Pass.

Sustainable Communities Grants Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017. The program funds activities related to implementing Regional Transportation Plan and greenhouse reduction. Funding is supporting the development of a comprehensive Multimodal Corridor Plan.

Trade Corridor Enhancement Program Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for improvements to highways and other transportation infrastructure improvements vital to California's trade and freight economy. The program is providing funding for the I-10 Corridor Contract 1 and the US395 widen SR18.

Solutions for Congested Corridors Program Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for projects that will improve traffic flow and mobility. The program is providing funding for the Redland Passenger Rail Project.

Local Partnership Program Competitive Senate Bill 1 Special Revenue Fund

This *special revenue fund* accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for road maintenance and rehabilitation purposes and local transportation infrastructure. The program is providing funding for the Redlands Passenger Rail Project.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019

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, 2019, no expenditures exceeded appropriations. However, the Federal Highway, the 1990-2010 Measure I, and the Capital Projects' gain (loss) on sale of assets appeared over budget but the loss is treated as an abatement of revenue and therefore is not budgeted.

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, 2019

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, loans, and deposits. 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.

Prepays

Payments to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 are 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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:

Type of asset	Useful life
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, 2019

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

June 30, 2019

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, 2019

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 unmaturing 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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.

L. Effects of new pronouncements

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Replacements*. This Statement requires governments to present additional disclosures related to debt in notes to financial statements including the topics summarized below:

- 1) Amount of unused lines of credit,
- 2) Assets pledged as contractual obligations for debt, and
- 3) Terms specified in debt agreements related to significant (1) events of default with finance-related consequences, and (3) subjective acceleration clauses.

SBCTA implemented the new reporting requirements for the fiscal year ending June 30, 2019. Additional information is described in Note 8.

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 \$191,050,357 are as follows:

Land	\$ 67,818,087
Construction in progress	80,258,819
Building and building improvements	10,606,170
Infrastructure	23,201,382
Improvements to land	15,467,913
Equipment, furniture, software, and vehicles	5,762,178
Less: Accumulated depreciation	<u>(12,064,192)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ 191,050,357</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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3. DEFICIT FUND EQUITY

As of June 30, 2019, the following funds had a deficit fund balance:

	<u>Deficit Amount</u>
Special Revenue Fund	
Federal Highway	\$ (5,629,809)
Federal Transit Administration	(509,078)
State Highway	(1,237,917)
Capital Projects Fund	(5,448,321)
Nonmajor Funds	
Low Carbon Transportation Fund	(837,495)
State Alternative Renewable Fuel Vehicle Technology Program	(128,869)
Freeway Service Patrol	(61,256)
ARRA DOE Clean Cities	(8,128)
SCAQMD Mobile Source Air Pollution Reduction Review Committee	(2,328,537)
Local Partnership Program - Formula Senate Bill 1	(33,023)
Freeway Service Patrol Senate Bill 1	(30,089)
Sustainable Communities Grants Senate Bill 1	(92,678)
Trade Corridor Enhancement Program Senate Bill 1	(481,669)
Solutions for Congested Corridors Program Senate Bill 1	(83,126)
Local Partnership Program - Competitive Senate Bill 1	(13,849)

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.

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2019 consist of the following:

	<u>Unrestricted</u>			<u>Restricted</u>	<u>Grand</u>
	Cash	Investments	Total	Investments	Total
Cash in bank	\$ 52,993,496	\$ -	\$ 52,993,496	\$ -	\$ 52,993,496
Petty cash	1,000	-	1,000	-	1,000
San Bernardino county pool	207,105,517	-	207,105,517	-	207,105,517
Local agency investment fund	7,258,344	-	7,258,344	-	7,258,344
California asset management program	223,527,181	-	223,527,181	-	223,527,181
Investments with custodian	-	96,069,736	96,069,736	-	96,069,736
Investments with fiscal agent	-	-	-	5,387,935	5,387,935
	<u>\$ 490,885,538</u>	<u>\$ 96,069,736</u>	<u>\$ 586,955,274</u>	<u>\$ 5,387,935</u>	<u>\$ 592,343,209</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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%
Asset-Backed securities	5 years	20%	3%
County of san bernardino 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.

Investment Type	Amount Reported	Weighted Average Maturity
		(in Years)
U.S. Treasuries	\$ 33,080,033	1.46
U.S. government sponsored enterprise securities:		
FHLB	11,988,680	1.05
FHLMC	2,771,102	0.95
FNMA	23,104,949	1.17
Corporate notes	14,145,369	1.25
Certificate of deposits	6,714,057	0.70
Commercial paper	4,224,542	0.35
Money market mutual funds	5,428,939	0.15
Total	<u>\$ 101,457,671</u>	
External pools:		
Local agency investment fund	\$ 7,258,344	0.47
California asset management program	223,527,181	0.15
County of san bernardino pool	207,105,517	1.15
Total	<u>\$ 437,891,042</u>	

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019	AAA	AA	A-1/A-1+	BBB	Not Rated
U.S. Treasuries ⁽¹⁾	\$ 33,080,033	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. government sponsored enterprise securities						
FHLB	11,988,680	-	11,988,680	-	-	-
FHLMC	2,771,102	-	2,771,102	-	-	-
FNMA	23,104,949	-	23,104,949	-	-	-
Corporate notes	14,145,369	1,899,240	4,937,241	6,280,526	1,028,362	-
Certificate of deposits	6,714,057	-	1,784,720	4,929,337	-	-
Commercial paper	4,224,542	-	-	4,224,542	-	-
Money market mutual funds	5,428,939	7,552	-	-	-	5,421,387
Total	<u>\$ 101,457,671</u>	<u>\$ 1,906,792</u>	<u>\$ 44,586,692</u>	<u>\$ 15,434,405</u>	<u>\$ 1,028,362</u>	<u>\$ 5,421,387</u>

⁽¹⁾ Exempt from disclosure.

S&P Rating	CAMP % of Fund	County % of Fund	LAIF
AAA	0.62%	8.77%	Not rated
AAAm	-	8.21%	
AA+	14.87%	50.94%	
AA	0.44%	0.48%	
AA-	4.23%	1.68%	
A-1+	26.38%	12.53%	
A-1	37.09%	11.70%	
A+	3.88%	1.19%	
A	1.76%	0.21%	
Exempt	10.73%	4.29%	
	<u>100.00%</u>	<u>100.00%</u>	

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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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, 2019:

Investment Type	Amount as of June 30, 2019	Level 1	Level 2
US treasuries	\$ 33,080,033	\$ 33,080,033	\$ -
US government sponsored enterprise securities:			
FHLB	11,988,680	-	11,988,680
FHLMC	2,771,102	-	2,771,102
FNMA	23,104,949	-	23,104,949
Corporate notes	14,145,369	-	14,145,369
Certificate of deposits	6,714,057	-	6,714,057
Commercial paper	4,224,542	-	4,224,542
Money market mutual funds	5,428,939	-	5,428,939
Subtotal	<u>101,457,671</u>	<u>\$ 33,080,033</u>	<u>\$ 68,377,638</u>
Other investments not subject to fair measures classification:			
Local agency investment fund	7,258,344		
California asset management program	223,527,181		
County of san bernardino pool	207,105,517		
Total	<u>\$ 539,348,713</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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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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, 2019, SBCTA has bank deposits within two separate bank accounts with a total balance of \$52,993,496 of which \$500,000 is federally insured and \$52,493,496 is collateralized in accordance with the Government Code Section 53630.

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019:

Receivable Fund	Payable Fund	Amount
State transit assistance fund	General fund	\$ 1,073,715
2010-2040 Measure I	Federal highway	25,403,465
	Federal transit administration	39,750
	State highway	4,006,626
	Capital projects	10,140,062
	Nonmajor governmental funds	8,917,296
General fund	Local transportation fund	1,104,393
General fund	State transit assistance fund	756,242
	Total	\$ 51,441,549

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, 2019 is \$1,903,188.
- 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, 2019 is \$481,029.
- 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, 2019 is \$37,578.

The following are the advances to and advances from balances as of June 30, 2019:

Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Capital projects	<u>\$ 2,421,795</u>

C. Interfund Transfers

Transfers in and out by fund for the fiscal year ended June 30, 2019, were as follows:

	Transfers Out								
	General	Federal Highway	State Highway	Proposition 1B	Local Transportation	2010-2040 Measure I	Capital Projects	Nonmajor Funds	Total
Transfers In									
General	\$ -	\$ -	\$ -	\$ -	\$ 3,652,903	\$ 4,891,026	\$ 2,463	\$ 269,002	\$ 8,815,394
Proposition 1B	-	-	-	-	-	-	360	-	360
2010-2040 Measure I	-	-	5,975	-	-	-	1,282,696	-	1,288,671
Debt Service	-	-	-	-	-	12,831,130	-	-	12,831,130
Capital Projects	187,424	241,413	-	107,133	-	6,654	39,602	-	582,226
Nonmajor Funds	6,002	-	-	-	-	-	-	-	6,002
Total	\$ 193,426	\$ 241,413	\$ 5,975	\$ 107,133	\$ 3,652,903	\$ 17,728,810	\$ 1,325,121	\$ 269,002	\$ 23,523,783

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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Transfers from the general fund:

To the capital projects fund consists of the following items:

- \$155,231 for adjustment of costs between two projects of the Fontana Grade Crossing Pedestrian Improvement (FGCPI) Project.
- \$32,193 for reallocation of costs to maximize Transportation Development Act (TDA) funds for the FGCPI project.

To the nonmajor fund of \$6,002 to transfer unallowable costs to a TDA funding source for the LCTOP transit marketing and fare subsidy project.

Transfers from the federal highway fund:

To the capital projects fund of \$241,413 to maximize funding from federal demonstration grant for the I-10 Pepper Bridge project.

Transfers from the state highway fund:

To the 2010-2040 measure I fund of \$5,975 for costs that exceeded a state grant award for the I-215 Barton Road Interchange project.

Transfers from the proposition 1B fund:

To the capital projects fund of \$107,133 to maximize a Trade Corridor Improvement Fund (TCIF) - Proposition 1B grant for the I-10 Pepper Interchange project.

Transfers from the local transportation fund:

To the general fund of \$3,652,903 for planning and administrative activities that were budgeted to receive TDA funds.

Transfers from the 2010-2040 measure I funds:

To the general fund consists of the following items:

- \$1,253 to transfer salaries, fringe, and indirect costs to Measure I – Express Bus Valley program for the West Valley Connector project.
- \$5,773 costs to maximize local funding for Redlands Passenger Rail Project.
- \$4,884,000 to reimburse indirect costs to the indirect fund.

To the debt service fund of \$12,831,130 transferred to meet debt service commitments.

To the capital projects fund of \$6,654 to reverse prior year transfer due to unallowable expenses that cannot be reimbursed by TCIF and Public Utilities Commission 190 funding.

Transfers from the capital projects fund:

To the general fund of \$2,463 for reallocation of an expense needed to conform with Los Angeles County Metropolitan Transportation Authority cooperative agreement.

To the proposition 1B fund of \$360 to reverse prior year transfer for unallowable expenses.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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To the 2010-2040 measure I fund consists of the following items:

- \$100,000 to maximize local funding from a cooperative agreement.
- \$1,095,324 to close out the Cajon Pass Bond funds.
- \$15,525 to close out the Valley Freeway Interchanges Bond fund.
- \$71,847 to maximize BNSF funding for the Mount Vernon Viaduct Project.

To the 2010-2040 nonmajor fund of \$39,602 to close out the Valley Freeway Interchanges Bond fund.

Transfers from the nonmajor funds:

To the general fund consists of the following items:

- \$95,688 from the Council of Governments fund to fund the Indirect Cost fund.
- \$173,314 from the Service Authority for Freeways fund to fund the Indirect Cost fund.

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, 2019 are as follows:

<u>Jurisdiction</u>	<u>Loan agreement number</u>	<u>Amount</u>
City of Victorville	C11200	\$ 1,903,188
City of Hesperia	C12219	16,886,163
City of Highland	16-1001330	501,338
City of Redlands	C14167	50,646
LAFCO	16-101429	101,380
		<u>\$ 19,442,715</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, 2019 is \$1,903,188.

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, 2019 is \$16,886,163.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019 is \$501,338.

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, 2019 is \$50,646.

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, 2019 is \$101,380. The loan is due on July 23, 2022.

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 \$6,383,764, 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, 2019 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, 2019 is \$0.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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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, 2019 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, 2019 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, 2019 is \$0.

Per cooperative Agreement 16-1001481 with the City of Victorville, SBCTA entered into a 2010-2040 Measure I victor valley major local highways program term loan agreement for the Green Tree Boulevard Extension Project. Per Article 2.2, SBCTA is authorized to withhold Victor Valley Major Local Highway Program m 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 \$12,511,320, 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, 2019 is \$0.

7. CAPITAL ASSETS

As a result of the I-10 Corridor Contract 2 and the I-15 Express Lanes projects being split into four projects, two funded and the other two unfunded and no longer reflected in the 10-year Delivery Plan, management is removing the associated costs for these two unfunded projects of \$8,394,517 which were previously capitalized in construction in progress as of June 30, 2018 in the governmental activities opinion unit. Therefore, management adjusted deletions reported in the current fiscal year by increasing operating expenses in the project delivery program in the statement of activities. Management believes that this adjustment is not material to the prior and current financial statements.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
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Capital assets activity for the fiscal year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 67,818,087	\$ -	\$ -	\$ 67,818,087
Construction in progress	54,616,129	34,194,332	(8,551,642)	80,258,819
Total capital assets, not depreciated	\$ 122,434,216	\$ 34,194,332	\$ (8,551,642)	\$ 148,076,906
Capital assets being depreciated/amortized:				
Buildings and building improvements	\$ 10,570,830	\$ 35,340	\$ -	\$ 10,606,170
Improvements to land	15,355,175	112,738	-	15,467,913
Infrastructure	23,113,023	88,359	-	23,201,382
Equipment, furniture, software and vehicles	5,486,235	275,944	-	5,762,179
Total capital assets, depreciated	\$ 54,525,263	\$ 512,381	\$ -	\$ 55,037,644
Less accumulated depreciation/amortization for:				
Buildings and building improvements	\$ (2,010,535)	\$ (345,800)	\$ -	\$ (2,356,335)
Improvements to land	(1,016,162)	(1,023,678)	-	(2,039,840)
Infrastructure	(2,616,717)	(635,284)	-	(3,252,001)
Equipment, furniture, software, and vehicles	(4,115,073)	(300,944)	-	(4,416,017)
Total accumulated depreciation/amortization	(9,758,487)	(2,305,706)	-	(12,064,193)
Total capital assets, depreciated/amortized	44,766,776	(1,793,325)	-	42,973,451
Total capital assets, net	\$ 167,200,992	\$ 32,401,007	\$ (8,551,642)	\$ 191,050,357

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

Governmental activities:	
General government	\$ 555,243
Environment and energy conservation	17,616
Commuter and motorist assistance	1,743
Transit	1,731,104
Total depreciation expense - governmental activities	<u>\$ 2,305,706</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2019

Construction in Progress consists of the following projects:

<u>Project</u>	<u>Governmental Activities</u>
Electric vehicle charging station installation at the Santa Fe Depot	\$ 80,049
Electric vehicle plan design and installation	57,767
Redlands passenger rail project	40,063,527
Rialto metrolink parking lot expansion phase 2	116,027
Gold line extension to City of Montclair	1,318,941
Control point Lilac to control point Rancho double track	529,716
Upland metrolink parking lot expansion	8,119
Zero emission multimodal unit	487,277
I-10 corridor express lanes contract 1	31,539,914
I-10 corridor express lanes contract 2A	2,131,436
I-15 corridor express lanes contract 1	3,926,046
Total	<u>\$ 80,258,819</u>

8. LONG-TERM LIABILITIES

The following is a summary of the changes in long-term debt and other liabilities for the year ended June 30, 2019:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>	<u>Due within One Year</u>
Governmental activities					
Long-term debt					
Revenue bonds payable	\$ 191,905,000	\$ -	\$ 3,860,000	\$ 188,045,000	\$ 4,150,000
Unamortized premium on revenue bonds payable	13,817,467	-	1,074,524	12,742,943	1,044,092
Total long-term debt	<u>205,722,467</u>	<u>-</u>	<u>4,934,524</u>	<u>200,787,943</u>	<u>5,194,092</u>
Other liabilities					
Compensated absences	1,068,126	286,773	153,056	1,201,843	134,982
Net pension liability	14,938,612	57,427	-	14,996,039	-
Advance expenditure agreements	-	33,762,000	-	33,762,000	-
Total other liabilities	<u>16,006,738</u>	<u>34,106,200</u>	<u>153,056</u>	<u>49,959,882</u>	<u>134,982</u>
Total long-term debt and other liabilities, net	<u>\$ 221,729,205</u>	<u>\$ 34,106,200</u>	<u>\$ 5,087,580</u>	<u>\$ 250,747,825</u>	<u>\$ 5,329,074</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 and compensated absences. The advance expenditure agreements are funded with measure I freeway funds.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2019 of \$12,381,300 represents 6.74% of total applicable sales tax revenue, which was \$183,621,992. The future maturities of sales tax revenue bonds payable are as follows:

Year Ending, June 30,	Principal	Interest	Total
2020	\$ 4,150,000	\$ 8,739,250	\$ 12,889,250
2021	4,460,000	8,563,200	13,023,200
2022	4,795,000	8,360,250	13,155,250
2023	5,130,000	8,168,450	13,298,450
2024	5,530,000	7,911,951	13,441,951
2025-2029	34,420,000	35,039,753	69,459,753
2030-2034	48,350,000	25,186,678	73,536,678
2035-2039	65,690,000	12,395,240	78,085,240
2040	15,520,000	686,657	16,206,657
	<u>\$ 188,045,000</u>	<u>\$ 115,051,429</u>	<u>\$ 303,096,429</u>

Sales Tax Revenue Bonds of 2012, Series A

The sales tax revenue bonds of \$81,460,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 28, 2012. The bonds are limited obligations of the Authority secured by a pledge of the Sales Tax Revenues of only amounts collected on account of the sales tax on and after April 1, 2010, less certain administrative fees paid to the California Department of Tax and Fee Administration in connection with the collection and disbursement of the sales tax. The bonds are subject to mandatory sinking fund redemption starting in Fiscal Year 2033 prior to maturity of the bonds. In the event of default, there is no provision for acceleration or increase in the interest rate. However, the trustee has the right to apply all revenues and other funds towards the debt. On April 2019, a supplemental indenture was issued to add a subordinate debt coverage ratio of 1.50x as required by the I-10 Corridor Contract 1 project toll revenue indenture.

