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Support Material Agenda Item No. 24

Board of Directors Meeting
January 3, 2024
10:00 a.m.

Location:
San Bernardino County Transportation Authority
First Floor Lobby Board Room
Santa Fe Depot, 1170 W. 3rd Street
San Bernardino, CA 92410

DISCUSSION ITEMS

Administrative Matters

24. Presentation of the Annual Comprehensive Financial Report for Fiscal Year 2022/2023

Receive San Bernardino County Transportation Authority's Annual Comprehensive Financial Report, Single Audit Compliance Report, Audit of the Local Transportation Fund of the County of San Bernardino, and Audit of the State Transit Assistance Fund of the County of San Bernardino for Fiscal Year 2022/2023.

The following reports are being distributed separately from the agenda:

- ***Annual Comprehensive Financial Report***
- ***SBCTA Single Audit Compliance Report***
- ***Local Transportation Fund Financial and Compliance Report***
- ***State Transit Assistance Fund Financial and Compliance Report***
- ***GANN Limit Calculation***
- ***Examination Letters for the Planning, Programming, and Monitoring Funds***
- ***Report on Compliance with the Transportation Development Act and Report on Internal Controls over Compliance***

Annual Comprehensive Financial Report

For the year ended June 30, 2023

Testing of the first-of-its-kind Zero-Emission Multiple Unit [ZEMU] running on Hydrogen power.

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San Bernardino County Transportation Authority

San Bernardino, CA

Annual Comprehensive

FINANCIAL REPORT

For Year Ended June 30, 2023

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Prepared by SBCTA, Finance Department

SBCTA is phasing in improvements to various ramps throughout the county. Crews are grading the slopes of part of the widened ramp access to and from Alabama Street in Redlands.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
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Crews drive heavy rollers over freshly placed hot mix asphalt to serve as the foundation for new ramps on Interstate 10 in Redlands.

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County Transportation Authority

November 27, 2023

To the Citizens of San Bernardino County, California and Honorable Board Members of San Bernardino County Transportation Authority:

The Annual Comprehensive Financial Report (ACFR) of San Bernardino County Transportation Authority (SBCTA), San Bernardino, California, for the fiscal year ended June 30, 2023, is submitted herewith. The ACFR is presented in conformity with generally accepted accounting principles in the United States (US) (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 required by GAAP and 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. The 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 objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The costs of internal control should not exceed the anticipated benefits.

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. Also, the MD&A includes disclosure of 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.

SBCTA Policy No. 20000, Financial Policies, requires an independent audit by a certified public accountant. Crowe, LLP, Certified Public Accountants, was procured to conduct the audit and has issued an unmodified opinion on SBCTA's financial statements for the fiscal year ended June 30, 2023. The auditor's report on the financial statements and required supplementary information are 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 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 revised on December 4, 2019, outlines the agency's objectives, which are to make all transportation modes as efficient, economical, and environmentally responsible as possible, envisioning the future, embracing emerging technology,

and innovating to ensure our transportation options are successful and sustainable, promoting collaboration among all levels of government, optimizing our impact in regional, state, and federal policy and funding decisions and using all revenue sources in the most responsible and transparent way. In 2016, SBCTA known at the time as the San Bernardino Associated Governments (SANBAG), sponsored Senate Bill 1305, consolidating the agency's transportation entities into a singular statutory entity. Senate Bill 1305 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 call box 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.

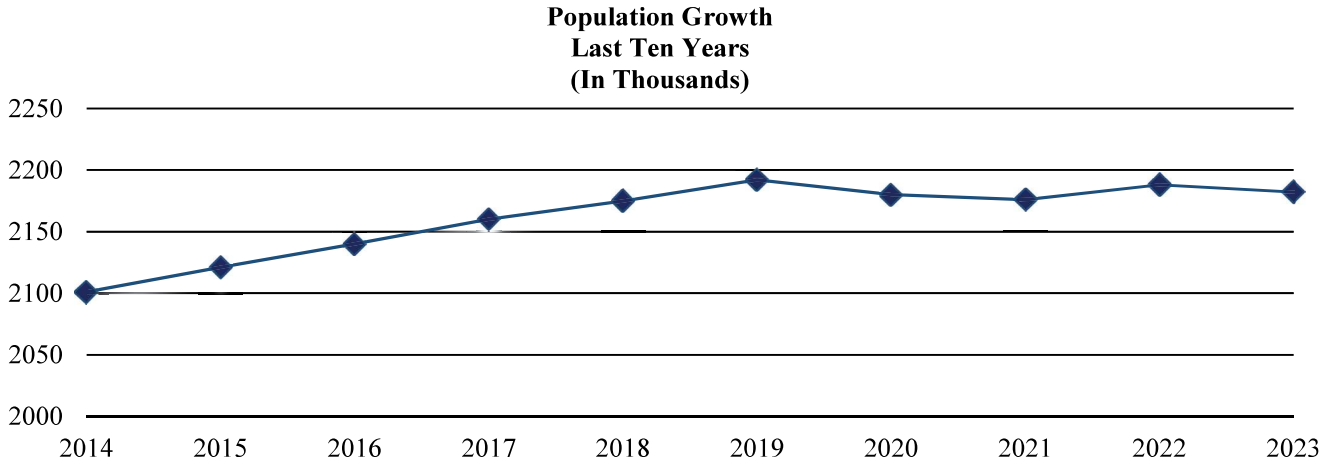
In addition, the JPA will continue to exist for the remaining purpose of performing council of government functions for the County of San Bernardino, currently referred to as the ***San Bernardino Council of Governments (SBCOG) and SANBAG.*** The financial statements for SANBAG are included as a blended 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 approved 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 of Directors (Board) approval.

Local Economy

San Bernardino County and Riverside County collectively comprise the Inland Empire. The Inland Empire continues to be one of the largest economies in the US. The competitive advantages of affordable housing and commercial real estate attract new businesses and economic growth for the region. The US and Inland Empire economies have reported an increase in unemployment and personal income for 2023.

The population of San Bernardino County has grown by 3.9% over the last ten years.



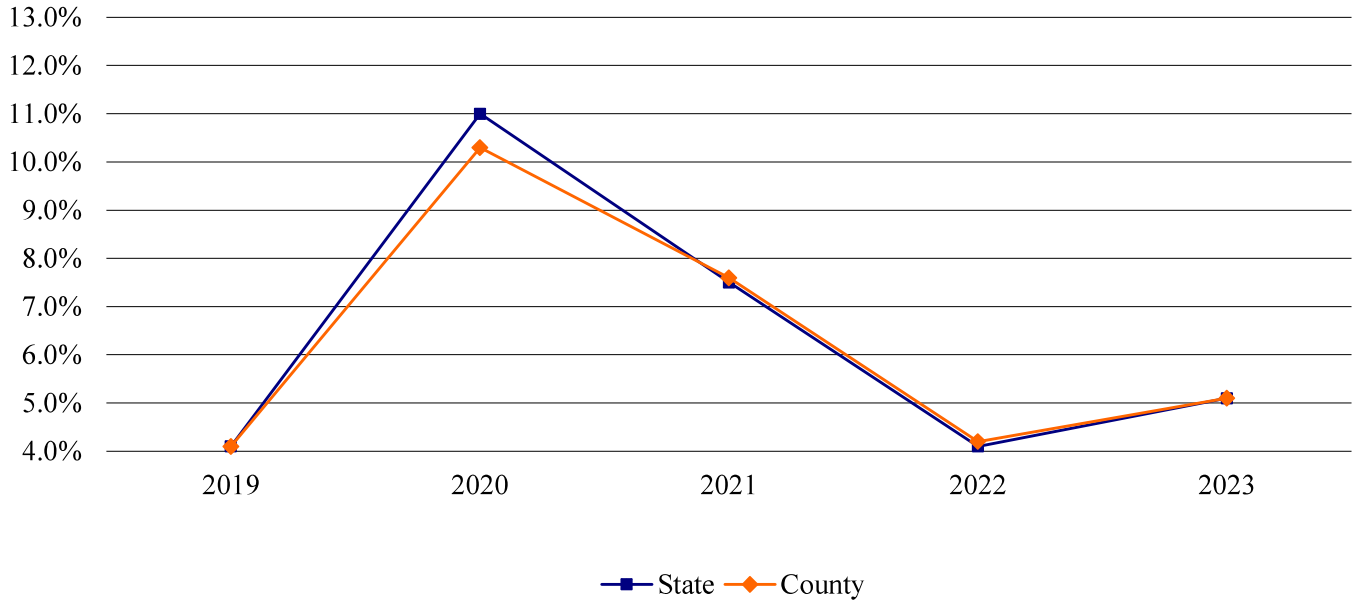
The following table summarizes the civilian labor force, employment and unemployment, and employment rate for the State of California and San Bernardino County for the calendar years 2019 through 2023. The figures for 2023 are as of eight months ending August 2023. Data for each of the years is not seasonally adjusted. Labor force data is by place of residence and includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike. The County experienced a significant decrease in unemployment from 10.3% in 2020 to 4.2% in 2022 due to the continued rebound of the economy from the impact of the COVID-19 pandemic that occurred in 2020.

STATE OF CALIFORNIA AND SAN BERNARDINO COUNTY STATISTICAL AREA
Civilian Labor Force, Employment, Unemployment and Unemployment Rate-Annual Averages
(In Thousands)

	2019		2020		2021		2022		2023	
	State	County	State	County	State	County	State	County	State	County
Civilian labor force	19,386	954.8	18,676	951.9	18,983	977.7	19,288	1,020.0	19,403	1,020.0
Employment	18,594	915.3	16,618	853.8	17,551	903.1	18,506	977.5	18,508	977.5
Unemployment	802	39.5	2,058	98.2	1,432	74.6	783	42.5	895	42.5
Unemployment rate	4.2%	4.1%	11.0%	10.3%	7.5%	7.6%	4.1%	4.2%	5.1%	5.1%

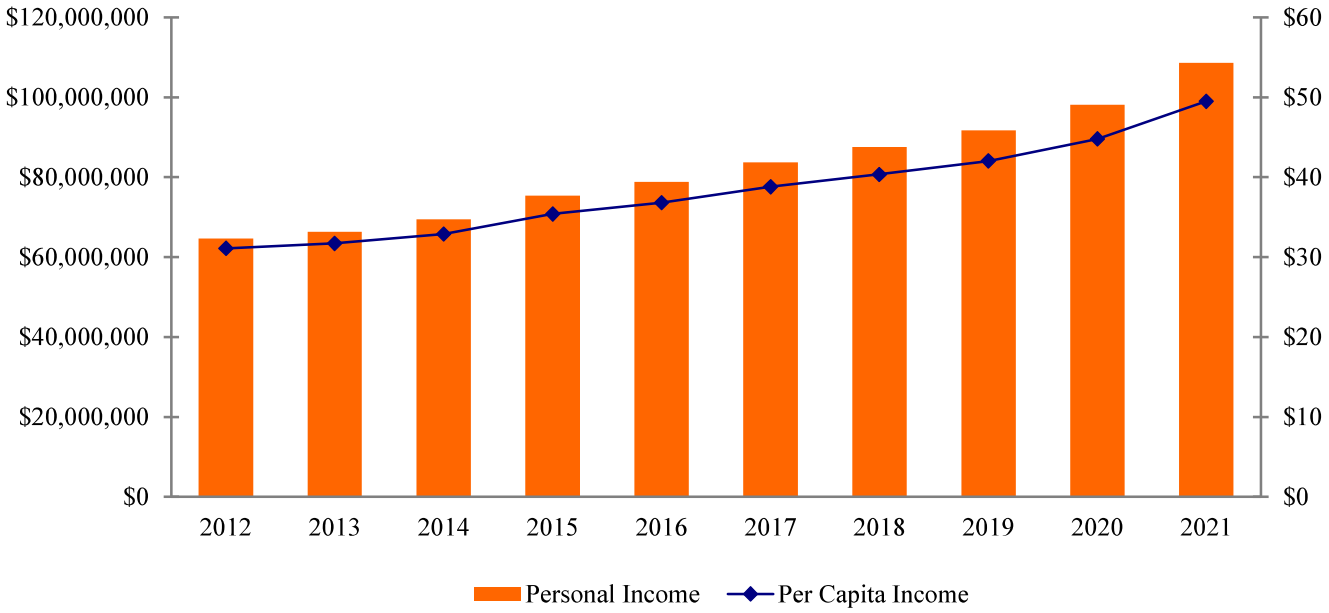
Source: Labor Market Information Division-California State Employment Development Department.

Unemployment Rate
County versus State
Last Five Years



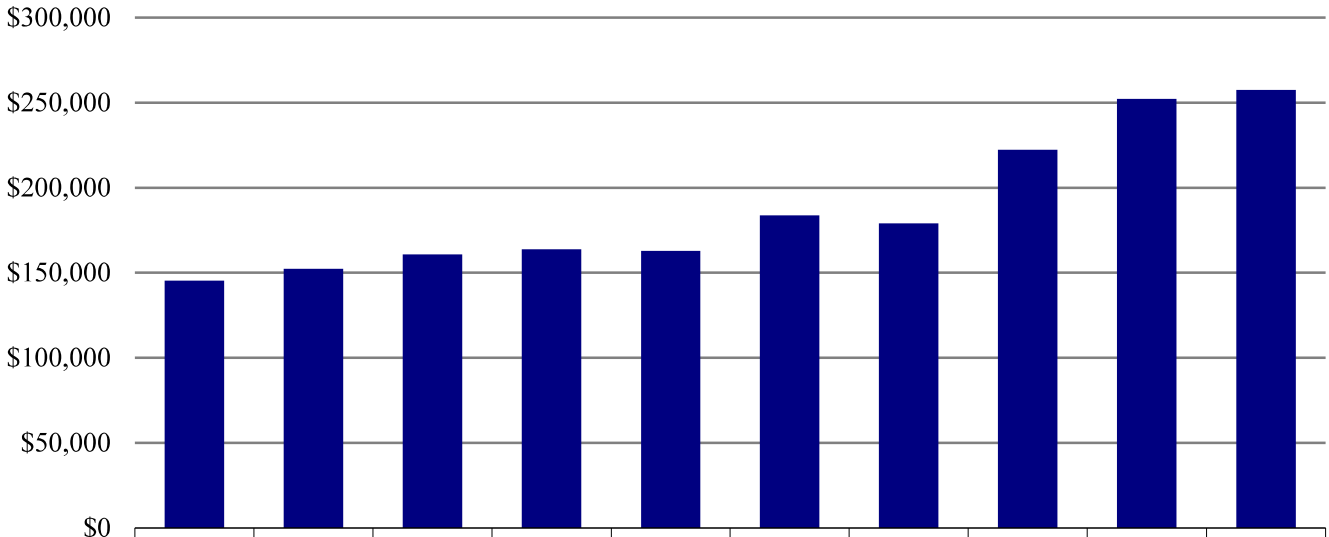
Personal income increased from $59.8 billion in 2010 to $108.6 billion in 2021, reflecting a strong improvement in the local economy during that period. Personal income increased to $10.5 thousand in 2021. The unprecedented worldwide pandemic had a negative impact on the economy in 2020, but the figures for personal and per capita income increased once again in 2021.

Personal Income and Per Capita Income
Years 2012-2021
(In Thousands)



Measure I sales tax receipts have increased steadily over the last ten years due to a strong recovery in the Inland Empire after the Great Recession in 2008. The one caveat to this was the decrease experienced in 2020 due to the negative economic impact of the COVID-19 pandemic. Measure I sales tax revenue for Fiscal Year 2020 decreased to $179.0 million in comparison with $183.6 million of the prior fiscal year reflecting a reduction of $4.6 million or 2.51%. The decrease is significantly less than the reported negative impact of over 20% for the State and County. Sales tax revenue for 2023 resulted in an increase of 2.1% or $5.2 million, mainly due to the continuous increase of consumer spending and inflation.

Measure I Sales Tax
Last Ten Years
(In Thousands)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Measure I	$145,407	$152,342	$160,84	$163,815	$162,945	$183,622	$179,017	$222,321	$252,228	$257,470

Measure I sales tax revenue will affect future bond financing and transportation project delivery. The economy has recovered from the negative economic impact of the COVID-19 pandemic with the rebound experienced in 2021 through 2023 mainly due to increased consumer spending and inflation. Unemployment has decreased as the consumer price index expanded and the region continues to retain a sound base for future economic growth, including a large pool of skilled workers, and increasing wealth, and education levels. SBCTA maintains strong cash reserves and fund balances to maintain operations and delivery of projects without delay.

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 September 2021. This update provides revenue projections, project scope, cost, and schedule, escalation and inflation, financial strategy, and long-term bonding analysis.

Freeway, interchange, grade separation, and transit and commuter rail project costs identified in the plan are estimated to be $5.1 billion. Funding includes $1.6 billion from Measure I sales tax revenue, $3.1 billion from federal, state, and local sources, and $401 million from issuance of sales tax revenue bonds. 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 continue to be 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. SBCTA continues to actively pursue funding from the following funding sources for various projects:

- Local Partnership Program (LPP) funds are used 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, sound walls, and other transportation improvement projects; and
- Trade Corridor Enhancement Program (TCEP) funds are allocated to projects that more efficiently enhance the movement of goods along corridors that have a high freight volume.

Major Initiatives

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

COUNCIL OF GOVERNMENTS

The following initiatives were undertaken as part of the Council of Governments (COG) activities:

- The San Bernardino Regional Housing Trust (SBRHT) is a new program that will bring funds to the region to plan and build affordable housing throughout the region. Presentations have been provided on potential governance structures for the Trust and tools needed for implementation. To provide input to the formation of the trust, staff met regularly with ad hoc committees of the Board of Directors and City/County Manager Technical Advisory Committee (CCMTAC). Staff provided updates on Housing Legislation to the CCMTAC and the Board of Directors. Outreach presentations were provided to several member jurisdiction City Councils on the Housing Trust.
- Received approval and funding by the California Public Utilities Commission (CPUC) for the development and implementation of the Inland Regional Energy Network (I-REN) for San Bernardino and Riverside Counties. This partnership, with Western Riverside Council of Governments (WRCOG) as the lead agency, Coachella Valley Association of Governments (CVAG) and SBCOG seeks to connect businesses, and local governments to a wide range of energy efficiency resources to promote and increase energy savings and provide equitable access to eligible public entities throughout the Inland Empire. The total project funding is $65 million from 2022-2027 covering both Riverside and San Bernardino Counties. Staff worked closely with WRCOG and CVAG to develop and execute a Memorandum of Agreement (MOA) and Governance and Operations Charter for the I-REN Project.
- Completed Outreach for Cucamonga Canyon Management Plan.
- Initiated development of a Smart County Master Plan (SCMP) to explore the application of multiple technologies across governmental sectors for San Bernardino County.
- Regional Early Action Planning - The housing shortage continues to be one of our State's top priority issues. The 6th Regional Housing Needs Assessment (RHNA) cycle brought many new challenges for our jurisdictions in developing their Housing and Community Development (HCD) compliant housing elements. In this cycle, the RHNA allocations were far greater than what had been any previous cycles. HCD added new Affirmatively Furthering Fair Housing (AFFH) analysis requirements, new re-zoning restrictions, new housing unit credit methodologies, and strict timelines. In addition, while our jurisdictions were trying to grapple with new requirements, new housing bills were passed and signed into law that led to release of more HCD guidelines and technical memo on how to incorporate changes into the draft housing elements. To address some of these challenges, SBCOG used $2.5M of Regional Early Action Planning (REAP 1.0) grant funds to offset some of the burden placed on local jurisdictions on addressing plans related to housing. The effort provided direct technical assistance in staffing, data, guidelines interpretation, capacity studies, and training. The program was intended to provide support to all SBCOG member jurisdictions by offering a menu of options to access services and tools depending on their unique needs associated with their housing element adoption process. It was

implemented to support the preparation of housing elements, provide jurisdictions with support on multiple ways for implementation of updated housing-related laws, and supports the development of housing for low and very low-income residents.

LEGISLATION AND PUBLIC AFFAIRS

Legislation

Fiscal Year 2023/2024 was another busy legislative cycle for the SBCTA's advocacy program. SBCTA, along with other transportation agencies were successful in advocating against intrusive legislative policies such as Assembly Bill 6 and 7 by Assembly Member Friedman as well as Assembly Bill 1525 by Assembly Member Bonta. These types of legislative policies have the potential to erode access to funding for projects that improve the mobility of San Bernardino County residents. The team continues to work on the development of important relationships with key state and federal department leaders and staff to ensure that San Bernardino County's voice is heard and considered during critical policy discussions. They also provide enhanced awareness of a need to address goods movement along, US Highway 395 (US 395), State Route 60 (SR-60), Interstates 10 (I-10) and 15 (I-15) corridors, respectively, and ensure a thorough evaluation of all transportation projects brought into the region do not adversely impact disadvantaged communities. Moreover, the team remains vigilant in the work of providing our State and Federal elected delegation with a greater awareness of SBCTA's innovative transit projects and our goal to bring several zero-emission projects (Zero-emission Multiple Unit, Ontario International Airport tunnel transit service, and the Brightline high-speed rail service) together in one multi-modal location in the City of Rancho Cucamonga.

Public Affairs

Public outreach continues to be the cornerstone to marketing SBCTA's robust program and growing influence on transportation throughout the region. An established and well-rounded outreach strategy has resulted in growth in digital engagement with various audiences throughout the region. Tools like online project mapping, video updates, and detailed blog posts enrich the overall user experience and get people in touch with the information that matters to them most. With the agency's reputation as the transportation authority for the county evolving, more and more eyes are focused on the goals and objectives of the agency. Media coverage relates to more stories about SBCTA's transit renaissance, as the symmetry between Board and Staff leads to way to innovative solutions for the variety of ways people move to and through San Bernardino County.

COMMUTER AND MOTORIST ASSISTANCE

Call Box Program

SBCTA operates 777 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 some satellite call boxes throughout the county. Due to their technology, call boxes have the ability to capture a cellular signal where a personal cell phone cannot, therefore allowing motorists to still seek assistance even though their personal cell phone is not able to work. Each call box is equipped with a Tele Type device (TTY) for the hearing impaired. Last year some 3,500 calls were received from the call box network. A procurement was issued early in the fiscal year to secure continuing maintenance support for the call boxes.

Freeway Service Patrol (FSP)

SBCTA provides FSP services along 108 centerline miles of designated areas of the freeways in the urbanized region of the San Bernardino Valley. There are nine (9) separate segments along the highway system, known as "Beats." FSP tow trucks patrol these Beats during the morning and evening rush hours to assist motorists or to tow broken down or stalled vehicles to a location off the freeway that has been designated by the California Highway Patrol (CHP). During this past fiscal year, SBCTA continued to offer weekend FSP service as part of a demonstration project on selected beats. In addition, the following were undertaken.

- Continued the transition to a regional 511 system merger with Los Angeles County Service Authority for Freeway Emergencies (LA SAFE), Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC) and Ventura County Transportation Commission (VCTC) so that all five agencies are now the Southern California 511 (SoCal 511) system. The goal is to provide seamless regional traveler information through the SoCal 511 system for all commuters in the Southern California region. SoCal 511 will include the

regions covered by LA SAFE, OCTA, RCTC, SBCTA and VCTC.
- Continued to explore technology to be used for the FSP Program and provided software updates to existing technology.
- Continue to review and make changes to FSP Request for Proposal (RFP) documents and contracts in an effort to attract more qualified tow companies to submit a proposal and participate in the FSP Program.
- Transitioned all FSP Global Positioning Systems (GPS) tracking system for the FSP Program to the latest digital technology.

REGIONAL AND SUBREGIONAL PLANNING

SBCTA completed a number of planning and analysis activities in Fiscal Year 2022/2023, the more significant of which include:

- Initiated work with Southern California Association of Governments (SCAG) on the 2024 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS – "Connect SoCal").
- Continuation of project delivery on Active Transportation Program (ATP) grants from Cycles 1-5 and assistance to jurisdictions on Cycle 6 applications. Over $70 million in grants has been awarded to San Bernardino County jurisdictions in Cycles 1-5 of this program.
- Prepared a draft of Phase II of the Regional Conservation Investment Strategy (RCIS) and submitted it to the California Department of Fish and Wildlife (CDFW) with leadership from the Environment Element Group of the Countywide Vision.
- Initiated development of the Environmental Impact Report of the San Bernardino County Sub-regional Greenhouse Gas Reduction Plan. This will serve as programmatic environmental clearance for individual jurisdiction Climate Action Plans.
- Sidewalk inventory data were collected and analyzed for Phase 2 of the Comprehensive Pedestrian Sidewalk Connectivity Plan. The project was funded by a Caltrans planning grant.
- In response to Senate Bill 743 (SB743), Phase 2 of the Countywide Vehicle Miles Traveled (VMT) Implementation Study was completed. Phase 2 was focused on VMT mitigation strategies, including the potential for a VMT mitigation bank.
- Multiple grant applications were submitted, including: Transit and Intercity Rail Capital Program grants for the Tunnel to Ontario (autonomous transit tunnel from Cucamonga Station to Ontario International Airport), and Metrolink Double-Track in Rialto (through Metrolink application), and Omnitrans efficiency improvements and Zero-Emission Buses; and SB1 grants for I-10 Freight Corridor from I-15 to Pepper Avenue, US 395 Freight Corridor from I-15 to State Route 18 (SR-18), and Metrolink Double-Track, Lilac to Sycamore.
- An update to the Comprehensive Multimodal Corridor Plan (CMCP) was completed in conjunction with Caltrans District 8 and the Riverside County Transportation Commission (RCTC).
- Completed the 2022 Development Mitigation Nexus Study update.
- Continued the SR-18/State Route 138 (SR-138) Corridor Study in conjunction with Los Angeles County Metropolitan Transportation Authority (LACMTA), including a draft report.

TRANSIT

Transit Operations, Vanpool & Rideshare

Over the last year, coordination with the San Bernardino County transit operators, and administration of the Vanpool Program and Rideshare activities continued. All the County operators brought back the majority of their pre Covid-19 service and there has been an increase in ridership recovery although still not at pre-pandemic levels. However, the larger Operators, Omnitrans and VVTA (Victor Valley Transit Authority), have struggled to hire coach operators, which is the major factor in all services being restored back to 100%. The SBCTA Loop vanpool program continued to grow and generate Federal Transit Administration (FTA) Section 5307 funding for the County. SBCTA's IE Commuter program found traction in the new $5/Day rideshare incentive and SBCTA continued to lead the regional rideshare software contract between Los Angeles Metro, Orange County Transportation Authority, Riverside County Transportation Commission, and Ventura County Transportation Authority, with work continuing to consolidate databases between these agencies.

DMU to ZEMU
In 2018, 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). In July 2019, the SBCTA Board approved advancing a hydrogen fuel cell-battery hybrid propulsion unit, the first of its kind in North America. Stadler, the vehicle manufacturer, has completed the vehicle assembly and has completed commissioning activities scheduled to be completed overseas. The ZEMU vehicle was unveiled at the international InnoTrans Rail Conference in Berlin, Germany in September 2022 and was shipped to the US to complete commissioning activities at the Federal Railroad Administration (FRA) Transportation Technology Center, located in Pueblo, Colorado.

Redlands Passenger Rail Project (RPRP)
Construction on the RPRP was completed and revenue service started October 2022. This includes both the mainline and the vehicle maintenance facility. Manufacturing and testing of the vehicles was completed this year as well. Substantial progress was made with the close-out activities under the program.

West Valley Connector Phase I
The grant agreement for the Federal Transit Administration (FTA) Capital Investment Grant (CIG) program grant allocation of $86.75 million was completed and the grant agreement signing event was held March 20, 2023. The mainline corridor design was finalized, and the Invitation for Bids (IFB) was completed and released May 15, 2023. The final design of the maintenance facility was also completed. Further, substantial progress on the right-of-way acquisition activities was made.

Tunnel to ONT and Brightline West at Cucamonga Station
Work to environmentally clear the direct connector between Ontario International Airport (ONT) and Cucamonga Station continued. Industry outreach for the design build procurement effort also commenced. The Request for Qualifications (RFQ) to shortlist an operating system provider and design-build team was prepared and released. The agreement was reached with Brightline West on the railroad right of way lease necessary for them to connect to the Cucamonga Station. Progress was also made on the land sale and other easements needed for Brightline West to construct their high-speed rail station at Cucamonga Station, which were approved by the SBCTA Board in October 2022.

Railroad Right-of-Way (ROW)
On-going ROW maintenance efforts such as weed abatement, trash removal and graffiti abatement were conducted on cyclical basis. As part of the on-going administration of the railroad ROW, five (5) grant of use agreements were executed, or amended, in Fiscal Year 2022/2023 with a focus on utilizing the master license agreement template.

PROJECT DELIVERY

I-10 Corridor Freight and Express Lane Project – Contract 1 & 2, Multiple Cities
The Project Approval/Environmental Document phase was completed in July 2017 for this project, which will add express lanes along 33 miles of the I-10 corridor. The entire corridor construction cost is estimated at $3.0 billion. The first segment of the I-10 corridor – Contract 1 from the Los Angeles County Line to I-15 (Design-Build) is currently in the 3rd year of construction and anticipated to be completed for beneficial use by early 2024. The second segment of the I-10 corridor (Contract 2) will be processed as a design-bid-build project and will continue the express lanes from I-15 to Pepper Avenue. A design consultant was selected to perform the design of Contract 2. Design services are underway and in order to expedite project delivery, the I-10 Corridor Freight and Express Lane Project – Contract 2 will be delivered in two (2) segments: Segment 2A: I-15 to Sierra Avenue and Segment 2B: Sierra Avenue to Pepper Avenue. It is anticipated that the design work will take about two and one-half (2 ½) years to complete, resulting in a final design package to advertise for construction in mid-2024 for Segment 2A and early 2025 for Segment 2B.

I-15 Corridor Freight and Express Lane Project – Contract 1, Multiple Cities
The Environmental Document (ED) for the 14-mile I-15 Corridor Project was approved in December 2018. The Project will be delivered in multiple construction packages. The first construction package, known as the I-15 Corridor Freight and Express Lanes Project - Contract 1, will construct one (1) to two (2) express lanes in each direction from south of SR-60 to north of Foothill Boulevard and add auxiliary lanes at select locations in order to improve freight movement and reduce traffic congestion. The 65% Plans, Specifications, and Estimates (PS&E) milestone was achieved in April 2022,

95% PS&E milestone in October 2022, and Final Design Package approval/Ready to List (RTL) in October 2023. The Construction Management (CM) services contract was awarded in September 2022, and the CM team is supporting development of the Invitation for Bids (IFB) package. Procurement of the construction contractor is anticipated from January through April 2024, and construction is expected to start in June 2024.

I-10 Cedar Avenue Interchange Improvement Project, County of San Bernardino

The I-10 Cedar Avenue Interchange Improvement Project, in the County of San Bernardino, is the highest priority project in the Measure I 2010-2040 Freeway Interchange Program. Cedar Avenue is a north – south arterial in the unincorporated community of Bloomington and forms a tight diamond interchange with the I-10. This location has been experiencing high levels of traffic congestion resulting in low levels of service. The Project will reconstruct and widen Cedar Avenue the bridge over I-10 and the Union Pacific Railroad. The Project's PS&E were prepared by Caltrans and approved on April 25, 2022. The Union Pacific Railroad Construction and Maintenance Agreement was approved on May 16, 2022, and the Right-of-Way Certification was approved by Caltrans on June 21, 2022. An Invitation for Bids was released on June 30, 2022. Construction started in late 2022 and is anticipated to take approximately two and one-half (2 ½) years to complete. A Public Outreach program is in place and will be maintained during the construction period.

North First Avenue Bridge over BNSF Railroad Project, Barstow

The project will replace the existing North First Avenue Bridge over a BNSF railroad. The existing bridge was built in 1930 and has been deemed structurally deficient and functionally obsolete. The Construction and Maintenance Agreement was executed in March 2021. The contract plans, specifications, and estimate were approved in January 2022, an Invitation for Bid was released in May 2022, and a construction contract was awarded in September 2022. Construction started in December 2022 with completion for beneficial use by the middle of 2024.

I-10 Mount Vernon Avenue Interchange Improvement Project, Colton

The I-10 Mount Vernon Avenue Interchange Improvement Project, in the City of Colton, is ranked No. 19 in the priority list under the Measure I 2010-2040 Freeway Interchange Program. Mount Vernon Avenue is a north-south arterial in the City of Colton and connects to I-10 via a split tight diamond configuration in the westbound direction and hook ramps in the eastbound direction. The Project will replace the Mount Vernon overcrossing over I-10, which will also accommodate the future I-10 Corridor widening. The Project received environmental approval on April 19, 2022, and is currently in the design phase. The Right-of-Way requirement maps were approved on April 11, 2022, and resolutions of necessity were presented to SBCTA Board of Directors in September 2023. Construction is anticipated to start late 2024 and is to take approximately two and one-half (2 ½) years to complete. A Public Outreach program is in place and will be maintained during the ROW and construction phases.

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

The I-215 University Parkway Interchange Improvement Project will address traffic congestion and improve freeway access for the City of San Bernardino and the region by reconstructing the existing tight diamond interchange into a Diverging Diamond Interchange (DDI) configuration. The DDI is a new innovative concept that will improve traffic operations by reducing vehicular conflict points and traffic signal phases by diverting vehicles to the left side of the road between both ramp intersections. The 95% design was submitted to Caltrans for oversight review. The Construction Management Services firm has been selected and a Contract Task Order was issued in July 2022. Acquisition of the remaining needed ROW is ongoing through the eminent domain process while staff is concurrently negotiating with property owners. Construction is anticipated to start in the summer of 2024 and is anticipated to take approximately one (1) year to complete.

State Route (SR-210) Lane Addition – Highland Avenue to San Bernardino Avenue, Multiple Cities

The SR-210 Lane Addition project is a gap closure project that includes the addition of one general purpose lane in each directing within the median between Highland Avenue in the City of San Bernardino and San Bernardino Avenue in the City of Redlands. Pavement rehabilitation work is also included along this section of the corridor. Construction began in November 2019, and the project was completed for beneficial use in the summer of 2023. Final construction is expected in late November 2023.

I-215 Bi-County Landscape Project and Segment 5, Multiple Cities
The I-215 Bi-County Landscape Project provides landscaping from the San Bernardino County/Riverside County line to Orange Show Road. The environmental phase was completed in June 2020, and the design phase is anticipated to be completed by March 2024. The I-215 Bi-County Landscape Project will be combined with the I-215 Segment 5 Landscape project. Design of Segment 5 is also anticipated to be completed by March 2024. Both projects will be combined into one construction package. It is anticipated that construction will begin in late summer 2024.