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2019

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
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	2,815,000	3,262,637	6,077,637
2025-2029	16,250,000	14,125,187	30,375,187
2030-2034	20,665,000	9,710,863	30,375,863
2035-2039	25,830,000	4,544,888	30,374,888
2040	5,835,000	240,694	6,075,694
	<u>\$ 81,460,000</u>	<u>\$ 46,129,569</u>	<u>\$ 127,589,569</u>

Sales Tax Revenue Bonds of 2014, Series A

The sales tax revenue bonds of \$106,585,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 18, 2014. The bonds are limited obligations of the Authority secured by a pledge of the Sales Tax Revenues of only amounts collected on account of the sales tax on and after April 1, 2010, less certain administrative fees paid to the California Department of Tax and Fee Administration in connection with the collection and disbursement of the sales tax. The bonds are subject to mandatory sinking fund redemption starting in Fiscal Year 2035 prior to maturity of the bonds. In the event of default, there is no provision for acceleration or increase in the interest rate. However, the trustee has the right to apply all revenues and other funds towards the debt.

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.

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
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	2,715,000	4,649,313	7,364,313
2025-2029	18,170,000	20,914,565	39,084,565
2030-2034	27,685,000	15,475,815	43,160,815
2035-2039	39,860,000	7,850,352	47,710,352
2040	9,685,000	445,963	10,130,963
	<u>\$ 106,585,000</u>	<u>\$ 68,921,860</u>	<u>\$ 175,506,860</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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

Sales Tax Revenue		Debt
Fiscal Year Ended	Maximum Annual	Coverage
<u>June 30, 2019</u>	<u>Debt Service</u>	<u>Ratio</u>
\$ 183,621,992	\$ 16,212,601	11.33 X

Transportation Infrastructure Finance Innovation Act (TIFIA) Loan Agreement for the I-10 Corridor Contract 1 Project

SBCTA executed a TIFIA loan agreement for up to \$225 million on April 26, 2019, which proceeds will finance a portion of the costs for the I-10 Corridor Contract 1 project. During construction and for a period of up to five years following substantial completion, interest is compounded semiannually on June 30 and December 31 of year following initial disbursement and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on December 31, 2027, which is five year after substantial completion of the I-10 Corridor Contract 1 project through December 31, 2057.

The interest rate of the TIFIA loan is 2.93%. In the event the TIFIA loan would entered into a Development Default or Project Abandonment, the interest rate will be that of 2.93% plus 200 basis points (4.93%) until the Development Default is cure or the outstanding TIFIA loan balance has been irrevocably paid in full in cash. During 2019, there were no draws on the TIFIA loan with first disbursement anticipated to be in 2021.

Total life coverage ratio for the TIFIA loan is at least 1.30. The ratio is calculated by dividing the net present value of toll revenue available for debt service by amount of outstanding loan. In the event of six consecutive violations of the total life coverage ratio, the amounts in the sweep fund reserve and residual fund shall be used to prepay the debt to bring the metrics in line with the rate coverage requirements.

Current costs related to the I-10 Corridor Contract 1 are reflected as construction in progress and will be capitalized upon substantial completion.

The TIFIA loan is a senior toll revenue bond per the 2019 Toll Revenue Bond indenture (I-10 Corridor Contract 1 Project). The credit rating on the TIFIA loan is BBB- (DBRS and KBRA).

Pursuant to the I-10 Corridor Contract 1 project toll indenture, SBCTA will establish the following to support the I-10 Corridor Contract 1 project:

- An estimated \$15.4 million TIFIA loan reserve from anticipated net toll revenues.
- Measure I investments will be provided until the year 2040 up to cumulative total of \$93 million to support Operation & Maintenance (O&M) expenses, lifecycle expenses; deposit to the TIFIA Debt Service Reserve Account and Measure I Cash Supplement Payments estimated to be from \$2 million and \$46 million, depending on the actual toll revenues received through the period provided (2040).
- O&M reserves of \$4.1 million funded with Measure I loan proceeds. The reserve will increase to \$11.5 million in 2063 funded from toll revenues.
- Sweep fund of \$10 million required by June 2026 to be funded by toll revenue to support debt service.
- Subordinate bonds debt service reserve of up to \$14.9 million with initial deposit of \$10 million due by June 30, 2027.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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Toll Revenue Bonds

On April 2019, SBCTA issued the Toll revenue bond (I-10 Corridor Contract 1 project toll revenue indenture) which is secured by a senior lien on the trust future toll revenue with a commitment amount of \$93 million of Measure I funds until the year 2040. The only outstanding debt under this indenture is the TIFIA Loan which is zero as of June 30, 2019. In the event of default, bankruptcy, or springing lien event, the trust estate shall be under the control of and applied by the Trustee but there shall be no right of acceleration with respect to the obligations.

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, 2019 is \$160,257,658.

Advance Expenditure Agreements

Policy 40002, Valley Project Advancement (PA) and Advance Expenditure (AE) Processes-Measure I 2010-2040 Strategic Plan, was adopted by Board of Directors on April 1, 2009. The policy delineates requirements for AE to enable advance funding to the local jurisdictions for development and construction of freeway Interchange and grade separation projects. One of the requirements is for the freeway interchange project be on the top ten prioritization list approved by the SBCTA Board of Directors. The following two agreements are on the top ten prioritization list.

Per AE agreement 00-1000892, SBCTA agrees to reimburse the City of Rancho Cucamonga up to \$20,853,000 for interchange improvement on Interstate I-15 Baseline Road. The project is seven on the interchange priority list and the outstanding amount as of June 30, 2019 is \$20,853,000.

Per AE agreement 00-1000942, SBCTA agrees to reimburse the City of Chino up to \$12,909,000 for interchange improvement on State Route 60 at Central Avenue. The project is three on the interchange priority list and the outstanding amount as of June 30, 2019 is \$12,909,000.

The outstanding balances for advance expenditure agreements as of June 30, 2019 are as follows:

Jurisdiction	Agreement number	Amount
City of Rancho Cucamonga	00-1000892	\$ 20,853,000
City of Chino	00-1000942	12,909,000
		<u>\$ 33,762,000</u>

Rebatable Arbitrage

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

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
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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	\$ 97,948	\$ 1,064,353
Changes in actuarial assumptions	3,047,416	-
Net differences between projected and actual earnings on pension plan investments	-	272,879
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,484,839	433,862
Employer contributions paid subsequent to measurement date	2,507,255	-
Total	<u>\$ 7,137,458</u>	<u>\$ 1,771,094</u>

As of June 30, 2019 combined pension expense (including deferred outflows) is \$911,699 and the net pension liability is \$14,996,039.

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.

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.

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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% 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	Government Code section 31676.15 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.

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, 2019 ranged between 9.13% and 14.79% for Tier 1 General members, and 9.05% for Tier 2 General members.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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Employer contribution rates for the year ended June 30, 2019 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	37.03%	34.30%	100%	0%

The required employer contributions and the amount paid to SBCERA by SBCTA for the year ended June 30, 2019 were \$2,504,102.

Net Pension Liability

At June 30, 2019, SBCTA reported a net pension liability of \$14,988,102 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2018, SBCTA's proportion was .592%, which was an increase of .026% from its proportion measured as of June 30, 2017.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2019, SBCTA recognized pension expense (excluding deferred outflows) of \$3,428,284 for its proportionate share of SBCERA's pension expense. At June 30, 2019, SBCTA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 97,948	\$ 1,062,360
Changes in actuarial assumptions	3,039,768	-
Net differences between projected and actual earnings on pension plan investments	-	272,879
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,484,839	433,862
Employer contributions paid to SBCERA subsequent to the measurement date	2,504,102	-
Total	<u>\$ 7,126,657</u>	<u>\$ 1,769,101</u>

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The \$2,504,102 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, 2020. 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:

2020	\$	1,359,367
2021		683,034
2022		(37,046)
2023		615,026
2024		222,493
2025		10,580
	\$	<u>2,853,454</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, 2018
Actuarial cost method	Entry age actuarial cost
Amortization method	Level percent of payroll (3.5% 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 Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables generationally with the two-dimensional MP-2016 projection scale. The June 30, 2018 actuarial valuation reflected same type of assumptions compared to the June 30, 2017 actuarial valuation, based on the June 30, 2017 experience study.

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

SBCERA's Long-Term Expected Real Rate of Return

<u>Asset Class</u>	As of June 30, 2018	
	<u>Valuation Date</u>	
	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%	0.07%
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 assumptions remain the same as the June 30, 2018 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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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	\$ 22,094,064	\$ 14,988,102	\$ 9,159,475

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 PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contributions for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the contribution amount. The total plan contributions are determined through the PERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined contribution is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs related to any unfunded accrued liability. There are no active employees in this plan; therefore no employee contributions were made during the measurement period ended June 30, 2018.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

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The required employer contributions and the amount paid to PERS by SBCTA for the year ended June 30, 2019 was \$0 toward the payment of unfunded accrued liability.

Pension Liability

At June 30, 2019 SBCTA reported a net pension liability of \$7,937 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2019, SBCTA recognized pension expense (excluding deferred outflows) of \$(12,986) 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, 2019, 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	\$ -	\$ 1,993
Changes in actuarial assumptions	7,648	-
Employer contributions paid to PERS subsequent to the measurement date	3,153	-
Total	<u>\$ 10,801</u>	<u>\$ 1,993</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, 2020.

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:

2020	\$ 4,777
2021	2,765
2022	(1,450)
2023	(437)
	<u>\$ 5,655</u>

At June 30, 2018, SBCTA's proportion was .00129%, which was a decrease of .00012% from its proportion measured as of June 30, 2017. This was based on inactive status of the program.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll (2.50% payroll growth assumed)
Investment rate of return	7.15%
Inflation	2.50%
Projected Salary increases	Varies by entry age and service

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

Asset Class	Allocation	Years 1-10 ¹	Years 11+ ²
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

⁽¹⁾ An expected inflation rate of 2% was used

⁽²⁾ An expected inflation rate of 2.92% 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	\$ 12,779	\$ 7,937	\$ 3,969

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.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

10. COMMITMENTS

Transportation

Outstanding Contracts

As of June 30, 2019, 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 \$1.46 billion at June 30, 2019.

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. Therefore, the value of encumbrances as of June 30, 2019 is zero.

11. PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) AND TRANSIT SYSTEM SAFETY SECURITY AND DISASTER RESPONSE ACCOUNT FUNDING

As of June 30, 2019, SBCTA cumulatively has 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 cumulatively 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>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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
2018-2019	158,040	2,599,492	2,757,532
Total	<u>\$ 20,431,827</u>	<u>\$ 11,639,699</u>	<u>\$ 32,071,526</u>

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 \$6,377,615 during fiscal year 2018/2019 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, Floor12, 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. There was no membership fee paid in fiscal year 2019. 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 \$95,200,000 and future operating costs are estimated at \$2.5 million per year.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2019

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.

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. SUBSEQUENT EVENTS

On September 4, 2019, the Board of Directors approved a banking credit agreement for the issuance of commercial paper in the amount of \$100,000,000 at a maximum of 12% interest rate to fund the Mount Vernon Avenue Viaduct project since it is anticipated that federal reimbursement will be delayed up to ten years.

17. 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. 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. 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.
- GASB Statement No. 91, *Conduit Debt Obligations* (effective for period fiscal year June 30, 2022). SBCTA has not determined the effect of this Statement.



Freeway Service Patrol (FSP) roams the valley freeways to assist stranded motorists and get them going again. FSP serves tens of thousands of motorists every year in San Bernardino County.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 1,628,000	\$ 1,628,000	\$ 1,836,220	\$ 208,220
Intergovernmental	12,497	12,497	2,750	(9,747)
Charges for services	749,503	749,503	603,390	(146,113)
Investment earnings	-	-	704,766	704,766
Miscellaneous	-	-	1,150	1,150
Total revenues	<u>2,390,000</u>	<u>2,390,000</u>	<u>3,148,276</u>	<u>758,276</u>
Expenditures				
Current:				
General government	11,165,783	11,342,091	7,522,858	3,819,233
Regional and subregional planning	1,010,263	1,006,066	623,264	382,802
Transit	28,596,278	38,039,912	1,117,966	36,921,946
Project delivery	-	1,400	699	701
Fund administration	369,074	399,246	381,796	17,450
Capital outlay	<u>9,735,981</u>	<u>14,947,815</u>	<u>108,842</u>	<u>14,838,973</u>
Total expenditures	<u>50,877,379</u>	<u>65,736,530</u>	<u>9,755,425</u>	<u>55,981,105</u>
Excess (deficiency) of revenues over (under) expenditures	(48,487,379)	(63,346,530)	(6,607,149)	56,739,381
Other financing sources (uses)				
Transfers in	49,184,161	49,619,016	8,815,394	(40,803,622)
Transfers out	<u>(2,761,677)</u>	<u>(4,030,386)</u>	<u>(193,426)</u>	<u>3,836,960</u>
Total other financing sources (uses)	<u>46,422,484</u>	<u>45,588,630</u>	<u>8,621,968</u>	<u>(36,966,662)</u>
Net change in fund balances	(2,064,895)	(17,757,900)	2,014,819	19,772,719
Fund balances beginning of year	<u>9,039,754</u>	<u>9,039,754</u>	<u>9,039,754</u>	-
Fund balances (deficits) end of year	<u>\$ 6,974,859</u>	<u>\$ (8,718,146)</u>	<u>\$ 11,054,573</u>	<u>\$ 19,772,719</u>

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 150,802,268	\$ 150,802,268	\$ 76,940,226	\$ (73,862,042)
Investment earnings	-	-	57,123	57,123
Total revenues	<u>150,802,268</u>	<u>150,802,268</u>	<u>76,997,349</u>	<u>(73,804,919)</u>
Expenditures				
Current:				
Commuter and motorist assistance	1,509,176	1,509,176	1,196,212	312,964
Project delivery	133,785,883	133,258,599	60,092,329	73,166,270
Capital outlay	<u>15,507,209</u>	<u>15,791,680</u>	<u>14,694,085</u>	<u>1,097,595</u>
Total expenditures	<u>150,802,268</u>	<u>150,559,455</u>	<u>75,982,626</u>	<u>74,576,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>242,813</u>	<u>1,014,723</u>	<u>771,910</u>
Other financing sources (uses)				
Transfers out	-	(241,413)	(241,413)	-
Gain (loss) on sale of assets ⁽¹⁾	<u>-</u>	<u>-</u>	<u>(613)</u>	<u>(613)</u>
Total other financing sources (uses)	<u>-</u>	<u>(241,413)</u>	<u>(242,026)</u>	<u>(613)</u>
Net change in fund balances	-	1,400	772,697	771,297
Fund balances (deficits) beginning of year	<u>(6,402,506)</u>	<u>(6,402,506)</u>	<u>(6,402,506)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (6,402,506)</u>	<u>\$ (6,401,106)</u>	<u>\$ (5,629,809)</u>	<u>\$ 771,297</u>

⁽¹⁾ Loss on sale of capital assets is treated as an abatement to revenues so no budget is recorded.