US 395 Widening Project, Phase 2, Hesperia and Victorville
US 395 is widely recognized as a critical linkage for goods movement, supporting the economies of multiple inland counties, and an important agricultural route to and from the Central Valley. The first segment (US 395, Phase 1) between SR-18 and Chamberlaine Way was completed and opened for beneficial use in 2020. This "gap closure" project between I-15 and SR-18 is the second of the three-phase project. Phase 3 between Chamberlaine Way and Desert Flower Road will be undertaken in the future as funding becomes available. The Project will widen US 395 from two lanes to four lanes, with a continuous median, between 0.4 miles north of I-15 and SR-18 (Palmdale Road), a distance of approximately seven miles. It will be a collaborative effort by San Bernardino County Transportation Authority and Caltrans. The design services contract was awarded in July 2022, and the design is expected to be completed in fall of 2024. Construction is planned to start in early 2025. It is anticipated that SBCTA will also be the lead agency for construction.

Mt. Vernon Viaduct, San Bernardino
The objective of this project is the demolition and replacement of the existing bridge over the San Bernardino BNSF Railway Intermodal Yard. Design-Build delivery is being used on the project to expedite replacement of the bridge, and the contract was executed in June 2020. Demolition of the existing bridge started at the end of 2020 and was completed in May 2021. Work continues to acquire right-of-way with one remaining property left to acquire. Relocation of utilities, BNSF mitigation activities, and final design work on the new bridge and adjoining local street improvements is ongoing. The new bridge is expected to be complete and open to traffic in the Fall of 2025.

Metrolink Accessibility Improvement Project, San Bernardino, Fontana, Rancho Cucamonga, Upland and Montclair (Phase 2)
This project includes providing safe pedestrian and bicycle access to key corridors at Metrolink stations in the Cities of Montclair, Upland, Rancho Cucamonga, Fontana, and San Bernardino. Final design was completed in February 2023 and construction is expected to start January 2024.

I-10 Eastbound Truck Climbing Lane, Yucaipa
The I-10 Eastbound Truck Climbing Lane Project will improve traffic operations along a three-mile stretch of I-10 between the Sixth Street overcrossing in the City of Yucaipa through County Line Road in the City of Calimesa by adding an eastbound truck climbing lane for slow moving vehicles. This segment of freeway is on steep grade while carrying a large volume of trucks since I-10 is a critical goods movement corridor for the region and the rest of the country. The project will include widening of Oak Glen Creek Bridge, paving the median portion of the freeway, and constructing a concrete median barrier. This project will be funded with Senate Bill 1 Transportation Corridor Enhancement Program funds. The environmental phase was completed in November 2020, design began in July 2021, and the right of way certification was approved in April 2022. The Construction Management firm was selected, and the contract was approved by the Board in June 2022. Construction is anticipated to start in the spring of 2024 and is anticipated to take approximately one and one-half (1 ½) years to complete. Coordination with a recent Caltrans pavement rehabilitation project along the same segment of freeway resulted in cost savings for both Caltrans and SBCTA.

SR-60 Central Avenue Interchange Improvement Project, Ontario
The SR-60 Central Avenue Interchange Improvement Project will widen freeway ramps, improve the ramp intersections, and widen the Central Avenue Bridge over SR-60. Construction activities are continuing with final electrical work, final stripping, installation of irrigation, and new planting. It is anticipated that the project will be completed for beneficial use by late 2023 and a one-year Plant Establishment period will begin. Subsequent to the one-year Plant Establishment Period, a four-year extended plant maintenance contract will be awarded before Caltrans assumes maintenance of the interchange.

I-10 Alabama Street Interchange Improvement Project, Redlands
The I-10 Alabama Street Interchange Project widened Alabama Street from Orange Tree Lane to Industrial Park Avenue and widened the eastbound and westbound exit ramps. Construction began in December 2021, and was completed for beneficial use at the end of 2022. The project is currently in the 1-year plant establishment period.

I-10 University Street Interchange Improvement Project, Redlands
The I-10 University Street Interchange Improvement Project installed traffic signals at the ramps, widened the eastbound exit and westbound entrance ramp, and provided pavement rehabilitation from Citrus Avenue and the westbound entrance ramp. Construction began in April 2021, and was completed in September 2022. The project is currently in the landscape phase with a 1-year plant establishment period.

SR-210 Waterman Avenue Ramp and Street Improvement Project, San Bernardino
The SR-210 Waterman Avenue Ramp and Street Improvement Project will widen the eastbound entrance ramp and restripe Waterman Avenue to provide dual left-turn lanes to the eastbound entrance ramp and 30th Street. A cooperative agreement was executed in December 2021. An environmental and design contract was awarded in September 2022. The project will be processed as a Caltrans Encroachment Permit project. The environmental phase was completed in July of 2023 and the design is anticipated to be completed in late 2023 with construction beginning in summer of 2024.

FUND ADMINISTRATION

In December 2021 the Board adopted the 2021 Update to the 10-Year Delivery Plan, which was the largest plan to date with 64 projects totaling $5.1 billion in regional improvements and relying on $1.6 billion in Measure I revenue. 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 and is generally updated every two years. While it was intended that work on the 2023 Update would begin in Fiscal Year 2022/2023, it was decided that the work should be delayed into Fiscal Year 2023/2024 so that the results of several large procurements could be incorporated into the bonding strategy.

In addition to administration of Measure I, SBCTA is responsible for the allocation of most state and federal funds available for transportation projects in San Bernardino County. This involves coordination with member jurisdictions, Caltrans, and transit operators in the County to ensure that funds are available for priority projects underway and that funding projections are maintained for future needs. SBCTA has supported local agencies and transit operators with information on funding opportunities and transportation program financial forecasts, particularly as it related to guidelines, requirements, policies, and schedules. Fund Administration staff also provided extensive internal coordination with SBCTA Project Delivery and Transit staff for funding plans for major projects where SBCTA is acting as lead agency, this year providing support to the development of funding plans and financing options for the North First Avenue Bridge over BNSF in the City of Barstow, US 395 Widening Phase 2, Mt. Vernon Viaduct, I-15 and I-10 Express Lanes, DMU to ZEMU, and West Valley Connector projects.

Additionally, SBCTA worked collaboratively with Southern California Association of Governments (SCAG) and other SCAG member agencies to develop policies and procedures that comply with Federal regulations for the administration and oversight of the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Urban Surface Transportation Block Grant Programs (STP) in response to a Corrective Action issued to SCAG during their 2022 Federal Certification Review. SCAG was given until June 30, 2023, to demonstrate policies and procedures that comply with Federal regulations for the administration of these programs, which will now require project approval by SCAG, and to program projects through Fiscal Year 2025/2026 before the new procedures are required. SBCTA worked with local agencies and transit operators to ensure that all available funds were programmed in Fiscal Years 2022/2023 through 2025/2026 prior to the June 30, 2023 deadline. SBCTA also coordinated with SCAG and other SCAG member agencies to develop guidelines for the Carbon Reduction Program (CRP), a new funding program established by the Bipartisan Infrastructure Law. The CRP provides funds for projects designed to reduce transportation emissions from on-road highway sources.

RISK MANAGEMENT

Risk Management in an effort to continue the safety initiatives, has continued to promote staff awareness, training on security sensitive information protocols, and prepared a resolution. This resolution was adopted by the Board of Directors, making the National Incident Management System (NIMS) the official incident Management System for large scale emergencies at SBCTA. Risk Management continues to promote initiatives that help mitigate third party and workplace injuries.

Awards and Acknowledgements

The Government Finance Officers Association of the US and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SBCTA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This is the eleventh 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 ACFR 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 SBCTA's current ACFR continues to meet the Certificate of Achievement Program's requirements and Finance will submit to the GFOA to determine its eligibility for another certificate.

SBCTA received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2022. 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 is possible with the efficient and dedicated services of the entire staff of the Finance Department. Special recognition is acknowledged to Lisa Lazzar, Chief of Fiscal Resources, along with the Finance staff for the preparation of the report and timely completion of the financial audit. Credit is also recognized to the SBCTA Board for their continued unfailing support to maintain the highest standards of professionalism and transparency in the

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

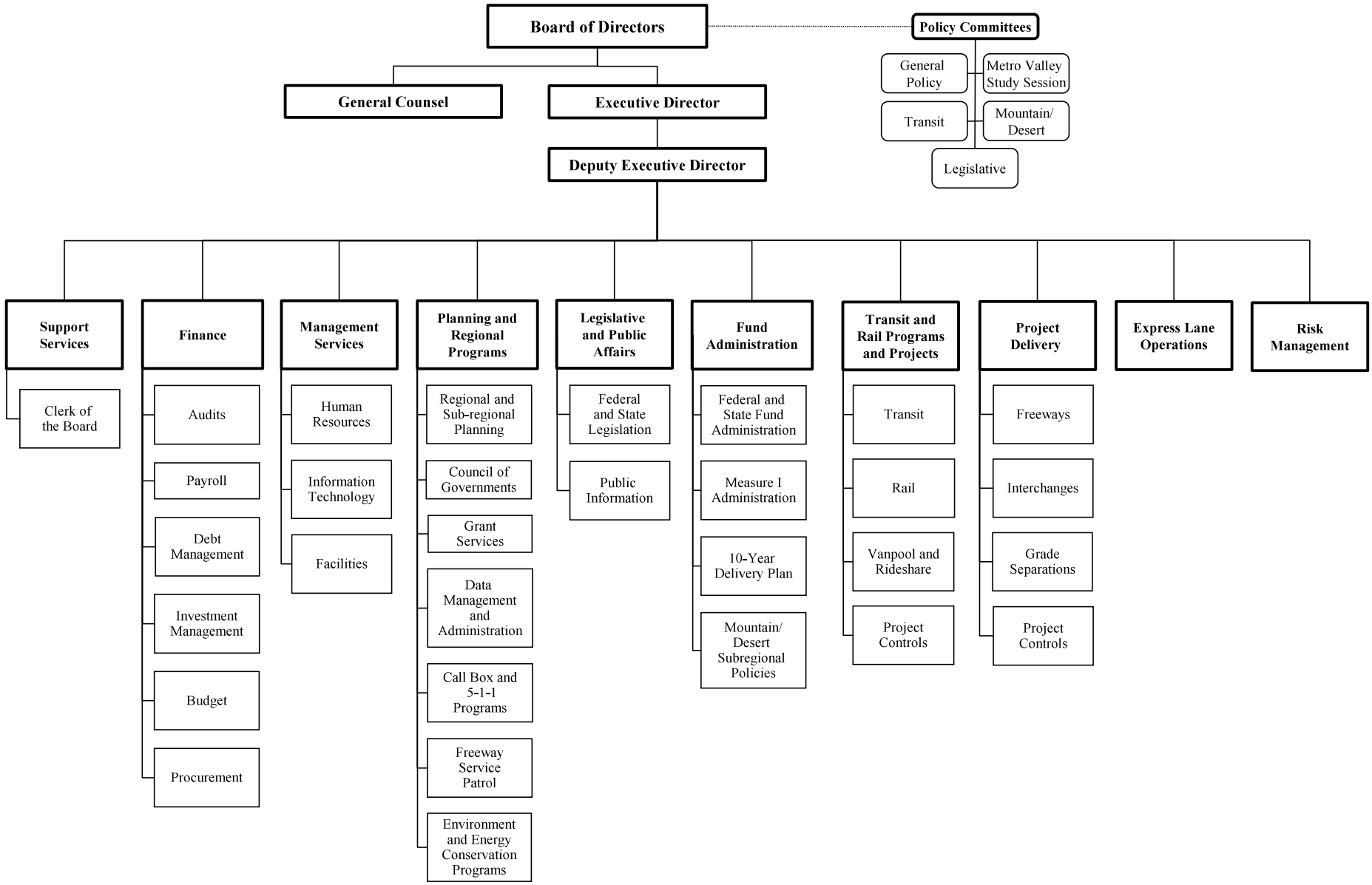
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Organization Chart



SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
List of Principal Officials
June 30, 2023

Board of Directors

Name	Jurisdiction	Title
Dawn Rowe	Supervisor-County of San Bernardino	Board President
		General Policy Committee Vice Chair
		Legislative Policy Committee Chair
Ray Marquez	Mayor-City of Chino Hills	Board Vice-President
		General Policy Committee Chair
		Legislative Policy Committee Vice Chair
Daniel Ramos	Mayor Pro Tem-City of Adelanto	
Art Bishop	Council Member-Town of Apple Valley	
Carmen Hernandez	Council Member-City of Barstow	
Rick Herrick	Council Member-City of Big Bear Lake	
Eunice Ulloa	Mayor-City of Chino	Metro Valley Study Session Vice Chair
Frank Navarro	Mayor-City of Colton	
Acquanetta Warren	Mayor-City of Fontana	
Sylvia Robles	Council Member-City of Grand Terrace	
Rebekah Swanson	Council Member-City of Hesperia	
Larry McCallon	Mayor-City of Highland	
Bhavin Jindal	Council Member-City of Loma Linda	
John Dutrey	Mayor-City of Montclair	Transit Committee Vice Chair
Janet Jernigan	Vice Mayor-City of Needles	
Alan Wapner	Council Member-City of Ontario	
L. Dennis Michael	Mayor-City of Rancho Cucamonga	
Paul Barich	Mayor Pro Tem-City of Redlands	
Deborah Robertson	Mayor-City of Rialto	
Helen Tran	Mayor-City of San Bernardino	
Joel Klink	Council Member-City of Twentynine Palms	
Rudy Zuniga	Council Member-City of Upland	
Debra Jones	Mayor-City of Victorville	Mountain Desert Policy Committee Vice Chair
Bobby Duncan	Mayor Pro Tem-City of Yucaipa	
Rick Denison	Mayor Pro Tem-Town of Yucca Valley	Transit Committee Chair
Paul Cook	Supervisor-County of San Bernardino	Mountain Desert Policy Committee Chair
Jesse Armendarez	Supervisor-County of San Bernardino	
Curt Hagman	Supervisor-County of San Bernardino	
Joe Baca, Jr.	Supervisor-County of San Bernardino	Metro Valley Study Session Chair

Appointed Officials

Raymond Wolfe, Executive Director*
Julianna Tillquist, General Counsel*
Marleana Roman, Clerk of the Board/Administrative Manager
Carrie Schindler, Deputy Executive Director
Hilda Flores, Chief Financial Officer
Andrea Zureick, Director of Fund Administration
Otis Greer, Director of Legislative and Public Affairs
Steve Smith, Director of Planning
Kristi Harris, Director of Project Delivery
Tim Byrne, Director of Toll Operations
Joy Buenaflor, Deputy Director of Transit and Rail Programs
Victor Lopez, Director of Transit and Rail Programs
Juanda Lowder Daniel, Assistant General Counsel

*Appointed by the Board of Directors

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Bernardino County Transportation Authority (SBCTA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SBCTA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the SBCTA, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the SBCTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SBCTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SBCTA's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

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, 2023. 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 $1,107,633,228 *(net position)*.

- The unrestricted net position (deficit) of ($395,253,939) (($213,559,080) from Governmental Activities and ($181,694,859) from Business-type Activities) 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 decreased by $28,901,320 from the previous fiscal year, mainly as a result from reduction in capital assets of $27.1 million net of accumulated depreciation and increase in the Transportation Infrastructure Finance Innovation Act (TIFIA) Loan, offset by the change in operations. The net decrease is attributable to the $91,285,101 increase in governmental activities net position offset by a decrease of $120,186,421 in business-type activities net position.

- The total cost of all SBCTA's activities was $684,160,533 ($679,120,823 from Governmental Activities and $5,039,710 from Business-type Activities) for the current fiscal year. Net cost of all activities was $452,842,376 ($447,802,666 from Governmental Activities and $5,039,710 from Business-type Activities).

- The total fund balances of SBCTA's governmental funds were $990,710,678 at the close of the fiscal year. The majority of the fund balances were classified as restricted, committed assigned and unassigned.

- General fund revenues exceeded expenditures and other financing sources by $5,495,230 for the fiscal year ended. This was mainly due to transfers in from other funds, including the Local Transportation and State Transit Assistance Funds, for transit projects.

- The total fund balance of the general fund was $15,595,546 for the fiscal year; $254,345 nonspendable, $14,841,201 assigned, and $500,000 unassigned. The nonspendable amount consists of noncash assets such as deposits receivable and prepaid items. The assigned amounts are set aside for general administration, capital improvements for SBCTA owned assets, and regional and subregional planning activities. The unassigned amount is set aside for emergency purposes.

- Total capital assets, net of accumulated depreciation, decreased by $27,127,937 or 5.7% from June 30, 2022. This decrease in capital assets is primarily due to the completion of the Redlands Passenger Rail project that included higher amount of assets being donated to the City of San Bernardino and the City of Redlands.

- SBCTA's total outstanding long-term bonded debt decreased by $7,347,302 for principal payment and amortization of bond premiums. This was offset by the increase to the TIFIA loan by $115,998,466.

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 the 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 *(business-type activities)* or operating grants and contributions. The governmental activities of SBCTA include general government, commuter and motorist assistance, environment and energy conservation, regional and subregional planning, transit, project delivery, fund administration, and interest and fiscal charges. The business–type activities include toll operations (revenue generation to start in fiscal year 2024).

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 ending June 30, 2023, SBCTA does not have any 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 government's 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 ten (10) 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 thirteen (13) 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.

Proprietary Funds

Proprietary funds include enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. Enterprise funds are used to account for Toll Operations. Toll operations have not commenced but draws on the loan with United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act program are recorded in the enterprise fund since toll revenues are pledged to pay the loan.

Proprietary funds provide the same type of information as the Government-Wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 26-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-70 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 71-83 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 85-133 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, 2023, SBCTA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,107,633,228. The following is condensed financial data related to net position at June 30, 2023 and June 30, 2022:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$1,150,610,623	$1,046,716,564	$ (4,213,497)	$ -	$1,146,397,126	$1,046,716,564
Capital assets-net of depreciation	446,995,050	474,122,987	-	-	446,995,050	474,122,987
Total assets	1,597,605,673	1,520,839,551	(4,213,497)	-	1,593,392,176	1,520,839,551
Deferred outflows of resources	6,119,513	7,782,892	-	-	6,119,513	7,782,892
Long-term liabilities outstanding	182,597,462	178,970,060	177,421,362	61,422,896	360,018,824	240,392,956
Net pension liability	12,958,388	7,870,511	-	-	12,958,388	7,870,511
Other liabilities	113,827,899	131,733,474	60,000	85,542	113,887,899	131,819,016
Total liabilities	309,383,749	318,574,045	177,481,362	61,508,438	486,865,111	380,082,483
Deferred inflows of resources	5,013,350	12,005,412	-	-	5,013,350	12,005,412
Net position:						
Net investment in capital assets	413,163,833	438,632,746	-	-	413,163,833	438,632,746
Restricted	1,089,723,334	986,436,475	-	-	1,089,723,334	986,436,475
Unrestricted	(213,559,080)	(227,026,235)	(181,694,859)	(61,508,438)	(395,253,939)	(288,534,673)
Total net position	$1,289,328,087	$1,198,042,986	$(181,694,859)	$(61,508,438)	$1,107,633,228	$1,136,534,548

Net Position

Net investment in capital assets represents 37.3% 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, Construction in progress that includes the I-10 and I-15 Toll Lanes project 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 and loan 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 $395,253,939 as of June 30, 2023. 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 a decrease of $28,901,320 as a result of expenses associated with transit and major projects exceeding revenues. The total cost of SBCTA activities was $684,160,533 ($679,120,823 from Governmental Activities and $5,039,710 from Business-type Activities) for the fiscal year. Net cost of all activities was $452,842,376 ($447,802,666 from Governmental Activities and $5,039,071 from Business-type Activities). 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, 2023 and June 30, 2022:

Condensed Statement of Changes in Net Position

	Governmental Activities		Business-type Activities *		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 1,010,067	$ 834,214	$ -	$ -	$ 1,010,067	$ 834,214
Operating grants and contributions	144,261,218	129,636,422	-	-	144,261,218	129,636,422
Capital grants and contributions	86,046,872	103,869,884	-	-	86,046,872	103,869,884
General revenues:						
Sales tax-Measure I	257,469,979	252,227,712	-	-	257,469,979	252,227,712
Sales tax-Local Transportation Fund	147,692,918	147,255,418	-	-	147,692,918	147,255,418
Unrestricted investment earnings	17,347,257	(11,652,810)	-	-	17,347,257	(11,652,810)
Miscellaneous	170,159	26,384,049	-	-	170,159	26,384,049
Gain (loss) on sale of assets	1,260,743	-	-	-	1,260,743	-
Total revenues	$ 655,259,213	$ 648,554,889	$ -	$ -	$ 655,259,213	$ 648,554,889
Expenses						
General government	$ 6,155,435	$ 3,264,831	$ -	$ -	$ 6,155,435	$ 3,264,831
Environment and energy conservation	240,298	517,273	-	-	240,298	517,273
Commuter and motorist assistance	5,326,987	5,286,254	-	-	5,326,987	5,286,254
Regional and subregional planning	3,710,586	4,501,891	-	-	3,710,586	4,501,891
Transit	305,993,243	110,142,376	-	-	305,993,243	110,142,376
Project delivery	269,719,253	273,284,056	-	-	269,719,253	273,284,056
Fund administration	82,158,839	76,656,089	-	-	82,158,839	76,656,089
Interest and fiscal charges	5,816,182	3,037,534	-	-	5,816,182	3,037,534
Toll Enterprise	-	-	5,039,710	350,667	5,039,710	350,667
Total expenses	679,120,823	476,690,304	5,039,710	350,667	684,160,533	477,040,971
Excess (Deficiency) before Transfers	(23,861,610)	171,864,585	(5,039,710)	(350,667)	(28,901,320)	171,513,918
Transfers	115,146,711	61,157,771	(115,146,711)	(61,157,771)	-	-
Change in net position	91,285,101	233,022,356	(120,186,421)	(61,508,438)	(28,901,320)	171,513,918
Net position at the beginning of year	1,198,042,986	965,020,630	(61,508,438)	-	1,136,534,548	965,020,630
Net position at the end of year	$ 1,289,328,087	$ 1,198,042,986	$ (181,694,859)	$ (61,508,438)	$ 1,107,633,228	$ 1,136,534,548

* Revenue will commence in fiscal year 2024, only current activity is associated with the TIFIA loan.

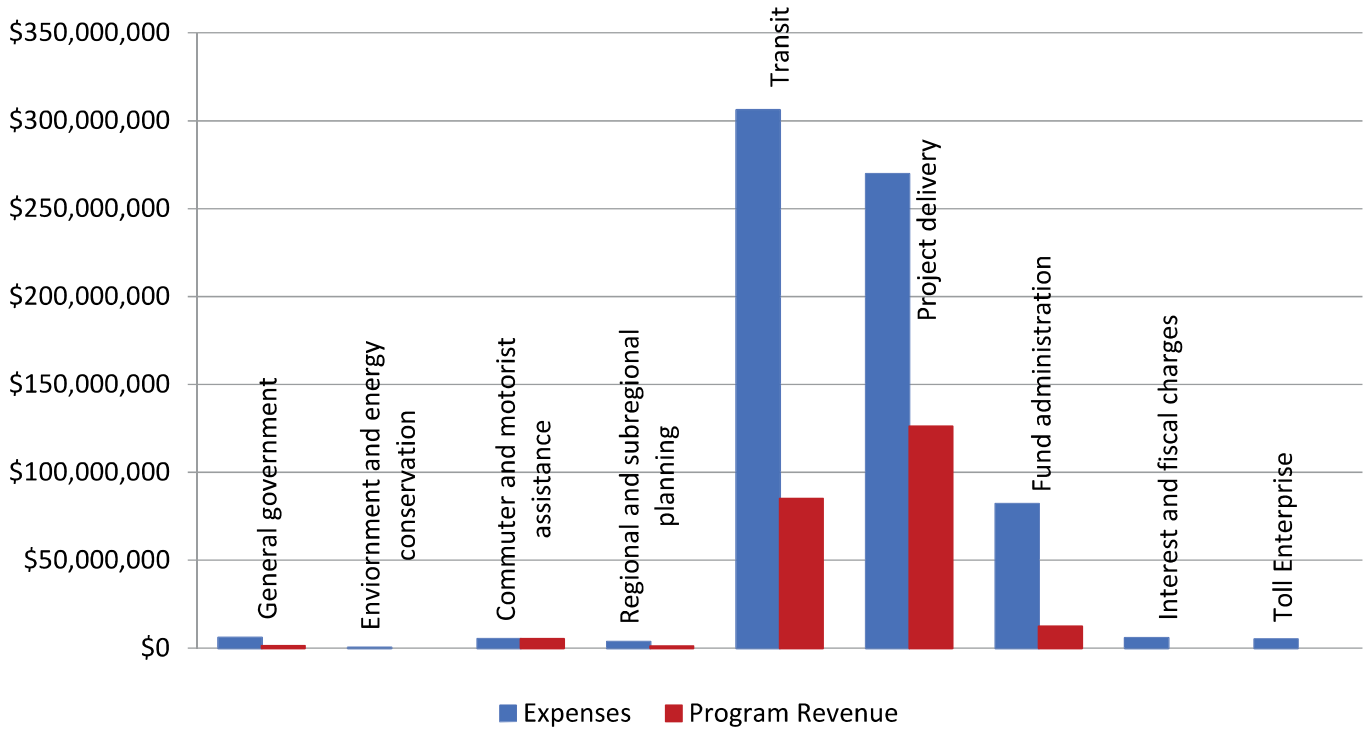
Changes in Net Position

Revenues increased by $6,704,324 primarily attributed to an increase of investment earnings and donated land offset by a reduction in federal and state capital grants and contributions. A net increase of $5,679,767 in sales taxes consist of Measure I of $5,242,267 and Local Transportation Fund of $437,500 mainly due to continued increase in consumer spending. The net decrease of $17,823,012 in capital grants, is related to less reimbursable expenditures in the project delivery program for the I-10 Corridor Contract 1 and the transit program for West Valley Connector nearing completion. An increase of $29,000,067 in investment earnings is a result of the current economic climate, with higher interest rates.

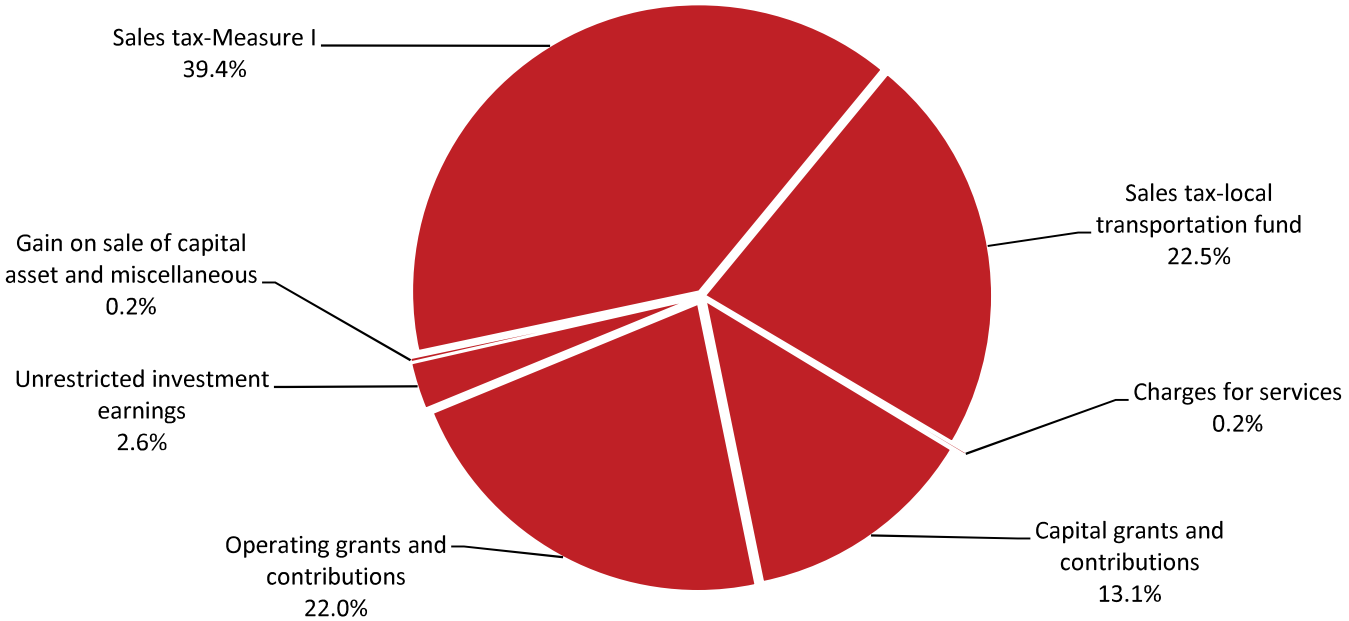
Expenses increased by $207,119,562 or 43.4% from the previous fiscal year. The increase was primarily attributed to an increase in expenditures for transit associated with assets being handed over to the City of San Bernardino and the City of Redlands in association with the Redlands Passenger Rail Project.

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

Expenses and Program Revenues-Governmental Activities

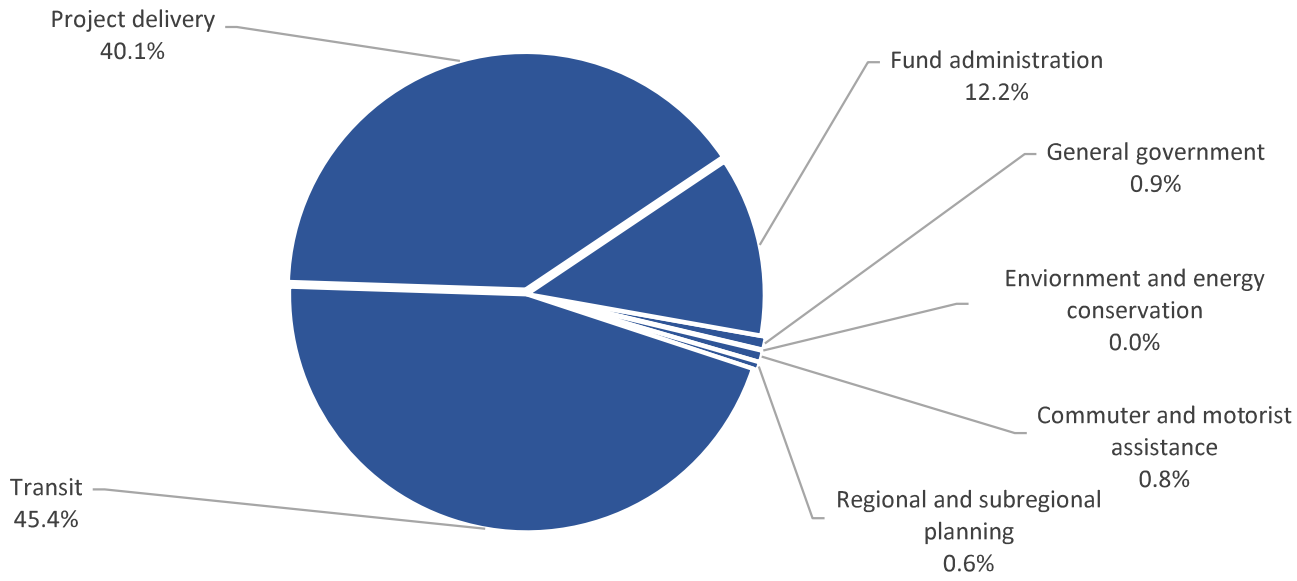


Revenue Sources-Governmental Activities



Measure I and local transportation fund sales tax revenues provided 61.9% of the overall revenue sources of the governmental activities. Another large source of revenue is capital grants and contributions which included various federal, state and local grants and reimbursements. SBCTA leverages Measure I sales tax revenue to obtain federal and state grants.

Functions/Programs-Governmental Activities



Project delivery, transit, and fund administration represented 97.7% of the expenditures of 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 $990,701,678 at June 30, 2023. This represented a $75,017,548 increase from the previous fiscal year mainly due to transfers from the enterprise fund associated with the I-10 corridor express lanes contract 1 project. The total fund balance was either *nonspendable, restricted, committed, assigned or unassigned* as follows:

- Nonspendable for prepaids and deposits-$303,287
- Restricted due to external and third-party restrictions or regulations-$1,013,914,600
- Committed for particular purposes by SBCTA board action-$1,002,524
- Assigned for specific purposes-$14,841,201
- Unassigned (general purpose and deficit)-($39,359,934)

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 $15,595,546, which represents a $5,495,230 increase from the previous fiscal year. The increase in the fund balance was due to higher reimbursements from the local transportation and state transit assistance funds, higher interest earnings and a gain on sale of capital assets. Total fund balance of the general fund was either *nonspendable* ($254,345 for deposits receivable and prepaid items), assigned ($14,841,201 for general administration, regional and subregional planning, transit services, and capital improvements), and unassigned general purpose ($500,000).

Federal Highway Special Revenue Fund
The federal highway special revenue fund reported a restricted fund deficit of $23,560,834 for freeway projects 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 reimbursements as well as grant expenditure without corresponding executed grant agreements at June 30, 2023.

Federal Transit Administration Special Revenue Fund
The federal transit administration special revenue fund reported an unassigned fund deficit of $9,743,764 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, 2023.

State Highway Special Revenue Fund
The state highway special revenue fund reported an unassigned fund deficit of $5,603,808 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, 2023.

Proposition 1B Special Revenue Fund
The proposition 1B special revenue fund reported an unassigned fund deficit of $32,959 at the end of the fiscal year. The deficit was attributed to deferred inflows of resources-unavailable grant at June 30, 2023.

Local Transportation Fund Special Revenue Fund
The fund balance of the local transportation fund special revenue fund increased by $44,029,033 from the previous fiscal year. The increase in fund balance was primarily attributed to an increase in local transportation sales tax funds and lower amounts of expenditures for general administrative, planning and rail expenditures. Total fund balance of $332,884,770 was reported as *restricted* fund balance at June 30, 2023.

State Transit Assistance Fund Special Revenue Fund
The fund balance of the state transit fund special revenue fund was $108,489,255 at the end of the fiscal year which represents a $14,767,800 increase. The increase in fund balance was attributed to reduced spending funds for transit operations. Total fund balance is reported as *restricted* at June 30, 2023.

1990-2010 Measure I Special Revenue Fund
The 1990-2010 Measure I special revenue fund had a decrease in the fund balance of $961,752 from the previous fiscal year. The decrease of fund balance is a result of expenses exceeding interest revenue. Total fund balance of $3,778,276 is reported as *restricted* at June 30, 2023.

2010-2040 Measure I Special Revenue Fund
The 2010-2040 Measure I special revenue fund had an increase in the fund balance of $21,241,388 from the previous fiscal year. The increase in the fund balance was largely attributed to transfers in from the enterprise fund and sales tax revenues exceeding capital improvement outlays and expenditures. Total fund balance of $533,945,574 is reported as either *nonspendable* ($48,942 for prepaid items) or *restricted* ($533,896,632 for freeway, interchange, major street, and traffic management projects as well as rail, and transit services) at June 30, 2023.

Debt Service Fund
At the end of the fiscal year, the fund balance of the debt service fund was $4,639,240 which represents a $125,004 increase from the previous fiscal year. The increase was due to interest earnings. The total fund balance of the debt service fund is reported as *restricted* at June 30, 2023.

Capital Projects Fund
The capital projects fund reported the fund balance of the capital projects fund increased by $40,425,554 from the previous fiscal year. The total fund balance of $22,931,273 is reported as *restricted* fund balance at June 30, 2023.

General Fund Budgetary Highlights

The net difference between the original budget for expenditure appropriations and the final budget was a decrease of $ 2,825,476. The largest general fund appropriation decrease was primarily attributed to a decrease in Transit for Operations and Capital Outlay. 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 $1,030,344. The increase in revenues was primarily due to an increase in charges for services. Actual expenditures were less than budgetary appropriations by $21.7 million. The most significant budgetary appropriation variance between the final budget and actual amount was attributed to the transit program. The transit variance of $13.7 million is due to certain capital projects identified earlier that were not completed at the end of the fiscal year.

FINANCIAL ANALYSIS OF PROPRIETARY FUNDS

The net position for the I-10 Express Lanes Enterprise Fund resulted in a negative amount of $177,421,362 due to the recognition of interest and loan payable from a loan with United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund construction on the project. The loan and interest will be paid from toll revenues.

The net position for the I-15 Express Lanes Enterprise Fund resulted in a negative amount of $4,273,497 due to recognition of advances from Measure I-Freeway fund to inject cash for payments relating to agreement with Riverside County Transpiration Commission and start-up costs. The advance will be paid from toll revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

SBCTA's net investment in capital assets for its governmental activities as of June 30, 2023 is $413,163,833 (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, 2023 and June 30, 2022:

	Governmental Activities	
	2023	2022
Governmental activities		
Land	$ 75,389,031	$ 67,994,332
Construction in progress	230,476,593	368,543,106
Buildings and building improvements	6,873,908	7,222,061
Improvements to land	65,185,907	11,579,007
Infrastructure	66,140,259	17,996,934
Equipment, furniture, software, and vehicles	2,507,851	787,547
Right-to-use lease equipment	218,630	-
Subscription-based information technology arrangements	202,871	-
Total capital assets	$ 446,995,050	$ 474,122,987

The net decrease in capital assets for the fiscal year was $27,127,937. The net change in capital assets is primarily attributed to completion of the Redlands Passenger Rail Project and donation of assets to the City of San Bernardino and the City of Redlands. The change in construction in progress is related mainly to one large project: I-10 Corridor Contract 1. Other capital asset activity included office furniture and equipment purchase of $26,397, partially offset by an increase in accumulated depreciation/amortization of $6.7 million.

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

Debt Administration

At the end of the fiscal year, SBCTA had a total long-term bonded debt of $171,622,758 and direct borrowings of $177,421,362. This included the sales tax revenue bonds issued in 2014 and 2022 and the TIFIA loan. The following is a summary of the outstanding bonded debt (including unamortized premiums) and direct borrowings at June 30, 2023 and June 30, 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Governmental activities						
Sales tax revenue bonds	$ 171,622,758	$ 178,970,060	$ -	$ -	$ 171,622,758	$ 178,970,060
TIFIA Loan (Direct Borrowing)	-	-	177,421,362	61,422,896	177,421,362	61,422,896
Total outstanding bonded debt	$ 171,622,758	$ 178,970,060	$ 177,421,362	$ -	$ 349,044,120	$ 240,392,956

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

The 2014 and 2022 sales tax revenue bonds were awarded a credit rating of "AAA" from Standard & Poor's and Fitch Ratings.

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 a more detailed 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, decreasing by only 0.26% from the previous year.
- Personal income and personal income per capita increased by 10.68% and 10.40%, respectively from 2020 to 2021 (most current information available).
- The unemployment rate for the County increased slightly from 4.0% to 4.9% from the previous year.
- Measure I sales tax revenue resulted in an increase of $5,242,267 over the prior year. Measure I sales tax revenue was $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, $183.6 million in 2019, $179.0 million in 2020, $222.3 million in 2021, $252.2 million in 2022 and $257.5 million in 2023. This represents a 118.33% increase since fiscal year 2011.

Estimated fiscal year 2023/2024 budget revenues are $912.8 million in comparison to $850.4 million of the previous year. Measure I sales tax revenues are estimated to be $257.0 million in comparison to $250.0 million of the prior year. SBCTA continues to be conservative in Measure I sales tax projections to ensure adequate reserves for future contingencies and sustain economic swings.

Budgeted appropriations for Fiscal Year 2023/2024 are $1,159.9 million. The largest portion of the budget is related to project delivery of $537.7 million and the transit program of $408.6 million. The adopted budget is balanced utilizing existing restricted fund balances including bond and short-term proceeds.

SBCTA continues to monitor federal and state transportation funding, study innovative financing alternatives, and aggressively search for additional 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 introduction of new rail transit service to the East Valley of San Bernardino County required coordination with area first responders to ensure public safety and swift emergency response along the corridor.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	$ 882,929,837	$ 60,000	$ 882,989,837
Accrued interest receivable	8,665,298	-	8,665,298
Sales taxes receivable	54,055,078	-	54,055,078
Accounts receivable	376,645	-	376,645
Intergovernmental receivable	159,913,533	-	159,913,533
Deposit receivable	21,507,489	-	21,507,489
Prepaid items	164,885	-	164,885
Intergovernmental agreements receivable	13,271,861	-	13,271,861
Lease receivable	813,260	-	813,260
Internal balances	4,273,497	(4,273,497)	-
Cash and investments-restricted	4,639,240	-	4,639,240
Capital assets not being depreciated:			
Land	75,389,031	-	75,389,031
Construction in progress	230,476,593	-	230,476,593
Capital assets, net of depreciation:			
Buildings and building improvements	6,873,908	-	6,873,908
Improvements to land	65,185,907	-	65,185,907
Infrastructure	66,140,259	-	66,140,259
Equipment, furniture, software, and vehicles	2,507,851	-	2,507,851
Right-to-use leased equipment	218,630	-	218,630
Subscription-based information technology arrangements	202,871	-	202,871
Total assets	1,597,605,673	(4,213,497)	1,593,392,176
Deferred outflows of resources related to net pension liability	6,119,513	-	6,119,513
Liabilities			
Accounts payable	57,617,254	60,000	57,677,254
Accrued liabilities	590,894	-	590,894
Accrued interest payable	2,467,690	-	2,467,690
Intergovernmental payable	39,520,944	-	39,520,944
Deposit payable	45,972	-	45,972
Unearned revenue	13,585,145	-	13,585,145
Long-term liabilities:			
Compensated absences due within one year	172,438	-	172,438
Compensated absences due in more than one year	1,856,533	-	1,856,533
Lease liabilities due within one year	43,218	-	43,218
Lease liabilities due in more than one year	175,631	-	175,631
Subscriptions due within one year	49,553	-	49,553
Subscriptions due in more than one year	147,953	-	147,953
Long-term debt due within one year	7,699,560	-	7,699,560
Long-term debt due in more than one year	163,923,198	177,421,362	341,344,560
Net pension liability due in more than one year	12,958,388	-	12,958,388
Advance expenditure agreements due in more than one year	8,529,378	-	8,529,378
Total liabilities	309,383,749	177,481,362	486,865,111
Deferred inflows of resources related to leases, net pension liability and bond refunding	5,013,350	-	5,013,350
Net position			
Net investment in capital assets	413,163,833	-	413,163,833
Restricted for:			
Traveler services	4,936,959	-	4,936,959
Freeway projects	233,317,916	-	233,317,916
Interchange projects	47,990,209	-	47,990,209
Major street projects	233,343,437	-	233,343,437
Rail	17,551,507	-	17,551,507
Transit services	85,086,857	-	85,086,857
Traffic management and project development	26,122,424	-	26,122,424
Transportation development act	441,374,025	-	441,374,025
Unrestricted (deficit)	(213,559,080)	(181,694,859)	(395,253,939)
Total net position	$ 1,289,328,087	$ (181,694,859)	$ 1,107,633,228

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Allocation of Overhead	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary government								
Governmental activities:								
General government	$ 12,384,725	$ (6,229,290)	$ 1,010,067	$ 314,036	$ -	$ (4,831,332)	$ -	$ (4,831,332)
Environment and energy conservation	202,265	38,033	-	-	-	(240,298)	-	(240,298)
Commuter and motorist assistance	5,121,875	205,112	-	5,291,342	-	(35,645)	-	(35,645)
Regional and subregional planning	2,856,411	854,175	-	1,183,367	-	(2,527,219)	-	(2,527,219)
Transit	304,436,326	1,556,917	-	52,923,584	32,073,961	(220,995,698)	-	(220,995,698)
Project delivery	267,212,844	2,506,409	-	72,074,470	53,972,911	(143,671,872)	-	(143,671,872)
Fund administration	81,090,195	1,068,644	-	12,474,419	-	(69,684,420)	-	(69,684,420)
Interest and fiscal charges	5,816,182	-	-	-	-	(5,816,182)	-	(5,816,182)
Total governmental activities	$ 679,120,823	$ -	$ 1,010,067	$ 144,261,218	$ 86,046,872	(447,802,666)	-	(447,802,666)
Business-type activities:								
Toll Enterprise Fund	$ 5,039,710	$ -	$ -	$ -	$ -	-	(5,039,710)	(5,039,710)
			General revenues:					
			Sales tax-Measure I			257,469,979	-	257,469,979
			Sales tax-local transportation fund			147,692,918	-	147,692,918
			Unrestricted investment earnings			17,347,257	-	17,347,257
			Miscellaneous			170,159	-	170,159
			Gain on sale of capital assets			1,260,743	-	1,260,743
			Transfers			115,146,711	(115,146,711)	-
			Total general revenues			539,087,767	(115,146,711)	423,941,056
			Change in net position			91,285,101	(120,186,421)	(28,901,320)
			Net position at beginning of year			1,198,042,986	(61,508,438)	1,136,534,548
			Net position at end of year			$ 1,289,328,087	$ (181,694,859)	$ 1,107,633,228

See accompanying notes to financial statements

SBCTA and the City of Barstow gathered at the historic Casa Del Desierto Santa Fe Depot to officially break ground on the new North First Avenue Bridge over the Burlington Northern Santa Fe Railroad (BNSF) Rail Yard. This event marks a critical initial step toward a renaissance of one of the important High Desert cities.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Revenue: Federal Highway	Special Revenue: Federal Transit Administration	Special Revenue: State Highway
Assets				
Cash and investments	$ 23,119	$ 3,346	$ -	$ -
Accrued interest receivable	105,641	35,542	-	-
Sales taxes receivable	443,152	-	-	-
Accounts receivable	2,841	-	-	-
Intergovernmental receivable	168,420	37,227,789	28,615,587	35,831,759
Deposit receivable	138,402	2,413,981	18,028,520	12,385
Due from other funds	21,339,623	-	-	-
Prepaid items	115,943	-	-	-
Intergovernmental agreements receivable	-	-	-	-
Lease receivable	813,260	-	-	-
Advances to other funds *	-	-	-	-
Cash and investments-restricted	-	-	-	-
Total assets	$ 23,150,401	$ 39,680,658	$ 46,644,107	$ 35,844,144
Liabilities				
Accounts payable	$ 4,184,396	$ 16,385,233	$ 1,631,692	$ 6,728,361
Accrued liabilities	445,863	-	-	24,006
Intergovernmental payable	1,612,904	850,461	50,000	170,532
Due to other funds	300,000	30,616,950	44,962,415	28,921,245
Deposit payable	45,972	-	-	-
Advances from other funds *	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	6,589,135	47,852,644	46,644,107	35,844,144
Deferred inflows of resources				
Unavailable grant and local reimbursements	965,720	15,388,848	9,743,764	5,603,808
Fund balances (deficits)				
Nonspendable:				
Deposit receivable	138,402	-	-	-
Prepaid items	115,943	-	-	-
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	8,789,762	-	-	-
Capital improvements	3,591,568	-	-	-
Regional and subregional planning	2,459,871	-	-	-
Unassigned:				
General purpose	500,000	-	-	-
(Deficits)	-	(23,560,834)	(9,743,764)	(5,603,808)
Total fund balances (deficits)	15,595,546	(23,560,834)	(9,743,764)	(5,603,808)
Total liabilities, deferred inflows of resources and fund balances	$ 23,150,401	$ 39,680,658	$ 46,644,107	$ 35,844,144

* Advances to and from other funds do not zero out in this statement due to activity with the proprietary funds.

See accompanying notes to financial statements

Special Revenue						
Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service	Capital Projects
$ -	$ 312,041,544	$ 119,923,588	$ 4,342,711	$ 420,914,740	$ -	$ 17,697,709
-	3,970,969	1,536,616	21,913	2,776,802	-	168,527
-	-	9,739,833	-	43,872,093	-	-
-	-	-	-	-	-	373,804
878,401	25,164,403	-	-	-	-	25,181,094
-	-	-	-	653,853	-	260,348
-	150,000	150,000	-	109,525,101	-	-
-	-	-	-	48,942	-	-
-	-	-	-	-	-	13,271,861
-	-	-	-	-	-	-
-	-	-	-	15,096,211	-	-
-	-	-	-	-	4,639,240	-
$ 878,401	$ 341,326,916	$ 131,350,037	$ 4,364,624	$ 592,887,742	$ 4,639,240	$ 56,953,343
$ 322,244	$ -	$ -	$ 86,348	$ 22,810,173	$ -	$ 3,818,240
-	-	-	-	102,488	-	-
-	-	223,472	500,000	36,029,507	-	25,219
556,157	8,442,146	12,897,477	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	10,822,714
-	-	-	-	-	-	13,585,145
878,401	8,442,146	13,120,949	586,348	58,942,168	-	28,251,318
32,959	-	9,739,833	-	-	-	5,770,752
-	-	-	-	-	-	-
-	-	-	-	48,942	-	-
-	-	-	-	-	-	-
-	-	-	-	182,154,614	-	1,812
-	-	-	-	47,989,967	-	242
-	-	-	1,567,374	208,905,403	-	22,870,660
-	-	-	-	6,279,449	-	58,559
-	-	-	-	64,688,756	-	-
-	-	-	2,210,902	23,878,443	-	-
-	332,884,770	108,489,255	-	-	-	-
-	-	-	-	-	4,639,240	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(32,959)	-	-	-	-	-	-
(32,959)	332,884,770	108,489,255	3,778,276	533,945,574	4,639,240	22,931,273
$ 878,401	$ 341,326,916	$ 131,350,037	$ 4,364,624	$ 592,887,742	$ 4,639,240	$ 56,953,343

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash and investments	$ 7,983,080	$ 882,929,837
Accrued interest receivable	49,288	8,665,298
Sales taxes receivable	-	54,055,078
Accounts receivable	-	376,645
Intergovernmental receivable	6,846,080	159,913,533
Deposit receivable	-	21,507,489
Due from other funds	-	131,164,724
Prepaid items	-	164,885
Intergovernmental agreements receivable	-	13,271,861
Lease receivable	-	813,260
Advances to other funds *	-	15,096,211
Cash and investments-restricted	-	4,639,240
Total assets	$ 14,878,448	$ 1,292,598,061
Liabilities		
Accounts payable	$ 1,650,567	$ 57,617,254
Accrued liabilities	18,537	590,894
Intergovernmental payable	58,849	39,520,944
Due to other funds	4,468,334	131,164,724
Deposit payable	-	45,972
Advances from other funds *	-	10,822,714
Unearned revenue	-	13,585,145
Total liabilities	6,196,287	253,347,647
Deferred inflows of resources		
Unavailable grant and local reimbursements	1,303,052	48,548,736
Fund balances (deficits)		
Nonspendable:		
Deposit receivable	-	138,402
Prepaid items	-	164,885
Restricted:		
Traveler services	4,936,959	4,936,959
Freeway projects	-	182,156,426
Interchange projects	-	47,990,209
Major street projects	-	233,343,437
Rail	2,357,657	8,695,665
Transit services	538	64,689,294
Traffic management and project development	-	26,089,345
Transportation development act	-	441,374,025
Debt service	-	4,639,240
Committed-council of governments	1,002,524	1,002,524
Assigned:		
General administration	-	8,789,762
Capital improvements	-	3,591,568
Regional and subregional planning	-	2,459,871
Unassigned:		
General purpose	-	500,000
(Deficits)	(918,569)	(39,859,934)
Total fund balances (deficits)	7,379,109	990,701,678
Total liabilities, deferred inflows of resources and fund balances	$ 14,878,448	$ 1,292,598,061

* Advances to and from other funds do not zero out in this statement due to activity with the proprietary funds.

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, 2023

Fund balances-total governmental funds (page 20)	$ 990,701,678
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.	446,995,050
Revenues recognized for governmental activities that are not available in the current period and, therefore, are not reported in the funds.	48,548,736
Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds.	(2,467,690)
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	(2,028,971)
Leases	(218,849)
Subscriptions	(197,506)
Revenue bonds payable	(155,045,000)
Unamortized premium on revenue bonds	(16,577,758)
Advance expenditure agreements	(8,529,378)
Deferred outflows deferred amounts on refunding that are applicable to future periods and therefore are not reported in the funds.	(2,323,208)
Deferred inflows related to right-to-use lease assets	(806,731)
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 outlows and deferred inflows of resources are therefore not reported in the governmental funds.	
Net pension payable	(12,958,388)
Deferred outflows of resources related to pensions	6,119,513
Deferred inflows of resources related to pensions	(1,883,411)
Net position of governmental activities	$1,289,328,087

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, 2023

		Special Revenue		
	General	Federal Highway	Federal Transit Administration	State Highway
Revenues				
Sales tax-Measure I	$ 2,574,700	$ -	$ -	$ -
Sales tax-local transportation fund	-	-	-	-
Intergovernmental	-	35,783,822	19,011,731	60,679,247
Charges for services	678,791	-	-	-
Special assessments	-	-	-	-
Investment earnings	241,641	94,185	-	-
Miscellaneous	335,412	735,078	-	-
Total revenues	3,830,544	36,613,085	19,011,731	60,679,247
Expenditures				
Current:				
General government	11,089,263	-	-	244
Environment and energy conservation	13,430	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	718,757	-	-	258,181
Transit	5,440,684	1,474,613	25,810,829	5,043,315
Project delivery	-	43,280,873	-	50,613,141
Fund administration	519,938	-	-	809,576
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	7,116,498	4,839,170	-	8,416,594
Total expenditures	24,898,570	49,594,656	25,810,829	65,141,051
Excess (deficiency) of revenues over (under) expenditures	(21,068,026)	(12,981,571)	(6,799,098)	(4,461,804)
Other financing sources (uses)				
Transfers in	24,801,015	-	-	-
Transfers out	-	(21,459,417)	-	-
Lease financing	268,088	-	-	-
Subscription financing	233,410	-	-	-
Gain on sale of assets	1,260,743	-	-	-
Total other financing sources (uses)	26,563,256	(21,459,417)	-	-
Net change in fund balances	5,495,230	(34,440,988)	(6,799,098)	(4,461,804)
Fund balances (deficits) beginning of year	10,100,316	10,880,154	(2,944,666)	(1,142,004)
Fund balances (deficits) end of year	$ 15,595,546	$ (23,560,834)	$ (9,743,764)	$ (5,603,808)

See accompanying notes to financial statements

Special Revenue						
Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service	Capital Projects
$ -	$ -	$ -	$ -	$ 254,895,279	$ -	$ -
-	147,692,918	-	-	-	-	-
2,922,737	-	29,166,205	-	-	-	41,482,637
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,642	4,716,532	2,159,601	77,825	8,961,764	125,004	660,497
-	-	-	35	-	-	150,618
2,937,379	152,409,450	31,325,806	77,860	263,857,043	125,004	42,293,752
-	-	-	-	867,156	-	-
-	-	-	-	34,048	-	84,148
-	-	-	-	183,259	-	368,748
-	-	-	-	1,021,001	-	47,358
4,454,743	90,191,590	16,558,006	-	49,029,994	-	3,904,096
2,826,653	-	-	1,039,612	144,055,553	-	18,931,758
-	-	-	-	96,269,974	-	-
-	-	-	-	-	5,570,000	-
-	-	-	-	-	7,686,163	-
2,852,994	-	-	-	45,421,449	-	67,225
10,134,390	90,191,590	16,558,006	1,039,612	336,882,434	13,256,163	23,403,333
(7,197,011)	62,217,860	14,767,800	(961,752)	(73,025,391)	(13,131,159)	18,890,419
1,805,948	-	-	-	115,232,322	13,256,163	21,535,147
-	(18,188,827)	-	-	(20,965,543)	-	(12)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,805,948	(18,188,827)	-	-	94,266,779	13,256,163	21,535,135
(5,391,063)	44,029,033	14,767,800	(961,752)	21,241,388	125,004	40,425,554
5,358,104	288,855,737	93,721,455	4,740,028	512,704,186	4,514,236	(17,494,281)
$ (32,959)	$ 332,884,770	$ 108,489,255	$ 3,778,276	$ 533,945,574	$ 4,639,240	$ 22,931,273

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Sales tax-Measure I	$ -	$ 257,469,979
Sales tax-local transportation fund	-	147,692,918
Intergovernmental	16,293,526	205,339,905
Charges for services	-	678,791
Special assessments	331,276	331,276
Investment earnings	156,870	17,208,561
Miscellaneous	78,464	1,299,607
Total revenues	16,860,136	630,021,037
Expenditures		
Current:		
General government	409,432	12,366,095
Environment and energy conservation	72,810	204,436
Commuter and motorist assistance	4,526,865	5,078,872
Regional and subregional planning	879,628	2,924,925
Transit and passenger rail	53,221	201,961,091
Project delivery	6,666,238	267,413,828
Fund administration and programming	-	97,599,488
Debt Service:		
Principal	-	5,570,000
Interest and fiscal charges	-	7,686,163
Capital outlay	2,393,613	71,107,543
Total expenditures	15,001,807	671,912,441
Excess (deficiency) of revenues over (under) expenditures	1,858,329	(41,891,404)
Other financing sources (uses)		
Transfers in	7,375	176,637,970
Transfers out	(877,460)	(61,491,259)
Lease financing	-	268,088
Subscription financing	-	233,410
Gain on sale of assets	-	1,260,743
Total other financing sources (uses)	(870,085)	116,908,952
Net change in fund balances	988,244	75,017,548
Fund balances (deficits) beginning of year	6,390,865	915,684,130
Fund balances (deficits) end of year	$ 7,379,109	$ 990,701,678

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, 2023

Net changes in fund balances-total governmental funds (page 24)	$ 75,017,548
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	26,398
Construction in progress for completed projects included in capital outlay	(96,840,105)
Construction in progress - capital outlay	71,081,215
Donated land	5,204,875
Disposal of assets	(394,879)
Depreciation	(6,626,942)
Amortization	(73,467)
Net changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	18,836,233
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 similaritems 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	5,570,000
Amortization of premium on sales tax revenue bonds	1,777,302
Payment on advance expenditure agreements	16,423,622
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	65,870
Changes in deferred inflows related to sales tax revenue bonds	138,696
Changes in accrued interest on sales tax revenue bonds	92,833
Changes in right-to-use lease equipment	42,555
Changes in subscription-based information technology arrangements	34,506
Changes in net pension liability and related deferred inflows/outlows of resources	908,841
Change in net position of governmental activities	$ 91,285,101

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities		
	I-10 Toll Enterprise	I-15 Toll Enterprise	Total
Assets			
Current assets			
Cash and investments	$ -	$ 60,000	$ 60,000
Total assets	$ -	$ 60,000	$ 60,000
Liabilities			
Current liabilities			
Accounts payable	-	60,000	60,000
Noncurrent liabilities			
Advance from other funds	-	4,273,497	4,273,497
TIFIA loan payable	174,453,619	-	174,453,619
Interest payable	2,967,743	-	2,967,743
Total noncurrent liabilities	177,421,362	4,273,497	181,694,859
Total liabilities	177,421,362	4,333,497	181,754,859
Net position (deficits)			
Restricted for toll operations (deficit)	(177,421,362)	(4,273,497)	(181,694,859)
Total net position (deficits)	$ (177,421,362)	$ (4,273,497)	$ (181,694,859)

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities		
	I-10 Toll Enterprise	I-15 Toll Enterprise	Total
Nonoperating revenues (expenses)			
Property services	$ -	$ (2,422,633)	$ (2,422,633)
Interest expense	(2,617,077)	-	(2,617,077)
Total nonoperating revenues (expenses)	(2,617,077)	(2,422,633)	(5,039,710)
Income before transfers	(2,617,077)	(2,422,633)	(5,039,710)
Transfers in from governmental funds	85,542	-	85,542
Transfers out to governmental funds	(113,381,389)	(1,850,864)	(115,232,253)
Total transfers	(113,295,847)	(1,850,864)	(115,146,711)
Change in net position	(115,912,924)	(4,273,497)	(120,186,421)
Net position (deficits) at beginning of year	(61,508,438)	-	(61,508,438)
Net position (deficits) at end of year	$ (177,421,362)	$ (4,273,497)	$ (181,694,859)

See accompanying notes to financial statements

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities		
	I-10 Toll Enterprise	I-15 Toll Enterprise	Total
Cash flows from capital and related financing activities			
Transfers of TIFIA proceeds to governmental activities	$ (113,381,389)	$ -	$ (113,381,389)
Proceeds of draws from loan with USDOT TIFIA program	113,381,389	-	113,381,389
Advance from Measure I - Freeway Fund	85,542	4,273,497	4,359,039
Acquisition and construction of capital assets	-	(2,362,633)	(2,362,633)
Transfers to governmental activities related to construction	(85,542)	(1,850,864)	(1,936,406)
Net cash used for capital and related financing activities	-	60,000	60,000
Cash and investments at beginning of year	-	-	-
Cash and investments at end of year	$ -	$ 60,000	$ 60,000

See accompanying notes to financial statements

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 (Caltrans). 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.

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 has two enterprise funds to account for toll operations, which are presented as business-type activity.

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 and finance costs based on the number of transactions. 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, state of good repair, Measure I administration, modeling fees and congestion management program.

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, highway bridge program and highway infrastructure 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 7.75 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 fund also includes costs associated with the I-10 Express Lanes activities until substantial completion of the project, which is anticipated to be in mid-2024.

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, valley 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.

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 (8) beats operating along sixty-five (65) centerline miles of highway in the Valley area. Contract expenditures include technical communications, the California Highway Patrol, and various tow agreements.

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 Express Lanes 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 restrictive portion of the funding addresses new beats, such as weekend services and a beat in the Cajon Pass area. The unrestrictive portion of the funding is utilized for increases that have occurred since the approval of the SB1 funds. The funding benefits the nine (9) beats in the program.

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 the Regional Transportation Plan and greenhouse reduction. Funding supports 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 Express Lanes Corridor Contract 1 and the US 395 widening of SR 18.

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 Redlands Passenger Rail Project.

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.

California Wildlife Conservation Fund

This *special revenue fund* accounts for funds received for planning associated with the Regional Conservation Investment Strategy.

Affordable Housing and Sustainable Communities Program Fund

This *special revenue fund* accounts for funds received for projects that reduce greenhouse gas emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development.

SBCTA reports two enterprise funds as one business type activity to account for toll activities. Toll revenues are expected to start in fiscal year 2024. Only current activity is associated with long term debt.

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 with an executed award agreement for all revenue types except sales tax. Sales tax are accrued when receipt occurs within sixty 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 measureable 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.

Proprietary fund are used to account for business-type activities, which will be financed mainly by fees to users of the services provided by the toll operations fund. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the toll operations fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Toll operations are expected to commence in Fiscal Year 2023/2024, prior to this only non-operating items and transfers are the only activity.

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

Board-approved budget amendment shall be necessary except in the following circumstances:

1. Transfers from one task, subtask, object code, or revenue code to another task, subtask, object code, or revenue code within the same fund and program. This amendment shall require the approval of the program/task manager.
2. Reallocation of budgeted salary and benefits costs and associated revenues from one program or fund to another fund or program when both funds and programs are included in the adopted budget. This amendment shall require the approval of the Chief Financial Officer.
3. Substitution of one fund for another fund where both funds are included in the adopted budget within the same program, not to exceed $1 million. This amendment shall require the approval of the Executive Director or designee.

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, 2023, no expenditures exceeded appropriations.

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

Cash and Investments

Cash and investments include amounts in demand deposits, bank investment contracts, money market mutual funds and cash on deposit with the County of San Bernardino Treasury, the Local Agency Investment Fund (LAIF), and the 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.

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, agreements, 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 allowance is not required for receivables.

Prepaids

Payments to vendors for services that will benefit periods beyond June 30, 2023, 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.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure, buildings, equipment, vehicles, software, right-to-use leased equipment, and subscription-based information technology arrangements 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 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 outstanding balance of the Transportation Infrastructure Finance Innovation Act (TIFIA) loan is included in the calculation of net investment in capital assets since the loan funds the toll lanes construction on the I-10. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Building and building improvements, improvements to land, equipment and furniture, vehicles, software, call boxes, communications, electrical vehicle (EV) chargers, infrastructure, rail stations, and train cars of the primary government are depreciated/amortized 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
Right-to-use leased equipment *	3 to 30 years
Subscription-based information technology arrangements *	3 to 30 years
Train cars	25 years

* Useful life based on practice, not policy

Project Delivery Expenditure/Expense

Freeway, freeway interchange, grade separation construction, and certain purchases of right-of-way property, for which title vests with the Caltrans 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 net assets/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 sales tax revenue bonds and pension, see Note 9 and Note 12, respectively.

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 net assets/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 as shown on the fund financial statements. For deferred inflows related to pension, see Note 12.

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.

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 requires future funding.

Fund Balance Flow Assumptions

In circumstances when an expenditure is incurred 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 (Board) 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 and deposits receivable.

Restricted

This category 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. Commitments may be changed only by SBCTA Board, anytime during the fiscal year, taking the same formal action that originally imposed the constraint.

Assigned

This category 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 Board has delegated authority to the Chief Financial Officer.

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

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

Three percent of the revenue generated in the San Bernardino Valley and the Victor Valley subareas are 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 of the Local Transportation Funds are derived from the quarter cent of the 7.75% retail sales tax collected countywide. The quarter cent is allocated 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 position. Bond premiums are amortized over the life of the bond using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed as incurred.

The governmental fund financial statements do not present long-term debt and other financed obligations. Governmental funds recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Principal payments and reductions in the obligation are

reported as debt service expenditures. As such, long-term debt and other financed obligations are shown as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

J. Compensated Absences

Regular, full-time employees earn vacation at the rate of 10 to 20 days per year based upon length of service. Vested accumulated vacation leave that is the unmatured portion is included with long-term debt in the government-wide financial statements.

Sick leave is recorded as expenditures in the governmental 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.

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 by SBCERA and PERS are reported at fair value.

L. Effects of new pronouncements

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. SBCTA has implemented this Statement for fiscal year ended June 30, 2022. The adoption of this statement did not have a material impact on the financial statements.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of this statement resulted in the inclusion of disclosure for two agreements relating to express lanes and rail operations. For additional details, see note 17.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement resulted in the inclusion of subscription-based information technology arrangement assets, and subscription liability in the government-wide financial statements. For additional details, see note 10.

2. RECONCILIATION OF GOVERMENT-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 $446,995,050 are as follows:

Land	$ 75,389,031
Construction in progress	230,476,593
Building and building improvements	10,620,860
Infrastructure	73,049,607
Improvements to land	74,325,081
Equipment, furniture, software, and vehicles	8,333,559
Subscription-based information technology arrangements	233,410
Less: Accumulated depreciation	261,558
Net adjustment to increase fund balance - total governmental funds	(25,694,649)
to arrive at net position - governmental activities	$ 446,995,050

3. DEFICIT FUND EQUITY

As of June 30, 2023, the following funds had a deficit fund balance:

	Deficit Amount
Special Revenue Funds:	
Federal Highway	$ (23,560,834)
Federal Transit Administration	(9,743,764)
State Highway	(5,603,808)
Proposition 1B	(32,959)
Nonmajor Funds:	
Local Partnership Program - Formula Senate Bill 1	(40,817)
Trade Corridor Enhancement Program Senate Bill 1	(844,673)
California Wildlife Conservation	(33,079)
Enterprise Fund:	
I-10 Toll Opertations	(177,421,632)
I-15 Toll Opertations	(4,273,497)

The deficits are attributed to certain grants from federal, state, and local agencies not received before the revenue recognition criteria of 180 days or without an executed grant agreement. Amounts are not recognized as revenue, receivable or deferred inflows when an expenditure-driven grant does not have an executed agreement with the granting authority by June 30, 2023. The fund balance deficits will be offset with future collections of grant revenue.

Enterprise fund for toll operations have a negative net position due to recognition of advances to Measure I-Freeway and interest and loan payables that will be offset with future toll revenues.

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2023 consist of the following:

	Unrestricted			Restricted	Grand
	Cash	Investments	Total	Investments	Total
Cash in bank	$ 68,736,941	$ -	$ 68,736,941	$ -	$ 68,736,941
Petty cash	1,000	-	1,000	-	1,000
San Bernardino county pool	541,863,729	-	541,863,729	-	541,863,729
Local agency investment fund	7,514,473	-	7,514,473	-	7,514,473
California asset management program	33,645,009	-	33,645,009	-	33,645,009
Investments with custodian	-	231,228,685	231,228,685	-	231,228,685
Investments with fiscal agent	-	-	-	4,639,240	4,639,240
	$ 651,761,152	$ 231,228,685	$ 882,989,837	$ 4,639,240	$ 887,629,077

Investments Authorized

SBCTA Investment Policy No. 20100 complies with and is more restrictive than applicable state statutes and authorizes investments in the following:

	Maximum		
Investment Type	Maturity	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	40%	3%
Negotiable certificates of deposit	5 years	30%	3%
Repurchase agreements	30 days	20%	20%
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 $75 million	60%
California asset management program	N/A	No Limit	No Limit
Supranationals	5 years	30%	30%
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	$	162,760,484	1.47
U.S. government sponsored enterprise securities:			
FHLB		5,189,785	1.36
FHLMC		19,774,577	1.07
FNMA		7,524,427	0.27
California and Other Municipals		200,000	0.00
Corporate notes		23,431,142	1.76
Supranationals		2,536,839	0.82
Money market mutual funds		14,450,671	0.07
Total	$	235,867,925	
External pools:			
Local agency investment fund	$	7,514,473	0.71
California asset management program		33,645,009	0.07
County of San Bernardino pool		541,863,729	1.47
Total	$	583,023,211	

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 No. 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 rating category while an issuer of medium-term corporate notes must be rated in the rating category of "A" or higher. Negotiable certificates of deposit must be rated in the rating category of "A for long-term, and "A-1" for short-term or higher. 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, 2023	Exempt from Disclosure	AAA	AA	A-1/A-1+	Not Rated
U.S. Treasuries (1)	$ 162,760,484	$ 162,760,484	$ -	$ -	$ -	$ -
U.S. government sponsored enterprise securities						
FHLB	5,189,785	-	-	5,189,785	-	-
FHLMC	19,774,577	-	-	19,774,577	-	-
FNMA	7,524,427	-	-	7,524,427	-	-
California and Other Municipals	200,000	-	-	-	-	200,000
Corporate notes (2)	23,431,142	-	2,114,777	10,906,889	10,409,476	-
Supranationals	2,536,839	-	2,536,839	-	-	-
Money market mutual funds	14,450,671	-	-	-	-	14,450,671
Total	$ 235,867,925	$ 162,760,484	$ 4,651,616	$ 43,395,678	$ 10,409,476	$ 14,650,671

(1) Exempt from disclosure
(2) Includes ratings from S&P and Moody's

S & P Rating	CAMP % of Fund	County % of Fund	LAIF
AAA	0.0%	7.8%	Not Rated
AAAm	1.6%	4.6%	
AA+	3.1%	63.2%	
AA	0.0%	1.2%	
AA-	0.0%	0.6%	
A-1+	25.2%	6.1%	
A-1+	68.8%	7.1%	
A+	1.0%	1.3%	
A	0.3%	2.5%	
Exempt	0.0%	5.6%	
	100.0%	100.0%	

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, 2023:

Investment Type	Amount as of June 30, 2023	Level 1	Level 2
US Treasuries	$ 162,760,484	$ 162,760,484	$ -
US government sponsored enterprise securities:			
FHLB	5,189,785	-	5,189,785
FHLMC	19,774,577	-	19,774,577
FNMA	7,524,427	-	7,524,427
California and Other Municipals	200,000	-	200,000
Corporate notes	23,431,142	-	23,431,142
Supranationals	2,536,839	-	2,536,839
Money market mutual funds	14,450,671	9,811,431	4,639,240
Subtotal	235,867,925	$ 172,571,915	$ 63,296,010
Other investments not subject to fair measures classification:			
Local agency investment fund	7,514,473		
California asset management program	33,645,009		
County San Bernardino pool	541,863,729		
Total	$ 818,891,136		

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. Level 3 are unobservable inputs that may be developed based on the best information available in the circumstances. 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.