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	<u>\$ 31,908,059</u>	<u>\$ 17,065,150</u>	<u>\$ 384,183</u>	<u>\$(16,680,967)</u>
Expenditures				
Commuter and motorist assistance	1,398,500	1,398,500	498,423	900,077
Transit	14,949,684	7,676,658	161,522	7,515,136
Capital outlay	<u>15,559,875</u>	<u>7,989,992</u>	<u>168,114</u>	<u>7,821,878</u>
Total expenditures	<u>31,908,059</u>	<u>17,065,150</u>	<u>828,059</u>	<u>16,237,091</u>
Net change in fund balances	-	-	(443,876)	(443,876)
Fund balances (deficits) beginning of year	<u>(65,202)</u>	<u>(65,202)</u>	<u>(65,202)</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$ (65,202)</u></u>	<u><u>\$ (65,202)</u></u>	<u><u>\$ (509,078)</u></u>	<u><u>\$ (443,876)</u></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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 37,441,808	\$ 44,891,905	\$ 18,515,814	\$ (26,376,091)
Investment earnings	-	-	18,060	18,060
Total revenues	<u>37,441,808</u>	<u>44,891,905</u>	<u>18,533,874</u>	<u>(26,358,031)</u>
Expenditures				
Current:				
General government	12,535	13,958	6,924	7,034
Regional and subregional planning	4,382	8,455	4,326	4,129
Transit	2,129,471	4,628,519	12,447	4,616,072
Project delivery	25,215,317	25,212,884	6,769,491	18,443,393
Fund administration	618,083	710,775	623,750	87,025
Capital outlay	<u>9,462,020</u>	<u>13,109,527</u>	<u>1,831,722</u>	<u>11,277,805</u>
Total expenditures	<u>37,441,808</u>	<u>43,684,118</u>	<u>9,248,660</u>	<u>34,435,458</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,207,787	9,285,214	8,077,427
Other financing sources (uses)				
Transfers out	-	(5,975)	(5,975)	-
Net change in fund balances	-	1,201,812	9,279,239	8,077,427
Fund balances (deficits) beginning of year	<u>(10,517,156)</u>	<u>(10,517,156)</u>	<u>(10,517,156)</u>	-
Fund balances (deficits) end of year	<u>\$ (10,517,156)</u>	<u>\$ (9,315,344)</u>	<u>\$ (1,237,917)</u>	<u>\$ 8,077,427</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,005,361	\$ 1,005,361	\$ 1,053,661	\$ 48,300
Investment earnings	251,500	251,500	406,558	155,058
Total revenues	<u>1,256,861</u>	<u>1,256,861</u>	<u>1,460,219</u>	<u>203,358</u>
Expenditures				
Current:				
Transit	5,613,600	5,613,600	1,352,000	4,261,600
Project delivery	847,883	799,044	660,547	138,497
Capital outlay	5,861,878	5,833,583	1,512,735	4,320,848
Total expenditures	<u>12,323,361</u>	<u>12,246,227</u>	<u>3,525,282</u>	<u>8,720,945</u>
Excess (deficiency) of revenues over (under) expenditures	(11,066,500)	(10,989,366)	(2,065,063)	8,924,303
Other financing sources (uses)				
Transfers in	-	-	360	360
Transfers out	-	(107,133)	(107,133)	-
Total other financing sources (uses)	<u>-</u>	<u>(107,133)</u>	<u>(106,773)</u>	<u>360</u>
Net change in fund balances	(11,066,500)	(11,096,499)	(2,171,836)	8,924,663
Fund balances beginning of year	23,430,403	23,430,403	23,430,403	-
Fund balances end of year	<u>\$ 12,363,903</u>	<u>\$ 12,333,904</u>	<u>\$ 21,258,567</u>	<u>\$ 8,924,663</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-local transportation fund	\$ 96,075,522	\$ 96,075,522	\$ 106,927,206	\$ 10,851,684
Investment earnings	-	-	2,404,861	2,404,861
Total revenues	<u>96,075,522</u>	<u>96,075,522</u>	<u>109,332,067</u>	<u>13,256,545</u>
Expenditures				
Current-transit	86,998,920	94,937,978	89,862,691	5,075,287
Capital Outlay	<u>877,080</u>	<u>2,316,584</u>	<u>220,361</u>	<u>2,096,223</u>
Total expenditures	<u>87,876,000</u>	<u>97,254,562</u>	<u>90,083,052</u>	<u>7,171,510</u>
Excess (deficiency) of revenues over (under) expenditures	8,199,522	(1,179,040)	19,249,015	20,428,055
Other financing sources (uses)				
Transfers out	<u>(24,570,938)</u>	<u>(21,792,376)</u>	<u>(3,652,903)</u>	<u>18,139,473</u>
Net change in fund balances	(16,371,416)	(22,971,416)	15,596,112	38,567,528
Fund balances beginning of year	<u>87,882,428</u>	<u>87,882,428</u>	<u>87,882,428</u>	<u>-</u>
Fund balances end of year	<u>\$ 71,511,012</u>	<u>\$ 64,911,012</u>	<u>\$ 103,478,540</u>	<u>\$ 38,567,528</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 21,092,146	\$ 21,092,146	\$ 24,985,877	\$ 3,893,731
Investment earnings	-	-	1,995,368	1,995,368
Total revenues	<u>21,092,146</u>	<u>21,092,146</u>	<u>26,981,245</u>	<u>5,889,099</u>
Expenditures				
Current-transit	16,058,566	15,626,782	15,626,781	1
Capital Outlay	<u>8,266,848</u>	<u>9,083,053</u>	<u>4,133,892</u>	<u>4,949,161</u>
Total expenditures	<u>24,325,414</u>	<u>24,709,835</u>	<u>19,760,673</u>	<u>4,949,162</u>
Excess (deficiency) of revenues over (under) expenditures	(3,233,268)	(3,617,689)	7,220,572	10,838,261
Other financing sources (uses)				
Transfers out	<u>(16,698,544)</u>	<u>(17,429,743)</u>	-	<u>17,429,743</u>
Net change in fund balances	(19,931,812)	(21,047,432)	7,220,572	28,268,004
Fund balances beginning of year	<u>60,793,282</u>	<u>60,793,282</u>	<u>60,793,282</u>	-
Fund balances end of year	<u>\$ 40,861,470</u>	<u>\$ 39,745,850</u>	<u>\$ 68,013,854</u>	<u>\$ 28,268,004</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 70,000	\$ 70,000	\$ 274,900	\$ 204,900
Expenditures				
Current:				
Environment and energy conservation	442,000	442,000	1,082	440,918
Commuter and motorist assistance	1,050,000	1,050,000	72,675	977,325
Project delivery	6,872,444	6,985,185	2,942,926	4,042,259
Total expenditures	8,364,444	8,477,185	3,016,683	5,460,502
Excess (deficiency) of revenues over (under) expenditures	(8,294,444)	(8,407,185)	(2,741,783)	5,665,402
Other financing sources (uses)				
Gain (loss) on sale of assets ⁽¹⁾	-	-	(1,544)	(1,544)
Net change in fund balances	(8,294,444)	(8,407,185)	(2,743,327)	5,663,858
Fund balances beginning of year	12,829,611	12,829,611	12,829,611	-
Fund balances end of year	\$ 4,535,167	\$ 4,422,426	\$ 10,086,284	\$ 5,663,858

⁽¹⁾ Loss on sale of capital assets is treated when incurred as an abatement to revenues so no budget is recorded.

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 161,172,000	\$ 169,378,000	\$ 181,785,772	\$ 12,407,772
Investment earnings	<u>2,005,500</u>	<u>2,005,500</u>	<u>10,000,449</u>	<u>7,994,949</u>
Total revenues	<u>163,177,500</u>	<u>171,383,500</u>	<u>191,786,221</u>	<u>20,402,721</u>
Expenditures				
Current:				
General government	1,077,850	1,018,597	738,223	280,374
Environment and energy conservation	223,929	201,929	189,134	12,795
Commuter and motorist assistance	1,440,517	1,462,517	469,760	992,757
Regional and subregional planning	736,304	738,728	472,556	266,172
Transit	34,350,941	40,481,933	18,418,809	22,063,124
Project delivery	118,739,266	116,669,720	49,084,607	67,585,113
Fund administration	86,350,658	92,676,162	59,571,279	33,104,883
Express Lanes	499,465	500,710	85,542	415,168
Capital outlay	<u>20,423,179</u>	<u>22,908,540</u>	<u>6,670,721</u>	<u>16,237,819</u>
Total expenditures	<u>263,842,109</u>	<u>276,658,836</u>	<u>135,700,631</u>	<u>140,958,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,664,609)</u>	<u>(105,275,336)</u>	<u>56,085,590</u>	<u>161,360,926</u>
Other financing sources (uses)				
Transfers in	-	-	1,288,671	1,288,671
Transfers out	(17,653,650)	(19,086,890)	(17,728,810)	1,358,080
Gain (loss) on sale of assets	<u>-</u>	<u>-</u>	<u>60,137</u>	<u>60,137</u>
Total other financing sources (uses)	<u>(17,653,650)</u>	<u>(19,086,890)</u>	<u>(16,380,002)</u>	<u>2,706,888</u>
Net change in fund balances	(118,318,259)	(124,362,226)	39,705,588	164,067,814
Fund balances beginning of year	<u>387,782,546</u>	<u>387,782,546</u>	<u>387,782,546</u>	<u>-</u>
Fund balances end of year	<u>\$ 269,464,287</u>	<u>\$ 263,420,320</u>	<u>\$ 427,488,134</u>	<u>\$ 164,067,814</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Pension Information
June 30, 2019

Schedule of SBCTA's Proportionate Share of Net Pension Liability

SBCERA Pension Plan Last 10 Fiscal Years ^{1, 2}						
	<u>June 30, 2019</u>	<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	0.592%	0.566%	0.549%	0.507%	0.556%	0.491%
SBCTA's proportionate share of net pension liability	14,988,102	14,926,497	13,543,950	9,853,252	9,456,951	9,749,799
SBCTA's covered payroll	6,986,391	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	214.53%	236.01%	257.73%	206.61%	183.73%	232.80%
SBCERA's fiduciary net position as a percentage of the total pension liability	70.97%	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, 2019</u>	<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	2,504,102	2,104,595	1,963,526	1,915,346	1,464,122	1,380,637
Contributions in relation to contractually required contributions	2,504,102	2,104,595	1,963,526	1,915,346	1,464,122	1,380,637
Contributions deficiency (excess)	-	-	-	-	-	-
SBCTA's covered payroll	7,216,317	6,986,391	6,324,582	5,255,190	4,769,044	5,147,134
SBCTA's covered payroll contributions as a percentage of covered payroll	34.70%	30.12%	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, 2}						
	<u>June 30, 2019</u>	<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	0.00129%	0.00141%	0.00152%	0.00164%	0.00176%	0.00176%
SBCTA's proportionate share of net pension liability	7,937	12,115	61,542	44,856	39,108	53,435
SBCTA's covered payroll	N/A	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	N/A
PERS fiduciary net position as a percentage of the total pension liability	92.40%	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, 2019</u>	<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	N/A

¹ The amounts presented for each fiscal year were determined as of June 30th. Data for fiscal years ended June 30, 2010 through 2013 is not available.

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

N/A - Not applicable

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Note to Required Supplementary Information
June 30, 2019

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, 2019, no expenditures exceeded appropriations. However, the Federal Highway, the 1990-2010 Measure I, and the Capital Projects' gain (loss) on sale of assets appeared over budget but the loss is treated as an abatement of revenue and therefore is not budgeted.

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 assumptions remain the same as the June 30, 2018 funding valuation.



Assembly Member Eloise Reyes is seen here opening the annual Business 2 Business Expo (B2B). This event is a gathering of both agency and industry in an effort to learn more about how to do business with SBCTA, as well as for prime and sub-contractors to make connections that enhance the way they do business.

SUPPLEMENTARY INFORMATION

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.

ARRA DOE Clean Cities accounts for federal funding for development of the San Bernardino County Sub-regional Greenhouse Reduction Plan Update.

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.

Local Partnership Program Formula Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017 which funds projects for road maintenance and rehabilitation purposes and other transportation infrastructure improvements.

Freeway Service Patrol Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017 for the Freeway Service Patrol program.

Sustainable Communities Grants Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017. The program funds activities related to implementing Regional Transportation Plan and greenhouse reduction.

Trade Corridor Enhancement Program Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for improvements to highways and other transportation infrastructure improvements vital to California's trade and freight economy.

Solutions for Congested Corridors Program Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for projects that will improve traffic flow and mobility.

Local Partnership Program Competitive Senate Bill 1 accounts for state funding from Senate Bill 1, the Road Repair and Accountability Act of 2017, for road maintenance and rehabilitation purposes and local transportation infrastructure.

Non-Major Governmental Funds

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.



The bridge reconstruction at the Interstate 215 Barton Road Interchange requires significant amounts of reinforced steel. The material used on this project comes from San Bernardino County, serving as a great driver for the local economy.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	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	\$ 3,169,532	\$ 422,377	\$ -	\$ 4,300,843
Accrued interest receivable	14,068	2,848	-	8,096
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	4,455,208	152,817	359,623
Prepays	-	-	-	-
Loans receivable	-	-	-	-
Total assets	<u>\$ 3,183,600</u>	<u>\$ 4,880,433</u>	<u>\$ 152,817</u>	<u>\$ 4,668,562</u>
Liabilities				
Accounts payable	\$ -	\$ 4,869,808	\$ 87,535	\$ 163,277
Accrued liabilities	-	-	-	4,823
Intergovernmental payable	66,088	-	-	1,837
Due to other funds	-	-	65,282	-
Unearned revenue	-	414,599	-	72
Total liabilities	<u>66,088</u>	<u>5,284,407</u>	<u>152,817</u>	<u>170,009</u>
Deferred inflows of resources				
Unavailable grant and local reimbursements	-	433,521	128,869	-
Fund balances				
Nonspendable-prepaid items	-	-	-	-
Restricted:				
Traveler services	-	-	-	4,498,553
Rail	3,094,160	-	-	-
Transit services	23,352	-	-	-
Committed - Council of governments	-	-	-	-
Unassigned (deficits)	-	(837,495)	(128,869)	-
Total fund balances (deficits)	<u>3,117,512</u>	<u>(837,495)</u>	<u>(128,869)</u>	<u>4,498,553</u>
Total liabilities and fund balances	<u>\$ 3,183,600</u>	<u>\$ 4,880,433</u>	<u>\$ 152,817</u>	<u>\$ 4,668,562</u>

Special Revenue						
Freeway Service Patrol	ARRA DOE Clean Cities	Active Transportation Program	SCAQMD Mobile Source Air Pollution Reduction Review Committee	Local Partnership Program Formula Senate Bill 1	Freeway Service Patrol Senate Bill 1	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,509,207	88,542	-	2,500,050	510,666	227,843	
-	-	-	11,681	-	-	
-	-	-	-	-	-	
<u>\$ 1,509,207</u>	<u>\$ 88,542</u>	<u>\$ -</u>	<u>\$ 2,511,731</u>	<u>\$ 510,666</u>	<u>\$ 227,843</u>	
\$ 305,259	\$ 26,392	\$ -	\$ 49,634	\$ 216,455	\$ -	
-	-	-	-	-	-	
3,147	-	-	1,264,537	-	154,257	
1,200,801	62,150	-	1,197,560	294,211	73,586	
-	-	-	-	-	-	
<u>1,509,207</u>	<u>88,542</u>	<u>-</u>	<u>2,511,731</u>	<u>510,666</u>	<u>227,843</u>	
<u>61,256</u>	<u>8,128</u>	<u>-</u>	<u>2,328,537</u>	<u>33,023</u>	<u>30,089</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(61,256)	(8,128)	-	(2,328,537)	(33,023)	(30,089)	
(61,256)	(8,128)	-	(2,328,537)	(33,023)	(30,089)	
<u>\$ 1,509,207</u>	<u>\$ 88,542</u>	<u>\$ -</u>	<u>\$ 2,511,731</u>	<u>\$ 510,666</u>	<u>\$ 227,843</u>	

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	Sustainable Communities Grants Senate Bill 1	Trade Corridor Enhancement Program Senate Bill 1	Solutions for Congested Corridors Program Senate Bill 1	Local Partnership Program Competitive Senate Bill 1
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Accrued interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
Intergovernmental receivable	234,225	10,734,748	83,126	13,849
Prepays	-	-	-	-
Loans receivable	-	-	-	-
Total assets	<u>\$ 234,225</u>	<u>\$ 10,734,748</u>	<u>\$ 83,126</u>	<u>\$ 13,849</u>
Liabilities				
Accounts payable	\$ 92,678	\$ 4,852,589	\$ 83,126	\$ 13,849
Accrued liabilities	-	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	141,547	5,882,159	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>234,225</u>	<u>10,734,748</u>	<u>83,126</u>	<u>13,849</u>
Deferred inflows of resources				
Unavailable grant and local reimbursements	<u>92,678</u>	<u>481,669</u>	<u>83,126</u>	<u>13,849</u>
Fund balances				
Nonspendable-prepaid items	-	-	-	-
Restricted:				
Traveler services	-	-	-	-
Rail	-	-	-	-
Transit services	-	-	-	-
Committed - Council of governments	-	-	-	-
Unassigned (deficits)	<u>(92,678)</u>	<u>(481,669)</u>	<u>(83,126)</u>	<u>(13,849)</u>
Total fund balances (deficits)	<u>(92,678)</u>	<u>(481,669)</u>	<u>(83,126)</u>	<u>(13,849)</u>
Total liabilities and fund balances	<u>\$ 234,225</u>	<u>\$ 10,734,748</u>	<u>\$ 83,126</u>	<u>\$ 13,849</u>

Special Revenue		
Council of Governments	Electric Vehicle Charging Station	Total Nonmajor Governmental Funds
\$ 2,347,574	\$ 5,659	\$ 10,245,985
4,431	11	29,454
7,651	284	7,935
1,745	-	20,871,649
15,000	-	26,681
101,380	-	101,380
<u>\$ 2,477,781</u>	<u>\$ 5,954</u>	<u>\$ 31,283,084</u>
\$ 3,929	\$ -	\$ 10,764,531
5,507	-	10,330
5,185	-	1,495,051
-	-	8,917,296
-	-	414,671
<u>14,621</u>	<u>-</u>	<u>21,601,879</u>
<u>101,380</u>	<u>-</u>	<u>3,796,125</u>
15,000	-	15,000
-	5,954	4,504,507
-	-	3,094,160
-	-	23,352
2,346,780	-	2,346,780
-	-	(4,098,719)
<u>2,361,780</u>	<u>5,954</u>	<u>5,885,080</u>
<u>\$ 2,477,781</u>	<u>\$ 5,954</u>	<u>\$ 31,283,084</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, 2019

	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	\$ 400,000	\$ 4,021,687	\$ 23,397	\$ 1,978,739
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	62,576	9,735	-	101,012
Miscellaneous	-	-	-	1,208
Total revenues	<u>462,576</u>	<u>4,031,422</u>	<u>23,397</u>	<u>2,080,959</u>
Expenditures				
Current:				
General government	107,271	-	-	104,711
Environment and energy conservation	-	4,455,208	151,745	-
Commuter and motorist assistance	-	-	-	1,388,418
Regional and subregional planning	-	-	-	-
Transit	138,235	-	-	-
Project delivery	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>245,506</u>	<u>4,455,208</u>	<u>151,745</u>	<u>1,493,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>217,070</u>	<u>(423,786)</u>	<u>(128,348)</u>	<u>587,830</u>
Other financing sources (uses)				
Transfers in	6,002	-	-	-
Transfers out	-	-	-	(173,314)
Total other financing sources (uses)	<u>6,002</u>	<u>-</u>	<u>-</u>	<u>(173,314)</u>
Net change in fund balances	223,072	(423,786)	(128,348)	414,516
Fund balances (deficits) beginning of year	2,894,440	(413,709)	(521)	4,084,037
Fund balances (deficits) end of year	<u>\$ 3,117,512</u>	<u>\$ (837,495)</u>	<u>\$ (128,869)</u>	<u>\$ 4,498,553</u>

Special Revenue						
Freeway Service Patrol	ARRA DOE Clean Cities	Active Transportation Program	SCAQMD Mobile Source Air Pollution Reduction Review Committee	Local Partnership Program Formula Senate Bill 1	Freeway Service Patrol Senate Bill 1	
\$ 2,010,769	\$ 80,414	\$ -	\$ 483,155	\$ 477,642	\$ 197,755	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>2,010,769</u>	<u>80,414</u>	<u>-</u>	<u>483,155</u>	<u>477,642</u>	<u>197,755</u>	
-	-	-	-	-	-	
-	-	-	64,749	-	-	
2,072,025	-	-	115,872	-	227,844	
-	88,542	-	313,766	-	-	
-	-	-	1,264,535	3,863	-	
-	-	-	711,882	369,946	-	
-	-	-	55,642	136,856	-	
<u>2,072,025</u>	<u>88,542</u>	<u>-</u>	<u>2,526,446</u>	<u>510,665</u>	<u>227,844</u>	
<u>(61,256)</u>	<u>(8,128)</u>	<u>-</u>	<u>(2,043,291)</u>	<u>(33,023)</u>	<u>(30,089)</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(61,256)	(8,128)	-	(2,043,291)	(33,023)	(30,089)	
-	-	-	(285,246)	-	-	
<u>\$ (61,256)</u>	<u>\$ (8,128)</u>	<u>\$ -</u>	<u>\$ (2,328,537)</u>	<u>\$ (33,023)</u>	<u>\$ (30,089)</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, 2019