- SBCTA uses an independent third-party custodian/safekeeper to domicile the securities in its portfolio. SBCTA uses US 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, 2023, SBCTA has bank deposits within two separate bank accounts with a total balance of $68,736,940 of which $500,000 is federally insured and $68,236,940 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 (CAMP)

SBCTA is a voluntary participant in the 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.

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, 2023:

Receivable Fund	Payable Fund		Amount
2010-2040 Measure I	Federal highway	$	30,616,950
	Federal transit administration		44,962,415
	State highway		28,921,245
	Proposition 1B		556,157
	Nonmajor governmental		4,468,334
General	Local transportation		8,442,146
	State transit assistance		12,897,477
Local transportation	General		150,000
State transit assistance	General		150,000
	Total	$	131,164,724

B. Advances to and from

SBCTA has approved five 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 and Enterprise fund as follows:

- A non-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, 2023, is $6,013,691.
- A non-interest-bearing interfund loan for the Upland based on the allocation of Measure I Major Street Program - Arterial Sub-Program funds. The interfund loan amount as of June 30, 2023, is $0.
- A non-interest-bearing interfund loan for the City of Montclair based on the allocation of Measure I Major Street Program - Arterial Sub-Program funds. The interfund loan amount as of June 30, 2023, is $1,907,426.
- A non-interest-bearing interfund loan for the City of Ontario based on the allocation of Measure I Major Street Program - Arterial Sub-Program funds. The interfund loan amount as of June 30, 2023, is $2,901,597.
- A non-interest-bearing interfund loan for the Riverside County Transportation Commission (RCTC) to fund Riverside County project development costs. The interfund loan amount as of June 30, 2023 is $4,273,497.

The following are the advances to and advances from balances as of June 30, 2023:

Receivable Fund	Payable Fund		Amount
2010-2040 Measure I	Capital projects	$	10,822,714
	Enterprise		4,273,497
	Total	$	15,096,211

C. Interfund Transfers

Transfers in and out by fund for the fiscal year ended June 30, 2023, were as follows:

		Transfers Out						
		Federal Highway	Local Transportation	2010-2040 Measure I	Capital Projects	Nonmajor	Enterprise	Total
Transfers In	General	$ -	$ 18,188,827	$ 5,742,103	$ -	$ 870,085	$ -	$ 24,801,015
	Proposition 1B	-	-	1,805,948	-	-	-	1,805,948
	2010-2040 Measure I	-	-	57	12	-	115,232,253	115,232,322
	Debt Service	-	-	13,256,163	-	-	-	13,256,163
	Capital Projects	21,459,417	-	75,730	-	-	-	21,535,147
	Nonmajor	-	-	-	-	7,375	-	7,375
	Enterprise	-	-	85,542	-	-	-	85,542
	Total	$ 21,459,417	$ 18,188,827	$ 20,965,543	$ 12	$ 877,460	$ 115,232,253	$ 176,723,512

Transfers from the Federal Highway Fund:

To the Capital Projects Fund of $21,459,417 to optimize funding related to funding for the Mount Vernon Viaduct Project.

Transfers from the Local Transportation Fund:

To the General Fund of $18,188,827 for planning and administrative activities that were budgeted to be funded with TDA funds.

Transfers from the 2010-2040 Measure I Funds:

To the General Fund of $5,742,103 to fund the indirect fund.

To the Proposition 1B Fund of $1,805,948 of for the Redlands Passenger Rail Project to reclassify expenses from Capital to Operations and Maintenance.

Rail Fund to the Interchange Fund of $57 to correct prior year expenses between the Redlands Passenger Rail Project and the I-10 University Street Interchange Project.

To the Debt Service Fund of $13,256,163 transferred to fund debt service commitments.

To the Capital Projects Fund consists of $75,730 to reallocate expenses associated with the refunding of the Sales Tax Revenue Bonds of 2022, Series A.

To the Enterpirse Fund consists of $85,542 to reallocate expenses associated with the Express Lanes.

Transfers from the Capital Projects Fund:

To the 2010-2040 Measure I Fund of $12 to reclassify prior year expenses between the Redlands Passenger Rail Project and the I-10 University Street Interchange Project.

Transfers from the Nonmajor Funds:

To the General Fund consists of the following items:

- $554,771 from the Council of Governments fund to fund the Indirect Cost fund.
- $315,314 from the Service Authority for Freeways fund to fund the Indirect Cost fund.

To the Non-Major Funds consists of the following item:

- $7,375 to reclassify prior year expenses and optimize local funding related to Freeway Service Patrol.

Transfers from the Enterprise Fund:

To the 2010-2040 Measure I Fund of $115,232,253 from draws from the TIFIA loan program for the I-10 Contract 1 Project.

6. INTERGOVERNMENTAL AGREEMENTS RECEIVABLE

SBCTA entered into agreements with jurisdictions for various projects. The payments of the intergovernmental agreements receivables are not expected to be received within the next fiscal year. The outstanding balances of the agreements as of June 30, 2023 are as follows:

Jurisdiction	Agreement number	Amount
City of Highland	18-1001978	$ 6,018,426
City of Fontana	19-1002191	2,444,412
City of Ontario	17-1001704	2,901,597
City of Montclair	17-1001719	1,907,426
		$ 13,271,861

Per Agreement No. 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 an agreement (17-1001629), in the amount of $18,762,403 that superseded the agreement terms of C12219. Per Agreement No. 17-1001629, the City of Hesperia will pay SBCTA one-tenth of the original agreement 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 agreement. The outstanding balance of the agreement as of June 30, 2023 is $0.

Per Agreement No. 18-1001978, which superseded Agreement No. 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) Base Line 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 agreement will not exceed the amount of $9,682,383, which is two-thirds of the estimated local share of project costs. The outstanding agreement balance as of June 30, 2023 is $6,018,426.

Per Cooperative Agreement No. 19-1002225 with the City of Fontana, SBCTA entered into a 2010-2040 Measure I Valley Freeway Interchange Program term loan agreement for the I-15 Duncan Canyon Road Interchange Project. Per Agreement No. 19-1002191, the City of Fontana will pay SBCTA one-tenth of the original agreement amount with the first payment due on March 15, 2020. 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 Program Pass-Through funds and apply the amounts towards the agreement. The agreement will not exceed the amount of $4,074,021. The outstanding agreement balance as of June 30, 2023 is $2,444,412.

Per Cooperative Agreement No. 17-1001704 with the City of Ontario, SBCTA entered into a 2010-2040 Measure I Valley Freeway Interchange Program term loan agreement for the Fourth Street Undercrossing 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 agreement will not exceed the amount of $6,383,764, which is two-thirds of the estimated local share of project costs. The outstanding agreement balance as of June 30, 2023 is $2,901,597.

Per Cooperative Agreement No. 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 agreement will not exceed the amount of $1,405,281, which is two-thirds of the estimated local share of project costs. The outstanding agreement balance as of June 30, 2023 is $0.

Per Cooperative Agreement No. 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 agreement will not exceed the amount of $624,591, which is two-thirds of the estimated local share of project costs. The outstanding agreement balance as of June 30, 2023 is $0.

Per Cooperative Agreement No. 17-1001719 with the City of Montclair, 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 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 agreement will not exceed the amount of $3,897,667, which is two-thirds of the estimated local share of project costs. The outstanding agreement balance as of June 30, 2023 is $1,907,426.

Per Cooperative Agreement No. 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, the City is authorized to borrow Victor Valley Major Local Highway Program funds available to the City to pay the City's share of costs. Borrowed amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. The agreement will not exceed the amount of $13,258,995, which is two-thirds of the estimated local share of project costs. SBCTA does not anticipate an agreement balance until Fiscal Year 2022/2023. The outstanding agreement balance as of June 30, 2023 is $0.

7. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023, were as follows:

Governmental Activities	Balance July 1, 2022	Additions [1]	Deletions [1]	Balance June 30, 2023
Capital assets, not depreciated				
Land	$ 67,994,332	$ 7,729,261	$ (334,562)	$ 75,389,031
Construction in progress	368,543,106	71,081,215	(209,147,728)	230,476,593
Total capital assets, not depreciated	$ 436,537,438	$ 78,810,476	$ (209,482,290)	$ 305,865,624
Capital assets being depreciated/amortized:				
Buildings and building improvements	$ 10,620,860	$ -	$ -	$ 10,620,860
Improvements to land	16,923,102	57,488,146	(86,167)	74,325,081
Infrastructure	23,152,124	49,897,483	-	73,049,607
Equipment, furniture, software and vehicles	5,942,589	2,424,006	(33,036)	8,333,559
Right-to-use lease equipment	-	261,558	-	261,558
Subscription-based information technology arrangements	-	233,410	-	233,410
Total capital assets, depreciated	56,638,675	110,304,603	(119,203)	166,824,075
Less accumulated depreciation/amortization for:				
Buildings and building improvements	$ (3,398,799)	$ (348,153)	$ -	$ (3,746,952)
Improvements to land	(5,344,095)	(3,820,929)	25,850	(9,139,174)
Infrastructure	(5,155,190)	(1,754,158)	-	(6,909,348)
Equipment, furniture, software, and vehicles	(5,155,042)	(703,702)	33,036	(5,825,708)
Right-to-use lease equipment	-	(42,928)	-	(42,928)
Subscription-based information technology arrangements	-	(30,539)	-	(30,539)
Total accumulated depreciation/amortization	(19,053,126)	(6,700,409)	58,886	(25,694,649)
Total capital assets, depreciated	37,585,549	103,604,194	(60,317)	141,129,426
Total capital assets, net	$ 474,122,987	$ 182,414,670	$ (209,542,607)	$ 446,995,050

[1] Diesel Multiple Units and Arrow Maintenance Facility initially scheduled to be owned by SBCTA have been determined to be owned by Southern California Regional Rail Authority (SCRRA)

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

Governmental activities:	
General government	$ 1,008,009
Environment and energy conservation	58,083
Transit	5,634,317
Total depreciation/amortization expense - governmental activities	$ 6,700,409

Construction in Progress consists of the following projects:

Projects	Governmental Activities
Control Point Lilac to control point Rancho double track	$ 1,857,245
Ontario International Airport tunnel	12,286,482
I-10 corridor express lanes contract 1	195,289,771
I-10 corridor express lanes contract 2A	5,780,308
I-15 corridor express lanes contract 1	15,262,787
	$ 230,476,593

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, 2023:

Governmental activities	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year
Long-term debt					
Revenue bonds payable	$ 160,615,000	$ -	$ 5,570,000	$ 155,045,000	$ 5,990,000
Unamortized premium on revenue bonds payable	18,355,060	-	1,777,302	16,577,758	1,709,560
Total long-term debt	178,970,060	-	7,347,302	171,622,758	7,699,560
Other liabilities					
Compensated absences	2,094,841	528,291	594,161	2,028,971	172,438
Lease liability	-	261,558	42,709	218,849	43,218
Subscriptions	-	233,410	35,904	197,506	49,553
Net pension liability	7,870,511	5,087,877	-	12,958,388	-
Advance expenditure agreements	24,953,000	-	16,423,622	8,529,378	4,429,378
Total other liabilities	34,918,352	6,111,136	17,096,396	23,933,092	4,694,587
Total long-term debt and other liabilities, net	$ 213,888,412	$ 6,111,136	$ 24,443,698	$ 195,555,850	$ 12,394,147
Business-type activities					
Long-term debt					
TIFIA Loan (Direct Borrowing)	$ 61,422,896	$ 115,998,466	$ -	$ 177,421,362	$ -
Total long-term debt and other liabilities, net	$ 61,422,896	$ 115,998,466	$ -	$ 177,421,362	$ -

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.

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, 2023 of $7,347,302, represents 2.85% of total applicable sales tax revenue, which was $257,469,979. The future maturities of sales tax revenue bonds payable are as follows:

Year Ending, June 30,	Principal	Interest	Total
2024	$ 5,990,000	$ 7,398,413	$ 13,388,413
2025	6,335,000	7,098,913	13,433,913
2026	6,655,000	6,782,163	13,437,163
2027	6,985,000	6,449,413	13,434,413
2028	7,335,000	6,100,163	13,435,163
2029-2033	42,550,000	24,619,565	67,169,565
2034-2038	54,015,000	13,161,027	67,176,027
2039-2040	25,180,000	1,689,601	26,869,601
	$ 155,045,000	$ 73,299,258	$ 228,344,258

Sales Tax Revenue Bonds of 2014, Series A

The sales tax revenue bonds of $102,785,000 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
2024	$ 2,715,000	$ 4,649,313	$ 7,364,313
2025	3,000,000	4,513,563	7,513,563
2026	3,295,000	4,363,563	7,658,563
2027	3,615,000	4,198,813	7,813,813
2028	3,950,000	4,018,063	7,968,063
2029-2033	25,555,000	16,753,565	42,308,565
2034-2038	37,230,000	9,533,527	46,763,527
2039-2040	18,755,000	1,305,601	20,060,601
	$ 98,115,000	$ 49,336,008	$ 147,451,008

Sales Tax Revenue Bonds of 2022, Series A

The sales tax revenue refunding bonds of $60,050,000 with a premium of $13,108,295, are tax exempt and were issued by the San Bernardino County Transportation Authority on March 1, 2022 to refund the Sales Tax Revenue Bonds of 2012, Series A. 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 Sales Tax Revenue Bonds of 2022, Series A were used to pay in full the outstanding principal balance of the Sales Tax Revenue Bonds of 2012, Series A. The refunding reduced debt service payments by $28,512,194 over the next eighteen (18) years resulting in an economic gain of $12,199,315. The refunding resulted in a gain in the amount of $2,532,783 and is reported as a deferred inflow of resources (less current year amortization of $70,879). The deferred gain is amortized through 2040.

Interest is payable semiannually on March 1st and September 1st of each year at rates of interest ranging from 4% to 5% and yield rates ranging from 0.67% to 2.15%. Principal payments on the bonds began on March 1, 2023 and are due each year thereafter through 2040 ranging from $3,120,000 to $3,405,000. The range of annual debt service ranges from $3,302,000 to $6,025,100.

The debt maturities for the 2022 sales tax revenue bonds payable included in the governmental activities are as follows:

Year Ending, June 30,	Principal	Interest	Total
2024	$ 3,275,000	$ 2,749,100	$ 6,024,100
2025	3,335,000	2,585,350	5,920,350
2026	3,360,000	2,418,600	5,778,600
2027	3,370,000	2,250,600	5,620,600
2028	3,385,000	2,082,100	5,467,100
2029-2033	16,995,000	7,866,000	24,861,000
2034-2038	16,785,000	3,627,500	20,412,500
2039-2040	6,425,000	384,000	6,809,000
	$ 56,930,000	$ 23,963,250	$ 80,893,250

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

Sales Tax Revenue Fiscal Year Ended June 30, 2023	Maximum Annual Debt Service	Debt Coverage Ratio
$257,469,979	$13,437,463	19.16 X

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

SBCTA executed a new TIFIA loan agreement for up to $225 million on June 17, 2021 and terminated the original agreement dated April 26, 2019. The 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 the 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 years after substantial completion of the I-10 Corridor Contract 1 project through December 31, 2057.

The interest rate of the TIFIA loan is set at 2.17% (reduced from the interest rate of 2.93% in the original terminated agreement). In the event the TIFIA loan would enter into a Development Default or Project Abandonment, the interest rate increases to 4.17% (2.17% plus 200 basis points) until the Development Default is cure or the outstanding TIFIA loan balance has been irrevocably paid in full in cash. The first draw commenced in February 2022. The total amount drawn as of June 30, 2023 was $177,421,362, with compounded interest of $2,967,743.

A Senior Debt Service Coverage Ratio of at least 1.35 in each calculation period (which currently there is no senior debt), a Second Lien Debt Service Coverage Ratio of at least 1.25 in each calculation period, and 100% of the Annual Debt Service in such Fiscal Year plus required amounts to fund the reserves starting the month after the substantial completion date will constitute the Coverage Ratio Test. In the event of six consecutive violations of the coverage ratio test, 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 among various asset categories upon substantial completion.

The TIFIA Bond is a Second Lien Obligation per the Second Supplemental Indenture to the Toll Revenue Bond indenture, dated June 1, 2021 (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 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 from toll revenue to support debt service.
- Subordinate bonds debt service reserve of up to $14.9 million, with an initial deposit of $10 million due by June 30, 2027.

In an event of default, SBCTA shall notify the trustee immediately. The trustee shall make payments of outstanding amounts as detailed in the master indenture that includes payment of fees to the trustee, payment of operation and maintenance expenses, accrued and unpaid interest, and unpaid principal due (including amounts for senior lien obligations, second lien obligations, and subordinate obligations) as they apply at the time of default.

Toll Revenue Bonds

In April 2019, SBCTA issued the Toll revenue bond (I-10 Corridor Contract 1 project toll revenue indenture) which is secured by a second lien on the trust future toll revenue with a commitment amount of $93 million of Measure I funds until the year 2040. 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.

Advance Expenditure Agreements

Policy No. 40002, Valley Project Advancement (PA) and Advance Expenditure (AE) Processes-Measure I 2010-2040 Strategic Plan, was adopted by Board on April 1, 2009. The policy delineates requirements for AE to enable the local jurisdictions to advance funding for development and construction of freeway interchange and grade separation projects and receive reimbursement from Measure I as funds become available. One of the requirements is the freeway interchange project must be on the top ten prioritization list approved by the SBCTA Board. Interchanges in the 11-20 priority range may be eligible for an AE agreement on an exception basis, with the required financial plan. Reimbursement for these exception interchanges shall be based on the chronological order of expenditure, following reimbursement for all active top 10 interchanges. In general, SBCTA will complete reimbursement for a freeway interchange or grade separation project in its entirety prior to allocation of funds to construction of a project of lower priority on the freeway interchange or grade separation prioritization list. Additionally, Policy No. 40017, Rural Mountain/Desert Subareas Major Local Highways (MDMLH) Program Measure I 2010-2040 Strategic Plan, allows local jurisdictions in the Rural Mountain/Desert Subareas to advance funding for local priority projects and receive reimbursement from Measure I as funds become available.

The following three agreements are currently approved:

Per AE Agreement No. 00-1000892, SBCTA agrees to reimburse the City of Rancho Cucamonga up to $20,853,000 for interchange improvement at I-15 and Base Line Road. This project is seventh on the interchange priority list and the outstanding amount as of June 30, 2023 is $4,429,378.

Per AE Agreement No. 19-1002192, SBCTA agrees to reimburse the City of Big Bear Lake up to $3,200,000 for the Moonridge Road Improvement Project. The outstanding amount as of June 30, 2023 is $3,200,000.

Per AE Agreement No. 22-1002711, SBCTA agrees to reimburse San Bernardino County up to $900,000 for the Needles Highway, Segment 1C Project. The outstanding amount as of June 30, 2023 is $900,000.

The outstanding balances for advance expenditure agreements as of June 30, 2023 are as follows:

Jurisdiction	Agreement number	Amount
City of Rancho Cucamonga	00-1000892	$ 4,429,378
City of Big Bear Lake	19-1002192	3,200,000
County of San Bernardino	22-1002711	900,000
		$ 8,529,378

Rebatable Arbitrage

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

9. DEFERRED INFLOWS OF RESOURCES

The outstanding balances for deferred inflows of resources as of June 30, 2023 are as follows:

Governmental activities	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Deferred inflows related to leases	$ -	$ 869,612	$ 62,881	$ 806,731
Deferred inflows related to bond refunding	2,461,904	-	138,696	2,323,208
Deferred inflows related to net pension liability	9,543,508	-	7,660,097	1,883,411
Total deferred inflows of resources	$ 12,005,412	$ 869,612	$ 7,861,674	$ 5,013,350

10. SUBSCRIPTIONS PAYABLE

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

On June 1,2023, SBCTA entered into a 36 month subscription for the use of Sharepoint Support Services. An initial subscription liability was recorded in the amount of $41,778.63. As of June 30, 2023, the value of the subscription liability is $40,579. SBCTA is required to make monthly fixed payments of $1,200. The subscription has an interest rate of 2.31%. The value of the right to use asset as of June 30, 2023 of $41,779 with accumulated amortization of $1,161 is included with Software on the Subscription Class activities table found below. SBCTA had a termination period of one (1) month as of the subscription commencement.

On July 1, 2022, SBCTA entered into a 72 month subscription for the use of Planet Bids Online Support Services. An initial subscription liability was recorded in the amount of $44,773. As of June 30, 2023, the value of the subscription liability is $37,108. SBCTA is required to make annual fixed payments of $7,666. The subscription has an interest rate of 2.32%. The value of the right to use asset as of June 30, 2023 of $44,773 with accumulated amortization of $7,462 is included with Software on the Subscription Class activities table found below. SBCTA had a termination period of two (2) months as of the subscription commencement.

On September 30, 2022, SBCTA entered into a 48 month subscription for the use of Envoy Enterprise SaaS. An initial subscription liability was recorded in the amount of $28,567. As of June 30, 2023, the value of the subscription liability is $21,369. SBCTA is required to make annual fixed payments of $7,198. The subscription has an interest rate of 0.53%. The value of the right to use asset as of June 30, 2023 of $28,567 with accumulated amortization of $5,487 is included with Software on the Subscription Class activities table found below. SBCTA has three (3) extension option(s), each for 12 months.

On September 1, 2022, SBCTA entered into a 72 month subscription for the use of Lasferfiche Support Services. An initial subscription liability was recorded in the amount of $118,291. As of June 30, 2023, the value of the subscription liability is $98,451. SBCTA is required to make annual fixed payments of $20,136. The subscription has an interest rate of 0.75%. The value of the right to use asset as of June 30, 2023 of $118,291 with accumulated amortization of $16,429 is included with Software on the Subscription Class activities table found below. SBCTA has two (2) extension option(s), each for 24 months.

Principal and Interest Requirements to Maturity as of June 30, 2023, were as follows:

	Governmental activities		
Fiscal Year	Principal	Interest	Total Payments
2024	$ 47,046	$ 2,507	$ 49,553
2025	46,964	1,845	48,809
2026	47,481	1,188	48,669
2027	27,758	675	28,433
2028	28,257	342	28,599
	$ 197,506	$ 6,557	$ 204,063

11. LEASES

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lease Receivable

On July 1, 2022, SBCTA entered into a 60 month lease as Lessor for the use of office space. An initial lease receivable was recorded in the amount of $32,030. As of June 30, 2023, the value of the lease receivable is $25,854. The lessee is required to make monthly fixed payments of $563. The lease has an interest rate of 2.19%. The office space estimated useful life was 22 years as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was $25,624, and SBCTA recognized lease revenue of $6,406 during the fiscal year.

On July 1, 2022, SBCTA entered into a 120 month lease as Lessor for the use of office space. An initial lease receivable was recorded in the amount of $501,394. As of June 30, 2023, the value of the lease receivable is $456,019. The lessee is required to make monthly fixed payments of $4,752. The lease has an interest rate of 2.66%. The office space estimated useful life was 22 years as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was $451,255, and SBCTA recognized lease revenue of $50,139 during the fiscal year. The lessee has one (1) extension option(s), each for 60 months.

On February 15, 2023, SBCTA entered into a 240 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of $336,1884. As of June 30, 2023, the value of the lease receivable is $331,388. The lessee is required to make monthly fixed payments of $1,800. The lease has an interest rate of 3.36%. The building space estimated useful life was 21 years and 4 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was $329,852, and SBCTA recognized lease revenue of $6,336 during the fiscal year. The lessee has three (3) extension option(s), each for 60 months.

Principal and Interest Expected to Maturity as of June 30, 2023, were as follows:

	Governmental activities		
Fiscal Year	Principal	Interest	Total Payments
2024	$ 62,337	$ 23,044	$ 85,381
2025	64,349	21,319	85,668
2026	66,719	19,525	86,244
2027	68,872	17,672	86,544
2028	64,574	15,814	80,388
2029 - 2033	293,804	51,111	344,915
2034 - 2038	91,824	24,996	116,820
2039 - 2043	100,781	8,251	109,032
	$ 813,260	$ 181,732	$ 994,992

Lease liability

On July 7, 2022, SBCTA entered into a 60 month lease as Lessee for the use of postage equipment. An initial lease liability was recorded in the amount of $35,280. As of June 30, 2023, the value of the lease liability is $28,499. SBCTA is required to make monthly fixed payments of $621. The lease has an interest rate of 2.1860%. The postage equipment's estimated useful life was 6 years as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $35,280 with accumulated amortization of $6,889 is included with the postage equipment on the Lease Class activities table found below. SBCTA had a termination period of one (1) month as of the lease commencement.

On July 20, 2022, SBCTA entered into a 71 month lease as Lessee for the use of Copiers/Multifunction Printers. An initial lease liability was recorded in the amount of $226,279. As of June 30, 2023, the value of the lease liability is $190,350. SBCTA is required to make monthly fixed payments of $3,363. The lease has an interest rate of 2.3220%. The Copiers/Multifunction Printers estimated useful life was three (3) years as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $226,279 with accumulated amortization of $36,040 is included with the Copiers/Multifunction Printers on the Lease Class activities table found below. SBCTA has 3 extension option(s), each for 12 months. SBCTA had a termination period of one (1) month as of the lease commencement.

Principal and Interest Requirement to Maturity as of June 30, 2023, were as follows:

	Governmental activities		
Fiscal Year	Principal	Interest	Total Payments
2024	$ 43,218	$ 4,589	$ 47,807
2025	44,222	3,585	47,807
2026	45,250	2,556	47,806
2027	46,302	1,504	47,806
2028	39,857	503	40,360
	$ 218,849	$ 12,737	$ 231,586

12. 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	$ 323,150	$ 291,845
Changes in actuarial assumptions	896,845	-
Net differences between projected and actual earnings on pension plan investments	283	236,794
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,442,930	1,354,772
Employer contributions paid subsequent to measurement date	3,456,305	-
Total	$ 6,119,513	$ 1,883,411

As of June 30, 2023, combined pension expense (including deferred outflows of resources) is $2,591,541 and the net pension liability is $12,958,388.

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 (2) 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 the 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 (SBCERA 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 annual comprehensive financial report excludes the SBCERA pension plan as of the measurement date. SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at 348 W. Hospitality Lane, Ste 100, San Bernardino, CA 92415-0014, or visiting the website at: www.SBCERA.org.

Benefits Provided

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

	General-Tier 1	General-Tier 2
Final average compensation	Highest 12 months	Highest 36 months
Normal retirement age	Age 59	Age 59
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
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	Age factor pursuant to Government Code Section 7522.20(a) per year of final average compensation for every year of service credit
Final average compensation limitation	California Government Code section 31676.15, Internal Revenue Code Section 401(a)(17)	California Government Code section 7522.1

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, 2023 ranged between 9.14% and 15.78% for Tier 1 General members, and 9.12% for Tier 2 General members.

Employer contribution rates for the year ended June 30, 2023, are as follows:

	Employer Contribution Rates		Paid by Employer for Employee Contribution Rates	
	Tier 1	Tier 2	Tier 1	Tier 2
Actuarially determined required contribution for general members	40.48%	35.48%	> 7.2% of employee Contribution	0%

The required employer contributions and the amount paid to SBCERA by SBCTA for the year ended June 30, 2023, were $3,449,228.

Net Pension Liability

At June 30, 2023, SBCTA reported a net pension liability of $12,956,842 for its proportionate share of the SB-CERA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2022, SBCTA's proportion was 0.557%, which was an decrease of 0.039% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, SBCTA recognized a pension expense (excluding deferred outflows of resources) of $2,591,264, for its proportionate share of SBCERA's pension expense. At June 30, 2023, 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	$ 323,119	$ 291,824
Changes in actuarial assumptions	896,687	-
Net differences between projected and actual earnings on pension plan investments	-	236,794
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,442,930	1,354,772
Employer contributions paid to SBCERA subsequent to the measurement date	3,449,228	-
Total	$ 6,111,964	$ 1,883,390

The $3,449,228 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, 2024. 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:

2024	$	498,343
2025		40,643
2026		(1,210,863)
2027		1,499,829
2028		(48,606)
Total	$	779,346

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, 2022
Actuarial cost method	Entry age actuarial cost
Amortization method	Level percent of payroll
Investment rate of return	7.25%
Inflation	2.75%
Projected Salary increases	General: 4.55% to 12.75%
Cost of Living Adjustments	Consumer price index with a 2.00% maximum
Administrative Expenses	0.85% of payroll

Post-retirement mortality is based on the Pub-2010 Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019 projection scale.

The long-term expected rate of return on pension plan investments is 7.25%. SBCERA's actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, by adding expected inflation and subtracting expected investment expenses and a risk margin.

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

SBCERA's Long-Term Expected Real Rate of Return, As of June 30, 2021 Valuation Date

Asset Class		Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	11.00%	5.42%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.21%
Developed International Equity	Foreign Common and Preferred Stock	9.00%	6.50%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Agency/Corporate Bonds	2.00%	1.13%
High Yield/Credit Strategies	Corporate Bonds/Foreign Bonds	13.00%	3.40%
Global Core Fixed Income	Foreign Bonds	1.00%	-0.04%
Emerging Market Debt	Emerging Market Debt	8.00%	3.44%
Real Estate	Real Estate	3.50%	4.57%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	-0.03%
Value Added Real Estate	Real Estate	3.50%	6.53%
International Credit	Foreign Alternatives	11.00%	5.89%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	3.69%
Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	10.64%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	10.70%
	Total	100.00%	

Changes in Assumptions

The assumptions for June 30, 2022 valuation included inflation increasing from 3.00% to 2.75% and administrative expense decreasing from 0.70% to 0.85% of payroll.

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.

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	$ 23,133,445	$ 12,956,842	$ 4,633,182

Pension plan fiduciary net position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Ste 100, San Bernardino, CA 92408; 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 two 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 Q Street, Sacramento, CA 95811.

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, 2022.

The required employer contributions and the amount paid to PERS by SBCTA for the year ended June 30, 2023, was $0 toward the payment of unfunded accrued liability.

Pension Liability

At June 30, 2023, SBCTA reported a net pension liability of $1,546 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, SBCTA recognized pension expense (excluding deferred outflows of resources) of $277, for its proportionate share of PERS' pension expense. At June 30, 2023, 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	$ 31	$ 21
Changes in actuarial assumptions	158	-
Net differences between projected and actual earnings on pension plan investments	283	-
Employer contributions paid to PERS subsequent to the measurement date	7,077	-
Total	$ 7,549	$ 21

The $7,077 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, 2024.

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:

2024	$	134
2025		89
2026		174
2027		54
Total	$	451

At June 30, 2022, SBCTA's proportion was 0.000033% which was a decrease of 0.000730% from its proportion measured as of June 30, 2021. This was based on inactive status of the program.

Actuarial assumptions and methods

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

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age actuarial cost
Amortization method	Level percent of payroll (pre-2019 bases), Level Dollar
Investment rate of return	6.90%
Inflation	2.30%
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	Real Return [1,2]
Global Equity- Cap Weighted	30.00%	4.54%
Global Equity- Non-Cap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An Expected Inflation Rate of 2.30% was used.

(2) Figures are based on the 2021-2022 Asset Liability Management Study.

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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
SBCTA's proportionate share of the net pension liability	$ 2,512	$ 1,546	$ 751

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 Q Street, Sacramento, CA 95811; or by calling (888) 225-7377.

13. COMMITMENTS

Transportation

Outstanding Contracts

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 $2.18 billion at June 30, 2023.

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, 2023 is $0.

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

As of June 30, 2023, 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	$	40,239,430

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	$	11,453,081

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
2019-2020	5,654,783	-	5,654,783
2020-2021	1,653,929	-	1,653,929
2021-2022	9,456,501	-	9,456,501
2022-2023	5,405,708	-	5,405,708
Total	$ 42,602,748	$ 11,639,699	$ 54,242,447

15. RISK MANAGEMENT

SBCTA has exposure to various risks of loss related to torts; theft of, damage to, or destruction of assets; as well as errors and omissions. SBCTA purchases commercial insurance coverage for crime ($2,500 deductible), excess crime, general liability ($50,000 self-insured retention), property including some additional crime coverages ($25,000 deductible), public official's errors and omissions ($50,000 self-insured retention), excess liability, and workers' compensation. Workers' Compensation limits are statutory, as mandated by the State of California. There have been no settlements of any amount, over the three prior coverage years.

16. 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 $24,634,410 during Fiscal Year 2022/2023 for its share of Metrolink capital and operating costs (including the new Arrow Route rail line extension). The expenditures are recorded in SBCTA's general fund for LTF rail, STA, SGR, and MSI rail, in the Transit program. Separate financial statements are prepared by and available from the SCRRA at One Gateway Plaza, Floor 12, Los Angeles, CA 90012.