	Special Revenue			
	Sustainable Communities Grants Senate Bill 1	Trade Corridor Enhancement Program Senate Bill 1	Solutions for Congested Corridors Program Senate Bill 1	Local Partnership Program Competitive Senate Bill 1
Revenues				
Intergovernmental	\$ 208,314	\$ 10,253,079	\$ -	\$ -
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>208,314</u>	<u>10,253,079</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	300,992	-	-	-
Transit	-	-	40,732	6,786
Project delivery	-	8,196,796	-	-
Capital outlay	-	2,537,952	42,394	7,063
Total expenditures	<u>300,992</u>	<u>10,734,748</u>	<u>83,126</u>	<u>13,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,678)</u>	<u>(481,669)</u>	<u>(83,126)</u>	<u>(13,849)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(92,678)</u>	<u>(481,669)</u>	<u>(83,126)</u>	<u>(13,849)</u>
Fund balances (deficits) beginning of year	-	-	-	-
Fund balances (deficits) end of year	<u><u>\$ (92,678)</u></u>	<u><u>\$ (481,669)</u></u>	<u><u>\$ (83,126)</u></u>	<u><u>\$ (13,849)</u></u>

Special Revenue		
Council of Governments	Electric Vehicle Charging Station	Total Nonmajor Governmental Funds
\$ 37,333	\$ -	\$ 20,172,284
-	3,758	3,758
248,545	-	248,545
56,381	125	229,829
<u>103,748</u>	<u>-</u>	<u>104,956</u>
<u>446,007</u>	<u>3,883</u>	<u>20,759,372</u>
329,480	-	541,462
106,705	-	4,778,407
-	-	3,804,159
-	-	703,300
-	-	1,454,151
-	-	9,278,624
-	-	<u>2,779,907</u>
<u>436,185</u>	<u>-</u>	<u>23,340,010</u>
<u>9,822</u>	<u>3,883</u>	<u>(2,580,638)</u>
-	-	6,002
<u>(95,688)</u>	<u>-</u>	<u>(269,002)</u>
<u>(95,688)</u>	<u>-</u>	<u>(263,000)</u>
(85,866)	3,883	(2,843,638)
<u>2,447,646</u>	<u>2,071</u>	<u>8,728,718</u>
<u>\$ 2,361,780</u>	<u>\$ 5,954</u>	<u>\$ 5,885,080</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Low Carbon Transit Operations Program Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 400,000	\$ 400,000
Investment earnings	12,000	12,000	62,576	50,576
Total revenues	12,000	12,000	462,576	450,576
Expenditures				
Current:				
General government	261,000	261,000	107,271	153,729
Transit	94,000	138,235	138,235	-
Total expenditures	355,000	399,235	245,506	153,729
Excess (deficiency) of revenues over (under) expenditures	(343,000)	(387,235)	217,070	604,305
Other Financing Sources				
Transfers in	-	-	6,002	6,002
Net change in fund balances	(343,000)	(387,235)	223,072	610,307
Fund balances beginning of year	2,894,440	2,894,440	2,894,440	-
Fund balances end of year	<u>\$ 2,551,440</u>	<u>\$ 2,507,205</u>	<u>\$ 3,117,512</u>	<u>\$ 610,307</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 4,500,000	\$ 4,500,000	\$ 4,021,687	\$ (478,313)
Investment earnings	<u>-</u>	<u>-</u>	<u>9,735</u>	<u>9,735</u>
Total revenues	4,500,000	4,500,000	4,031,422	(468,578)
Expenditures				
Current-environment and energy conservation	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,455,208</u>	<u>44,792</u>
Net change in fund balances	-	-	(423,786)	(423,786)
Fund balances (deficits) beginning of year	<u>(413,709)</u>	<u>(413,709)</u>	<u>(413,709)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (413,709)</u>	<u>\$ (413,709)</u>	<u>\$ (837,495)</u>	<u>\$ (423,786)</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 Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 181,000	\$ 181,000	\$ 23,397	\$ (157,603)
Expenditures				
Current-environment and energy conservation	<u>181,000</u>	<u>181,000</u>	<u>151,745</u>	<u>29,255</u>
Net change in fund balances	-	-	(128,348)	(128,348)
Fund balances (deficits) beginning of year	<u>(521)</u>	<u>(521)</u>	<u>(521)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (521)</u>	<u>\$ (521)</u>	<u>\$ (128,869)</u>	<u>\$ (128,348)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,931,425	\$ 1,931,425	\$ 1,978,739	\$ 47,314
Investment earnings	-	-	101,012	101,012
Miscellaneous	-	-	1,208	1,208
Total revenues	<u>1,931,425</u>	<u>1,931,425</u>	<u>2,080,959</u>	<u>149,534</u>
Expenditures				
Current:				
General government	102,094	117,739	104,711	13,028
Commuter and motorist assistance	1,729,070	1,729,070	1,388,418	340,652
Regional and subregional planning	<u>321</u>	<u>321</u>	<u>-</u>	<u>321</u>
Total expenditures	<u>1,831,485</u>	<u>1,847,130</u>	<u>1,493,129</u>	<u>354,001</u>
Excess (deficiency) of revenues over (under) expenditures	99,940	84,295	587,830	503,535
Other Financing Sources				
Transfer out	<u>(173,314)</u>	<u>(173,314)</u>	<u>(173,314)</u>	<u>-</u>
Net change in fund balances	(73,374)	(89,019)	414,516	503,535
Fund balances beginning of year	<u>4,084,037</u>	<u>4,084,037</u>	<u>4,084,037</u>	<u>-</u>
Fund balances end of year	<u>\$ 4,010,663</u>	<u>\$ 3,995,018</u>	<u>\$ 4,498,553</u>	<u>\$ 503,535</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,323,885	\$ 3,323,885	\$ 2,010,769	\$ (1,313,116)
Expenditures				
Current-commuter and motorist assistance	<u>2,033,895</u>	<u>2,188,776</u>	<u>2,072,025</u>	<u>116,751</u>
Net change in fund balances	1,289,990	1,135,109	(61,256)	(1,196,365)
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 1,289,990</u>	<u>\$ 1,135,109</u>	<u>\$ (61,256)</u>	<u>\$ (1,196,365)</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
ARRA DOE Clean Cities Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 250,635	\$ 80,414	\$ (170,221)
Expenditures				
Current-regional and subregional planning	<u>-</u>	<u>250,635</u>	<u>88,542</u>	<u>162,093</u>
Net change in fund balances	-	-	(8,128)	(8,128)
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,128)</u></u>	<u><u>\$ (8,128)</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Active Transportation Program Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 420,000	\$ 19,365	\$ -	\$ (19,365)
Expenditures				
Current-regional and subregional planning	<u>420,000</u>	<u>19,365</u>	<u>-</u>	<u>19,365</u>
Net change in fund balances	-	-	-	-
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 4,900,960	\$ 4,900,960	\$ 483,155	\$ (4,417,805)
Expenditures				
Current:				
Environment and energy conservation	50,000	170,000	64,749	105,251
Commuter and motorist assistance	190,960	190,960	115,872	75,088
Regional and subregional planning	1,325,000	1,325,000	313,766	1,011,234
Transit	2,000,000	2,000,000	1,264,535	735,465
Project delivery	1,000,000	1,000,000	711,882	288,118
Capital outlay	335,000	215,000	55,642	159,358
Total expenditures	4,900,960	4,900,960	2,526,446	2,374,514
Net change in fund balances	-	-	(2,043,291)	(2,043,291)
Fund balances (deficits) beginning of year	(285,246)	(285,246)	(285,246)	-
Fund balances (deficits) end of year	\$ (285,246)	\$ (285,246)	\$ (2,328,537)	\$ (2,043,291)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Local Partnership Program - Formula Senate Bill 1 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 919,614	\$ 1,924,257	\$ 477,642	\$ (1,446,615)
Expenditures				
Current:				
Transit	-	492,275	3,863	488,412
Project delivery	676,744	676,744	369,946	306,798
Capital outlay	242,870	755,238	136,856	618,382
Total expenditures	919,614	1,924,257	510,665	1,413,592
Net change in fund balances	-	-	(33,023)	(33,023)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	\$ -	\$ -	\$ (33,023)	\$ (33,023)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Freeway Service Patrol Senate Bill 1 Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 197,755	\$ (1,202,245)
Expenditures				
Current-commuter and motorist assistance	<u>435,200</u>	<u>435,200</u>	<u>227,844</u>	<u>207,356</u>
Net change in fund balances	964,800	964,800	(30,089)	(994,889)
Fund balances beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$ 964,800</u></u>	<u><u>\$ 964,800</u></u>	<u><u>\$ (30,089)</u></u>	<u><u>\$ (994,889)</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Sustainable Communities Grants Senate Bill 1 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 600,000	\$ 208,314	\$ (391,686)
Expenditures				
Current-regional and subregional planning	-	600,000	300,992	299,008
Total expenditures	-	600,000	300,992	299,008
Net change in fund balance	-	-	(92,678)	(92,678)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,678)</u>	<u>\$ (92,678)</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Trade Corridor Enhancement Program Senate Bill 1 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 11,500,000	\$ 10,253,079	\$ (1,246,921)
Expenditures				
Current:				
Project delivery	-	8,859,000	8,196,796	662,204
Capital outlay	-	2,641,000	2,537,952	103,048
Total expenditures	-	11,500,000	10,734,748	765,252
Net change in fund balances	-	-	(481,669)	(481,669)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	\$ -	\$ -	\$ (481,669)	\$ (481,669)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Solutions for Congested Corridors Program Senate Bill 1 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 6,038,758	\$ -	\$ (6,038,758)
Expenditures				
Current:				
Transit	-	2,954,341	40,732	2,913,609
Capital outlay	-	3,074,927	42,394	3,032,533
Total expenditures	-	6,029,268	83,126	5,946,142
Net change in fund balances	-	9,490	(83,126)	(92,616)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	\$ -	\$ 9,490	\$ (83,126)	\$ (92,616)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Local Partnership Program - Competitive Senate Bill 1 Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 2,239,311	\$ -	\$ (2,239,311)
Expenditures				
Current:				
Transit	-	1,097,262	6,786	1,090,476
Capital outlay	-	1,142,049	7,063	1,134,986
Total expenditures	-	2,239,311	13,849	2,225,462
Net change in fund balances	-	-	(13,849)	(13,849)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	\$ -	\$ -	\$ (13,849)	\$ (13,849)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Council of Governments Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 87,760	\$ 338,395	\$ 37,333	\$ (301,062)
Special assessments	248,545	248,545	248,545	-
Investment earnings	22,000	22,000	56,381	34,381
Miscellaneous	458,730	458,730	103,748	(354,982)
Total revenues	<u>817,035</u>	<u>1,067,670</u>	<u>446,007</u>	<u>(621,663)</u>
Expenditures				
Current:				
General government	462,590	1,210,330	329,480	880,850
Environment and energy conservation	494,294	505,570	106,705	398,865
Regional and subregional planning	20,588	20,588	-	20,588
Total expenditures	<u>977,472</u>	<u>1,736,488</u>	<u>436,185</u>	<u>1,300,303</u>
Excess (deficiency) of revenues over (under) expenditures	(160,437)	(668,818)	9,822	678,640
Other financing sources (uses)				
Transfers out	<u>(117,213)</u>	<u>(155,937)</u>	<u>(95,688)</u>	<u>60,249</u>
Net change in fund balances	(277,650)	(824,755)	(85,866)	738,889
Fund balances beginning of year	<u>2,447,646</u>	<u>2,447,646</u>	<u>2,447,646</u>	<u>-</u>
Fund balances end of year	<u>\$ 2,169,996</u>	<u>\$ 1,622,891</u>	<u>\$ 2,361,780</u>	<u>\$ 738,889</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Electric Vehicle Charging Station Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 4,700	\$ 4,700	\$ 3,758	\$ (942)
Investments earnings	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>
Total revenues	4,700	4,700	3,883	(817)
Expenditures				
Current-environment and energy conservation	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>27,500</u>
Excess (deficiency) of revenues over (under) expenditures	(22,800)	(22,800)	-	26,683
Other financing sources (uses)				
Transfers in	<u>21,525</u>	<u>21,525</u>	<u>-</u>	<u>(21,525)</u>
Net change in fund balance	(1,275)	(1,275)	3,883	5,158
Fund balances beginning of year	<u>2,071</u>	<u>2,071</u>	<u>2,071</u>	<u>-</u>
Fund balances end of year	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 5,954</u>	<u>\$ 5,158</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 2,515	\$ 2,515
Expenditures				
Debt Service:				
Principal	3,860,000	3,860,000	3,860,000	-
Interest and fiscal charges	8,909,650	8,924,650	8,914,649	10,001
Total expenditures	12,769,650	12,784,650	12,774,649	10,001
Excess (deficiency) of revenues over (under) expenditures	(12,769,650)	(12,784,650)	(12,772,134)	12,516
Other financing sources (uses)				
Transfers in	12,769,650	12,769,650	12,831,130	61,480
Net change in fund balances	-	(15,000)	58,996	73,996
Fund balances beginning of year	5,321,387	5,321,387	5,321,387	-
Fund balances end of year	<u>\$ 5,321,387</u>	<u>\$ 5,306,387</u>	<u>\$ 5,380,383</u>	<u>\$ 73,996</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 22,376,392	\$ 25,660,991	\$ 24,080,289	\$ (1,580,702)
Investment earnings	-	-	806,622	806,622
Miscellaneous	11,106,230	13,449,618	562,314	(12,887,304)
Total revenues	<u>33,482,622</u>	<u>39,110,609</u>	<u>25,449,225</u>	<u>(13,661,384)</u>
Expenditures				
Current:				
Environment and energy conservation	-	1,560,000	391,613	1,168,387
Commuter and motorist assistance	497,399	342,518	40,941	301,577
Regional and subregional planning	200,000	350,000	66,771	283,229
Transit	756,172	1,845,707	988,368	857,339
Project delivery	32,233,117	33,289,104	15,525,762	17,763,342
Capital outlay	<u>2,296,287</u>	<u>3,317,469</u>	<u>2,428,126</u>	<u>889,343</u>
Total expenditures	<u>35,982,975</u>	<u>40,704,798</u>	<u>19,441,581</u>	<u>21,263,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,500,353)</u>	<u>(1,594,189)</u>	<u>6,007,644</u>	<u>7,601,833</u>
Other financing sources (uses)				
Transfers in	-	-	582,226	582,226
Transfers out	-	(1,385,320)	(1,325,121)	60,199
Gain (loss) on sale of assets	<u>-</u>	<u>-</u>	<u>24,104</u>	<u>24,104</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,385,320)</u>	<u>(718,791)</u>	<u>666,529</u>
Net change in fund balances	(2,500,353)	(2,979,509)	5,288,853	8,268,362
Fund balances (deficits) beginning of year	<u>(10,737,174)</u>	<u>(10,737,174)</u>	<u>(10,737,174)</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$(13,237,527)</u></u>	<u><u>\$(13,716,683)</u></u>	<u><u>\$ (5,448,321)</u></u>	<u><u>\$ 8,268,362</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
State Transit Assistance Fund Special Revenue Funds
June 30, 2019

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Assets			
Cash and investments	\$ 59,943,700	\$ 2,054,111	\$ 61,997,811
Accrued interest receivable	606,275	15,148	621,423
Intergovernmental receivable	5,737,636	567,097	6,304,733
Due from other funds	1,073,715	-	1,073,715
Total assets	<u>\$ 67,361,326</u>	<u>\$ 2,636,356</u>	<u>\$ 69,997,682</u>
Liabilities			
Intergovernmental payable	\$ -	\$ 1,227,586	\$ 1,227,586
Due to other funds	330,288	425,954	756,242
Total liabilities	<u>330,288</u>	<u>1,653,540</u>	<u>1,983,828</u>
Fund balances			
Restricted-transportation development act	67,031,038	982,816	68,013,854
Total fund balances (deficits)	<u>67,031,038</u>	<u>982,816</u>	<u>68,013,854</u>
Total liabilities and fund balances	<u>\$ 67,361,326</u>	<u>\$ 2,636,356</u>	<u>\$ 69,997,682</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 State Transit Assistance Fund Special Revenue Funds
 For the Year Ended June 30, 2019

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Revenues			
Intergovernmental	\$ 21,583,296	\$ 3,402,581	\$ 24,985,877
Investment earnings	<u>1,939,582</u>	<u>55,786</u>	<u>1,995,368</u>
Total revenues	<u>23,522,878</u>	<u>3,458,367</u>	<u>26,981,245</u>
Expenditures			
Current-transit	9,772,712	5,854,069	15,626,781
Capital Outlay	<u>4,133,892</u>	<u>-</u>	<u>4,133,892</u>
Total expenditures	<u>13,906,604</u>	<u>5,854,069</u>	<u>19,760,673</u>
Net change in fund balances	9,616,274	(2,395,702)	7,220,572
Fund balances beginning of year	<u>57,414,764</u>	<u>3,378,518</u>	<u>60,793,282</u>
Fund balances end of year	<u>\$ 67,031,038</u>	<u>\$ 982,816</u>	<u>\$ 68,013,854</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 17,731,613	\$ 17,731,613	\$ 21,583,296	\$ 3,851,683
Investment earnings	-	-	1,939,582	1,939,582
Total revenues	<u>17,731,613</u>	<u>17,731,613</u>	<u>23,522,878</u>	<u>5,791,265</u>
Expenditures				
Current-transit	10,633,152	9,772,712	9,772,712	-
Capital Outlay	<u>8,266,848</u>	<u>9,083,053</u>	<u>4,133,892</u>	<u>4,949,161</u>
Total expenditures	<u>18,900,000</u>	<u>18,855,765</u>	<u>13,906,604</u>	<u>4,949,161</u>
Excess (deficiency) of revenues over (under) expenditures	(1,168,387)	(1,124,152)	9,616,274	10,740,426
Other financing sources (uses)				
Transfers out	<u>(15,402,892)</u>	<u>(16,562,747)</u>	-	<u>16,562,747</u>
Net change in fund balances	(16,571,279)	(17,686,899)	9,616,274	27,303,173
Fund balances beginning of year	<u>57,414,764</u>	<u>57,414,764</u>	<u>57,414,764</u>	-
Fund balances end of year	<u>\$ 40,843,485</u>	<u>\$ 39,727,865</u>	<u>\$ 67,031,038</u>	<u>\$ 27,303,173</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,360,533	\$ 3,360,533	\$ 3,402,581	\$ 42,048
Investment earnings	-	-	55,786	55,786
Total revenues	3,360,533	3,360,533	3,458,367	97,834
Expenditures				
Current-transit	5,425,414	5,854,070	5,854,069	1
Excess (deficiency) of revenues over (under) expenditures	(2,064,881)	(2,493,537)	(2,395,702)	97,835
Other financing sources (uses)				
Transfers out	(1,295,652)	(866,996)	-	866,996
Net change in fund balances	(3,360,533)	(3,360,533)	(2,395,702)	964,831
Fund balances beginning of year	3,378,518	3,378,518	3,378,518	-
Fund balances end of year	<u>\$ 17,985</u>	<u>\$ 17,985</u>	<u>\$ 982,816</u>	<u>\$ 964,831</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
1990-2010 Measure I Special Revenue Fund
June 30, 2019

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Assets			
Cash and investments	\$ 8,691,233	\$ 2,641,705	\$ 11,332,938
Accrued interest receivable	16,360	4,973	21,333
Land held for resale	61	-	61
Total assets	<u>\$ 8,707,654</u>	<u>\$ 2,646,678</u>	<u>\$ 11,354,332</u>
Liabilities			
Accounts payable	\$ 634,241	\$ 12,405	\$ 646,646
Intergovernmental payable	621,402	-	621,402
Total liabilities	1,255,643	12,405	1,268,048
Fund balances			
Restricted	7,452,011	2,634,273	10,086,284
Total liabilities and fund balances	<u>\$ 8,707,654</u>	<u>\$ 2,646,678</u>	<u>\$ 11,354,332</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Revenues			
Investment earnings	\$ 211,701	\$ 63,199	\$ 274,900
Expenditures			
Current:			
Environment and energy conservation	-	1,082	1,082
Commuter and motorist assistance	-	72,675	72,675
Project delivery	2,852,455	90,471	2,942,926
Total Expenditures	2,852,455	164,228	3,016,683
Excess (deficiency) of revenues over (under) expenditures	(2,640,754)	(101,029)	(2,741,783)
Other financing sources (uses)			
Gain (loss) on sale of assets	(1,544)	-	(1,544)
Total other financing sources (uses)	(1,544)	-	(1,544)
Net change in fund balances	(2,642,298)	(101,029)	(2,743,327)
Fund balances beginning of year	10,094,309	2,735,302	12,829,611
Fund balances end of year	\$ 7,452,011	\$ 2,634,273	\$ 10,086,284

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2019

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Assets				
Cash and investments	\$ 104,948,706	\$ 65,643,270	\$ 86,488,918	\$ -
Accrued interest receivable	255,935	132,966	176,566	-
Sales taxes receivable	7,264,332	2,755,436	5,009,884	5,009,884
Accounts receivable	-	-	1,316	-
Intergovernmental receivable	-	-	-	-
Deposit receivable	90,000	98,190	-	-
Due from other funds	30,928,915	4,994,394	7,311,981	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	518,607	-
Total assets	<u>\$ 143,487,888</u>	<u>\$ 73,624,256</u>	<u>\$ 99,507,272</u>	<u>\$ 5,009,884</u>
Liabilities				
Accounts payable	\$ 3,464,806	\$ 2,699,799	\$ 1,843,559	\$ -
Accrued liabilities	25,623	7,014	5,666	-
Intergovernmental payable	8,182,556	90,619	898,426	5,009,884
Total liabilities	<u>11,672,985</u>	<u>2,797,432</u>	<u>2,747,651</u>	<u>5,009,884</u>
Fund balances				
Restricted	<u>131,814,903</u>	<u>70,826,824</u>	<u>96,759,621</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 143,487,888</u>	<u>\$ 73,624,256</u>	<u>\$ 99,507,272</u>	<u>\$ 5,009,884</u>

<u>Valley Metrolink/ Rail Service</u>	<u>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>
\$ 26,798,922	\$ 9,525,449	\$ 21,791,502	\$ 10,675,047	\$ 21,628,525	\$ -
52,201	25,051	41,020	21,126	40,712	-
2,003,954	500,988	2,003,954	500,988	794,337	2,144,710
-	-	-	-	-	-
-	-	-	-	-	-
1,959,836	-	-	-	-	-
933,091	3,782,963	-	551,250	-	-
-	-	-	-	-	-
-	-	-	-	-	1,903,188
<u>\$ 31,748,004</u>	<u>\$ 13,834,451</u>	<u>\$ 23,836,476</u>	<u>\$ 11,748,411</u>	<u>\$ 22,463,574</u>	<u>\$ 4,047,898</u>
\$ 932,120	\$ 131,898	\$ -	\$ 159,591	\$ 376,497	\$ -
6,898	432	-	9,427	-	-
146,668	574	2,968,481	282,312	-	4,047,898
<u>1,085,686</u>	<u>132,904</u>	<u>2,968,481</u>	<u>451,330</u>	<u>376,497</u>	<u>4,047,898</u>
30,662,318	13,701,547	20,867,995	11,297,081	22,087,077	-
<u>\$ 31,748,004</u>	<u>\$ 13,834,451</u>	<u>\$ 23,836,476</u>	<u>\$ 11,748,411</u>	<u>\$ 22,463,574</u>	<u>\$ 4,047,898</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2019

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development/ Traffic Management	North Desert Major Local Highway	North Desert Local Street
Assets				
Cash and investments	\$ 87,551	\$ 1,224,413	\$ 8,792,752	\$ -
Accrued interest receivable	-	2,311	16,551	-
Sales taxes receivable	174,754	63,547	176,596	480,342
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	6,877	-	-
Deposit receivable	-	-	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 262,305</u>	<u>\$ 1,297,148</u>	<u>\$ 8,985,899</u>	<u>\$ 480,342</u>
Liabilities				
Accounts payable	\$ -	\$ 2,953	\$ -	\$ -
Accrued liabilities	-	2,154	-	-
Intergovernmental payable	262,305	79,000	246,190	480,342
Total liabilities	<u>262,305</u>	<u>84,107</u>	<u>246,190</u>	<u>480,342</u>
Fund balances				
Restricted	-	1,213,041	8,739,709	-
Total liabilities and fund balances	<u>\$ 262,305</u>	<u>\$ 1,297,148</u>	<u>\$ 8,985,899</u>	<u>\$ 480,342</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2019

<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>
\$ 16,927	\$ 933,152	\$ 99,094	\$ -	\$ 1,539	\$ 39,183
-	1,757	187	-	-	74
35,319	14,128	11,709	31,848	2,342	937
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 52,246</u>	<u>\$ 949,037</u>	<u>\$ 110,990</u>	<u>\$ 31,848</u>	<u>\$ 3,881</u>	<u>\$ 40,194</u>
\$ -	\$ 381	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>52,246</u>	<u>-</u>	<u>-</u>	<u>31,848</u>	<u>3,881</u>	<u>-</u>
<u>52,246</u>	<u>381</u>	<u>-</u>	<u>31,848</u>	<u>3,881</u>	<u>-</u>
-	948,656	110,990	-	-	40,194
<u>\$ 52,246</u>	<u>\$ 949,037</u>	<u>\$ 110,990</u>	<u>\$ 31,848</u>	<u>\$ 3,881</u>	<u>\$ 40,194</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2019

	Morongo Basin Major Local Highway	Morongo Basin Local Street	Morongo Basin Senior & Disabled Transit	Morongo Basin Project Development/ Traffic Management
Assets				
Cash and investments	\$ 2,354,518	\$ -	\$ 12,723	\$ 289,178
Accrued interest receivable	4,432	-	-	544
Sales taxes receivable	111,752	303,965	22,350	8,940
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Deposit receivable	-	-	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 2,470,702</u>	<u>\$ 303,965</u>	<u>\$ 35,073</u>	<u>\$ 298,662</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 191
Accrued liabilities	-	-	-	362
Intergovernmental payable	-	303,965	35,073	-
Total liabilities	<u>-</u>	<u>303,965</u>	<u>35,073</u>	<u>553</u>
Fund balances				
Restricted	<u>2,470,702</u>	<u>-</u>	<u>-</u>	<u>298,109</u>
Total liabilities and fund balances	<u>\$ 2,470,702</u>	<u>\$ 303,965</u>	<u>\$ 35,073</u>	<u>\$ 298,662</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2019

<u>Mountain Major Local Highway</u>	<u>Mountain Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development/ Traffic Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 1,935,990	\$ -	\$ 9,742	\$ 162,598	\$ 12,542,769	\$ 376,002,468
3,644	-	-	306	23,617	799,000
96,142	261,505	19,228	7,691	872,993	30,684,555
-	-	-	-	-	1,316
-	-	-	-	-	6,877
-	-	-	-	-	2,148,026
-	-	-	-	4,605	48,507,199
-	-	-	-	27,000	27,000
-	-	-	-	-	2,421,795
<u>\$ 2,035,776</u>	<u>\$ 261,505</u>	<u>\$ 28,970</u>	<u>\$ 170,595</u>	<u>\$ 13,470,984</u>	<u>\$ 460,598,236</u>
\$ -	\$ -	\$ -	\$ 381	\$ 5,607	\$ 9,617,783
-	-	-	-	-	57,576
-	261,505	28,970	-	22,000	23,434,743
-	261,505	28,970	381	27,607	33,110,102
2,035,776	-	-	170,214	13,443,377	427,488,134
<u>\$ 2,035,776</u>	<u>\$ 261,505</u>	<u>\$ 28,970</u>	<u>\$ 170,595</u>	<u>\$ 13,470,984</u>	<u>\$ 460,598,236</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 43,063,434	\$ 16,334,406	\$ 29,698,920	\$ 29,698,920
Investment earnings	3,220,581	1,651,039	2,201,245	1,626
Total Revenues	<u>46,284,015</u>	<u>17,985,445</u>	<u>31,900,165</u>	<u>29,700,546</u>
Expenditures				
Current:				
General government	429,689	151,408	108,369	1,626
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	38,706	6,800	-	-
Transit	-	-	-	-
Project delivery	37,505,685	4,972,922	2,967,785	-
Fund administration	41,396	37,090	10,050,129	29,698,920
Express lanes	85,542	-	-	-
Capital outlay	1,979,830	461,934	649,440	-
Total Expenditures	<u>40,080,848</u>	<u>5,630,154</u>	<u>13,775,723</u>	<u>29,700,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,203,167</u>	<u>12,355,291</u>	<u>18,124,442</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
State Highway Fund Special Revenue Fund	5,975	-	-	-
Capital Projects Fund	100,000	15,525	71,847	-
Transfers out:				
General Fund	(2,036,710)	(964,484)	(777,689)	-
Debt Service Fund	-	(1,336,336)	(4,909,171)	-
Capital Projects Fund	-	-	(6,655)	-
Gain (loss) on sale of assets	-	-	60,137	-
Total other financing sources (uses)	<u>(1,930,735)</u>	<u>(2,285,295)</u>	<u>(5,561,531)</u>	<u>-</u>
Net change in fund balances	4,272,432	10,069,996	12,562,911	-
Fund balances beginning of year	127,542,471	60,756,828	84,196,710	-
Fund balances end of year	<u>\$ 131,814,903</u>	<u>\$ 70,826,824</u>	<u>\$ 96,759,621</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$183,621,992 less 1% of \$1,836,200 for Measure I administration accounted for in the General Fund (page 67).

<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>
\$ 11,879,568	\$ 2,969,892	\$ 11,879,568	\$ 2,969,891	\$ 4,680,318	\$ 12,636,859
665,232	311,954	512,486	262,893	508,603	-
<u>12,544,800</u>	<u>3,281,846</u>	<u>12,392,054</u>	<u>3,232,784</u>	<u>5,188,921</u>	<u>12,636,859</u>
22,093	354	-	12,661	-	-
-	-	-	189,134	-	-
-	-	-	365,750	-	-
-	6,741	-	360,101	-	-
4,040,144	998,649	11,879,568	-	-	-
-	-	-	986,482	929,841	-
31,985	7,578	-	-	170,809	12,636,859
-	-	-	-	-	-
3,579,517	-	-	-	-	-
<u>7,673,739</u>	<u>1,013,322</u>	<u>11,879,568</u>	<u>1,914,128</u>	<u>1,100,650</u>	<u>12,636,859</u>
<u>4,871,061</u>	<u>2,268,524</u>	<u>512,486</u>	<u>1,318,656</u>	<u>4,088,271</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(762,473)	(164,728)	-	-	(156,899)	-
(1,503,377)	-	-	-	(1,656,216)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,265,850)</u>	<u>(164,728)</u>	<u>-</u>	<u>-</u>	<u>(1,813,115)</u>	<u>-</u>
2,605,211	2,103,796	512,486	1,318,656	2,275,156	-
28,057,107	11,597,751	20,355,509	9,978,425	19,811,921	-
<u>\$ 30,662,318</u>	<u>\$ 13,701,547</u>	<u>\$ 20,867,995</u>	<u>\$ 11,297,081</u>	<u>\$ 22,087,077</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

	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⁾	\$ 1,029,671	\$ 374,424	\$ 1,098,312	\$ 2,987,407
Investment earnings	177	28,431	206,474	-
Total Revenues	<u>1,029,848</u>	<u>402,855</u>	<u>1,304,786</u>	<u>2,987,407</u>
Expenditures				
Current:				
General government	-	12,023	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	104,010	-	-
Regional and subregional planning	-	49,567	-	-
Transit	1,030,261	-	-	-
Project delivery	-	-	6,719	-
Fund administration	-	-	440,687	2,987,407
Express lanes	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>1,030,261</u>	<u>165,600</u>	<u>447,406</u>	<u>2,987,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413)</u>	<u>237,255</u>	<u>857,380</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
State Highway Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
General Fund	-	-	(20,756)	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(20,756)</u>	<u>-</u>
Net change in fund balances	(413)	237,255	836,624	-
Fund balances beginning of year	413	975,786	7,903,085	-
Fund balances end of year	<u>\$ -</u>	<u>\$ 1,213,041</u>	<u>\$ 8,739,709</u>	<u>\$ -</u>

(1) Total sales tax-Measure I of \$183,621,992 less 1% of \$1,836,200 for Measure I administration accounted for in the General Fund (page 67).

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

<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>
\$ 219,662	\$ 87,865	\$ 70,887	\$ 192,810	\$ 14,177	\$ 5,671
38	21,935	2,176	-	1	916
<u>219,700</u>	<u>109,800</u>	<u>73,063</u>	<u>192,810</u>	<u>14,178</u>	<u>6,587</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,392	-	-	-	-
219,790	-	-	-	14,181	-
-	-	-	-	-	-
-	-	-	192,810	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>219,790</u>	<u>4,392</u>	<u>-</u>	<u>192,810</u>	<u>14,181</u>	<u>-</u>
(90)	105,408	73,063	-	(3)	6,587
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(90)	105,408	73,063	-	(3)	6,587
90	843,248	37,927	-	3	33,607
<u>\$ -</u>	<u>\$ 948,656</u>	<u>\$ 110,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,194</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

	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⁾	\$ 631,771	\$ 1,718,419	\$ 126,354	\$ 50,542
Investment earnings	54,459	-	28	6,741
Total Revenues	<u>686,230</u>	<u>1,718,419</u>	<u>126,382</u>	<u>57,283</u>
Expenditures				
Current:				
General government	-	-	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	-	-	-	2,906
Transit	-	-	126,447	-
Project delivery	-	-	-	-
Fund administration	64,999	1,718,419	-	-
Express lanes	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>64,999</u>	<u>1,718,419</u>	<u>126,447</u>	<u>2,906</u>
Excess (deficiency) of revenues over (under) expenditures	<u>621,231</u>	<u>-</u>	<u>(65)</u>	<u>54,377</u>
Other financing sources (uses)				
Transfers in:				
State Highway Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
General Fund	(5,313)	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total other financing sources (uses)	<u>(5,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	615,918	-	(65)	54,377
Fund balances beginning of year	1,854,784	-	65	243,732
Fund balances end of year	<u>\$ 2,470,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,109</u>

(1) Total sales tax-Measure I of \$183,621,992 less 1% of \$1,836,200 for Measure I administration accounted for in the General Fund (page 67).

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2019

<u>Mountain Major Major Local Highway</u>	<u>Mountain Local Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development Traffic/ Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 548,600	\$ 1,492,191	\$ 109,720	\$ 43,888	\$ 5,171,625	\$ 181,785,772
44,585	-	15	3,758	295,056	10,000,449
<u>593,185</u>	<u>1,492,191</u>	<u>109,735</u>	<u>47,646</u>	<u>5,466,681</u>	<u>191,786,221</u>
-	-	-	-	-	738,223
-	-	-	-	-	189,134
-	-	-	-	-	469,760
-	-	-	3,343	-	472,556
-	-	109,769	-	-	18,418,809
-	-	-	-	1,715,173	49,084,607
-	1,492,191	-	-	-	59,571,279
-	-	-	-	-	85,542
-	-	-	-	-	6,670,721
<u>-</u>	<u>1,492,191</u>	<u>109,769</u>	<u>3,343</u>	<u>1,715,173</u>	<u>135,700,631</u>
593,185	-	(34)	44,303	3,751,508	56,085,590
-	-	-	-	-	5,975
-	-	-	-	1,095,324	1,282,696
(1,973)	-	-	-	-	(4,891,025)
-	-	-	-	(3,426,030)	(12,831,130)
-	-	-	-	-	(6,655)
-	-	-	-	-	60,137
<u>(1,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,330,706)</u>	<u>(16,380,002)</u>
591,212	-	(34)	44,303	1,420,802	39,705,588
1,444,564	-	34	125,911	12,022,575	387,782,546
<u>\$ 2,035,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,214</u>	<u>\$ 13,443,377</u>	<u>\$ 427,488,134</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Debt Service Fund
June 30, 2019

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Assets			
Cash and investments-restricted	\$ 2,598,637	\$ 2,781,746	\$ 5,380,383
Fund balances			
Restricted	\$ 2,598,637	\$ 2,781,746	\$ 5,380,383
Total liabilities and fund balances	\$ 2,598,637	\$ 2,781,746	\$ 5,380,383

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2019

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Revenues			
Investment earnings	\$ 614	\$ 1,901	\$ 2,515
Expenditures			
Debt service:			
Principal	2,260,000	1,600,000	3,860,000
Interest and fiscal charges	3,827,037	5,087,612	8,914,649
Total Expenditures	<u>6,087,037</u>	<u>6,687,612</u>	<u>12,774,649</u>
Excess (deficiency) of revenues over (under) expenditures	(6,086,423)	(6,685,711)	(12,772,134)
Other financing sources			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	<u>6,149,452</u>	<u>6,681,678</u>	<u>12,831,130</u>
Net change in fund balances	63,029	(4,033)	58,996
Fund balances beginning of year	<u>2,535,608</u>	<u>2,785,779</u>	<u>5,321,387</u>
Fund balances end of year	<u><u>\$ 2,598,637</u></u>	<u><u>\$ 2,781,746</u></u>	<u><u>\$ 5,380,383</u></u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Capital Projects Fund
June 30, 2019