SBCTA is a member of the Metro Gold Line Foothill Extension Construction Authority JPA. The Construction Authority was created in 1998 by the California State Legislature to develop the extension of the LA Metro Gold Line from Los Angeles to Pasadena in Los Angeles County with further legislation in 2012 to include development to Montclair in San Bernardino County. Approximately 3,000 linear feet of the proposed extension is in San Bernardino County. The annual membership fee is $3,000 based on the JPA's needs. $3,000 was not paid by SBCTA for Fiscal Year 2022/2023 as a membership fee request was not received. On several occasions, the JPA has had this fee suspended and reactivated. Measure I identifies capital improvements and operating costs associated with the Gold Line within the County of San Bernardino as eligible expenses. Capital costs have continued to increase. The San Bernardino County portion of capital expenditures is estimated at $98,000,000 and future annual operating costs is estimated at $2.5 million in 2021 dollars. Currently, there is an overall $798 million funding gap and work is being phased with construction underway to Pomona in Los Angeles County and the remainder on hold until the required funding is secured. The project is not federalized.

17. PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT

SBCTA, an operator, entered into an arrangement during fiscal year 2019 with California Department of Transportation (Caltrans), the transferor, to design and build, and for 50 years operate the Express Lanes Facility. SBCTA will set, collect, and retain tolls during this period. In return for transfer of ownership of the Express Lanes Facility at the end of the 50 years, Caltrans conveys to SBCTA the right to operate the Express Lanes Facility and to set, collect, and retain toll revenues. Construction of the Express Lanes Facility is 80 percent completed at the end of the current year and will be completed and placed into service at the end of fiscal year 2024. As of June 30, 2023, the cost of construction of the Express Lanes Facility for SBCTA is estimated to be $250.7 million at time of completion. SBCTA's estimated carrying value of the Facilities at the end of the arrangement is $41.8 million ($250.7 million/60 years expected useful life X 10 years of useful life remaining). The arrangement does not meet the criteria of a service concession arrangement per GASB 94 because SBCTA has the authority to set the prices for tolls. SBCTA is not a component unit in the Caltrans financial reporting entity.

During fiscal year 2023, the SBCTA, entered into an agreement with the DesertXpress Enterprises, LLC (Brightline), under which the Brightline will design, build, and operate the Brightline West High-Speed Rail project for 50 years. Brightline will set, collect, and retain fares during this period. SBCTA will transfer the right to use asset to Brightline for the 50 year term. This agreement is similar to the agreement above except that SBCTA is the transferor. The arrangement does not meet the criteria of a service concession arrangement per GASB 94 because Brightline has the authority to set the prices for services provided.

18. CONTINGENCIES

In the ordinary course of business, SBCTA and SBCOG are exposed to claims, asserted or unasserted, that may arise from their 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 and SBCOG are defendants 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.

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

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

Related Debt

Beginning in October 2013, SANBAG 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, 2023 is $62,192,952.

20. 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. 99, *Omnibus 2022* (paragraphs 11-25 are effective for fiscal year June 30, 2023; paragraphs 4-10 are effective for fiscal year June 30, 2024). SBCTA has not determined the effect of the remaining paragraphs of this Statement.
- GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 (effective for period fiscal year June 30, 2024). SBCTA has not determined the effect of this Statement.
- GASB Statement No. 101, Compensated Absences (effective for period fiscal year June 30, 2025). SBCTA has not determined the effect of this Statement.

21. SUBSEQUENT EVENT

On September 4, 2023, SBCTA amended its commercial paper program to downsize the authorized amount to $25 million and extended the term by two (2) years through September 2026. The program was amended to provide cash flows for the North First Avenue Bridge project. The issuance amount will be repaid from Highway Bridge program funds. The first draw occurred after year end for $2,500,000 on September 26, 2023.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	$ 2,500,000	$ 2,500,000	$ 2,574,700	$ 74,700
Charges for services	244,775	244,775	678,791	434,016
Investment earnings	55,200	55,200	241,641	186,441
Miscellaneous	225	225	335,412	335,187
Total revenues	2,800,200	2,800,200	3,830,544	1,030,344
Expenditures				
Current:				
General government	12,689,941	13,300,833	11,089,263	2,211,570
Environment and energy conservation	24,864	34,964	13,430	21,534
Regional and subregional planning	1,465,618	1,465,618	718,757	746,861
Transit	20,964,408	19,172,371	5,440,684	13,731,687
Project delivery	61,414	25,814	-	25,814
Fund administration	511,662	578,662	519,938	58,724
Capital outlay	13,736,899	12,052,936	7,116,498	4,936,438
Total expenditures	49,454,806	46,631,198	24,898,570	21,732,628
Excess (deficiency) of revenues over (under) expenditures	(46,654,606)	(43,830,998)	(21,068,026)	22,762,972
Other financing sources (uses)				
Transfers in	51,221,063	51,221,063	24,801,015	(26,420,048)
Transfers out	(3,908,122)	(3,909,990)	-	3,909,990
Lease financing	-	-	268,088	268,088
Subscription financing	-	-	233,410	233,410
Gain on sale of assets	-	-	1,260,743	1,260,743
Total other financing sources (uses)	47,312,941	47,311,073	26,563,256	(20,747,817)
Net change in fund balances	658,335	3,480,075	5,495,230	2,015,155
Fund balances beginning of year	10,100,316	10,100,316	10,100,316	-
Fund balances (deficits) end of year	$ 10,758,651	$ 13,580,391	$ 15,595,546	$ 2,015,155

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Federal Highway Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 113,465,220	$ 113,465,220	$ 35,783,822	$ (77,681,398)
Investment earnings	-	-	94,185	94,185
Miscellaneous	15,000,000	15,000,000	735,078	(14,264,922)
Total revenues	128,465,220	128,465,220	36,613,085	(91,852,135)
Expenditures				
Current:				
Transit	1,064,740	1,564,740	1,474,613	90,127
Project delivery	107,825,246	85,853,246	43,280,873	42,572,373
Capital outlay	19,575,234	19,047,234	4,839,170	14,208,064
Total expenditures	128,465,220	106,465,220	49,594,656	56,870,564
Excess (deficiency) of revenues over (under) expenditures	-	22,000,000	(12,981,571)	(34,981,571)
Other financing sources (uses)				
Transfers out	-	(21,500,000)	(21,459,417)	40,583
Total other financing sources (uses)	-	(21,500,000)	(21,459,417)	40,583
Net change in fund balances	-	500,000	(34,440,988)	(34,940,988)
Fund balances (deficits) beginning of year	10,880,154	10,880,154	10,880,154	-
Fund balances (deficits) end of year	$ 10,880,154	$ 11,380,154	$ (23,560,834)	$ (34,940,988)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Federal Transit Administration Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 10,011,000	$ 60,593,155	$ 19,011,731	$ (41,581,424)
Total revenues	10,011,000	60,593,155	19,011,731	(41,581,424)
Expenditures				
Transit	10,011,000	51,593,155	25,810,829	25,782,326
Total expenditures	10,011,000	51,593,155	25,810,829	25,782,326
Net change in fund balances	-	9,000,000	(6,799,098)	(15,799,098)
Fund balances (deficits) beginning of year	(2,944,666)	(2,944,666)	(2,944,666)	-
Fund balances (deficits) end of year	$ (2,944,666)	$ 6,055,334	$ (9,743,764)	$ (15,799,098)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
State Highway Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 104,310,107	$ 104,310,107	$ 60,679,247	$ (43,630,860)
Total revenues	104,310,107	104,310,107	60,679,247	(43,630,860)
Expenditures				
Current:				
General government	12,462	244	244	-
Regional and subregional planning	211,242	258,181	258,181	-
Transit	7,350,000	6,860,000	5,043,315	1,816,685
Project delivery	65,368,767	69,346,300	50,613,141	18,733,159
Fund administration	844,296	809,576	809,576	-
Capital outlay	30,523,340	27,035,806	8,416,594	18,619,212
Total expenditures	104,310,107	104,310,107	65,141,051	39,169,056
Net change in fund balances	-	-	(4,461,804)	(4,461,804)
Fund balances (deficits) beginning of year	(1,142,004)	(1,142,004)	(1,142,004)	-
Fund balances (deficits) end of year	$ (1,142,004)	$ (1,142,004)	$ (5,603,808)	$ (4,461,804)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Proposition 1B Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 14,733,541	$ 14,733,541	$ 2,922,737	$ (11,810,804)
Investment earnings	1,898,025	1,898,025	14,642	(1,883,383)
Total revenues	16,631,566	16,631,566	2,937,379	(13,694,187)
Expenditures				
Current:				
Transit	4,946,165	4,454,743	4,454,743	-
Project delivery	6,171,732	6,171,732	2,826,653	3,345,079
Capital outlay	5,438,669	3,047,533	2,852,994	194,539
Total expenditures	16,556,566	13,674,008	10,134,390	3,539,618
Excess (deficiency) of revenues over (under) expenditures	75,000	2,957,558	(7,197,011)	(10,154,569)
Other financing sources (uses)				
Transfers in	-	1,805,948	1,805,948	-
Total other financing sources (uses)	-	1,805,948	1,805,948	-
Net change in fund balances	75,000	4,763,506	(5,391,063)	(10,154,569)
Fund balances beginning of year	5,358,104	5,358,104	5,358,104	-
Fund balances (deficits) end of year	$ 5,433,104	$ 10,121,610	$ (32,959)	$ (10,154,569)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Local Transportation Fund Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-local transportation fund	$ 133,685,831	$ 133,685,831	$ 147,692,918	$ 14,007,087
Investment earnings	2,000,000	2,000,000	4,716,532	2,716,532
Total revenues	135,685,831	135,685,831	152,409,450	16,723,619
Expenditures				
Current-transit	113,186,500	113,186,500	90,191,590	22,994,910
Total expenditures	113,186,500	113,186,500	90,191,590	22,994,910
Excess (deficiency) of revenues over (under) expenditures	22,499,331	22,499,331	62,217,860	39,718,529
Other financing sources (uses)				
Transfers out	(23,314,726)	(23,314,726)	(18,188,827)	5,125,899
Net change in fund balances	(815,395)	(815,395)	44,029,033	44,844,428
Fund balances beginning of year	288,855,737	288,855,737	288,855,737	-
Fund balances end of year	$ 288,040,342	$ 288,040,342	$ 332,884,770	$ 44,844,428

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
State Transit Assistance Fund Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 28,640,408	$ 28,640,408	$ 29,166,205	$ 525,797
Investment earnings	1,050,000	1,050,000	2,159,601	1,109,601
Total revenues	29,690,408	29,690,408	31,325,806	1,635,398
Expenditures				
Current-transit	26,234,448	26,234,448	16,558,006	9,676,442
Excess (deficiency) of revenues over (under) expenditures	3,455,960	3,455,960	14,767,800	11,311,840
Other financing sources (uses)				
Transfers out	(17,381,710)	(17,381,710)	-	17,381,710
Net change in fund balances	(13,925,750)	(13,925,750)	14,767,800	28,693,550
Fund balances beginning of year	93,721,455	93,721,455	93,721,455	-
Fund balances end of year	$ 79,795,705	$ 79,795,705	$ 108,489,255	$ 28,693,550

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	$ 42,000	$ 42,000	$ 77,825	$ 35,825
Miscellaneous	-	-	35	35
Total revenues	42,000	42,000	77,860	35,860
Expenditures				
Current-project delivery	1,808,481	1,808,481	1,039,612	768,869
Total expenditures	1,808,481	1,808,481	1,039,612	768,869
Net change in fund balances	(1,766,481)	(1,766,481)	(961,752)	804,729
Fund balances beginning of year	4,740,028	4,740,028	4,740,028	-
Fund balances end of year	$ 2,973,547	$ 2,973,547	$ 3,778,276	$ 804,729

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	$ 247,500,000	$ 247,500,000	$ 254,895,279	$ 7,395,279
Investment earnings	3,743,000	3,743,000	8,961,764	5,218,764
Total revenues	251,243,000	251,243,000	263,857,043	12,614,043
Expenditures				
Current:				
General government	1,145,662	1,092,762	867,156	225,606
Environment and energy conservation	280,232	270,132	34,048	236,084
Commuter and motorist assistance	996,821	926,821	183,259	743,562
Regional and subregional planning	1,407,228	1,472,228	1,021,001	451,227
Transit	36,983,241	57,453,310	49,029,994	8,423,316
Project delivery	235,011,103	235,131,470	144,055,553	91,075,917
Fund administration	145,038,276	145,021,994	96,269,974	48,752,020
Capital outlay	61,473,214	65,890,681	45,421,449	20,469,232
Total expenditures	482,335,777	507,259,398	336,882,434	170,376,964
Excess (deficiency) of revenues over (under) expenditures	(231,092,777)	(256,016,398)	(73,025,391)	182,991,007
Other financing sources (uses)				
Transfers in	125,394,175	125,394,245	115,232,322	(10,161,923)
Transfers out	(19,013,335)	(20,980,616)	(20,965,543)	15,073
Total other financing sources (uses)	106,380,840	104,413,629	94,266,779	(10,146,850)
Net change in fund balances	(124,711,937)	(151,602,769)	21,241,388	172,844,157
Fund balances beginning of year	512,704,186	512,704,186	512,704,186	-
Fund balances end of year	$ 387,992,249	$ 361,101,417	$ 533,945,574	$ 172,844,157

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Pension Information
June 30, 2023

Schedule of SBCTA's Proportionate Share of Net Pension Liability
SBCERA Pension Plan
Last 10 Fiscal Years [1, 2]

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
SBCTA's proportion of net pension liability	0.557%	0.596%	0.514%	0.609%	0.592%
SBCTA's proportionate share of net pension liability	$ 12,956,842	$ 7,856,029	$ 20,619,123	$ 16,503,425	$ 14,988,102
SBCTA's covered payroll	9,126,413	7,843,969	7,885,934	7,216,317	6,986,391
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	141.97%	100.15%	261.47%	228.70%	214.53%
SBCERA's fiduciary net position as a percentage of the total pension liability	85.12%	88.02%	66.41%	71.09%	70.97%

Schedule of SBCTA's Contributions
SBCERA Pension Plan
Last 10 Fiscal Years [1]

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 3,449,228	$ 3,423,807	$ 2,747,072	$ 2,788,174	$ 2,504,102
Contributions in relation to contractually required contributions	3,449,228	3,423,807	2,747,072	2,788,174	2,504,102
Contributions deficiency (excess)	-	-	-	-	-
SBCTA's covered payroll	10,228,298	9,126,413	7,843,969	7,885,934	7,216,317
SBCTA's covered payroll contributions as a percentage of covered payroll	33.72%	37.52%	35.02%	35.36%	34.70%

Schedule of SBCTA's Proportionate Share of net Pension Liability
PERS Pension Plan
Last 10 Fiscal Years [1, 2]

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
SBCTA's proportion of net pension liability	0.00003%	0.00076%	0.00053%	0.00117%	0.00129%
SBCTA's proportionate share of net pension liability	$ 1,546	$ 14,482	$ 13,537	$ 11,903	$ 7,937
SBCTA's covered payroll	N/A	N/A	N/A	N/A	N/A
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
PERS fiduciary net position as a percentage of the total pension liability	98.32%	84.90%	86.50%	94.34%	92.40%

Schedule of SBCTA's Contributions
PERS Pension Plan
Last 10 Fiscal Years [1]

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 7,077	$ 4,688	$ 4,205	$ -	$ -
Contributions in relation to contractually required contributions	-	-	-	-	-
Contributions deficiency (excess)	-	-	-	-	-
SBCTA's covered payroll contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

[1] The amounts presented for each fiscal year were determined as of June 30th. Data for fiscal years ended June 30, 2011 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

Schedule of SBCTA's Proportionate Share of Net Pension Liability

SBCERA Pension Plan

Last 10 Fiscal Years [1, 2]

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
SBCTA's proportion of net pension liability	0.566%	0.549%	0.507%	0.556%	0.491%
SBCTA's proportionate share of net pension liability	$ 14,926,497	$ 13,543,950	$ 9,853,252	$ 9,456,951	$ 9,749,799
SBCTA's covered payroll	6,324,582	5,255,190	4,769,044	5,147,134	4,188,134
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	236.01%	257.73%	206.61%	183.73%	232.80%
SBCERA's fiduciary net position as a percentage of the total pension liability	69.06%	67.91%	71.68%	71.89%	66.34%

Schedule of SBCTA's Contributions

SBCERA Pension Plan

Last 10 Fiscal Years [1]

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	$ 2,104,595	$ 1,963,526	$ 1,915,346	$ 1,464,122	$ 1,380,637
Contributions in relation to contractually required contributions	2,104,595	1,963,526	1,915,346	1,464,122	1,380,637
Contributions deficiency (excess)	-	-	-	-	-
SBCTA's covered payroll	6,986,391	6,324,582	5,255,190	5,255,190	5,147,134
SBCTA's covered payroll contributions as a percentage of covered payroll	30.12%	31.05%	36.45%	27.86%	26.82%

Schedule of SBCTA's Proportionate Share of net Pension Liability

PERS Pension Plan

Last 10 Fiscal Years [1, 2]

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
SBCTA's proportion of net pension liability	0.00141%	0.00152%	0.00164%	0.00176%	0.00176%
SBCTA's proportionate share of net pension liability	$ 12,115	$ 61,542	$ 44,856	$ 39,108	$ 53,435
SBCTA's covered payroll	N/A	N/A	N/A	N/A	N/A
SBCTA's proportionate share of net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
PERS fiduciary net position as a percentage of the total pension liability	68.21%	74.95%	68.20%	74.90%	79.5%

Schedule of SBCTA's Contributions

PERS Pension Plan

Last 10 Fiscal Years [1]

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	$ -	$ 2,889	$ 54,180	$ 2,041	$ 1,498
Contributions in relation to contractually required contributions	-	2,889	54,180	2,041	1,498
Contributions deficiency (excess)	-	-	-	-	-
SBCTA's covered payroll contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

[1] The amounts presented for each fiscal year were determined as of June 30th. Data for fiscal years ended June 30, 2011 through 2013 is not available.

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

N/A - Not applicable

Budgetary Information

Budgetary Basis of Accounting

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

Budget Amendments

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

Board-approved budget amendment shall be necessary except in the following circumstances:

1. Transfers from one task, subtask, object code, or revenue code to another task, subtask, object code, or revenue code within the same fund and program. This amendment shall require the approval of the program/task manager.
2. Reallocation of budgeted salary and benefits costs and associated revenues from one program or fund to another fund or program when both funds and programs are included in the adopted budget. This amendment shall require the approval of the Chief Financial Officer.
3. Substitution of one fund for another fund where both funds are included in the adopted budget within the same program, not to exceed $1 million. This amendment shall require the approval of the Executive Director or designee.

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, 2023, no expenditures exceeded appropriations.

Actuarially determined contribution rates

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

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

In 2023, changes of assumptions included inflation decreasing from 3.00% to 2.75% and administrative expenses increasing from 0.70% to 0.85% of payroll. In 2022, the actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2016 through June 30, 2019. Amounts reported in 2022 primarily reflect an increase of 2.75% for the inflation rate, an increase of 0.85% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2019 actuarial valuation are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Under the bright lights brought in for crews to work safely at night, the project team is busy demolishing a bridge over Interstate 10 in preparation for the future Express Lanes. Work like this is often done at night because it requires the lanes below to be closed for safety. Closing during the day would impact hundreds of thousands of commuters.

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.

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.

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 activites 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 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 Redlands Passenger Rail Project.

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.

California Wildlife Conservation accounts for preservation and conservation of habitat for threatened and endangered species in the County.

Affordable Housing and Sustainable Communities Program accounts for funds received for projects that reduce greenhouse gas emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue		
	Low Carbon Transit Operations Program	Service Authority for Freeway Emergencies	Freeway Service Patrol
Assets			
Cash and investments	$ 2,310,008	$ 4,750,956	$ -
Accrued interest receivable	18,137	23,972	-
Intergovernmental receivable	53,221	370,802	909,680
Total assets	$ 2,381,366	$ 5,145,730	$ 909,680
Liabilities			
Accounts payable	$ -	$ 177,565	$ 217,187
Accrued liabilities	-	7,835	-
Intergovernmental payable	23,709	35,140	-
Due to other funds	-	-	691,955
Total liabilities	23,709	220,540	909,142
Deferred inflows of resources			
Unavailable grant and local reimbursements	-	-	-
Fund balances			
Restricted:			
Traveler services	-	4,925,190	-
Rail	2,357,657	-	-
Transit services	-	-	538
Committed - Council of governments	-	-	-
Unassigned (deficits)	-	-	-
Total fund balances (deficits)	2,357,657	4,925,190	538
Total liabilities and fund balances	$ 2,381,366	$ 5,145,730	$ 909,680

Special Revenue					
SCAQMD Mobile Source Air Pollution Reduction Review Committee	Local Partnership Program Formula Senate Bill 1	Freeway Service Patrol Senate Bill 1	Sustainable Communities Grants Senate Bill 1	Trade Corridor Enhancement Program Senate Bill 1	Solutions for Congested Corridors Program Senate Bill 1
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	205,604	386,331	231,917	3,997,757	-
$ -	$ 205,604	$ 386,331	$ 231,917	$ 3,997,757	$ -
$ -	$ 40,817	$ 112,318	$ 185,957	$ 780,293	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	164,787	274,013	45,960	3,217,464	-
-	205,604	386,331	231,917	3,997,757	-
-	40,817	-	-	844,673	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(40,817)	-	-	(844,673)	-
-	(40,817)	-	-	(844,673)	-
$ -	$ 205,604	$ 386,331	$ 231,917	$ 3,997,757	$ -

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue		
	Council of Governments	Electric Vehicle Charging Station	California Wildlife Conservation
Assets			
Cash and investments	$ 910,406	$ 11,710	$ -
Accrued interest receivable	7,120	59	-
Intergovernmental receivable	597,963	-	92,805
Total assets	$ 1,515,489	$ 11,769	$ 92,805
Liabilities			
Accounts payable	$ 117,780	$ -	$ 18,650
Accrued liabilities	10,702	-	-
Intergovernmental payable	-	-	-
Due to other funds	-	-	74,155
Total liabilities	128,482	-	92,805
Deferred inflows of resources			
Unavailable grant and local reimbursements	384,483	-	33,079
Fund balances			
Restricted:			
Traveler services	-	11,769	-
Rail	-	-	-
Transit services	-	-	-
Committed - Council of governments	1,002,524	-	-
Unassigned (deficits)	-	-	(33,079)
Total fund balances (deficits)	1,002,524	11,769	(33,079)
Total liabilities and fund balances	$ 1,515,489	$ 11,769	$ 92,805

Special Revenue	
Affordable Housing and Sustainable Communities Program	Total Nonmajor Governmental Funds
$ -	$ 7,983,080
-	49,288
-	6,846,080
$ -	$ 14,878,448
$ -	$ 1,650,567
-	18,537
-	58,849
-	4,468,334
-	6,196,287
-	1,303,052
-	4,936,959
-	2,357,657
-	538
-	1,002,524
-	(918,569)
-	7,379,109
$ -	$ 14,878,448

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue		
	Low Carbon Transit Operations Program	Service Authority for Freeway Emergencies	Freeway Service Patrol
Revenues			
Intergovernmental	$ 1,300,783	$ 2,018,244	$ 1,536,858
Special assessments	-	-	-
Investment earnings	53,606	78,085	-
Miscellaneous	-	-	-
Total revenues	1,354,389	2,096,329	1,536,858
Expenditures			
Current:			
General government	-	74,416	-
Environment and energy conservation	-	-	-
Commuter and motorist assistance	-	1,540,724	1,544,233
Regional and subregional planning	-	-	-
Transit	53,221	-	-
Project delivery	-	-	-
Capital outlay	-	-	-
Total expenditures	53,221	1,615,140	1,544,233
Excess (deficiency) of revenues over (under) expenditures	1,301,168	481,189	(7,375)
Other financing sources (uses)			
Transfers in	-	-	7,375
Transfers out	-	(322,689)	-
Total other financing sources (uses)	-	(322,689)	7,375
Net change in fund balances	1,301,168	158,500	-
Fund balances (deficits) beginning of year	1,056,489	4,766,690	538
Fund balances (deficits) end of year	$ 2,357,657	$ 4,925,190	$ 538

Special Revenue					
SCAQMD Mobile Source Air Pollution Reduction Review Committee	Local Partnership Program Formula Senate Bill 1	Freeway Service Patrol Senate Bill 1	Sustainable Communities Grants Senate Bill 1	Trade Corridor Enhancement Program Senate Bill 1	Solutions for Congested Corridors Program Senate Bill 1
$ -	$ 449,972	$ 1,441,908	$ 405,365	$ 8,609,879	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	449,972	1,441,908	405,365	8,609,879	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,441,908	-	-	-
-	-	-	355,928	-	-
-	-	-	-	-	-
-	331,089	-	-	6,335,149	-
-	118,883	-	-	2,274,730	-
-	449,972	1,441,908	355,928	8,609,879	-
-	-	-	49,437	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	49,437	-	-
-	(40,817)	-	(49,437)	(844,673)	-
$ -	$ (40,817)	$ -	$ -	$ (844,673)	$ -

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue		
	Council of Governments	Electric Vehicle Charging Station	California Wildlife Conservation
Revenues			
Intergovernmental	$ 467,064	$ -	$ 63,453
Special assessments	331,276	-	-
Investment earnings	25,099	80	-
Miscellaneous	78,464	-	-
Total revenues	901,903	80	63,453
Expenditures			
Current:			
General government	335,016	-	-
Environment and energy conservation	72,810	-	-
Commuter and motorist assistance	-	-	-
Regional and subregional planning	438,400	-	85,300
Transit	-	-	-
Project delivery	-	-	-
Capital outlay	-	-	-
Total expenditures	846,226	-	85,300
Excess (deficiency) of revenues over (under) expenditures	55,677	80	(21,847)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(554,771)	-	-
Total other financing sources (uses)	(554,771)	-	-
Net change in fund balances	(499,094)	80	(21,847)
Fund balances (deficits) beginning of year	1,501,618	11,689	(11,232)
Fund balances (deficits) end of year	$ 1,002,524	$ 11,769	$ (33,079)

Special Revenue	
Affordable Housing and Sustainable Communities Program	Total Nonmajor Governmental Funds
$ -	$ 16,293,526
-	331,276
-	156,870
-	78,464
-	16,860,136
-	409,432
-	72,810
-	4,526,865
-	879,628
-	53,221
-	6,666,238
-	2,393,613
-	15,001,807
-	1,858,329
-	7,375
-	(877,460)
-	(870,085)
-	988,244
-	6,390,865
$ -	$ 7,379,109

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Low Carbon Transit Operations Program Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,900,000	$ 1,900,000	$ 1,300,783	$ (599,217)
Investment earnings	-	-	53,606	53,606
Total revenues	1,900,000	1,900,000	1,354,389	(545,611)
Expenditures				
Current-transit	400,000	200,000	53,221	146,779
Excess (deficiency) of revenues over (under) expenditures	1,500,000	1,700,000	1,301,168	(398,832)
Fund balances beginning of year	1,056,489	1,056,489	1,056,489	-
Fund balances end of year	$ 2,556,489	$ 2,756,489	$ 2,357,657	$ (398,832)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Service Authority for Freeway Emergencies Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,986,552	$ 1,986,552	$ 2,018,244	$ 31,692
Investment earnings	44,800	44,800	78,085	33,285
Miscellaneous	45,000	45,000	-	(45,000)
Total revenues	2,076,352	2,076,352	2,096,329	19,977
Expenditures				
Current:				
General government	87,540	115,660	74,416	41,244
Commuter and motorist assistance	2,267,975	2,330,599	1,540,724	789,875
Regional and subregional planning	479	479	-	479
Total expenditures	2,355,994	2,446,738	1,615,140	831,598
Excess (deficiency) of revenues over (under) expenditures	(279,642)	(370,386)	481,189	851,575
Other Financing Sources				
Transfer out	(315,314)	(322,690)	(322,689)	1
Net change in fund balances	(594,956)	(693,076)	158,500	851,576
Fund balances beginning of year	4,766,690	4,766,690	4,766,690	-
Fund balances end of year	$ 4,171,734	$ 4,073,614	$ 4,925,190	$ 851,576

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Freeway Service Patrol Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 3,055,299	$ 3,055,299	$ 1,536,858	$ (1,518,441)
Expenditures				
Current-commuter and motorist assistance	1,581,566	1,588,942	1,544,233	44,709
Excess (deficiency) of revenues over (under	1,473,733	1,466,357	(7,375)	(1,473,732)
Other Financing Sources				
Transfers in	-	7,376	7,375	(1)
Net change in fund balances	1,473,733	1,473,733	-	(1,473,733)
Fund balances beginning of year	538	538	538	-
Fund balances end of year	$ 1,474,271	$ 1,474,271	$ 538	$ (1,473,733)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Active Transportation Program Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 200,000	$ 200,000	$ -	$ (200,000)
Expenditures				
Current-regional and subregional planning	200,000	200,000	-	200,000
Net change in fund balances	-	-	-	-
Fund balances beginning of year	-	-	-	-
Fund balances end of year	$ -	$ -	$ -	$ -

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
SCAQMD Mobile Source Air Pollution Reduction Review Committee Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,752,000	$ 1,752,000	$ -	$ (1,752,000)
Expenditures				
Current:				
Regional and subregional planning	90,000	90,000	-	90,000
Transit	1,662,000	662,000	-	662,000
Total expenditures	1,752,000	752,000	-	752,000
Excess (deficiency) of revenues over (under) expenditures	-	1,000,000	-	(1,000,000)
Fund balances beginning of year	-	-	-	-
Fund balances end of year	$ -	$ 1,000,000	$ -	$ (1,000,000)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Local Partnership Program - Formula Senate Bill 1 Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,300,000	$ 1,300,000	$ 449,972	$ (850,028)
Expenditures				
Current-project delivery	956,540	956,540	331,089	625,451
Capital outlay	343,460	343,460	118,883	224,577
Total expenditures	1,300,000	1,300,000	449,972	850,028
Net change in fund balances	-	-	-	-
Fund balances (deficits) beginning of year	(40,817)	(40,817)	(40,817)	-
Fund balances (deficits) end of year	$ (40,817)	$ (40,817)	$ (40,817)	$ -

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Freeway Service Patrol Senate Bill 1 Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 3,906,021	$ 3,906,021	$ 1,441,908	$ (2,464,113)
Expenditures				
Current-commuter and motorist assistance	2,211,530	2,211,530	1,441,908	769,622
Net change in fund balances	1,694,491	1,694,491	-	(1,694,491)
Fund balances beginning of year	-	-	-	-
Fund balances end of year	$ 1,694,491	$ 1,694,491	$ -	$ (1,694,491)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Sustainable Communities Grants Senate Bill 1 Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 432,000	$ 432,000	$ 405,365	$ (26,635)
Expenditures				
Current-regional and subregional planning	432,000	432,000	355,928	76,072
Net change in fund balance	-	-	49,437	49,437
Fund balances (deficits) beginning of year	(49,437)	(49,437)	(49,437)	-
Fund balances end of year	$ (49,437)	$ (49,437)	$ -	$ 49,437

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Trade Corridor Enhancement Program Senate Bill 1 Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 34,941,981	$ 34,941,981	$ 8,609,879	$ (26,332,102)
Expenditures				
Current-project delivery	28,204,881	28,204,881	6,335,149	21,869,732
Capital outlay	6,737,100	6,737,100	2,274,730	4,462,370
Total expenditures	34,941,981	34,941,981	8,609,879	26,332,102
Net change in fund balances	-	-	-	-
Fund balances (deficits) beginning of year	(844,673)	(844,673)	(844,673)	-
Fund balances (deficits) end of year	$ (844,673)	$ (844,673)	$ (844,673)	$ -

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Solutions for Congested Corridors Program Senate Bill 1 Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 16,250,000	$ 16,250,000	$ -	$ (16,250,000)
Expenditures				
Current-transit	16,250,000	15,250,000	-	15,250,000
Net change in fund balances	-	1,000,000	-	(1,000,000)
Fund balances beginning of year	-	-	-	-
Fund balances (deficits) end of year	$ -	$ 1,000,000	$ -	$ (1,000,000)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Council of Governments Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 2,214,477	$ 2,214,477	$ 467,064	$ (1,747,413)
Special assessments	331,276	331,276	331,276	-
Investment earnings	9,500	9,500	25,099	15,599
Miscellaneous	225,000	225,000	78,464	(146,536)
Total revenues	2,780,253	2,780,253	901,903	(1,878,350)
Expenditures				
Current:				
General government	869,806	1,227,427	335,016	892,411
Environment and energy conservation	1,139,753	215,733	72,810	142,923
Regional and subregional planning	1,021,632	1,021,632	438,400	583,232
Total expenditures	3,031,191	2,464,792	846,226	1,618,566
Excess (deficiency) of revenues over (under) expenditures	(250,938)	315,461	55,677	(259,784)
Other financing sources (uses)				
Transfers out	(554,771)	(554,771)	(554,771)	-
Net change in fund balances	(805,709)	(239,310)	(499,094)	(259,784)
Fund balances beginning of year	1,501,618	1,501,618	1,501,618	-
Fund balances end of year	$ 695,909	$ 1,262,308	$ 1,002,524	$ (259,784)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Electric Vehicle Charging Station Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investments earnings	$ -	$ -	$ 80	$ 80
Net change in fund balance	-	-	80	80
Fund balances beginning of year	11,689	11,689	11,689	-
Fund balances end of year	$ 11,689	$ 11,689	$ 11,769	$ 80

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
California Wildlife Conservation Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 150,000	$ 150,000	$ 63,453	$ (86,547)
Expenditures				
Current-regional and subregional planning	150,000	150,000	85,300	64,700
Net change in fund balance	-	-	(21,847)	(21,847)
Fund balances (deficits) beginning of year	(11,232)	(11,232)	(11,232)	-
Fund balances (deficits) end of year	$ (11,232)	$ (11,232)	$ (33,079)	$ (21,847)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Affordable Housing and Sustainable Communities Program Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 2,200,000	$ 2,200,000	$ -	$ (2,200,000)
Expenditures				
Current-transit	2,200,000	1,200,000	-	1,200,000
Net change in fund balance	-	1,000,000	-	(1,000,000)
Fund balances beginning of year	-	-	-	-
Fund balances end of year	$ -	$ 1,000,000	$ -	$ (1,000,000)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	$ -	$ -	$ 125,004	$ 125,004
Expenditures				
Debt Service:				
Principal	5,570,000	5,570,000	5,570,000	-
Interest and fiscal charges	7,696,915	7,696,915	7,686,163	10,752
Total expenditures	13,266,915	13,266,915	13,256,163	10,752
Excess (deficiency) of revenues over (under) expenditures	(13,266,915)	(13,266,915)	(13,131,159)	135,756
Other financing sources (uses)				
Transfers in	13,266,915	13,266,915	13,256,163	(10,752)
Total other financing sources (uses)	13,266,915	13,266,915	13,256,163	(10,752)
Net change in fund balances	-	-	125,004	125,004
Fund balances beginning of year	4,514,236	4,514,236	4,514,236	-
Fund balances end of year	$ 4,514,236	$ 4,514,236	$ 4,639,240	$ 125,004