	Local Projects	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Assets			
Cash and investments	\$ 10,348,282	\$ 1,749,317	\$ -
Accrued interest receivable	235,622	3,346	-
Accounts receivable	7,677,015	-	-
Intergovernmental receivable	3,432,223	1,403,537	-
Deposit receivable	75,810	-	-
Loans receivable	19,341,335	-	-
Land held for resale	238	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 41,110,525</u>	<u>\$ 3,156,200</u>	<u>\$ -</u>
Liabilities			
Accounts payable	\$ 3,523,819	\$ 15,145	\$ -
Accrued liabilities	10,822	-	-
Intergovernmental payable	81,989	-	-
Due to other funds	10,133,592	-	-
Advances from other funds	2,421,795	-	-
Unearned revenue	<u>3,233,312</u>	<u>3,128,928</u>	<u>-</u>
Total liabilities	<u>19,405,329</u>	<u>3,144,073</u>	<u>-</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>27,165,644</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)			
Restricted - rail	-	12,127	-
Unassigned	<u>(5,460,448)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(5,460,448)</u>	<u>12,127</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 41,110,525</u>	<u>\$ 3,156,200</u>	<u>\$ -</u>

Valley Freeway Interchange Bond	Valley Major Street Bond	Cajon Pass Bond	Total Capital Projects
\$ 11,974	\$ -	\$ -	\$ 12,109,573
-	-	-	238,968
-	-	-	7,677,015
-	-	-	4,835,760
-	-	-	75,810
-	-	-	19,341,335
-	-	-	238
1,082	1,865	4,605	7,552
<u>\$ 13,056</u>	<u>\$ 1,865</u>	<u>\$ 4,605</u>	<u>\$ 44,286,251</u>
\$ 13,056	\$ -	\$ -	\$ 3,552,020
-	-	-	10,822
-	-	-	81,989
-	1,865	4,605	10,140,062
-	-	-	2,421,795
-	-	-	6,362,240
<u>13,056</u>	<u>1,865</u>	<u>4,605</u>	<u>22,568,928</u>
-	-	-	27,165,644
-	-	-	12,127
-	-	-	(5,460,448)
-	-	-	(5,448,321)
<u>\$ 13,056</u>	<u>\$ 1,865</u>	<u>\$ 4,605</u>	<u>\$ 44,286,251</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
For the Year Ended June 30, 2019

	Local Projects	Redlands Passenger Rail	San Gabriel Subdivision Line Project
Revenues			
Intergovernmental	\$ 21,216,066	\$ 2,189,952	\$ 674,271
Investment earnings	653,802	9,587	-
Miscellaneous	506,750	55,564	-
Total revenues	<u>22,376,618</u>	<u>2,255,103</u>	<u>674,271</u>
Expenditures			
Current:			
Environment and energy conservation	391,613	-	-
Commuter and motorist assistance	40,941	-	-
Regional and subregional planning	66,771	-	-
Transit ⁽¹⁾	86,434	1,075,925	(173,991)
Project delivery	15,293,681	-	-
Capital outlay	<u>1,262,858</u>	<u>1,119,840</u>	<u>-</u>
Total expenditures	<u>17,142,298</u>	<u>2,195,765</u>	<u>(173,991)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,234,320</u>	<u>59,338</u>	<u>848,262</u>
Other Financing Sources (Uses)			
Transfers in:			
General fund	-	-	187,424
State highway special revenue fund	348,545	-	-
2010-2040 Measure I Special Revenue Fund	6,655	-	-
Transfers out:			
General Fund	(2,463)	-	-
Proposition 1B special revenue fund	(360)	-	-
2010-2040 measure I special revenue fund	(171,847)	-	-
Capital projects fund	(39,602)	-	-
Gain (loss) on sale of assets	<u>24,104</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>165,032</u>	<u>-</u>	<u>187,424</u>
Net change in fund balances	5,399,352	59,338	1,035,686
Fund balances (deficits) beginning of year	<u>(10,859,800)</u>	<u>(47,211)</u>	<u>(1,035,686)</u>
Fund balances (deficits) end of year	<u>\$ (5,460,448)</u>	<u>\$ 12,127</u>	<u>\$ -</u>

⁽¹⁾ Negative expenditures of \$173,991 in the San Gabriel Subdivision Line Project fund is result of a fiscal year 2018 accrual as the estimate provided by the vendor was overstated.

Valley Freeway Interchanges Bond	Valley Major Street Bond	Cajon Pass Bond	Total Capital Projects
\$ -	\$ -	\$ -	\$ 24,080,289
27,613	70,519	45,101	806,622
-	-	-	562,314
<u>27,613</u>	<u>70,519</u>	<u>45,101</u>	<u>25,449,225</u>
-	-	-	391,613
-	-	-	40,941
-	-	-	66,771
-	-	-	988,368
125,211	70,519	36,351	15,525,762
45,428	-	-	2,428,126
<u>170,639</u>	<u>70,519</u>	<u>36,351</u>	<u>19,441,581</u>
<u>(143,026)</u>	<u>-</u>	<u>8,750</u>	<u>6,007,644</u>
39,602	-	-	227,026
-	-	-	348,545
-	-	-	6,655
-	-	-	(2,463)
-	-	-	(360)
(15,525)	-	(1,095,324)	(1,282,696)
-	-	-	(39,602)
-	-	-	24,104
<u>24,077</u>	<u>-</u>	<u>(1,095,324)</u>	<u>(718,791)</u>
(118,949)	-	(1,086,574)	5,288,853
<u>118,949</u>	<u>-</u>	<u>1,086,574</u>	<u>(10,737,174)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,448,321)</u>



Meeting the demand of the rapidly growing population of San Bernardino County is no small task. SBCTA is closing the gap on SR 210 to remove bottlenecks and provide better community access.

STATISTICAL SECTION

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.	134
<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.	140
<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.	144
<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.	146
<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.	148

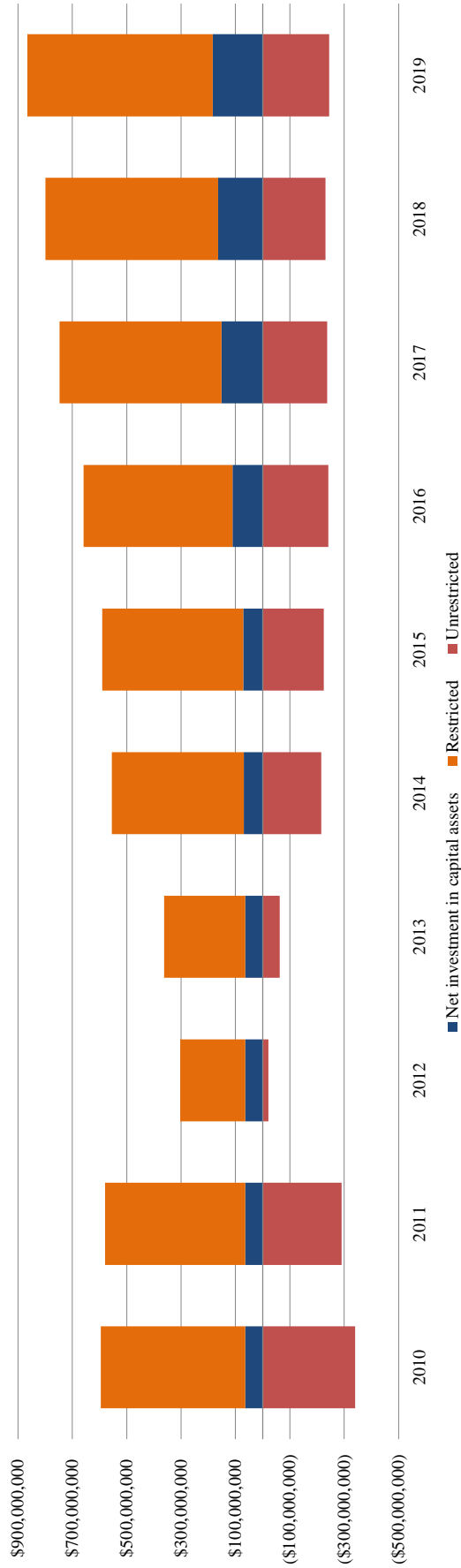
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 64,188,520	\$ 64,528,387	\$ 64,339,191	\$ 64,111,527	\$ 68,787,689	\$ 71,364,275	\$ 110,717,829	\$ 151,059,762	\$ 163,426,341	\$ 183,187,117
Restricted	531,138,805	514,537,080	238,348,097	297,711,179	486,271,129	518,477,643	548,295,699	595,616,437	635,633,048	682,600,483
Unrestricted	(340,180,203)	(290,669,405)	(20,906,687)	(62,476,583)	(215,122,515)	(224,771,477)	(241,599,238)	(237,230,227)	(231,279,244)	(244,842,558)
Total governmental activities net position	\$ 255,147,122	\$ 288,396,062	\$ 281,780,601	\$ 299,346,123	\$ 339,936,303	\$ 365,070,441	\$ 417,414,290	\$ 509,445,972	\$ 567,780,145	\$ 620,945,042



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ -	\$ -	\$ 1,919,964	\$ 2,634,953	\$ 3,825,691	\$ 2,833,042	\$ 4,579,995	\$ 3,338,658	\$ 4,451,810	\$ 5,388,051
Environment and energy conservation	-	-	-	-	-	-	1,392,074	2,217,401	4,100,630	5,992,817
Commuter and motorist assistance	-	-	-	-	-	-	5,360,439	4,986,605	6,787,391	6,910,089
Regional and subregional planning	-	-	6,027,692	1,723,173	1,810,171	1,951,391	2,077,133	2,914,855	3,063,247	2,803,421
Transit	-	-	32,939,430	48,249,719	39,297,811	59,376,860	33,664,779	51,255,392	139,490,342	141,450,567
Project delivery	-	-	165,717,535	236,573,382	198,290,514	168,126,021	107,387,795	53,310,890	119,064,025	194,496,081
Fund administration	-	-	142,700,712	113,211,850	137,111,875	153,722,554	184,361,902	159,952,967	56,315,916	95,419,251
Express lanes	-	-	-	-	-	-	-	-	-	167,101
Interest and fiscal charges	9,842,621	7,745,427	8,063,944	3,545,543	5,115,094	8,080,732	8,041,836	7,964,571	7,882,329	7,788,659
Air quality and traveler services	-	-	16,561,711	8,720,281	5,626,177	4,182,935	-	-	-	-
General operation	16,457,877	21,251,548	-	-	-	-	-	-	-	-
Disbursements to cities, subareas, transit operators, and claimants	120,594,813	84,839,312	-	-	-	-	-	-	-	-
Contributions to other governmental agencies	33,111,444	43,729,263	-	-	-	-	-	-	-	-
Professional services	43,945,405	59,625,947	-	-	-	-	-	-	-	-
Management and technical services	130,958	39,979	-	-	-	-	-	-	-	-
Highways	42,335,579	62,410,680	-	-	-	-	-	-	-	-
Total governmental activities expenses	266,418,697	279,642,156	373,930,988	414,658,901	391,077,333	398,273,535	346,865,953	285,941,339	341,155,690	460,416,037
Program revenues										
Government activities:										
Charges for services:										
General government	-	-	782,247	393,053	612,541	591,987	539,822	540,388	873,886	855,693
General operation	1,648,539	1,620,021	-	-	-	-	-	-	-	-
Operating grants and contributions	148,531,689	184,243,485	161,861,124	214,943,724	204,806,040	189,415,129	133,839,101	122,252,773	134,432,428	124,767,642
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	150,180,228	185,863,506	162,643,371	215,336,777	205,418,581	190,007,116	134,378,923	122,793,161	135,306,314	79,983,912
Net (expense) revenue	(116,238,469)	(93,778,650)	(211,287,617)	(199,322,124)	(185,658,752)	(208,266,419)	(212,487,030)	(163,148,178)	(205,849,376)	(254,808,790)
Governmental activities										
General revenues										
Sales tax-Measure I	109,393,542	118,115,639	132,276,581	138,482,732	145,407,342	152,342,401	160,848,014	163,814,528	162,945,073	183,621,992
Sales tax-local transportation fund	-	-	71,168,436	75,100,102	79,559,209	85,531,625	97,002,999	87,040,490	95,064,513	106,927,206
Unrestricted investment earnings	9,745,049	8,911,951	5,934,258	2,824,825	165,733	1,906,660	4,876,204	2,160,355	5,050,075	16,901,051
Gain (loss) on sale of assets	(75,000)	-	-	-	-	-	-	-	(194,724)	101,467
Miscellaneous	-	-	903,880	479,987	1,116,648	1,987,011	2,103,662	2,164,487	1,318,612	421,971
Total governmental activities general revenues	119,063,591	127,027,590	210,283,155	216,887,646	226,248,932	241,767,697	264,830,879	255,179,860	264,183,549	307,973,687

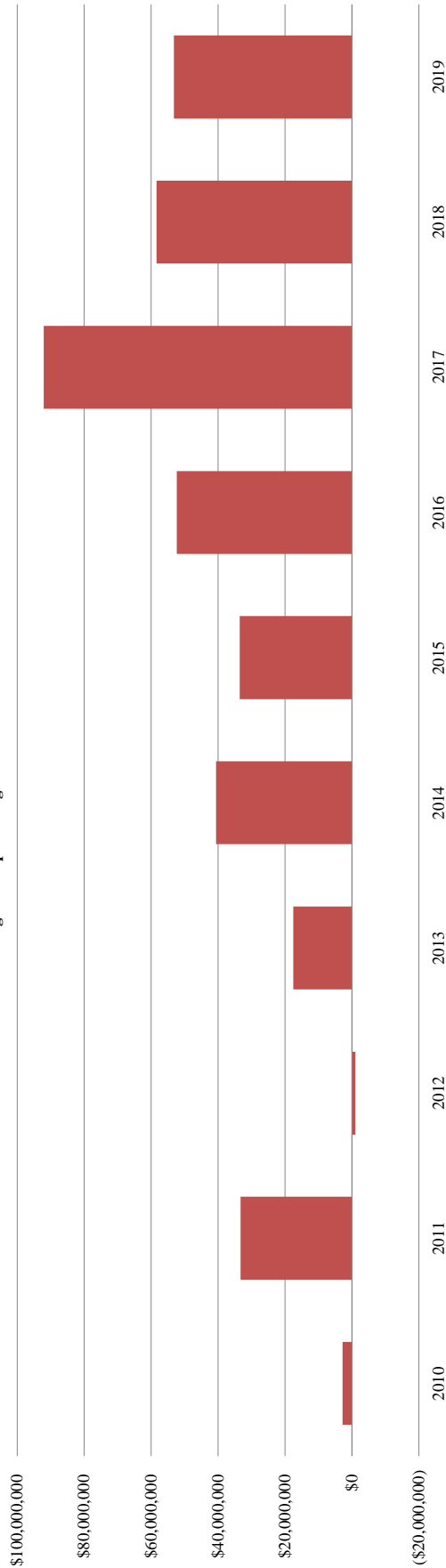
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Change in net position	\$ 2,825,122	\$ 33,248,940	\$ (1,004,462)	\$ 17,565,522	\$ 40,590,180	\$ 33,501,278	\$ 52,343,849	\$ 92,031,682	\$ 58,334,173	\$ 53,164,897
Governmental activities										

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

Change in net position-governmental activities



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

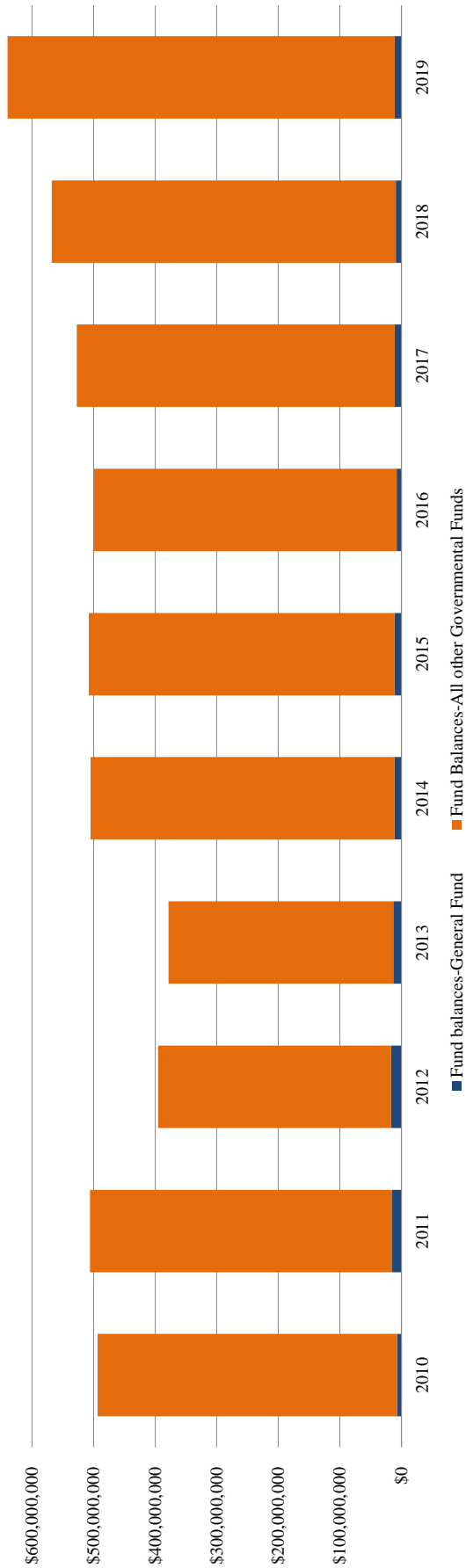
Fund Balances of Governmental Funds

Last Ten Fiscal Years ⁽¹⁾

(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Nonspendable	\$ -	\$ 129,817	\$ 149,194	\$ 173,867	\$ 182,068	\$ 120,659	\$ -	\$ 14,569	\$ 18,776	\$ 3,302,408
Committed	-	-	99,367	24,425	22,211	24,046	20,576	2,788,309	-	-
Assigned	-	14,735,595	16,380,791	12,819,740	11,283,052	11,069,579	7,478,672	7,994,915	9,020,978	7,267,165
Unassigned	-	-	-	-	-	-	-	-	-	500,000
Reserved	3,542,942	-	-	-	-	-	-	-	-	-
Unreserved	3,038,603	-	-	-	-	-	-	-	-	-
Total general fund	\$ 6,581,545	\$ 14,865,412	\$ 16,629,352	\$ 13,018,032	\$ 11,487,331	\$ 11,214,284	\$ 7,499,248	\$ 10,797,793	\$ 9,039,754	\$ 11,069,573
All other governmental funds										
Restricted	\$ -	\$ 526,372,957	\$ 386,189,494	\$ 383,102,734	\$ 508,391,977	\$ 511,144,916	\$ 520,416,463	\$ 544,917,503	\$ 586,225,728	\$ 643,327,781
Nonspendable	-	-	-	-	-	-	-	21,995	20,788	-
Committed	-	-	-	-	-	-	-	-	2,447,646	2,346,780
Assigned	-	6,055,340	-	-	-	-	-	-	-	-
Unassigned	-	(41,584,482)	(7,482,364)	(17,524,771)	(15,058,847)	(14,693,201)	(28,319,694)	(28,537,883)	(29,647,825)	(16,923,844)
Reserved	169,513,698	-	-	-	-	-	-	-	-	-
Unreserved	317,402,754	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 486,916,452	\$ 490,843,815	\$ 378,707,130	\$ 365,577,963	\$ 493,333,130	\$ 496,451,715	\$ 492,096,769	\$ 516,401,615	\$ 559,046,337	\$ 628,750,717

⁽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)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Sales tax-Measure I	\$ 106,073,764	\$ 117,927,079	\$ 132,276,581	\$ 138,482,732	\$ 145,407,342	\$ 152,342,401	\$ 160,848,014	\$ 163,814,528	\$ 162,945,073	\$ 183,621,992
Sales tax-local transportation fund	58,681,660	64,418,871	71,168,436	75,100,102	79,559,209	85,531,625	97,002,999	87,040,490	95,064,513	106,927,206
Intergovernmental	55,419,469	73,360,500	154,551,689	193,721,364	173,396,397	143,867,243	84,373,453	74,863,975	81,934,515	166,135,084
Charges for services	1,590,158	1,560,519	652,873	257,204	483,490	473,282	425,936	387,841	673,699	607,148
Special assessments	-	-	129,374	135,849	129,051	118,705	113,886	152,547	200,187	248,545
Investment earnings	9,745,049	8,911,951	5,934,258	2,824,825	165,733	1,906,662	4,876,204	2,160,355	5,050,075	16,901,051
Miscellaneous	1,005,402	16,954,928	903,880	479,987	1,075,059	1,977,411	2,103,662	2,164,487	1,318,609	668,420
Other local revenue	19,619,658	22,331,039	-	-	-	-	-	-	-	-
Total revenues	252,135,160	305,464,887	365,617,091	411,002,063	400,216,281	386,217,329	349,744,154	330,584,223	347,186,671	475,109,446
Expenditures										
Current:										
General government	-	-	1,880,626	2,188,545	3,479,317	2,400,945	4,226,244	3,969,427	3,449,490	8,809,467
Environment and energy conservation	-	-	-	-	-	-	1,426,771	2,191,718	3,955,065	5,360,236
Commuter and motorist assistance	-	-	-	-	-	-	5,383,571	4,969,483	5,702,551	6,082,170
Regional and subregional planning	-	-	6,027,692	1,723,173	1,810,171	1,967,660	2,163,876	2,850,647	2,838,747	1,870,217
Transit	-	-	32,939,430	48,249,719	39,297,811	59,395,144	48,908,424	56,879,195	132,211,679	128,994,735
Project delivery	-	-	167,055,911	236,573,382	198,290,514	168,147,585	107,474,538	65,950,533	73,108,411	144,354,985
Fund administration	-	-	125,636,347	126,375,756	136,900,621	133,588,823	150,423,969	129,081,711	56,202,549	60,576,825
Express lanes	-	-	-	-	-	-	-	-	-	85,542
Air quality and traveler services	-	-	16,561,711	8,720,281	5,626,177	4,191,009	-	-	-	-
General operation	8,478,933	8,349,139	-	-	-	-	-	-	-	-
Disbursements to cities, subareas, transit operators, and claimants	92,046,113	94,325,722	-	-	-	-	-	-	-	-
Contributions to other governmental agencies	33,111,444	43,729,263	-	-	-	-	-	-	-	-
Professional services	43,945,405	59,625,947	-	-	-	-	-	-	-	-
Management and technical services	130,958	39,979	-	-	-	-	-	-	-	-
Highways	42,335,579	62,410,680	-	-	-	-	-	-	-	-
Right of way	7,498,392	12,429,108	-	-	-	-	-	-	-	-
Debt Service:										
Principal	37,380,000	-	250,000,000	-	-	1,910,000	1,990,000	2,845,000	3,365,000	3,860,000
Interest and fiscal charges	13,579,107	11,609,500	11,461,165	3,851,087	4,421,182	8,862,406	9,226,716	9,131,336	9,026,801	8,914,649
Capital outlay	350,979	699,319	73,818	60,607	5,001,633	2,908,219	26,590,027	25,111,782	16,244,971	34,548,505
Total expenditures	278,856,910	293,218,657	611,636,700	427,742,550	394,827,426	383,371,791	357,814,136	302,980,832	306,105,264	403,457,331
Excess (deficiency) of revenues over (under) expenditures	(26,721,750)	12,246,230	(246,019,609)	(16,740,487)	5,388,855	2,845,538	(8,069,982)	27,603,391	41,081,407	71,652,115

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

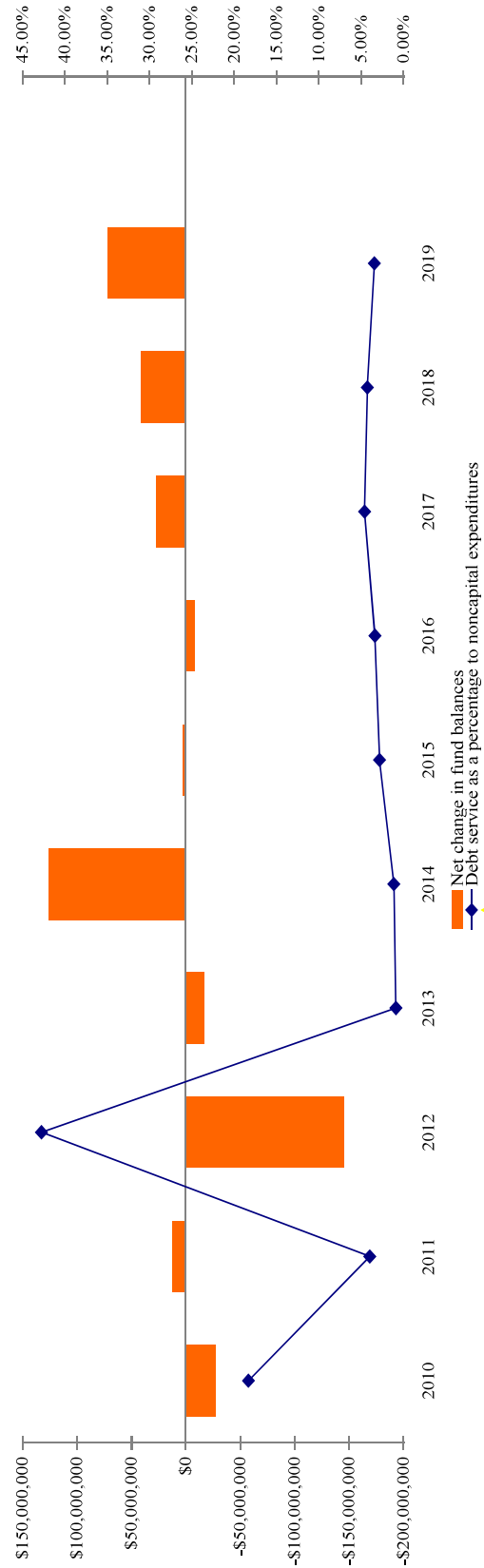
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses):										
Transfers in	45,295,381	20,063,400	362,696,568	44,505,326	43,369,783	43,631,095	48,366,242	58,188,088	105,160,907	23,523,783
Transfers out	(45,345,381)	(20,098,400)	(362,696,568)	(44,505,326)	(43,369,783)	(43,631,095)	(48,366,242)	(58,188,088)	(105,160,907)	(23,523,783)
Sales tax revenue notes issued	-	-	-	-	-	-	-	-	-	-
Premium on sales tax revenue notes issued	-	-	-	-	-	-	-	-	-	-
Sales tax revenue bonds issued	-	-	91,880,000	-	110,135,000	-	-	-	-	-
Premium on sales tax revenue bonds issued	-	-	9,042,588	-	10,700,611	-	-	-	-	-
Gain or (loss) on sale of assets	-	-	-	-	-	-	-	-	(194,724)	82,084
Total other financing sources (uses)	(50,000)	(35,000)	100,922,588	-	120,835,611	-	-	-	(194,724)	82,084
Net change in fund balances	(26,771,750)	12,211,230	(145,097,021)	(16,740,487)	126,224,466	2,845,538	(8,069,982)	27,603,391	40,886,683	71,734,199
Fund balances beginning of year	520,269,747	493,497,997	505,709,227	395,336,482	378,595,995	504,820,461	507,665,999	499,596,017	527,199,408	568,086,091
Prior period and accounting change adjustments	-	-	34,724,276	-	-	-	-	-	-	-
Fund balances beginning of year as restated	520,269,747	493,497,997	540,433,503	395,336,482	378,595,995	504,820,461	507,665,999	499,596,017	527,199,408	568,086,091
Fund balances end of year	\$ 493,497,997	\$ 505,709,227	\$ 395,336,482	\$ 378,595,995	\$ 504,820,461	\$ 507,665,999	\$ 499,596,017	\$ 527,199,408	\$ 568,086,091	\$ 639,820,290

Debt service as a percentage of noncapital expenditures ⁽²⁾

	18.30%	3.97%	42.75%	0.90%	1.13%	2.83%	3.39%	4.62%	4.28%	3.39%
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⁽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

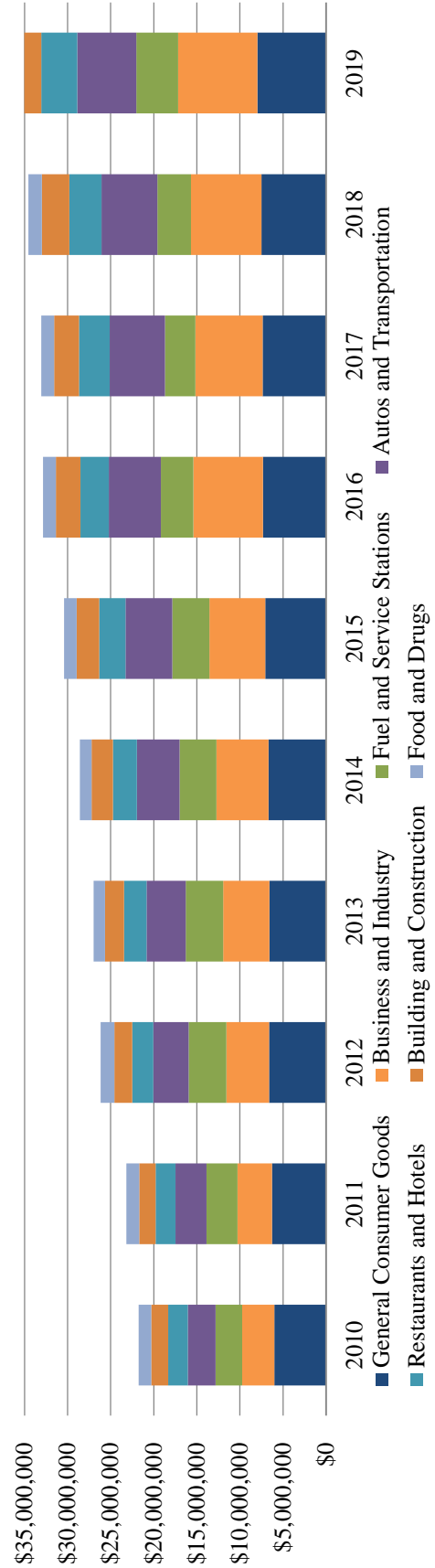
County of San Bernardino Taxable Sales by Business Group ⁽¹⁾

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
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
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
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
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
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
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
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
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
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
2019	7,979,160	9,190,121	4,870,259	6,825,868	4,194,986	3,831,818	1,702,785	38,594,997

⁽¹⁾ Excludes transfers and unidentified sources.

Source: California Department of Tax and Fee Administration/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⁾
2010	0.50%	8.75%
2011	0.50%	8.75%
2012	0.50%	7.75%
2013	0.50%	8.00%
2014	0.50%	8.00%
2015	0.50%	8.00%
2016	0.50%	8.00%
2017	0.50%	7.75%
2018	0.50%	7.75%
2019	0.50%	7.75%

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

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

Source: California Department of Finance/California Department of Tax and Fee Administration

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	2019			2010		
	Taxable Sale	Rank	Percentage of Total Taxable Sales	Taxable Sale	Rank	Percentage of Total Taxable Sales
Service stations	\$ 4,341,150	1	11.24%	\$ 2,968,527	1	13.36%
New motor vehicle dealers	3,663,289	2	9.48%	1,691,083	3	7.61%
Discount department stores	2,576,392	3	6.67%	1,941,316	2	8.74%
Medical/biotech	2,505,826	4	6.49%	940,166	6	4.23%
Lumber/building materials	2,007,110	5	5.20%	1,262,413	4	5.68%
Quick service restaurants	1,983,532	6	5.13%	1,166,249	5	5.25%
Casual dining	1,570,863	7	4.07%	828,320	7	3.73%
Light industrial printers	1,405,384	8	3.64%	634,452	10	2.85%
Contractors	1,337,615	9	3.46%	615,046	11	2.77%
Fulfillment centers	1,176,926	10	3.05%			
Used automotive dealers	1,121,556	11	2.90%	327,496	20	1.47%
Family apparel	1,081,146	12	2.80%	555,643	12	2.50%
Heavy industrial	1,044,370	13	2.70%	454,294	16	2.04%
Grocery stores	975,568	14	2.53%	800,684	8	3.60%
Electronics/appliance stores	828,942	15	2.15%	532,999	14	2.40%
Home furnishings	624,236	16	1.62%	395,807	18	1.78%
Automotive supply stores	618,584	17	1.60%	402,814	17	1.81%
Specialty stores	612,000	18	1.58%	472,443	15	2.13%
Office supplies/furniture	484,548	19	1.25%	751,491	9	3.38%
Petroleum products/equipment	480,132	20	1.24%	395,807	19	1.78%
Department stores	468,056	21	1.21%	545,467	13	2.45%
Plumbing/electrical supplies	427,003	22	1.11%			
Drugs/chemicals	414,954	23	1.07%	231,774	24	1.04%
Shoe stores	405,087	24	1.05%			
Convenience stores/liquor	400,463	25	1.04%	234,842	23	1.06%
Trailers/RV's						
Women's apparel				266,535	21	1.20%
Electrical equipment				245,282	22	1.10%
Auto repair shops						
Sporting goods						
Trailers/Auto parts						
Drug stores				227,021	25	1.02%
Total	<u>\$ 32,554,732</u>		<u>84.28%</u>	<u>\$ 18,887,971</u>		<u>84.99%</u>

Source: California Department of Tax and Fee Administration/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, 2019

	General Fund	Special Revenue Funds	Total
Administration			
Administration	\$ 1,836,220	\$ -	\$ 1,836,220
Valley			
Freeway projects	-	43,063,434	43,063,434
Freeway interchanges	-	16,334,406	16,334,406
Major street	-	29,698,920	29,698,920
Local street	-	29,698,920	29,698,920
Metrolink/rail service	-	11,879,568	11,879,568
Express bus/bus rapid transit service	-	2,969,892	2,969,892
Senior and disabled transit	-	11,879,568	11,879,568
Transportation management systems	-	2,969,892	2,969,892
Victor Valley			
Major local highway	-	4,680,318	4,680,318
Local street	-	12,636,859	12,636,859
Senior and disabled transit	-	1,029,670	1,029,670
Project development/traffic management	-	374,425	374,425
North Desert			
Major local highway	-	1,098,311	1,098,311
Local street	-	2,987,407	2,987,407
Senior and disabled transit	-	219,662	219,662
Project development/traffic management	-	87,865	87,865
Colorado River			
Major local highway	-	70,886	70,886
Local street	-	192,810	192,810
Senior and disabled transit	-	14,177	14,177
Project development/traffic management	-	5,671	5,671
Morongo Basin			
Major local highway	-	631,772	631,772
Local street	-	1,718,419	1,718,419
Senior and disabled transit	-	126,354	126,354
Project development/traffic management	-	50,542	50,542
Mountain			
Major local highway	-	548,600	548,600
Local street	-	1,492,191	1,492,191
Senior and disabled transit	-	109,720	109,720
Project development/traffic management	-	43,888	43,888
Cajon Pass	-	5,171,625	5,171,625
	<u>\$ 1,836,220</u>	<u>\$ 181,785,772</u>	<u>\$ 183,621,992</u>

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

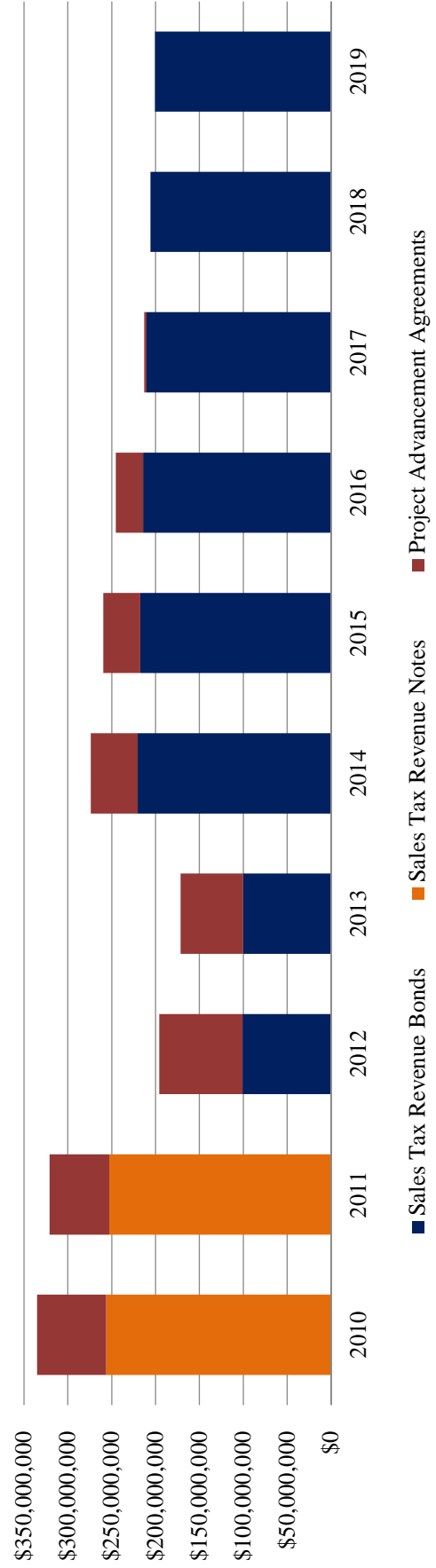
Fiscal Year	Sales Tax Revenue Bonds ⁽¹⁾	Sales Tax Revenue Notes ⁽¹⁾	Project Advancement Agreements ⁽²⁾	Total	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
2010	\$ -	\$ 256,400,908	\$ 78,456,788	\$ 334,857,696	0.56%	\$ 164.53
2011	-	252,909,504	67,765,408	320,674,912	0.51%	156.07
2012	100,789,178	-	95,035,323	195,824,501	0.30%	94.58
2013	100,261,590	-	71,175,791	171,437,381	0.26%	82.16
2014	220,407,142	-	53,267,750	273,674,892	0.39%	130.28
2015	217,309,118	-	42,186,696	259,495,814	0.34%	122.34
2016	214,167,404	-	31,092,352	245,259,756	0.31%	114.63
2017	210,191,056	-	2,835,749	213,026,805	0.25%	98.61
2018	205,722,467	-	-	205,722,467	NA	94.59
2019	200,787,943	-	-	200,787,943	NA	91.59

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 146.