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 90,671,461	$ 40,089,306	$ 41,482,637	$ 1,393,331
Investment earnings	2,074,240	2,074,240	660,497	(1,413,743)
Miscellaneous	7,861,675	7,861,675	150,618	(7,711,057)
Total revenues	100,607,376	50,025,221	42,293,752	(7,731,469)
Expenditures				
Current:				
Environment and energy conservation	659,500	659,500	84,148	575,352
Commuter and motorist assistance	501,340	501,340	368,748	132,592
Regional and subregional planning	251,255	251,255	47,358	203,897
Transit	55,912,643	4,253,293	3,904,096	349,197
Project delivery	38,532,690	59,880,677	18,931,758	40,948,919
Fund administration	1,229,700	1,229,700	-	1,229,700
Capital outlay	2,268,306	641,306	67,225	574,081
Debt service-fiscal and issuance costs	-	75,730	-	75,730
Total expenditures	99,355,434	67,492,801	23,403,333	44,089,468
Excess (deficiency) of revenues over (under) expenditures	1,251,942	(17,467,580)	18,890,419	36,357,999
Other financing sources (uses)				
Transfers in	-	21,657,239	21,535,147	(122,092)
Transfers out	-	(81,519)	(12)	81,507
Total other financing sources (uses)	-	21,575,720	21,535,135	(40,585)
Net change in fund balances	1,251,942	4,108,140	40,425,554	36,317,414
Fund balances (deficits) beginning of year	(17,494,281)	(17,494,281)	(17,494,281)	-
Fund balances (deficits) end of year	$ (16,242,339)	$ (13,386,141)	$ 22,931,273	$ 36,317,414

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
State Transit Assistance Fund Special Revenue Funds
June 30, 2023

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Assets			
Cash and investments	$ 114,273,913	$ 5,649,675	$ 119,923,588
Accrued interest receivable	1,464,890	71,726	1,536,616
Sales tax receivable	9,041,798	698,035	9,739,833
Due from other funds	150,000	-	150,000
Total assets	$ 124,930,601	$ 6,419,436	$ 131,350,037
Liabilities			
Intergovernmental payable	$ -	$ 223,472	$ 223,472
Due to other funds	12,897,477	-	12,897,477
Total liabilities	12,897,477	223,472	13,120,949
Deferred inflows of resources			
Unavailable grant and local reimbursements	9,041,798	698,035	9,739,833
Fund balances			
Restricted-transportation development act	102,991,326	5,497,929	108,489,255
Total fund balances	102,991,326	5,497,929	108,489,255
Total liabilities and fund balances	$ 124,930,601	$ 6,419,436	$ 131,350,037

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, 2023

	Special Revenue		
	State Transit Assistance Fund	State of Good Repair	Total State Transit Assistance Funds
Revenues			
Intergovernmental	$ 25,782,633	$ 3,383,572	$ 29,166,205
Investment earnings	2,054,710	104,891	2,159,601
Total revenues	27,837,343	3,488,463	31,325,806
Expenditures			
Current-transit	14,443,764	2,114,242	16,558,006
Total expenditures	14,443,764	2,114,242	16,558,006
Capital outlay	-	-	-
Total expenditures	14,443,764	2,114,242	16,558,006
Net change in fund balances	13,393,579	1,374,221	14,767,800
Fund balances beginning of year	89,597,747	4,123,708	93,721,455
Fund balances end of year	$ 102,991,326	$ 5,497,929	$ 108,489,255

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
State Transit Assistance Fund Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 24,590,217	$ 24,590,217	$ 25,782,633	$ 1,192,416
Investment earnings	975,000	975,000	2,054,710	1,079,710
Total revenues	25,565,217	25,565,217	27,837,343	2,272,126
Expenditures				
Current-transit	18,700,000	18,700,000	14,443,764	4,256,236
Excess (deficiency) of revenues over (under) expenditures	6,865,217	6,865,217	13,393,579	6,528,362
Other financing sources (uses)				
Transfers out	(15,348,923)	(15,348,923)	-	15,348,923
Net change in fund balances	(8,483,706)	(8,483,706)	13,393,579	21,877,285
Fund balances beginning of year	89,597,747	89,597,747	89,597,747	-
Fund balances end of year	$ 81,114,041	$ 81,114,041	$ 102,991,326	$ 21,877,285

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
State of Good Repair Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 4,050,191	$ 4,050,191	$ 3,383,572	$ (666,619)
Investment earnings	75,000	75,000	104,891	29,891
Total revenues	4,125,191	4,125,191	3,488,463	(636,728)
Expenditures				
Current-transit	7,534,448	7,534,448	2,114,242	5,420,206
Excess (deficiency) of revenues over (under) expenditures	(3,409,257)	(3,409,257)	1,374,221	4,783,478
Other financing sources (uses)				
Transfers out	(2,032,787)	(2,032,787)	-	2,032,787
Net change in fund balances	(5,442,044)	(5,442,044)	1,374,221	6,816,265
Fund balances beginning of year	4,123,708	4,123,708	4,123,708	-
Fund balances end of year	$ (1,318,336)	$ (1,318,336)	$ 5,497,929	$ 6,816,265

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
1990-2010 Measure I Special Revenue Fund
June 30, 2023

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Assets			
Cash and investments	$ 2,142,909	$ 2,199,802	$ 4,342,711
Accrued interest receivable	10,813	11,100	21,913
Total assets	$ 2,153,722	$ 2,210,902	$ 4,364,624
Liabilities			
Accounts payable	$ 86,348	$ -	$ 86,348
Intergovernmental payable	500,000	-	500,000
Total liabilities	586,348	-	586,348
Fund balances			
Restricted	1,567,374	2,210,902	3,778,276
Total liabilities and fund balances	$ 2,153,722	$ 2,210,902	$ 4,364,624

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, 2023

	Valley Major Projects	Valley Traffic Management Environmental Enhancement	Total 1990-2010 Measure I
Revenues			
Investment earnings	$ 41,428	$ 36,397	$ 77,825
Miscellaneous	35	-	35
Total Revenues	41,463	36,397	77,860
Expenditures			
Current:			
Current-project delivery	1,039,612	-	1,039,612
Total Expenditures	1,039,612	-	1,039,612
Net change in fund balances	(998,149)	36,397	(961,752)
Fund balances beginning of year	2,565,523	2,174,505	4,740,028
Fund balances end of year	$ 1,567,374	$ 2,210,902	$ 3,778,276

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2023

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Assets				
Cash and investments	$ 117,126,189	$ 65,756,059	$ 121,933,502	$ -
Accrued interest receivable	805,322	331,789	722,883	-
Sales taxes receivable	10,479,437	3,974,959	6,143,118	7,227,198
Deposit receivable	10,772	44,807	244	-
Due from other funds	42,418,006	-	21,332,610	-
Prepaid items	31,000	-	-	-
Advances to other funds	4,273,497	-	10,822,714	-
Total assets	$ 175,144,223	$ 70,107,614	$ 160,955,071	$ 7,227,198
Liabilities				
Accounts payable	$ 14,659,690	$ 4,930,191	$ 279,920	$ -
Accrued liabilities	51,631	25,681	5,479	-
Intergovernmental payable	1,298,260	17,161,775	117,589	7,227,198
Total liabilities	16,009,581	22,117,647	402,988	7,227,198
Fund balances				
Restricted	159,134,642	47,989,967	160,552,083	-
Total liabilities and fund balances	$ 175,144,223	$ 70,107,614	$ 160,955,071	$ 7,227,198

* Negative fund balance is interest due to the City of Adelanto related to withheld allocations.

Valley Metrolink/ Rail Service	Express Bus/ Bus Rapid Transit Service	Valley Senior & Disabled Transit	Valley Transportation Management Systems	Victor Valley Major Local Highway	Victor Valley Local Street *
$ 4,966,255	$ -	$ 21,307,102	$ 14,792,637	$ 28,286,350	$ 2,177,343
25,058	321,790	107,510	94,840	142,725	-
2,890,879	1,806,799	2,890,879	722,720	1,117,076	2,993,764
398,030	-	-	200,000	-	-
-	41,771,019	-	4,003,466	-	-
-	-	-	17,942	-	-
-	-	-	-	-	-
$ 8,280,222	$ 43,899,608	$ 24,305,491	$ 19,831,605	$ 29,546,151	$ 5,171,107
$ 1,925,910	$ 585,130	$ -	$ 235,408	$ 6,658	$ -
174	3,134	-	14,806	-	-
74,689	37,200	2,890,879	290,568	-	5,185,107
2,000,773	625,464	2,890,879	540,782	6,658	5,185,107
6,279,449	43,274,144	21,414,612	19,290,823	29,539,493	(14,000)
$ 8,280,222	$ 43,899,608	$ 24,305,491	$ 19,831,605	$ 29,546,151	$ 5,171,107

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2023

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development/ Traffic Management	North Desert Major Local Highway	North Desert Local Street
Assets				
Cash and investments	$ -	$ 2,268,547	$ 11,120,823	$ -
Accrued interest receivable	-	11,446	56,113	-
Sales taxes receivable	268,098	89,366	215,787	586,939
Deposit receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	$ 268,098	$ 2,369,359	$ 11,392,723	$ 586,939
Liabilities				
Accounts payable	$ -	$ 42,039	$ 138,227	$ -
Accrued liabilities	-	1,069	-	-
Intergovernmental payable	268,098	3,819	-	586,939
Total liabilities	268,098	46,927	138,227	586,939
Fund balances				
Restricted	-	2,322,432	11,254,496	-
Total liabilities and fund balances	$ 268,098	$ 2,369,359	$ 11,392,723	$ 586,939

North Desert Senior & Disabled Transit	North Desert Project Development/ Traffic Management	Colorado River Major Local Highway	Colorado River Local Street	Colorado River Senior & Disabled Transit	Colorado River Project Development/ Traffic Management
$ -	$ 1,300,457	$ 374,460	$ -	$ -	$ 71,873
-	6,562	1,889	-	-	363
43,157	17,263	17,589	47,842	3,518	1,407
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 43,157	$ 1,324,282	$ 393,938	$ 47,842	$ 3,518	$ 73,643
$ -	$ 7,000	$ -	$ -	$ -	$ -
-	257	-	-	-	-
43,157	-	-	47,842	3,518	-
43,157	7,257	-	47,842	3,518	-
-	1,317,025	393,938	-	-	73,643
$ 43,157	$ 1,324,282	$ 393,938	$ 47,842	$ 3,518	$ 73,643

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2023

	Morongo Basin Major Local Highway	Morongo Basin Local Street	Morongo Basin Senior & Disabled Transit	Morongo Basin Project Development/ Traffic Management
Assets				
Cash and investments	$ 3,168,329	$ -	$ -	$ 523,056
Accrued interest receivable	15,987	-	-	2,639
Sales taxes receivable	150,865	410,353	30,173	12,069
Deposit receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	$ 3,335,181	$ 410,353	$ 30,173	$ 537,764
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	171
Intergovernmental payable	-	410,353	30,173	-
Total liabilities	-	410,353	30,173	171
Fund balances				
Restricted	3,335,181	-	-	537,593
Total liabilities and fund balances	$ 3,335,181	$ 410,353	$ 30,173	$ 537,764

Mountain Major Local Highway	Mountain Local Street	Mountain Senior & Disabled Transit	Mountain Project Development/ Traffic Management	Cajon Pass	Total 2010-2040 Measure I
$ 3,741,516	$ -	$ -	$ 325,868	$ 21,674,374	$ 420,914,740
18,879	-	-	1,644	109,363	2,776,802
118,759	323,023	23,752	9,501	1,255,803	43,872,093
-	-	-	-	-	653,853
-	-	-	-	-	109,525,101
-	-	-	-	-	48,942
-	-	-	-	-	15,096,211
$ 3,879,154	$ 323,023	$ 23,752	$ 337,013	$ 23,039,540	$ 592,887,742
$ -	$ -	$ -	$ -	$ -	$ 22,810,173
-	-	-	86	-	102,488
-	323,023	23,752	-	5,568	36,029,507
-	323,023	23,752	86	5,568	58,942,168
3,879,154	-	-	336,927	23,033,972	533,945,574
$ 3,879,154	$ 323,023	$ 23,752	$ 337,013	$ 23,039,540	$ 592,887,742

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2023

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Revenues				
Sales tax-Measure I [1]	$ 60,974,382	$ 23,128,214	$ 35,743,603	$ 42,051,298
Investment earnings	2,527,724	1,149,144	2,219,815	5,253
Total Revenues	63,502,106	24,277,358	37,963,418	42,056,551
Expenditures				
Current:				
General government	695,588	83,636	11,760	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	9,209	1,784	-	-
Transit	-	-	-	-
Project delivery	115,812,239	25,229,191	1,490,238	-
Fund administration	18,052	16,702,742	8,376,058	42,056,551
Capital outlay	37,178,724	1,211,346	239,316	-
Total Expenditures	153,713,812	43,228,699	10,117,372	42,056,551
Excess (deficiency) of revenues over (under) expenditures	(90,211,706)	(18,951,341)	27,846,046	-
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Enterprise Fund	115,232,253	-	-	-
Transfers out:				
General Fund	(2,838,775)	(1,618,086)	(270,647)	-
Proposition 1B Special Revenue Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	(57)	-	-
Debt Service Fund	-	(1,445,573)	(5,055,318)	-
Capital Projects Fund	-	-	(30,973)	-
Enterprise Fund	(85,542)	-	-	-
Total other financing sources (uses)	112,307,936	(3,063,716)	(5,356,938)	-
Net change in fund balances	22,096,230	(22,015,057)	22,489,108	-
Fund balances beginning of year	137,038,412	70,005,024	138,062,975	-
Fund balances end of year	$ 159,134,642	$ 47,989,967	$ 160,552,083	$ -

[1] Total sales tax-Measure I of $257,469,979 less 1% of $2,574,700 for Measure I administration accounted for in the General Fund (page 71).

Valley Metrolink/ Rail Service	Valley Express Bus/ Bus Rapid Transit Service	Valley Senior & Disabled Transit	Valley Transportation Management Systems	Victor Valley Major Local Highway	Victor Valley Local Street
$ 16,820,519	$ 10,512,824	$ 16,820,519	$ 4,205,130	$ 6,462,602	$ 17,319,774
316,268	963,931	352,527	293,640	458,331	697
17,136,787	11,476,755	17,173,046	4,498,770	6,920,933	17,320,471
22,451	-	-	29,067	8,835	-
-	-	-	34,048	-	-
-	-	-	183,259	-	-
-	1,595	-	851,758	-	-
26,931,552	2,929,648	16,820,519	188,844	-	-
-	-	-	1,175,561	43,520	-
-	4,386	-	-	3,554,344	17,334,471
6,792,063	-	-	-	-	-
33,746,066	2,935,629	16,820,519	2,462,537	3,606,699	17,334,471
(16,609,279)	8,541,126	352,527	2,036,233	3,314,234	(14,000)
57	-	-	-	-	-
12	-	-	-	-	-
-	-	-	-	-	-
(268,225)	(399,270)	-	-	(155,600)	-
(1,805,948)	-	-	-	-	-
-	-	-	-	-	-
(1,626,269)	-	-	-	(1,657,478)	-
-	-	-	-	(16,282)	-
-	-	-	-	-	-
(3,700,373)	(399,270)	-	-	(1,829,360)	-
(20,309,652)	8,141,856	352,527	2,036,233	1,484,874	(14,000)
26,589,101	35,132,288	21,062,085	17,254,590	28,054,619	-
$ 6,279,449	$ 43,274,144	$ 21,414,612	$ 19,290,823	$ 29,539,493	$ (14,000)

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2023

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development Traffic/ Management	North Desert Major Local Highway	North Desert Local Street
Revenues				
Sales tax-Measure I [1]	$ 1,551,024	$ 517,008	$ 1,279,742	$ 3,480,899
Investment earnings	-	34,091	173,684	-
Total Revenues	1,551,024	551,099	1,453,426	3,480,899
Expenditures				
Current:				
General government	-	10,457	5,362	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	-	142,127	-	-
Transit	1,551,024	34,102	-	-
Project delivery	-	-	264,115	-
Fund administration	-	-	313	3,480,899
Capital outlay	-	-	-	-
Total Expenditures	1,551,024	186,686	269,790	3,480,899
Excess (deficiency) of revenues over (under) expenditures	-	364,413	1,183,636	-
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Transfers out:				
General Fund	-	-	(88,811)	-
Proposition 1B Special Revenue Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Total other financing sources (uses)	-	-	(88,811)	-
Net change in fund balances	-	364,413	1,094,825	-
Fund balances beginning of year	-	1,958,019	10,159,671	-
Fund balances end of year	$ -	$ 2,322,432	$ 11,254,496	$ -

(1) Total sales tax-Measure I of $257,469,979 less 1% of $2,574,700 for Measure I administration accounted for in the General Fund (page 71).

North Desert Senior & Disabled Transit	North Desert Project Development Traffic/ Management	Colorado River Major Local Highway	Colorado River Local Street	Colorado River Senior & Disabled Transit	Colorado River Project Development Traffic/ Management
$ 255,948	$ 102,379	$ 108,645	$ 295,514	$ 21,729	$ 8,692
-	20,541	5,442	-	-	1,108
255,948	122,920	114,087	295,514	21,729	9,800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,602	-	-	-	472
255,948	-	-	-	21,729	-
-	-	-	-	-	-
-	-	-	295,514	-	-
-	-	-	-	-	-
255,948	9,602	-	295,514	21,729	472
-	113,318	114,087	-	-	9,328
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(33,769)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(33,769)	-	-	-
-	113,318	80,318	-	-	9,328
-	1,203,707	313,620	-	-	64,315
$ -	$ 1,317,025	$ 393,938	$ -	$ -	$ 73,643

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2023

	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]	$ 815,126	$ 2,217,142	$ 163,025	$ 65,210
Investment earnings	46,405	-	-	8,053
Total Revenues	861,531	2,217,142	163,025	73,263
Expenditures				
Current:				
General government	-	-	-	-
Environment and energy conservation	-	-	-	-
Commuter and motorist assistance	-	-	-	-
Regional and subregional planning	-	-	-	3,097
Transit	-	-	163,025	-
Project delivery	-	-	-	-
Fund administration	151,860	2,217,142	-	-
Capital outlay	-	-	-	-
Total Expenditures	151,860	2,217,142	163,025	3,097
Excess (deficiency) of revenues over (under) expenditures	709,671	-	-	70,166
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Transfers out:				
General Fund	(35,634)	-	-	-
Proposition 1B Special Revenue Fund	-	-	-	-
2010-2040 Measure I Special Revenue Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Total other financing sources (uses)	(35,634)	-	-	-
Net change in fund balances	674,037	-	-	70,166
Fund balances beginning of year	2,661,144	-	-	467,427
Fund balances end of year	$ 3,335,181	$ -	$ -	$ 537,593

(1) Total sales tax-Measure I of $257,469,979 less 1% of $2,574,700 for Measure I administration accounted for in the General Fund (page 71).

Mountain Major Major Local Highway	Mountain Local Street	Mountain Senior & Disabled Transit	Mountain Project Development Traffic/ Management	Cajon Pass	Total 2010-2040 Measure I
$ 668,014	$ 1,816,998	$ 133,603	$ 53,441	$ 7,302,275	$ 254,895,279
58,103	-	-	4,874	322,133	8,961,764
726,117	1,816,998	133,603	58,315	7,624,408	263,857,043
-	-	-	-	-	867,156
-	-	-	-	-	34,048
-	-	-	-	-	183,259
-	-	-	1,357	-	1,021,001
-	-	133,603	-	-	49,029,994
-	-	-	-	40,689	144,055,553
260,644	1,816,998	-	-	-	96,269,974
-	-	-	-	-	45,421,449
260,644	1,816,998	133,603	1,357	40,689	336,882,434
465,473	-	-	56,958	7,583,719	(73,025,391)
-	-	-	-	-	57
-	-	-	-	-	12
-	-	-	-	-	115,232,253
(30,256)	-	-	-	(3,030)	(5,742,103)
-	-	-	-	-	(1,805,948)
-	-	-	-	-	(57)
-	-	-	-	(3,471,526)	(13,256,164)
-	-	-	-	(28,474)	(75,729)
-	-	-	-	-	(85,542)
(30,256)	-	-	-	(3,503,030)	94,266,779
435,217	-	-	56,958	4,080,689	21,241,388
3,443,937	-	-	279,969	18,953,283	512,704,186
$ 3,879,154	$ -	$ -	$ 336,927	$ 23,033,972	$ 533,945,574

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Debt Service Fund
June 30, 2023

	Sales Tax Revenue Bond 2014A	Sales Tax Revenue Bond 2022A	Total Debt Service
Assets			
Cash and investments-restricted	$ 2,469,927	$ 2,169,313	$ 4,639,240
Fund balances			
Restricted	$ 2,469,927	$ 2,169,313	$ 4,639,240
Total liabilities and fund balances	$ 2,469,927	$ 2,169,313	$ 4,639,240

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2023

	Sales Tax Revenue Bond 2014A	Sales Tax Revenue Bond 2022A	Total Debt Service
Revenues			
Investment earnings	$ 62,115	$ 62,889	$ 125,004
Expenditures			
Debt service:			
Principal	2,450,000	3,120,000	5,570,000
Interest and fiscal charges	4,777,863	2,908,300	7,686,163
Total Expenditures	7,227,863	6,028,300	13,256,163
Excess (deficiency) of revenues over (under) expenditures	(7,165,748)	(5,965,411)	(13,131,159)
Other financing sources			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	7,227,863	6,028,300	13,256,163
Total other financing sources	7,227,863	6,028,300	13,256,163
Net change in fund balances	62,115	62,889	125,004
Fund balances beginning of year	2,407,812	2,106,424	4,514,236
Fund balances end of year	$ 2,469,927	$ 2,169,313	$ 4,639,240

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet
Capital Projects Fund
June 30, 2023

	Local Projects	Redlands Passenger Rail	Valley Freeway Interchange Bond
Assets			
Cash and investments	$ 16,372,484	$ 1,323,057	$ 356
Accrued interest receivable	161,852	6,675	-
Accounts receivable	373,804	-	-
Intergovernmental receivable	25,176,365	4,729	-
Deposit receivable	260,348	-	-
Intergovernmental agreements receivable	13,271,861	-	-
Total assets	$ 55,616,714	$ 1,334,461	$ 356
Liabilities			
Accounts payable	$ 3,818,126	$ -	$ 114
Intergovernmental payable	25,219	-	-
Advances from other funds	10,822,714	-	-
Unearned revenue	12,309,243	1,275,902	-
Total liabilities	26,975,302	1,275,902	114
Deferred inflows of resources			
Unavailable grant and local reimbursements	5,770,752	-	-
Fund balances			
Restricted			
Rail	-	58,559	-
Freeway projects	-	-	-
Interchange projects	-	-	242
Major street projects	22,870,660	-	-
Total fund balances	22,870,660	58,559	242
Total liabilities and fund balances	$ 55,616,714	$ 1,334,461	$ 356

Cajon Pass Bond	Total Capital Projects
$ 1,812	$ 17,697,709
-	168,527
-	373,804
-	25,181,094
-	260,348
-	13,271,861
$ 1,812	$ 56,953,343
$ -	$ 3,818,240
-	25,219
-	10,822,714
-	13,585,145
-	28,251,318
-	5,770,752
-	58,559
1,812	1,812
-	242
-	22,870,660
1,812	22,931,273
$ 1,812	$ 56,953,343

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
For the Year Ended June 30, 2023

	Local Projects	Redlands Passenger Rail	Valley Freeway Interchanges Bond
Revenues			
Intergovernmental	$ 41,482,637	$ -	$ -
Investment earnings	638,662	21,835	-
Miscellaneous	150,618	-	-
Total revenues	42,271,917	21,835	-
Expenditures			
Current:			
Environment and energy conservation	84,148	-	-
Commuter and motorist assistance	368,748	-	-
Regional and subregional planning	47,358	-	-
Transit	3,904,096	-	-
Project delivery	18,932,000	-	(242)
Capital outlay	67,225	-	-
Total expenditures	23,403,575	-	(242)
Excess (deficiency) of revenues over (under) expenditures	18,868,342	21,835	242
Other Financing Sources (Uses)			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	21,459,417	-	75,730
Transfers out:			
2010-2040 measure I special revenue fund	(12)	-	-
Total other financing sources (uses)	21,459,405	-	75,730
Net change in fund balances	40,327,747	21,835	75,972
Fund balances (deficits) beginning of year	(17,457,087)	36,724	(75,730)
Fund balances end of year	$ 22,870,660	$ 58,559	$ 242

Cajon Pass Bond	Total Capital Projects
$ -	$ 41,482,637
-	660,497
-	150,618
-	42,293,752
-	84,148
-	368,748
-	47,358
-	3,904,096
-	18,931,758
-	67,225
-	23,403,333
-	18,890,419
-	21,535,147
-	(12)
-	21,535,135
-	40,425,554
1,812	(17,494,281)
$ 1,812	$ 22,931,273

Elected Officials representing SBCTA, the County, and local jurisdictions offer insight to the future improvements of the Interstate 10 (I-10)/Cedar Avenue Interchange. When complete, the project will enhance safety, improve access on and off the freeway, and provide much needed relief to the heavily congested arterial that feeds Bloomington, Rialto and Fontana.

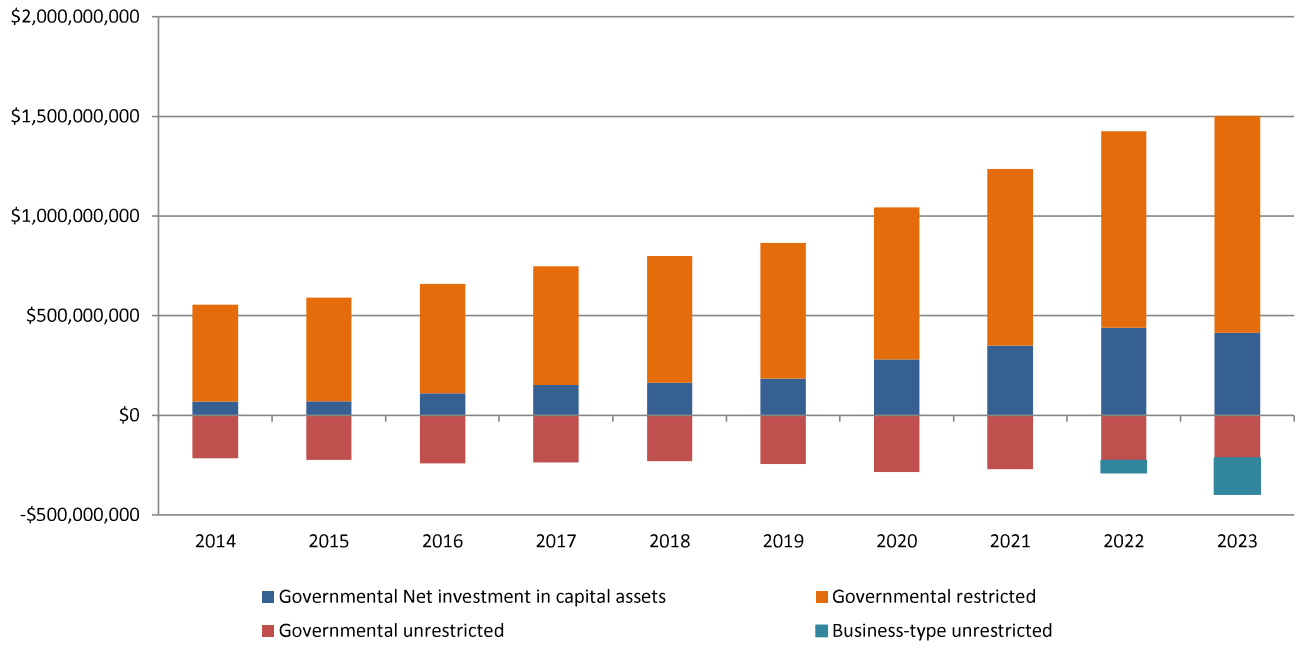
This part of the San Bernardino County Transportation Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall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

	Page No.
Financial Trends	
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	136
Revenue Capacity	
These schedules contain information to help the reader assess the Agency's significant local revenue source, the Measure I sales tax.	144
Debt Capacity	
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.	149
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.	151
Operating Information	
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.	153

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Net Position by Component
Last Ten Fiscal Years [1]
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	$ 68,787,689	$ 71,364,275	$ 110,717,829	$ 151,059,762	$ 163,426,341
Restricted	486,271,129	518,477,643	548,295,699	595,616,437	635,633,048
Unrestricted	(215,122,515)	(224,771,477)	(241,599,238)	(237,230,227)	(231,279,244)
Subtotal governmental activities net position	$ 339,936,303	$ 365,070,441	$ 417,414,290	$ 509,445,972	$ 567,780,145
Business-type activities					
Unrestricted	$ -	$ -	$ -	$ -	$ -
Subtotal Business-type activities net position	$ -	$ -	$ -	$ -	$ -
Primary Government					
Net investment in capital assets	$ 68,787,689	$ 71,364,275	$ 110,717,829	$ 151,059,762	$ 163,426,341
Restricted	486,271,129	518,477,643	548,295,699	595,616,437	635,633,048
Unrestricted	(215,122,515)	(224,771,477)	(241,599,238)	(237,230,227)	(231,279,244)
Total Primary Government net position	$ 339,936,303	$ 365,070,441	$ 417,414,290	$ 509,445,972	$ 567,780,145

[1] [2020] Restated due to Implementation Guide 2019-1, revenue recognition based on executed agreement(s).

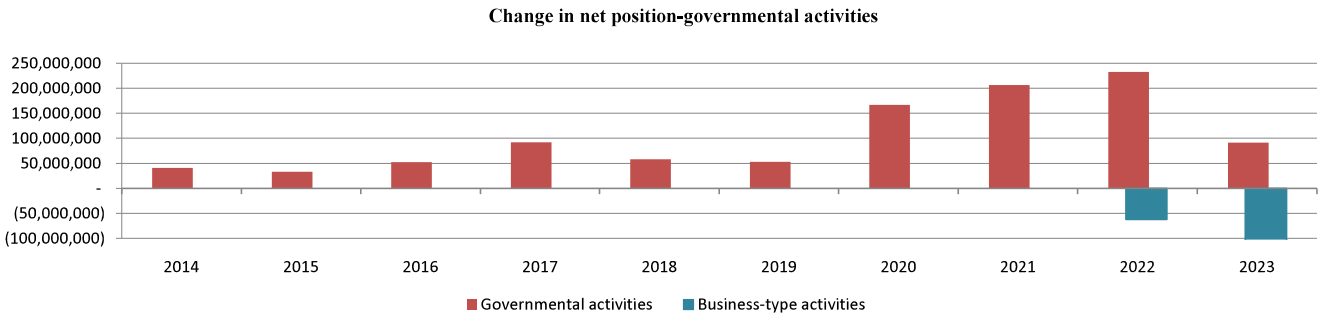


2019	2020	2021	2022	2023
$ 183,187,117	$ 281,471,627	$ 350,708,835	$ 438,632,746	$ 413,163,833
682,600,483	761,719,108	884,582,859	986,436,475	1,089,723,334
(244,842,558)	(285,087,605)	(270,271,064)	(227,026,235)	(213,559,080)
$ 620,945,042	$ 758,103,130	$ 965,020,630	$ 1,198,042,986	$ 1,289,328,087
$ -	$ -	$ -	$ (61,508,438)	$ (181,694,859)
$ -	$ -	$ -	$ (61,508,438)	$ (181,694,859)
$ 183,187,117	$ 281,471,627	$ 350,708,835	$ 438,632,746	$ 413,163,833
682,600,483	761,719,108	884,582,859	986,436,475	1,089,723,334
(244,842,558)	(285,087,605)	(270,271,064)	(288,534,673)	(395,253,939)
$ 620,945,042	$ 758,103,130	$ 965,020,630	$ 1,136,534,548	$ 1,107,633,228

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Fiscal Years [1]
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	$ 3,825,691	$ 2,833,042	$ 4,579,995	$ 3,338,658	$ 4,451,810
Environment and energy conservation	-	-	1,392,074	2,217,401	4,100,630
Commuter and motorist assistance	-	-	5,360,439	4,986,605	6,787,391
Regional and subregional planning	1,810,171	1,951,391	2,077,133	2,914,855	3,063,247
Transit	39,297,811	59,376,860	33,664,779	51,255,392	139,490,342
Project delivery	198,290,514	168,126,021	107,387,795	53,310,890	119,064,025
Fund administration	137,111,875	153,722,554	184,361,902	159,952,967	56,315,916
Express lanes	-	-	-	-	-
Interest and fiscal charges	5,115,094	8,080,732	8,041,836	7,964,571	7,882,329
Air quality and traveler services	5,626,177	4,182,935	-	-	-
Total governmental activities expenses	391,077,333	398,273,535	346,865,953	285,941,339	341,155,690
Business-type activities:					
Toll Enterprise	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Program revenues					
Government activities:					
Charges for services:					
General government	612,541	591,987	539,822	540,388	873,886
Operating grants and contributions	204,806,040	189,415,129	133,839,101	122,252,773	134,432,428
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	205,418,581	190,007,116	134,378,923	122,793,161	135,306,314
Net (expense) revenue					
Governmental activities	(185,658,752)	(208,266,419)	(212,487,030)	(163,148,178)	(205,849,376)
Business-type activities	-	-	-	-	-
General revenues					
Governmental activities:					
Sales tax-Measure I	145,407,342	152,342,401	160,848,014	163,814,528	162,945,073
Sales tax-local transportation fund	79,559,209	85,531,625	97,002,999	87,040,490	95,064,513
Unrestricted investment earnings	165,733	1,906,660	4,876,204	2,160,355	5,050,075
Gain (loss) on sale of assets	-	-	-	-	(194,724)
Miscellaneous	1,116,648	1,987,011	2,103,662	2,164,487	1,318,612
Transfers	-	-	-	-	-
Total governmental activities general revenues	226,248,932	241,767,697	264,830,879	255,179,860	264,183,549
Business-type activities:					
Transfers	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Change in net position					
Governmental activities	40,590,180	33,501,278	52,343,849	92,031,682	58,334,173
Business-type activities	-	-	-	-	-
Total primary government	$ 40,590,180	$ 33,501,278	$ 52,343,849	$ 92,031,682	$ 58,334,173

[1] 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.