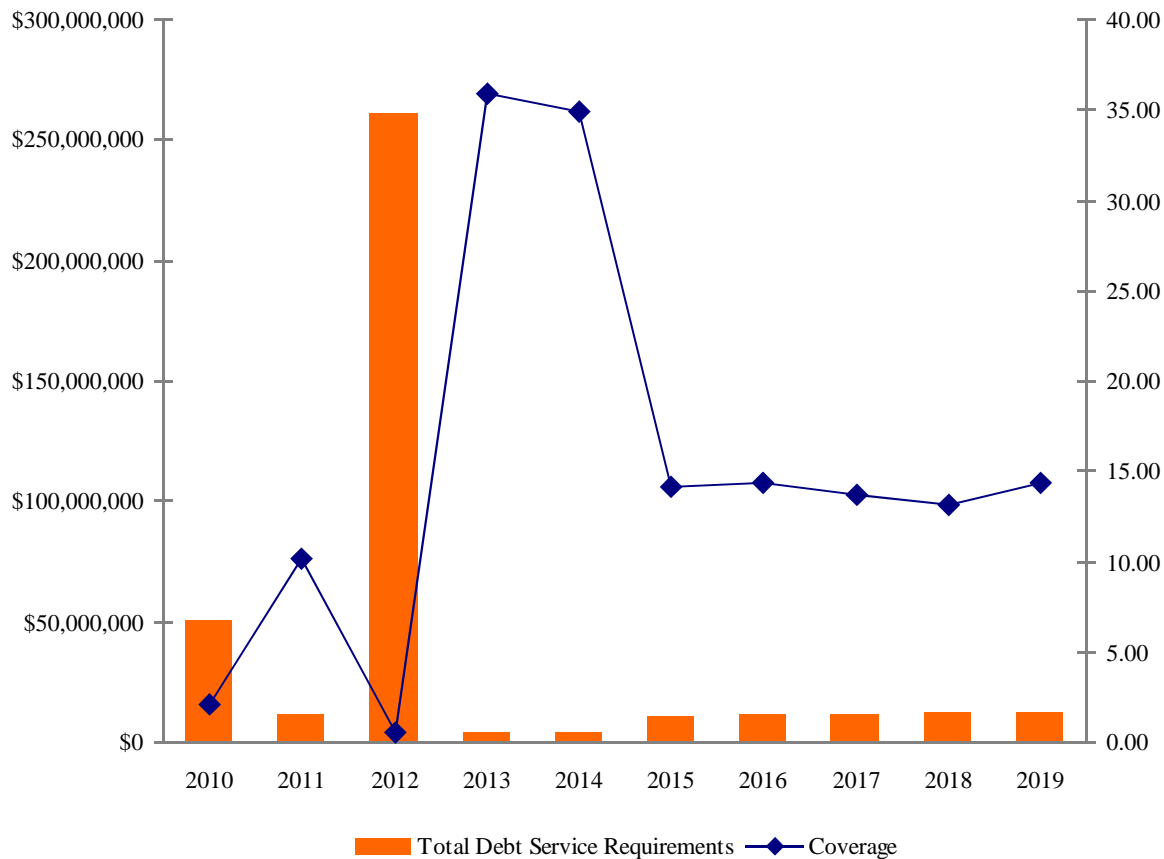


SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

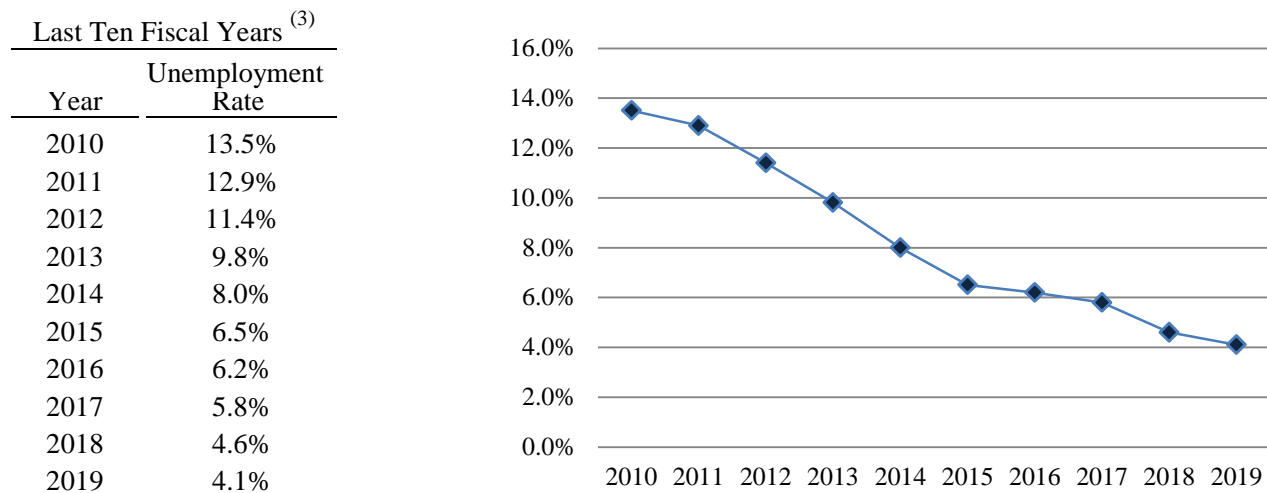
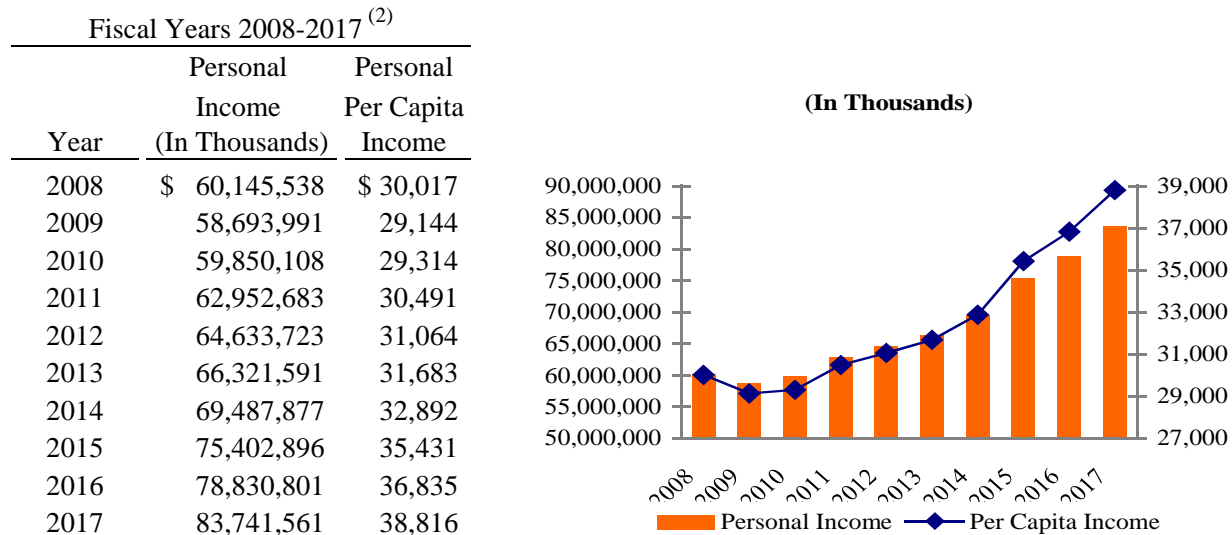
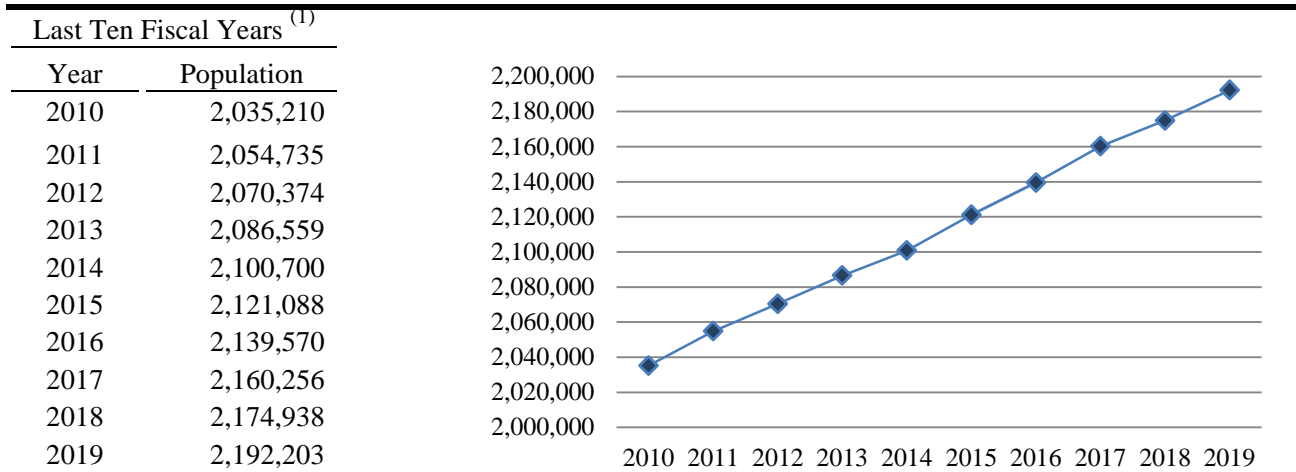
Fiscal Year	Measure I Sales Tax Revenues ⁽¹⁾	Debt Service Requirements ⁽²⁾			Coverage
		Principal	Interest	Total	
2010	\$ 106,073,764	\$ 37,380,000	\$ 12,896,543	\$ 50,276,543	2.11
2011	117,927,079	-	11,609,500	11,609,500	10.16
2012	132,276,581	250,000,000	11,461,155	261,461,155	0.51
2013	138,482,732	-	3,851,087	3,851,087	35.96
2014	145,407,342	-	4,163,338	4,163,338	34.93
2015	152,342,401	1,910,000	8,856,259	10,766,259	14.15
2016	160,848,014	1,990,000	9,222,050	11,212,050	14.35
2017	163,814,528	2,845,000	9,122,550	11,967,550	13.69
2018	162,945,073	3,365,000	9,016,301	12,381,301	13.16
2019	183,621,992	3,860,000	8,893,650	12,753,650	14.40

⁽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 FY2019 as of January 2019.

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

⁽³⁾ California Employment Development Department. Unemployment rate for FY2019 as of June 2019.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
County of San Bernardino Employment Statistics by Industry
Fiscal Year 2018 and Nine Years Prior ⁽¹⁾

Industry Type	2018	Percentage of Total Employment	2009	Percentage of Total Employment
Agricultural services, forestry and fishing	2,300	0.30%	2,300	0.37%
Mining	800	0.10%	700	0.11%
Construction	38,200	4.96%	28,200	4.51%
Manufacturing	57,100	7.42%	49,600	7.94%
Transportation, warehousing and public utilities	86,200	11.20%	46,500	7.44%
Wholesale trade	40,200	5.22%	30,300	4.85%
Retail trade	87,000	11.31%	76,300	12.21%
Professional and business services	78,400	10.19%	71,100	11.38%
Education and health services	123,400	16.04%	90,600	14.50%
Leisure and hospitality	76,500	9.94%	54,100	8.66%
Information	4,900	0.64%	6,000	0.96%
Finance, insurance and real estate	21,500	2.79%	21,000	3.36%
Federal government-civilian	13,500	1.75%	13,500	2.16%
State government	13,400	1.74%	14,200	2.27%
Local government	102,700	13.35%	101,100	16.18%
Other services	<u>23,300</u>	<u>3.03%</u>	<u>19,500</u>	<u>3.12%</u>
Total	<u>769,400</u>	<u>100.00%</u>	<u>625,000</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General:										
Executive administration and support	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	12.0	11.0
General counsel	-	-	1.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Financial management	5.0	5.0	6.0	6.5	6.5	8.5	9.5	12.0	14.0	15.0
Management services	3.0	4.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	3.0
Legislation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0
Public affairs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Commuter and motorist assistance	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0
Regional and subregional planning	9.0	9.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Transit	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Project delivery	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	5.0	6.0
Fund administration	-	-	7.0	7.0	7.0	8.0	8.0	9.0	8.0	8.0
Council of governments	-	-	-	-	-	-	-	2.0	2.0	1.0
Total full-time equivalent positions	<u>45.0</u>	<u>45.0</u>	<u>47.0</u>	<u>49.5</u>	<u>50.5</u>	<u>53.5</u>	<u>54.5</u>	<u>61.0</u>	<u>64.0</u>	<u>64.0</u>

⁽¹⁾ Authorized positions per adopted budget for fiscal year 2018-2019. 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										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Environmental and energy conservation											
HERO program ⁽²⁾ :											
Number of projects approved	-	-	-	-	4,433	5,987	8,098	6,805	-	-	
Number of projects completed	-	-	-	-	3,458	5,128	5,177	4,355	580	-	
Value of projects completed	\$	\$	\$	\$	\$ 59,481,299	\$ 94,925,696	\$ 103,832,407	\$ 87,395,340	\$ 12,256,788	\$	
GW/h saved	-	-	-	-	24	38	12	28	132	-	
GHG reduction in tons	-	-	-	-	6,514	10,362	10,293	7,589	120	-	
Commuter and motorist assistance											
Annual rideshare participants	1,370	1,416	1,373	1,213	997	750	1,229	1,383	1,467	1,945	
Park and ride lots	18	17	19	19	19	21	21	20	19	18	
Motorist assistance by freeway service patrol	84,564	36,366	35,894	30,347	34,141	34,669	35,100	33,369	49,644	58,848	
Call boxes	1,245	1,192	1,224	1,224	1,244	1,048	1,022	1,022	1,022	1,022	
Calls to 511	112,217	479,331	360,171	362,395	306,108	282,180	233,895	201,099	142,287	114,045	
Visits to IE511.org	32,935	246,318	341,716	388,496	471,778	604,799	473,462	618,627	408,021	252,921	
Transit											
Weekly commuter rail trips	11,700	11,523	12,325	12,044	11,159	11,078	10,659	9,721	9,559	10,411	
Annual ridership on commuter rail	3,258,070	3,215,354	3,503,126	3,448,078	3,241,225	3,183,922	3,073,878	2,745,469	2,713,313	2,938,644	
Transit operators	7	7	7	7	7	7	5	5	5	5	
Transit projects	-	-	-	-	3	6	3	4	3	3	
Passenger rail projects	-	-	-	-	7	5	8	7	7	10	
Project delivery											
Freeway projects	12	13	17	14	12	9	9	9	9	9	
Freeway interchange projects	6	6	7	14	19	18	17	20	17	17	
Grade separation projects	11	11	11	10	8	11	8	8	5	5	
Fund administration											
Project advancement agreements ⁽³⁾	24	24	24	24	24	24	24	24	-	-	
Arterial program jurisdiction master agreements	N/A	16	16	16	16	16	15	15	15	15	
Measure I Valley Major Street/Arterial allocation	N/A	\$ 6,351,000	\$ 8,400,000	\$ 4,176,710	\$ 2,297,670	\$ 8,292,988	\$ 8,632,276	\$ 10,780,897	\$ 20,958,276	\$ 22,027,304	
Project advancement allocation-Valley interchange	N/A	\$ 2,911,000	\$ 3,830,000	\$ 4,215,200	\$ 2,039,283	\$ -	\$ 966,835	\$ -	\$ 1,815,540	\$ -	
Project advancement allocation-Valley arterials	N/A	\$ 5,293,000	\$ 6,970,000	\$ 12,533,250	\$ 15,665,520	\$ 11,361,899	\$ 9,351,584	\$ 8,188,822	\$ 1,020,209	\$ -	
Victor Valley Major Local Highway Allocation	N/A	\$ 14,445,025	\$ 6,305,622	\$ 9,029,230	\$ 1,199,345	\$ 4,837,945	\$ -	\$ 2,970,614	\$ 41,100	\$ 4,859,500	
Rural Mountain/Desert Local Highway Allocation	N/A	\$ 3,553,108	\$ 450,000	\$ 1,975,000	\$ 713,630	\$ 8,770,963	\$ 4,130,572	\$ 6,620,303	\$ 53,697	\$ 537,872	
Federal obligation authority redistribution received	-	\$ 2,722,631	\$ 3,933,579	\$ 2,851,893	\$ 366,977	\$ -	\$ -	\$ -	\$ -	\$ -	

⁽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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	2
Transit										
Acres of commuter rail land	590	590	590	591	592	608	621	621	621	621
Acres of commuter rail parking land	3	3	3	3	3	*16.9	*16.9	*21.9	*21.9	*21.9
Building-downtown san bernardino crew house	-	-	-	-	-	-	-	-	1	1
Downtown san bernardino crew house parking lot	-	-	-	-	-	-	-	-	1	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 realty has not yet been transferred to SBCTA or from SBCTA to the cities.