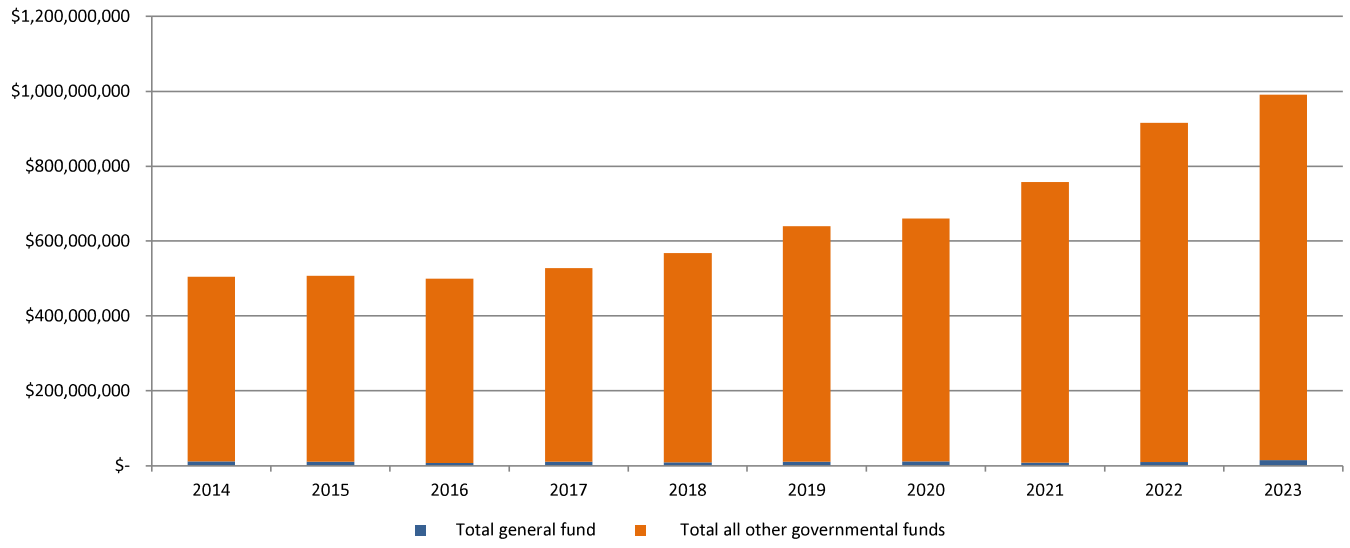


2019	2020	2021	2022	2023
$ 5,388,051	$ 5,889,434	$ 6,163,146	$ 3,264,831	$ 6,155,435
5,992,817	2,343,087	1,198,164	517,273	240,298
6,910,089	7,570,852	7,209,299	5,286,254	5,326,987
2,803,421	2,691,211	3,385,393	4,501,891	3,710,586
141,450,567	183,566,697	157,847,110	110,142,376	305,993,243
194,496,081	200,975,920	286,047,480	273,284,056	269,719,253
95,419,251	47,437,247	79,892,412	76,656,089	82,158,839
167,101	-	-	-	-
7,788,659	7,637,475	7,493,822	3,037,534	5,816,182
-	-	-	-	-
460,416,037	458,111,923	549,236,826	476,690,304	679,120,823
-	-	-	350,667	5,039,710
-	-	-	350,667	5,039,710
855,693	722,766	866,778	834,214	1,010,067
124,767,642	120,385,010	146,381,605	129,636,422	144,261,218
79,983,912	206,347,856	257,273,325	103,869,884	86,046,872
205,607,247	327,455,632	404,521,708	234,340,520	231,318,157
(254,808,790)	(130,656,291)	(144,715,118)	(242,349,784)	(447,802,666)
-	-	-	(350,667)	(5,039,710)
183,621,992	179,016,883	222,320,683	252,227,712	257,469,979
106,927,206	102,753,612	127,319,839	147,255,418	147,692,918
16,901,051	15,090,815	1,687,658	(11,652,810)	17,347,257
101,467	-	(347)	-	1,260,743
421,971	364,484	304,785	26,384,049	170,159
-	-	-	61,157,771	115,146,711
307,973,687	297,225,794	351,632,618	475,372,140	539,087,767
-	-	-	(61,157,771)	(115,146,711)
-	-	-	(61,157,771)	(115,146,711)
53,164,897	166,569,503	206,917,500	233,022,356	91,285,101
-	-	-	(61,508,438)	(120,186,421)
$ 53,164,897	$ 166,569,503	$ 206,917,500	$ 171,513,918	$ (28,901,320)

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

	2014	2015	2016	2017	2018
General fund					
Nonspendable	$ 182,068	$ 120,659	$ -	$ 14,569	$ 18,776
Committed	22,211	24,046	20,576	2,788,309	-
Assigned	11,283,052	11,069,579	7,478,672	7,994,915	9,020,978
Unassigned	-	-	-	-	-
Total general fund	$ 11,487,331	$ 11,214,284	$ 7,499,248	$ 10,797,793	$ 9,039,754
All other governmental funds					
Restricted	$ 508,391,977	$ 511,144,916	$ 520,416,463	$ 544,917,503	$ 586,225,728
Nonspendable	-	-	-	21,995	20,788
Committed	-	-	-	-	2,447,646
Unassigned	(15,058,847)	(14,693,201)	(28,319,694)	(28,537,883)	(29,647,825)
Total all other governmental funds	$ 493,333,130	$ 496,451,715	$ 492,096,769	$ 516,401,615	$ 559,046,337

[1] 2020 Restated due to Implemetation Guide 2019-1, revenue recognition based on executed agreement(s).



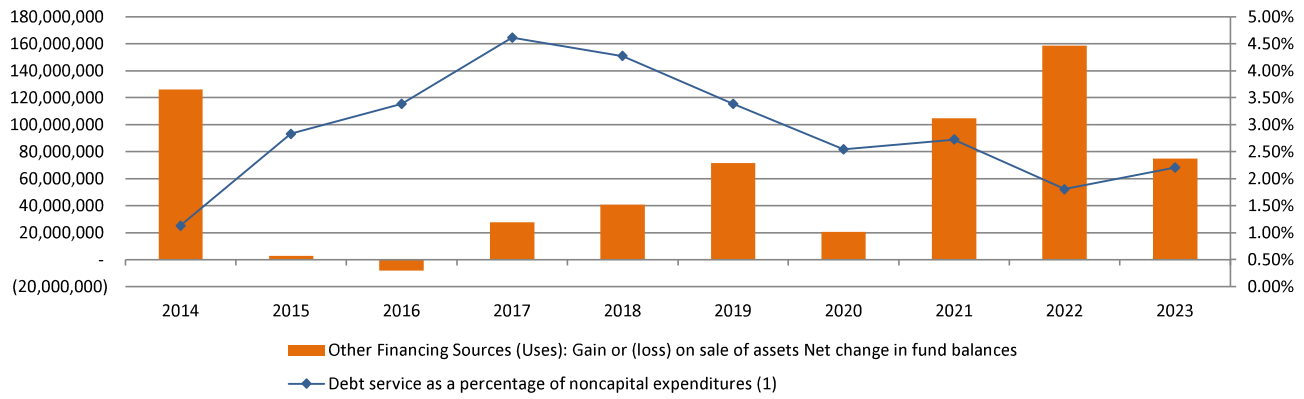
2019	2020	2021	2022	2023
$ 3,302,408	$ 5,698,586	$ 147,658	$ 87,075	$ 254,345
-	-	-	-	-
7,267,165	5,455,831	7,665,107	9,513,241	14,841,201
500,000	500,000	500,000	500,000	500,000
$ 11,069,573	$ 11,654,417	$ 8,312,765	$ 10,100,316	$ 15,595,546
$ 643,327,781	$ 692,204,990	$ 802,012,580	$ 926,554,698	$ 1,013,914,600
-	5,000	-	54,608	48,942
2,346,780	2,211,154	1,828,594	1,501,618	1,002,524
(16,923,844)	(45,794,058)	(55,082,060)	(22,527,110)	(39,859,934)
$ 628,750,717	$ 648,627,086	$ 748,759,114	$ 905,583,814	$ 975,106,132

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

	2014	2015	2016	2017	2018
Revenues					
Sales tax-Measure I	$ 145,407,342	$ 152,342,401	$ 160,848,014	$ 163,814,528	$ 162,945,073
Sales tax-local transportation fund	79,559,209	85,531,625	97,002,999	87,040,490	95,064,513
Intergovernmental	173,396,397	143,867,243	84,373,453	74,863,975	81,934,515
Charges for services	483,490	473,282	425,936	387,841	673,699
Special assessments	129,051	118,705	113,886	152,547	200,187
Investment earnings	165,733	1,906,662	4,876,204	2,160,355	5,050,075
Miscellaneous	1,075,059	1,977,411	2,103,662	2,164,487	1,318,609
Total revenues	400,216,281	386,217,329	349,744,154	330,584,223	347,186,671
Expenditures					
Current:					
General government	3,479,317	2,400,945	4,226,244	3,969,427	3,449,490
Environment and energy conservation	-	-	1,426,771	2,191,718	3,955,065
Commuter and motorist assistance	-	-	5,383,571	4,969,483	5,702,551
Regional and subregional planning	1,810,171	1,967,660	2,163,876	2,850,647	2,838,747
Transit	39,297,811	59,395,144	48,908,424	56,879,195	132,211,679
Project delivery	198,290,514	168,147,585	107,474,538	65,950,533	73,108,411
Fund administration	136,900,621	133,588,823	150,423,969	129,081,711	56,202,549
Express lanes	-	-	-	-	-
Air quality and traveler services	5,626,177	4,191,009	-	-	-
Debt Service:					
Principal	-	1,910,000	1,990,000	2,845,000	3,365,000
Interest and fiscal charges	4,421,182	8,862,406	9,226,716	9,131,336	9,026,801
Capital outlay	5,001,633	2,908,219	26,590,027	25,111,782	16,244,971
Total expenditures	394,827,426	383,371,791	357,814,136	302,980,832	306,105,264
Transfers in	43,369,783	43,631,095	48,366,242	58,188,088	105,160,907
Transfers out	(43,369,783)	(43,631,095)	(48,366,242)	(58,188,088)	(105,160,907)
Commercial Paper Proceeds	-	-	-	-	-
Sales tax revenue bonds issued	110,135,000	-	-	-	-
Premium on sales tax revenue bonds issued	10,700,611	-	-	-	-
Payment of sales tax revenue bonds	-	-	-	-	-
Lease financing	-	-	-	-	-
Subscription financing	-	-	-	-	-
Gain or (loss) on sale of assets	-	-	-	-	(194,724)
Total other financing sources (uses)	120,835,611	-	-	-	(194,724)
Net change in fund balances	126,224,466	2,845,538	(8,069,982)	27,603,391	40,886,683
Fund balances beginning of year (*as restated) [2]	* 378,595,995	515,521,072	518,366,610	510,296,628	537,900,019
Fund balances end of year	$ 504,820,461	$ 518,366,610	$ 510,296,628	$ 537,900,019	$ 578,786,702
Debt service as a percentage of noncapital expenditures [1]	1.13%	2.83%	3.39%	4.62%	4.28%

[1] Debt service reflects principal and interest.

[2] These restatements occurred durring the respective fiscal years, not the result of the current audit.



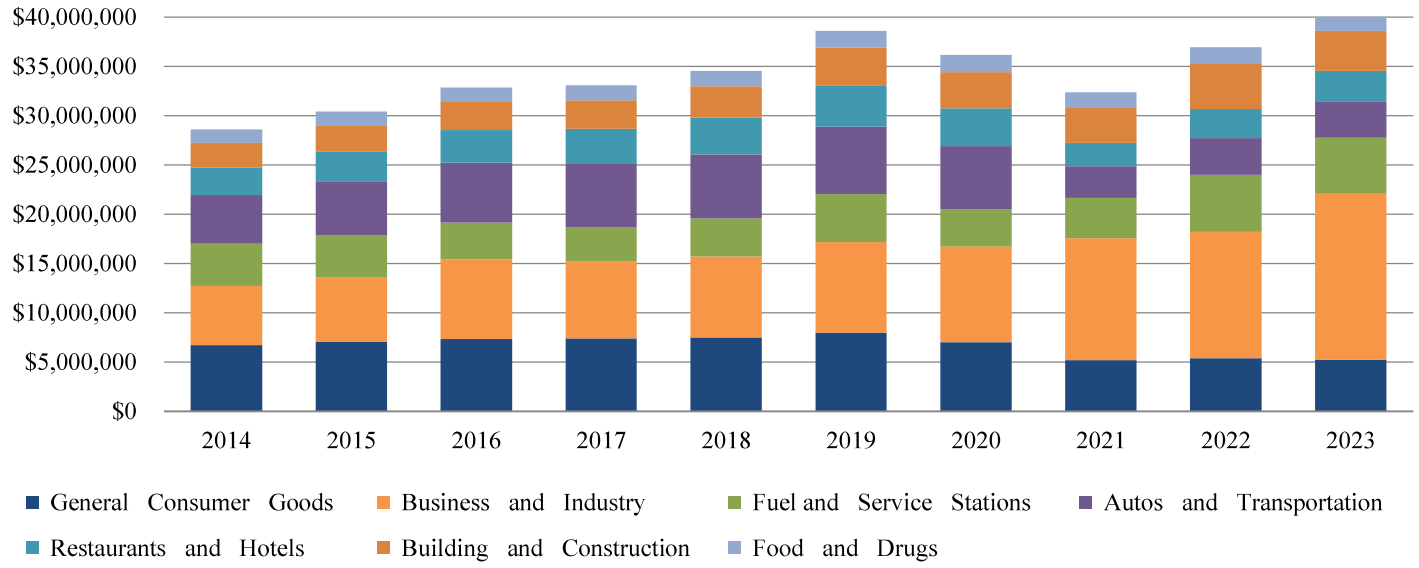
2019	2020	2021	2022	2023
$ 183,621,992	$ 179,016,883	$ 222,320,683	$ 252,227,712	$ 257,469,979
106,927,206	102,753,612	127,319,839	147,255,418	147,692,918
166,135,084	248,151,643	325,764,000	255,158,111	205,339,905
607,148	469,623	609,239	573,523	678,791
248,545	253,143	257,539	260,691	331,276
16,901,051	15,090,815	1,687,658	(9,190,904)	17,208,561
668,420	7,374,234	5,575,269	26,384,049	1,299,607
475,109,446	553,109,953	683,534,227	672,668,600	630,021,037
8,809,467	9,716,385	10,022,751	9,474,721	12,366,095
5,360,236	1,323,755	540,313	445,004	204,436
6,082,170	6,217,206	4,713,337	5,020,699	5,078,872
1,870,217	1,648,691	2,369,693	3,859,767	2,924,925
128,994,735	178,757,080	139,311,882	107,243,421	201,961,091
144,354,985	164,736,836	234,102,962	297,850,264	267,413,828
60,576,825	56,797,347	73,891,608	75,088,776	97,599,488
85,542	-	-	-	-
-	-	-	-	-
3,860,000	4,150,000	4,460,000	2,220,000	5,570,000
8,914,649	8,740,251	8,573,701	6,955,351	7,686,163
34,548,505	100,559,657	100,662,812	88,166,593	71,107,543
403,457,331	532,647,208	578,649,059	596,324,596	671,912,441
23,523,783	28,850,305	29,423,596	222,462,708	176,637,970
(23,523,783)	(28,850,305)	(29,423,596)	(161,304,937)	(61,491,259)
-	-	-	26,352,000	-
-	-	-	60,050,000	-
-	-	-	13,108,295	-
-	-	-	(78,399,819)	-
-	-	-	-	268,088
-	-	-	-	233,410
82,084	(1,532)	(347)	-	1,260,743
82,084	(1,532)	(347)	82,268,247	116,908,952
71,734,199	20,461,213	104,884,821	158,612,251	75,017,548
568,086,091	631,725,845	652,187,058	757,071,879	915,684,130
$ 639,820,290	$ 652,187,058	$ 757,071,879	$ 915,684,130	$ 990,701,678
3.39%	2.54%	2.73%	1.81%	2.21%

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
County of San Bernardino Taxable Sales by Business Group [1]
Last Ten Fiscal Years
(In Thousands)

Fiscal	General Consumer Goods	Business and Industry	Fuel and Service Stations	Autos and Transportation	Restaurants and Hotels	Building and Construction	Food and Drugs	Total
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
2020	7,015,085	9,698,459	3,825,702	6,371,303	3,810,119	3,694,221	1,732,193	36,147,082
2021	5,173,652	12,398,034	4,071,133	3,218,905	2,368,664	3,541,254	1,570,734	32,342,376
2022	5,387,207	12,802,047	5,781,719	3,725,689	2,962,344	4,649,030	1,619,464	36,927,500
2023	5,216,250	16,869,735	5,654,185	3,701,833	3,086,885	4,061,613	1,542,219	40,132,720

[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]
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%
2020	0.50%	7.75%
2021	0.50%	7.75%
2022	0.50%	7.75%
2023	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)

	2023			2014		
Business Type	Taxable Sale	Rank	Percentage of Total Taxable Sales	Taxable Sale	Rank	Percentage of Total Taxable Sales
Service Stations	$ 5,426,155	1	13.49%	$ 3,625,489	1	15.73%
Fulfillment Centers	5,252,256	2	13.05%	352,622	23	1.53%
Drugs/Chemicals	2,864,551	3	7.12%	782,815	8	3.40%
Trailers/Auto Parts	2,781,845	4	6.91%	498,496	16	2.16%
Contractors	2,568,086	5	6.38%	1,294,160	3	5.62%
New Motor Vehicle Dealers	1,551,660	6	3.86%	905,048	6	3.93%
Heavy Industrial	1,543,448	7	3.84%	1,122,476	4	4.87%
Casual Dining	1,463,809	8	3.64%	672,252	11	2.92%
Warehse/Farm/Const. Equip.	1,325,174	9	3.29%	701,961	9	3.05%
Home Furnishings	1,217,701	10	3.03%	614,390	12	2.67%
Building Materials	1,110,665	11	2.76%	835,422	7	3.62%
Energy/Utilities	1,108,676	12	2.76%	1,970,513	2	8.55%
Discount Dept Stores	919,319	13	2.28%	679,350	10	2.95%
Quick-Service Restaurants	913,316	14	2.27%	510,553	13	2.22%
Light Industrial/Printers	860,790	15	2.14%	1,084,301	5	4.70%
Family Apparel	768,802	16	1.91%	-		
Convenience Stores/Liquor	738,578	17	1.84%	429,695	20	1.86%
Specialty Stores	734,380	18	1.83%	424,259	21	1.84%
Grocery Stores	653,174	19	1.62%	504,108	15	2.19%
Used Automotive Dealers	603,473	20	1.50%	435,257	19	1.89%
Automotive Supply Stores	596,115	21	1.48%	504,422	14	2.19%
Auto Repair Shops	593,148	22	1.47%	348,582	24	1.51%
Textiles/Furnishings	380,502	23	0.95%	439,391	18	1.91%
Plumbing/Electrical Supplies	376,547	24	0.94%	-		
Transportation/Rentals	338,505	25	0.84%	338,907	25	1.47%
Department Stores	-			355,667	22	1.54%
Electronics/Appliance Stores	-			480,884	17	2.09%
Total	$ 36,690,675		91.20%	$ 19,911,020		86.41%

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, 2023

	General Fund	Special Revenue Funds	Total
Administration			
Administration	$ 2,574,700	$ -	$ 2,574,700
Valley			
Freeway projects	-	60,974,382	60,974,382
Freeway interchanges	-	23,128,214	23,128,214
Major street	-	35,743,603	35,743,603
Local street	-	42,051,298	42,051,298
Metrolink/rail service	-	16,820,519	16,820,519
Express bus/bus rapid transit service	-	10,512,824	10,512,824
Senior and disabled transit	-	16,820,519	16,820,519
Transportation management systems	-	4,205,130	4,205,130
Victor Valley			
Major local highway	-	6,462,602	6,462,602
Local street	-	17,319,774	17,319,774
Senior and disabled transit	-	1,551,024	1,551,024
Project development/traffic management	-	517,008	517,008
North Desert			
Major local highway	-	1,279,742	1,279,742
Local street	-	3,480,899	3,480,899
Senior and disabled transit	-	255,948	255,948
Project development/traffic management	-	102,379	102,379
Colorado River			
Major local highway	-	108,645	108,645
Local street	-	295,514	295,514
Senior and disabled transit	-	21,729	21,729
Project development/traffic management	-	8,692	8,692
Morongo Basin			
Major local highway	-	815,126	815,126
Local street	-	2,217,142	2,217,142
Senior and disabled transit	-	163,025	163,025
Project development/traffic management	-	65,210	65,210
Mountain			
Major local highway	-	668,014	668,014
Local street	-	1,816,998	1,816,998
Senior and disabled transit	-	133,603	133,603
Project development/traffic management	-	53,441	53,441
Cajon Pass	-	7,302,275	7,302,275
	$ 2,574,700	$ 254,895,279	$ 257,469,979

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Historical Sales Tax Revenue
Fiscal Years Ended June 30, 2010 through 2023

Fiscal Year	Sales Tax Revenues (1)	% Change From Prior Fiscal Year
2010	$106,073,764 (2)	(7.7) %
2011	117,927,079	11.2 %
2012	132,276,581	12.2 %
2013	138,482,732	4.7 %
2014	145,407,342	5.0 %
2015	152,342,401	4.8 %
2016	160,848,014	5.6 %
2017	163,814,528	1.8 %
2018	162,945,073	(0.5) %
2019	183,621,992	12.7 % (3)
2020	179,016,883 (4)	(2.5) %
2021	222,320,683	24.2 %
2022	252,227,712	13.5 %
2023	257,469,979	2.1 %

(1) Net of State Board of Equalization/CDTFA administrative fee.

(2) Ordinance No. 89-1 imposed the Sales Tax for a period from April 1, 1990 to March 31, 2010. Ordinance No. 04-01 imposes the Sales Tax for the period from April 1, 2010 through March 31, 2040. Thus, amounts shown for Fiscal Year ended June 30, 2010 include receipts of the Sales Tax imposed pursuant to both Ordinance No. 89-1 and Ordinance No. 04-01. Only those amounts collected in connection with the Sales Tax imposed on and after April 1 in such year would have constituted pledged Sales Tax Revenues under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS Pledge of Sales Tax Revenues and Certain Funds and Accounts Held by Trustee" herein.

(3) In May 2018, CDTFA implemented a new automated system for processing, reporting and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner. Approximately $1,373,405 of Fiscal Year 2018 revenue was recorded in Fiscal Year 2019. Assuming the $1,373,405 figure was properly accounted for in Fiscal Year 2018, annual sales tax revenues would have been $164,318,478 for Fiscal Year 2018 and $182,248,587 in Fiscal Year 2019.

(4) Decrease in the Fiscal Year ended June 30, 2020 largely attributable to the negative effects of the COVID-19 pandemic. See the captions "—Collection of Sales Tax Revenues" and "RISK FACTORS—COVID-19 Pandemic."

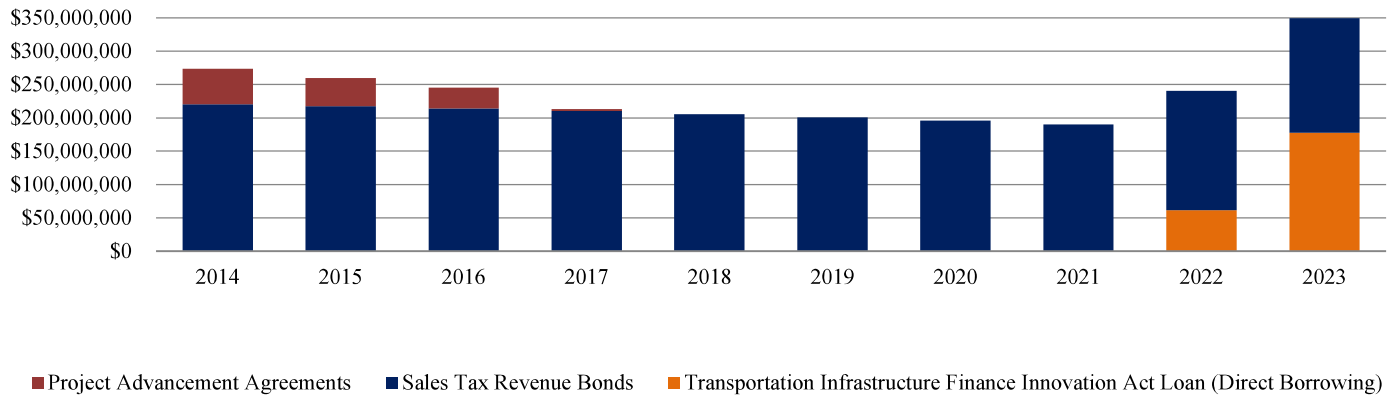
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue Bonds [1]	Project Advancement Agreements	Transportation Infrastructure Finance Innovation Act Loan (Direct Borrowing)	Total	Percentage of Personal Income [2]	Per Capita [2]
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	0.23%	94.59
2019	200,787,943	-	-	200,787,943	0.22%	91.59
2020	195,593,851	-	-	195,593,851	0.20%	89.70
2021	190,121,622	-	-	190,121,622	0.18%	87.38
2022	178,970,060	-	61,422,896	240,392,956	NA	109.89
2023	171,622,758	-	177,421,362	349,044,120	NA	159.96

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

[1] Includes unamortized premium.

[2] See Demographic and Economic Statistics on page 148.

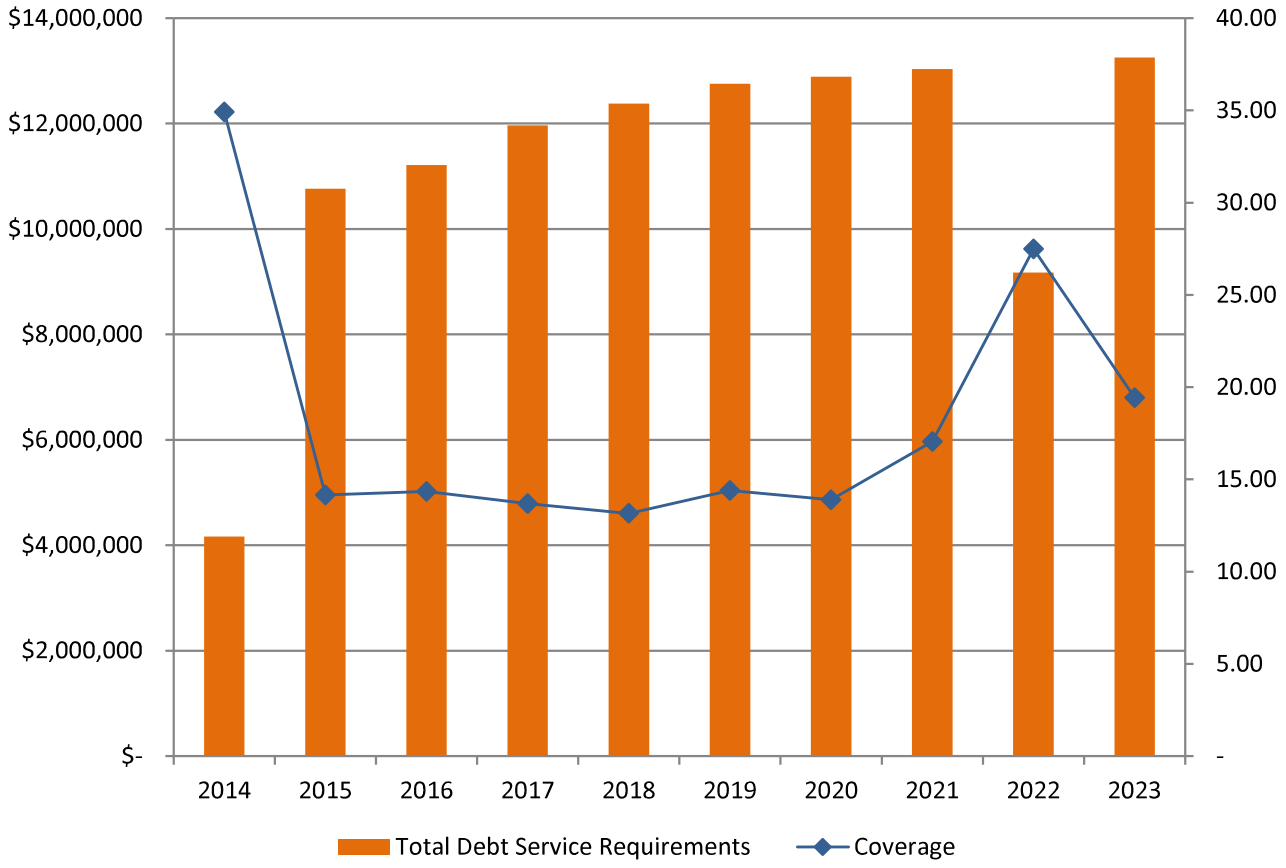


SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Measure I Sales Tax Revenues [1]	Debt Service Requirements [2] Principal	Interest	Total	Coverage
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
2020	179,016,883	4,150,000	8,739,251	12,889,251	13.89
2021	222,320,683	4,460,000	8,573,701	13,033,701	17.06
2022	252,227,712	2,220,000	6,955,351	9,175,351	27.49
2023	257,469,979	5,570,000	7,686,163	13,256,163	19.42

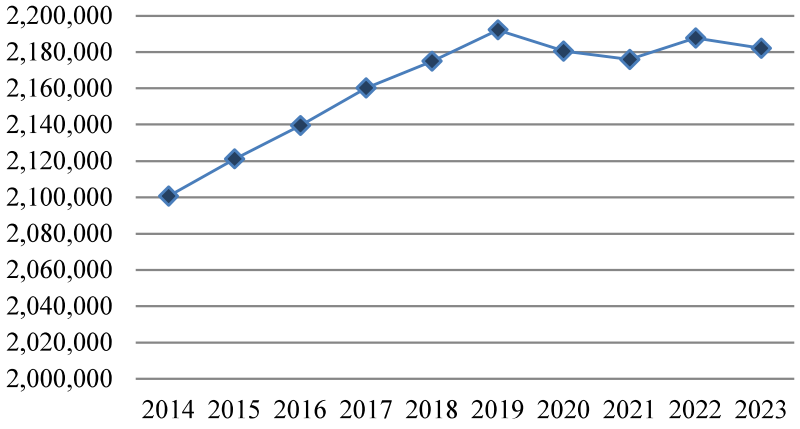
[1] Measure I sales tax revenue net of Board of Equalization fees.

[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.



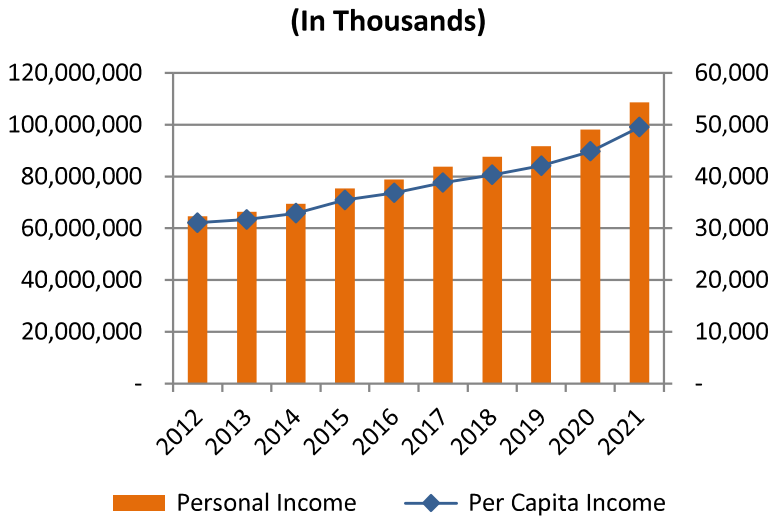
Last Ten Fiscal Years [1]

Year	Population
2014	2,100,700
2015	2,121,088
2016	2,139,570
2017	2,160,256
2018	2,174,938
2019	2,192,203
2020	2,180,537
2021	2,175,909
2022	2,187,665
2023	2,182,056



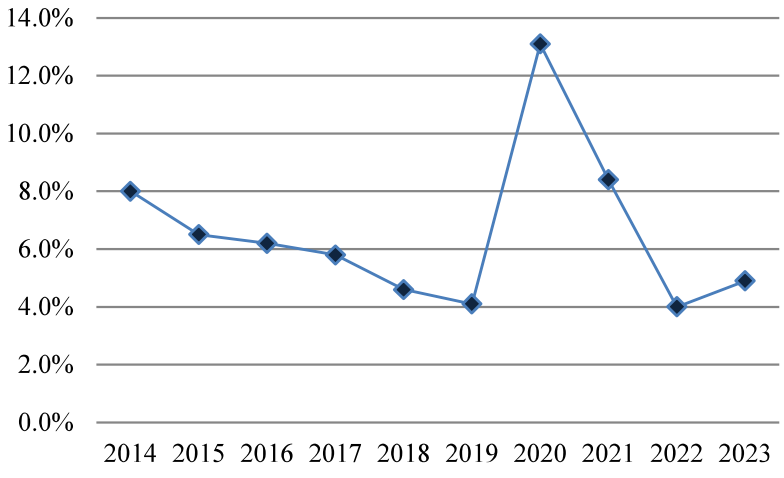
Fiscal Years 2012-2021 [2]

Year	Personal Income (In Thousands)	Personal Per Capita Income
2012	64,633,723	31,064
2013	66,321,591	31,683
2014	69,487,877	32,892
2015	75,402,896	35,431
2016	78,830,801	36,835
2017	83,741,561	38,816
2018	87,550,004	40,316
2019	91,658,300	42,043
2020	98,143,792	44,831
2021	108,623,799	49,493



Last Ten Fiscal Years [3]

Year	Unemployment Rate
2014	8.0%
2015	6.5%
2016	6.2%
2017	5.8%
2018	4.6%
2019	4.1%
2020	13.1%
2021	8.4%
2022	4.0%
2023	4.9%



[1] California Department of Finance. Population for FY2022 as of January 2023.

[2] U.S. Department of Commerce-Bureau of Economic Analysis. Represents most recent information.

[3] California Employment Development Department. Unemployment rate for FY2023 as of June 2023.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
County of San Bernardino Employment Statistics by Industry
Fiscal Year 2022 and Nine Years Prior [1]

Industry Type	2022	Percentage of Total Employment	2013	Percentage of Total Employment
Agricultural services, forestry and fishing	2,400	0.28%	2,400	0.37%
Mining	1,100	0.13%	900	0.14%
Construction	40,900	4.79%	27,400	4.23%
Manufacturing	54,600	6.39%	48,300	7.45%
Transportation, warehousing and public utilities	136,100	15.93%	53,500	8.25%
Wholesale trade	42,500	4.97%	34,000	5.24%
Retail trade	88,200	10.32%	82,400	12.71%
Professional and business services	99,300	11.62%	74,400	11.48%
Education and health services	135,600	15.88%	102,100	15.75%
Leisure and hospitality	79,300	9.28%	60,900	9.39%
Information	5,100	0.60%	5,300	0.82%
Finance, insurance and real estate	24,400	2.86%	21,800	3.36%
Federal government-civilian	6,100	0.71%	13,500	2.08%
State government	13,200	1.55%	12,000	1.85%
Local government	101,400	11.87%	88,500	13.66%
Other services	24,100	2.82%	20,900	3.22%
Total	854,300	100.00%	648,300	100.00%

[1] Most current information available.

Source: California Employment Development Department.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General:										
Executive administration and support	10.0	10.0	10.0	11.0	12.0	11.0	11.0	12.0	11.0	13.0
General counsel	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Financial management	6.5	8.5	9.5	12.0	14.0	15.0	13.0	11.0	11.0	17.0
Management services	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0	4.0	4.0
Legislation	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Public affairs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Special Projects	-	-	-	-	-	-	2.0	5.0	5.0	-
Commuter and motorist assistance	3.0	3.0	3.0	4.0	3.0	3.0	3.0	2.0	4.0	4.0
Regional and subregional planning	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Transit	5.0	5.0	5.0	5.0	5.0	5.0	5.0	10.0	8.0	10.0
Project delivery/Toll operations	5.0	5.0	5.0	4.0	5.0	6.0	6.0	13.0	14.0	14.0
Fund administration	7.0	8.0	8.0	9.0	8.0	8.0	8.0	7.0	7.0	7.0
Council of governments	-	-	-	2.0	2.0	1.0	1.0	1.0	1.0	2.0
Total full-time equivalent positions	50.5	53.5	54.5	61.0	64.0	64.0	64.0	76.0	77.0	83.0

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Operating Indicators by Function [1]
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
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
GWh 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	997	750	1,229	1,383	1,467
Park and ride lots	19	21	21	20	19
Motorist assistance by freeway service patrol	34,141	34,669	35,100	33,369	49,644
Call boxes	1,244	1,048	1,022	1,022	1,022
Calls to 511/SoCal511 [6]	306,108	282,180	233,895	201,099	142,287
Visits to IE511.org/SoCal511.org [6]	471,778	604,799	473,462	618,627	408,021
Transit					
Annual rideshare participants [4]	-	-	-	-	-
Park and ride lots [4]	-	-	-	-	-
Vanpools [5]	-	-	-	-	-
Weekly commuter rail trips	11,159	11,078	10,659	9,721	9,559
Annual ridership on commuter rail	3,241,225	3,183,922	3,073,878	2,745,469	2,713,313
Transit operators	7	7	5	5	5
Transit projects	3	6	3	4	3
Passenger rail projects	7	5	8	7	7
Project delivery					
Freeway projects	12	9	9	9	9
Freeway interchange projects	19	18	17	20	17
Grade separation projects	8	11	8	8	5
Miscellaneous Projects	-	-	-	-	-
Fund administration					
Project advancement agreements [3]	24	24	24	24	-
Arterial program jurisdiction master agreements	16	16	15	15	15
Measure I Valley Major Street/Arterial allocation	$ 2,297,670	$ 8,292,988	$ 8,632,276	$ 10,780,897	$ 20,958,276
Project advancement allocation-Valley interchange	$ 2,039,283	$ -	$ 966,835	$ -	$ 1,815,540
Project advancement allocation-Valley arterials	$ 15,665,520	$ 11,361,899	$ 9,351,584	$ 8,188,822	$ 1,020,209
Victor Valley Major Local Highway Allocation	$ 1,199,345	$ 4,837,945	$ -	$ 2,970,614	$ 41,100
Rural Mountain/Desert Local Highway Allocation	$ 713,630	$ 8,770,963	$ 4,130,572	$ 6,620,303	$ 53,697
Federal obligation authority redistribution received	$ 366,977	$ -	$ -	$ -	$ -
Advance Expenditure Allocation - Valley Interchange	$ -	$ -	$ -	$ -	$ -

[1] Information provided by various departments.

[2] The PACE (Property Assessed Clean Energy Program) program ended in fiscal year 2017.

[3] Project Advancement Agreements were paid in full in fiscal year 2018.

[4] Programs moved from Commuter and motorist assistance to Transit during fiscal year 2020.

[5] Programs started during fiscal year 2019.

[6] IE511 merged with SoCal511 in fiscal year 2023.

Note: N/A-information not available for fiscal year.

2019	2020	2021	2022	2023
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
1,945	-	-	-	-
18	-	-	-	-
58,848	70,164	82,539	85,149	73,385
1,022	754	778	777	773
114,045	95,164	65,046	77,868	385,472
252,921	328,053	204,259	160,930	616,413
-	1,380	1,257	3,766	5,195
-	19	18	18	18
34	57	54	57	79
10,411	8,689	12,471	22,896	26,285
2,938,644	2,390,907	648,475	1,180,387	1,562,925
5	6	6	6	6
3	2	2	4	4
10	9	4	2	3
9	13	13	12	11
17	16	16	13	13
5	4	4	3	3
-	-	-	3	3
-	-	-	-	-
15	15	15	15	15
$ 22,027,304	$ 20,720,517	$ 41,414,275	$ 24,515,961	$ 26,176,390
$ -	$ -	$ -	$ 600,399	$ -
$ -	$ -	$ -	$ -	$ -
$ 4,859,500	$ 9,041,218	$ 9,041,218	$ 5,820,457	$ 2,501,498
$ 537,872	$ 6,231,060	$ 2,417,470	$ 4,627,204	$ 7,954,166
$ -	$ 15,236,120	$ 21,124,030	$ 7,992,526	$ -
$ -	$ -	$ 533,211	$ -	$ 16,423,622

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

	2014	2015	2016	2017	2018
General government					
Building-santa fe depot	1	1	1	1	1
Sport utility vehicle	1	1	1	1	1
Santa fe depot parking lot -employee/visitor	2	2	2	2	2
Environment and energy conservation					
Electric vehicle charging stations	-	-	-	-	2
Transit					
Acres of commuter rail land	592	608	621	621	621
Acres of commuter rail parking land	3	16.9*	16.9*	21.9*	21.9*
Building-downtown san bernardino crew house	-	-	-	-	1
Downtown san bernardino crew house parking lot	-	-	-	-	1
Santa fe depot station parking lot	1	1	1	1	1

* 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.

2019	2020	2021	2022	2023
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
2	2	14	14	12
621	604	598	598	598
21.9*	47.86*	54.28*	54.28*	54.28*
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1

The City of Highland partnered with SBCTA and Caltrans to improve State Route 210 and the Baseline Interchange. The bridge rail design highlights the importance of this gateway to the city for travelers to and from this East Valley location.

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

SINGLE AUDIT

Year ended June 30, 2023

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
San Bernardino, California

SINGLE AUDIT
Year ended June 30, 2023

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Crowe LLP
Independent Member Crowe Global

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type 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, 2023, and the related notes to the financial statements, which collectively comprise SBCTA's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Bernardino County Transportation Authority's (SBCTA) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the SBCTA's major federal programs for the year ended June 30, 2023. SBCTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SBCTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SBCTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SBCTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SBCTA's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SBCTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SBCTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SBCTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of SBCTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SBCTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of SBCTA as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SBCTA's basic financial statements. We issued our report thereon dated November 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grantor/Pass-through Entity Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	
Department of Transportation				
Federal Highway Administration				
Highway Planning and Construction				
Pass-through California Department of Transportation:				
Highway Planning and Construction	20.205	BRLS-6507-003	$ 19,795,391	
Highway Planning and Construction	20.205	CML-6507-017	87,859	
Highway Planning and Construction	20.205	CML-6507-022	4,461	
Highway Planning and Construction	20.205	CML-6507-029	912,977	
Highway Planning and Construction	20.205	CMLNI-6507-031	352,316	
Highway Planning and Construction	20.205	CMLNI-6507-037	117,000	
Highway Planning and Construction	20.205	CMSTPLN-6053-130-STP	8,779,781	
Highway Planning and Construction	20.205	CMSTPLN-6053-130-CMAQ	3,838,806	
Highway Planning and Construction	20.205	DEMO8STP-6053-125-STP	949,331	
Highway Planning and Construction	20.205	HPLULN-6053-115	(401)	*
Highway Planning and Construction	20.205	STPCRALN-6507-034	1,264,913	
	20.205	STPCRALN-6507-035	1,492,742	
Highway Planning and Construction	20.205	STPLN-6507-011	3,758,346	
Highway Planning and Construction	20.205	STPLULN-6053-122	38,563	
Total Highway Planning and Construction			41,392,085	
Federal Transit Administration				
Federal Transit Cluster				
Direct Programs:				
Federal Transit - Capital Improvement Grants	20.500	CA-2023-025-01	$ 20,602,598	
COVID-19 - Federal Transit - Capital Improvement Grants	20.500	CA-2023-048-01	4,718,884	
			25,321,482	
Pass-through Omnitrans				
Federal Transit - Formula Grant	20.507	CA-2018-040-00	489,347	
Total Federal Transit Cluster			25,810,829	
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program				
TIFIA Cluster				
Direct: TIFIA I-10 Corridor Contract 1 Project	20.223	TIFIA-20211004A	$ 113,381,389	**
Total Expenditures of Federal Awards			$ 180,584,303	

* The negative amount of -$401 was due to deletion of a voided check during the fiscal year ended June 30, 2023. SBCTA will issue credit to the grantor at project closeout.

**The $113,381,389 of federal expenditures in TIFIA cluster does not include the portion of the expenditures that have been incurred that will be funded from TIFIA loan proceeds, but not drawn down as of June 30, 2023.

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of SBCTA for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of SBCTA operations, it does not present the financial position, changes in net position, or cash flows of SBCTA.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. SBCTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 - MATCHING COSTS

The nonfederal share of program costs (matching costs) are not included in the accompanying Schedule of Expenditure of Federal Awards.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	____ Yes	X	No	
Significant deficiency(ies) identified?	____ Yes	X	None reported	
Noncompliance material to financial statements noted?	____ Yes	X	No	

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?	____ Yes	X	No	
Significant deficiencies identified not considered to be material weaknesses?	____ Yes	X	None reported	
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X	No	

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
20.223	Transportation Infrastructure Finance and Innovation Act Program
20.500 & 20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:	$ 3,000,000			
Auditee qualified as low-risk auditee?	X Yes	____	No	

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

LOCAL TRANSPORTATION FUND
OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO
COUNTY TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS

June 30, 2023

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS
June 30, 2023

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Local Transportation Fund (the Fund) of the County of San Bernardino, a special revenue fund of the San Bernardino County Transportation Authority (SBCTA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of SBCTA, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the SBCTA, or the County of San Bernardino, California, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Fund. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
BALANCE SHEET
June 30, 2023

ASSETS	
Cash and investments in San Bernardino County Treasury Pool	$ 312,041,544
Accrued interest receivable	3,970,969
Intergovernmental receivable	25,164,403
Due from other funds	150,000
Total assets	$ 341,326,916
LIABILITIES	
Due to other funds	$ 8,442,146
FUND BALANCE	
Restricted:	
Unapportioned local transportation funds reserve	13,368,583
Unclaimed allocations	18,550,206
Bicycle and pedestrian projects	12,101,609
Rail and bus transit and local street and road, apportioned and unallocated	244,155,257
Unapportioned local transportation funds	44,709,115
	332,884,770
Total liabilities and fund balance	$ 341,326,916

See accompanying notes to financial statements.

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Year ended June 30, 2023

Revenues	
Sales tax - local transportation fund	$ 147,692,918
Investment earnings	4,716,532
Total revenues	152,409,450
Expenditures	
Transit	90,191,590
Total expenditures	90,191,590
Excess of Revenues over Expenditures	62,217,860
Other financing sources (uses)	
Transfers out	(18,188,827)
Net change in fund balance	44,029,033
Fund balance, beginning of year	288,855,737
Fund balance, end of year	$ 332,884,770

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The San Bernardino County Transportation Authority (SBCTA), in its capacity as the transportation planning agency for the County of San Bernardino, California (the County), is responsible for administering funds provided through the Local Transportation Fund (the Fund), which was created in accordance with the provisions of the Transportation Development Act of 1971. The Fund's revenue is derived from 0.25% of the 7.50% statewide sales tax collected in the County by the State Board of Equalization (the State).

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to governmental funds of governmental entities.

A summary of the Fund's significant accounting policies is as follows:

Presentation: The accompanying financial statements of the Fund are intended to present the financial position and the change in financial position of only the governmental fund of SBCTA that is attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the County or SBCTA as of June 30, 2023, or the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes and intergovernmental revenues are recognized as revenues when measurable, a sale occurs or eligibility requirements are met, if available. 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 60 days after the end of the accounting period and recognized as revenue. Investment earnings are recognized when earned.

Funding for Recipients: There is a three-step process for obtaining funds from the Fund: apportionment, allocation and payment. Annually, SBCTA determines the share of the anticipated fund balance for each geographical area within the County. This share is the area apportionment. Once funds are apportioned to a given area, they are typically available only for allocation to claimants in that area. Allocation is the discretionary action by SBCTA, which designates funds for a specific claimant for a specific purpose. Payment is authorized by disbursement instructions issued by SBCTA.

Expenditures: Expenditures represent disbursements to the Southern California Association of Governments (SCAG), cities, County and transit operators that have met the claimant eligibility requirements to receive Fund allocations that are approved by SBCTA per various Public Utilities Code Sections. All disbursements are to be used for transportation purposes.

Intergovernmental Receivable: Sales taxes receivable consist primarily of unremitted sales tax collected by the State for taxable sales within the County through June 30, 2023.

Fund Balance Restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds. Restricted fund balances are restricted for specific purposes by enabling legislation.

(Continued)

NOTE 2 - POOLED CASH AND INVESTMENTS

The funds in the San Bernardino County Treasury Pool are pooled with those of other entities in the County and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Fair value is based on quoted market prices and/or direct bids, when needed, from government dealers on some variable or floating rate items. Monies in the Fund are legally required to be deposited in the San Bernardino County Treasury Pool. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. The San Bernardino County Treasury Pool is Rated AAAf by national rating services.

Other investment policies and related credit, concentration of credit, interest rate and foreign currency risks applicable to the Fund's cash and investments are those of the County and are disclosed in the County's Annual Comprehensive Financial Report (ACFR). A copy of the report can be obtained from the San Bernardino County Auditor-Controller Office at 268 West Hospitality Lane, San Bernardino, CA 92415; or online at www.sbcounty.gov.

NOTE 3 - FUND BALANCE

Restricted fund balance represents the apportionments related to transit programs by geographic area, bicycle and pedestrian projects, planning and programming, and unapportioned Local Transportation Funds. For commuter rail and bus allocations are in accordance with SBCTA's policy.

(Continued)

NOTE 3 - FUND BALANCE (Continued)

At June 30, 2023, amounts in the fund balance are restricted as follows:

Rail and bus transit and local street and road apportionments:	
Apportioned and unallocated	
City of Big Bear Lake	$ 3
City of Needles	1
City of Twentynine Palms	(1)
Town of Yucca Valley	(1)
County - unincorporated	263,550
Valley	243,891,705
Total for rail and bus transit and local street and road allocation balance	$244,155,257
Bicycle and pedestrian projects:	
Allocated and unclaimed	$ 7,772,849
Unallocated	4,328,760
Total for bicycle and pedestrian projects	$ 12,101,609
Unapportioned local transportation funds reserve	$ 13,368,583
Unclaimed allocations	$ 18,550,206
Unapportioned local transportation funds	$ 47,414,293
Unrealized gain on investments	(2,705,178)
Total Unapportioned local transportation funds	$ 44,709,115
Total fund balance	$332,884,770

NOTE 4 - TRANSFERS

Transfers out are used to move funds from the Fund to the general fund of SBCTA for reimbursement of certain general administrative, planning and transportation expenditures.

SUPPLEMENTARY INFORMATION

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS
Year ended June 30, 2023

	SB 821 Article 3		Article 4		Article 3 & 4		Article 8				Article 3		Total		
	Bicycle/Pedestrian & Transit Stop Access		Operating/Capital		Commuter Rail Operating/Capital		Purchased Transportation Operating/Capital		Local Streets/Roads		Planning, Programming & Administration				
	Allocations	Disbursements	Allocations	Disbursements	Allocations	Disbursements	Allocations	Disbursements	Allocations	Disbursements	Allocations	Disbursements	Allocations	Disbursements	Unclaimed Amount
City of Adelanto	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 61,333	$ 61,333	$ -	$ -	61,333	61,333	$ -
Town of Apple Valley	-	-	-	-	-	-	-	-	432,256	432,256	-	-	432,256	432,256	-
City of Barstow	-	-	-	-	-	-	-	-	63,641	63,641	-	-	63,641	63,641	-
City of Big Bear Lake	-	175,072	-	-	-	-	-	-	-	-	-	-	-	175,072	(175,072)
City of Chino	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Chino Hills	-	249,997	-	-	-	-	-	-	-	-	-	-	-	249,997	(249,997)
City of Colton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Fontana	-	31,241	-	-	-	-	-	-	-	-	-	-	-	31,241	(31,241)
City of Grand Terrace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Hesperia	-	-	-	-	-	-	-	-	872,556	872,556	-	-	872,556	872,556	-
City of Highland	-	65,606	-	-	-	-	-	-	-	-	-	-	-	65,606	(65,606)
City of Loma Linda	-	29,151	-	-	-	-	-	-	-	-	-	-	-	29,151	(29,151)
City of Montclair	-	218,659	-	-	-	-	-	-	-	-	-	-	-	218,659	(218,659)
City of Needles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Ontario	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Rancho Cucamonga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Redlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Rialto	-	226,000	-	-	-	-	-	-	-	-	-	-	-	226,000	(226,000)
City of San Bernardino	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Twentynine Palms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Upland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Victorville	-	249,600	-	-	-	-	-	-	1,135,102	1,135,102	-	-	1,135,102	1,384,702	(249,600)
City of Yucaipa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Yucca Valley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County of San Bernardino	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County of San Bernardino- Dept of Public Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Morongo Basin Transit Authority	-	-	6,248,481	3,975,896	-	-	-	-	-	-	-	-	6,248,481	3,975,896	2,272,585
Mountain Area Reg Transit Authority	-	-	4,396,933	4,688,399	-	-	-	-	-	-	-	-	4,396,933	4,688,399	(291,466)
OMNITRANS	-	120,517	47,920,372	47,920,372	-	-	-	-	-	-	-	-	47,920,372	48,040,889	(120,517)
Victor Valley Transit Authority	-	12,592	37,513,562	30,020,975	-	-	-	-	-	-	-	-	37,513,562	30,033,567	7,479,995
City of Needles-Transit	-	-	-	-	-	-	431,973	431,973	-	-	-	-	431,973	431,973	-
Auditor/Controller, County of San Bernardino	-	-	-	-	-	-	-	-	-	-	34,020	34,020	34,020	34,020	-
San Bernardino County Transportation Authority	584,945	-	150,000	31,410	7,436,705	8,397,182	-	-	-	-	7,525,783	7,525,783	15,697,433	15,954,375	(256,942)
Southern California Association of Governments	-	-	-	-	-	-	-	-	-	-	1,411,084	1,411,084	1,411,084	1,411,084	-
	$ 584,945	$ 1,378,435	$ 96,229,348	$ 86,637,052	$ 7,436,705	$ 8,397,182	$431,973	$ 431,973	$ 2,564,888	$ 2,564,888	$8,970,887	$ 8,970,887	$116,218,746	108,380,417	$ 7,838,329

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF UNALLOCATED APPORTIONMENTS (ARTICLES, 3, 4 AND 8)
Year ended June 30, 2023

	Prior Year Unallocated Apportionment	Allocation Returned	Current Year Apportionment	Current Year Allocated	Unallocated Apportionment
Administration and planning					
Auditor/controller	$ -	$ -	$ 34,020	$ 34,020	$ -
SBCTA administration	-	-	1,881,446	1,881,446	-
SBCTA planning	-	-	5,644,337	5,644,337	-
SCAG planning	-	-	1,411,084	1,411,084	-
Total administration and planning	-	-	8,970,887	8,970,887	-
Bicycle and pedestrian Program SB 821	805,027	525,205	3,583,474	584,946	4,328,760
Transportation:					
Valley	173,982,757	5,416,754	127,269,903	62,777,709	243,891,705
Adelanto	61,333	-	2,836,272	2,897,605	-
Apple Valley	432,256	-	5,999,852	6,432,108	-
Barstow	63,641	-	1,953,281	2,016,922	-
Big Bear Lake	3	-	418,739	418,739	3
Hesperia	872,556	-	7,751,228	8,623,784	-
Needles	1	-	431,973	431,973	1
Twentynine Palms	(1)	-	2,418,259	2,418,259	(1)
Victorville	1,135,102	-	10,262,290	11,397,392	-
Yucca Valley	(1)	-	1,801,973	1,801,973	(1)
County - unincorporated	263,550	-	14,446,450	14,446,450	263,550
Total transportation	176,811,197	5,416,754	175,590,220	113,662,914	244,155,257
Total apportionments	$ 177,616,224	$ 5,941,959	$ 188,144,581	$ 123,218,747	$ 248,484,017

Current Year Allocated: The total amount of $123,218,746 includes an allocation of $7 million from apportioned funds to replace $7 million in unapportioned reserves that was allocated in the prior year to Omnitrans for cashflow.

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF APPORTIONMENTS
Year ended June 30, 2023

	Apportionment
Prior year audited unrestricted fund balance	$ 56,349,001
Estimated annual LTF receipts	133,685,829
Returned fiscal year 2021/2022 fund reserve	11,478,334
Proposed fiscal year 2022/2023 fund reserve	(13,368,583)
Total estimated funds available	188,144,581
Auditor's administrative costs	34,020
SBCTA's administrative costs	1,881,446
County transportation commission planning	5,644,337
SCAG planning	1,411,084
Resulting balance	179,173,694
Article 3 (SB 821) program	3,583,474
Balance available for apportionment	$ 175,590,220

Apportionment Area	Population	Percentage		Apportionment
Valley	1,577,125	72.47%	%	$ 127,269,903
Adelanto	35,147	1.62%		2,836,272
Apple Valley	74,350	3.42%		5,999,852
Barstow	24,205	1.11%		1,953,281
Big Bear Lake	5,189	0.24%		418,739
Hesperia	96,053	4.41%		7,751,228
Needles	5,353	0.25%		431,973
Twentynine Palms	29,967	1.38%		2,418,259
Victorville	127,170	5.84%		10,262,290
Yucca Valley	22,330	1.03%		1,801,973
County - unincorporated	179,020	8.23%		14,446,450
Total	2,175,909	100.00%	%	$ 175,590,220

Population Source: California Department of Finance and County Demographic Research Unit January 2021.

SBCTA's Administrative Cost set-aside is 1% of Total Estimated Funds Available. Expenditures includes staff time associated with administration of TDA funds, audits, TDA update work, unmet needs hearings and a portion of agency indirect costs.

SCAG Planning set-aside is 3/4% of Total Estimated Funds Available.

Estimate provided by County Auditor on January 19, 2022.

LOCAL TRANSPORTATION FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF UNCLAIMED ALLOCATIONS
Year ended June 30, 2023

Transportation Operators	Unclaimed Allocations
MARTA	$ 15,278
MBTA	2,564,154
Omnitrans	1,195,723
SBCTA	3,236,266
VVTA	11,538,785
Total unclaimed allocations	$ 18,550,206

Bicycle, Pedestrian, and Transit Stop Access Projects	Unclaimed Allocations
City of Adelanto	$ 53,897
City of Chino	486,321
City of Chino Hills	248,954
City of Colton	223,200
City of Fontana	314,732
City of Highland	274,158
City of Ontario	67,050
City of Rancho Cucamonga	714,607
City of Redlands	1,022,514
City of Rialto	1,207,950
City of San Bernardino	124,523
City of Victorville	493,640
City of Yucaipa	479,430
County of San Bernardino	461,439
OMNITRANS	213,861
San Bernardino County Transportation Authority	584,945
Town of Apple Valley	648,015
Victor Valley Transit Authority	153,613
Total unclaimed allocations	$ 7,772,849

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

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

We have audited, in accordance with the 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, the financial statements of the Local Transportation Fund (the Fund) of the County of San Bernardino, a special revenue fund of San Bernardino County Transportation Authority (SBCTA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated November 27, 2023. As discussed in Note 1, the financial statement present only the fund and do not purport to, and do not, present fairly the financial position of SBCTA or the County of San Bernardino, California, as of June 30, 2023 or the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

STATE TRANSIT ASSISTANCE FUND
OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO
COUNTY TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS

June 30, 2023

STATE TRANSIT ASSISTANCE FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the State Transit Assistance Fund (the Fund) of the County of San Bernardino, a special revenue fund of the San Bernardino County Transportation Authority (SBCTA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of SBCTA, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the SBCTA or the County of San Bernardino, California, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Fund. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

STATE TRANSIT ASSISTANCE FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
BALANCE SHEET
June 30, 2023

ASSETS	
Cash and investments in San Bernardino County Treasury Pool	$114,273,913
Accrued interest receivable	1,464,890
Sales tax receivable	9,041,798
Due from other funds	150,000
Total assets	$124,930,601
LIABILITIES	
Due to other funds	12,897,477
DEFERRED INFLOWS OF RESOURCES	
Unavailable grant and local reimbursement	9,041,798
FUND BALANCE	
Restricted:	
Restricted allocations available for operators	10,182,761
Restricted for unclaimed allocations	34,396,950
Unallocated restricted balance	58,411,615
	102,991,326
Total liabilities and fund balance	$124,930,601

See accompanying notes to financial statements.

STATE TRANSIT ASSISTANCE FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Year ended June 30, 2023

Revenues	
Intergovernmental	$ 25,782,633
Investment earnings	2,054,710
Total revenues	27,837,343
Expenditures	
Transit	14,443,764
Total expenditures	14,443,764
Change in fund balance	13,393,579
Fund balance, beginning of year	89,597,747
Fund balance, end of year	$ 102,991,326

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The San Bernardino County Transportation Authority (SBCTA), in its capacity as the San Bernardino County Transportation Commission, is the transportation planning agency for the County of San Bernardino, California (the County). SBCTA is responsible for administering funds provided through the State Transit Assistance Program, which was created in 1979 under Chapter 161 (SB 620) of the California statutes to provide a second source of Transportation Development Act funding for the development of transit systems. The funds are derived from a statewide sales tax on gasoline and diesel fuel and are budgeted through legislation and appropriated to the State Controller's Office for allocation to local agencies. The State Transit Assistance Fund (the 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.

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to governmental funds of governmental entities.

A summary of the Fund's significant accounting policies is as follows:

Presentation: The accompanying financial statements of the Fund are intended to present the financial position and the changes in financial position of only the governmental fund of SBCTA that is attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the San Bernardino County or SBCTA as of June 30, 2023, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used 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 60 days after the end of the accounting period, and recognized as revenue. Investment earnings are recognized when earned.

Allocations to Local Agencies: State transit assistance funds are allocated to the public operators and public transit providers within the County. Public Utilities Code (PUC) Section 99313 allocates funds to regional transportation planning agencies based on the ratio of area population to state population. PUC Section 99314 allocates funds to public transit operators based on their share of fares and local support to other public transit operators in the state. The allocations must be made in a resolution adopted by SBCTA's Board of Directors.

Fund Balance Restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds. Restricted fund balances are restricted for specific purposes by enabling legislation. The restricted fund balance for allocations available for operators represents amounts apportioned by SBCTA but not allocated to claimants. The restricted fund balance for unclaimed allocations represents amounts allocated by SBCTA and due to claimants but not yet paid, as claimants have not yet provided the appropriate claim documentation to SBCTA as of June 30, 2023. The unallocated restricted fund balance represents amounts that have not been apportioned or allocated by SBCTA.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures to Claimants: Disbursements to claimants represent funds disbursed to transit operators that have met the eligibility requirements to receive State Transit Assistance Program funds per PUC Sections 99313 and 99314. All disbursements are to be used for transit purposes.

Intergovernmental Receivable: The intergovernmental receivable reflects the accrual of state transit assistance fund for the fourth quarter of fiscal year 2023. The funds will cover expenditures for transit projects for SBCTA and pass-through funds to transit operators.

Deferred Inflows of Resources: In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet. The Unavailable grant and local reimbursement was $9,041,798 as of June 30, 2023. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

NOTE 2 - POOLED CASH AND INVESTMENTS

The funds in the San Bernardino County Treasury Pool are pooled with those of other entities in the County and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Fair value is based on quoted market prices and/or direct bids, when needed, from government dealers on some variable or floating rate items. Monies in the Fund are legally required to be deposited in the San Bernardino County Treasury Pool. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. The San Bernardino County Treasury Pool is Rated AAAf by national rating services.

Other investment policies and related credit, concentration of credit, interest rate and foreign currency risks applicable to the Fund's cash and investments are those of the County and are disclosed in the County's Annual Comprehensive Financial Report (ACFR). A copy of the report can be obtained from the San Bernardino County Auditor-Controller Office at 268 West Hospitality Lane, San Bernardino, CA 92415; or online at www.sbcounty.gov.

(Continued)

NOTE 3 - FUND BALANCE

At June 30, 2023, amounts are restricted for apportioned and unallocated amounts and for unpaid allocations by claimants.

Restricted apportionments available to operators:	
SBCTA Commuter Rail Program	5,339,321
City of Needles	1,212
Mountain Area Regional Transit Authority	65,747
Morongo Basin Transit Authority	57,467
Omnitrans	4,609,354
Victor Valley Transit Authority	109,660
	10,182,761
Restricted for unclaimed allocations:	
Commuter Rail	20,637,682
City of Needles	263,945
Mountain Area Regional Transit Authority	6,590,174
Morongo Basin Transit Authority	627,706
Omnitrans	5,305,936
Victor Valley Transit Authority	971,507
	34,396,950
Unallocated restricted balance:	
Unallocated restricted balance	57,025,405
Unapportioned fund reserve	2,025,336
Unrealized gain on investment	(639,126)
	58,411,615
Total restricted fund balance	102,991,326

*The negative amount resulted from the estimate amount received from the State Controller in the prior year being higher than the actual revenue received.

SUPPLEMENTARY INFORMATION

STATE TRANSIT ASSISTANCE FUND OF THE COUNTY OF SAN BERNARDINO,
AS ADMINISTERED BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS APPROVED DURING YEAR
Year ended June 30, 2023

Recipient	Prior Year Unclaimed Allocations Balance	Current Year Allocation	Total Expenditures	Returned Allocations	Transferred Allocations
SBCTA Commuter Rail Program	$ 29,056,665	$ 3,957,388	$ 12,117,521	$ 258,850	$ -
City of Needles	223,149	159,448	118,652	-	-
Mountain Area Regional Transit Authority	3,817,570	4,577,229	1,804,625	-	-
Morongo Basin Transit Authority	564,352	191,870	128,516	-	-
Omnitrans	3,095,308	2,210,628	-	-	-
Victor Valley Transit Authority	988,941	257,016	274,450	-	-
	$ 37,745,985	$ 11,353,579	$ 14,443,764	$ 258,850	$ -

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

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

We have audited, in accordance with the 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, the financial statements of the State Transit Assistance Fund (the Fund) of the County of San Bernardino, a special revenue fund of San Bernardino County Transportation Authority (SBCTA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements and have issued our report thereon dated November 27, 2023. As discussed in Note 1, the financial statement present only the fund and do not purport to, and do not, present fairly the financial position of SBCTA or the County of San Bernardino, California, as of June 30, 2023 or the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

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INDEPENDENT AUDITOR'S REPORT
APPLYING AGREED-UPON PROCEDURES

Management of
San Bernardino County Transportation Authority
San Bernardino, California

We have performed the procedures enumerated below related to the San Bernardino County Transportation Authority's ("SBCTA" or "the Authority") compliance with Appropriations Limit under Section 1.5 of Article XIIIB of the California Constitution during the year ended as of June 30, 2023. San Bernardino County Transportation Authority's management is responsible for its compliance with those requirements.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures performed and our findings are as follows:

1. We obtained the completed internal calculations from management and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned calculations to those that were selected by a recorded vote of the Board of Directors.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Calculation, we added line A, last year's limit, to line C, annual adjustment, and compared the resulting amount to line D, this year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Calculation to the supporting calculations described in item 1 above.

   Finding: No exceptions were noted as a result of our procedures.

(Continued)

4. We compared the prior year Appropriations Limit presented in the accompanying Appropriations Limit Calculation to the prior year Appropriations Limit adopted by the Board of Directors during the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by SBCTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with Section 1.5 of Article XIIIB of the California Constitution. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Management is not intended to be, and should not be, used by anyone other than the specified parties.

Crowe LLP

Crowe LLP

Costa Mesa, California
November 27, 2023

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
APPROPRIATIONS LIMIT CALCULATION
Year ended June 30, 2023

	Amount	Source
A. Last year's limit	$1,429,944,657	
B. Adjustment factors:		
1. Population change	1.0755	State Finance
2. Per capital change	1.0014	State Finance
Total adjustments [(B.1 x B.2]) – 1.0]	0.077006	
C. Annual adjustment	110,113,889	A x B
D. This year's limit	$1,540,058,546	A + C

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management of San Bernardino County Transportation Authority's (SBCTA) assertion that SBCTA complied with the requirements of the State Transportation Improvement Program (STIP) Planning, Programming, and Monitoring (PPM) Program Fund Transfer Agreement PPM23-6507(033) (the Report) for amounts received under the PPM Program Fund Transfer Agreement Number PPM23-6507(033) during the contract period July 1, 2022 to June 30, 2023. SBCTA's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about SBCTA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on SBCTA's compliance with the specified requirements.

In our opinion, management's assertion that SBCTA complied with the State Transportation Improvement Program (STIP) Planning, Programming, and Monitoring (PPM) Program Fund Transfer Agreement PPM23-6507(033) is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Directors of SBCTA, management, of SBCTA, and the State of California Department of Transportation, and is not intended to be, and should not be used by anyone other than the specified parties.

Crowe LLP

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Costa Mesa, California
November 27, 2023

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County Transportation Authority

REPORT OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY'S COMPLIANCE DECLARATIONS

In connection with the State Transportation Improvement Program (STIP) Planning, Programming, and Monitoring (PPM) Program Fund Transfer Agreement No. PPM23-6507(033), Project No. PPM23-6507(033), for the contract period July 1, 2022 through June 30, 2023, SBCTA's management makes the following declarations:

1. Reimbursement claims for the STIP PPM Program grant submitted to the State of California (the State) were for expenditures for transportation purposes used in conformance with Article XIX of the California State Constitution.

2. Reimbursement claims were for eligible STIP PPM projects as defined in Attachment A of the aforementioned agreement, which identified and summarizes all anticipated plan costs submitted to the State.

3. Charges for various eligible costs incurred by SBCTA are fully supported. Ineligible costs were not claimed as reimbursable. All reimbursable costs were expended within the time period allowed by each agreement.

4. SBCTA has complied with all reporting and timing condition required by the aforementioned agreement.

5. Total reimbursable costs associated with the STIP PPM Program for the 12 months ended June 30, 2023 were $1,068,000.

Hilda Flores Digitally signed by Hilda Flores Date: 2023.11.13 12:38:38 -08'00'

Hilda Flores, Chief Financial Officer

November 13, 2023

Date

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance with the Transportation Development Act

We have audited San Bernardino County Transportation Authority's (SBCTA) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Conformance Auditing Guide, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively, "Transportation Development Act"), that could have a direct and material effect on SBCTA's compliance with the Transportation Development Act for the year ended June 30, 2023.

In our opinion, SBCTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program for the year ended June 30, 2023.

Basis for Opinion on the Transportation Development Act

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Transportation Development Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SBCTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SBCTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Development Act.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SBCTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SBCTA's compliance with the requirements of the Transportation Development Act as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SBCTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SBCTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of SBCTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.

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Costa Mesa, California
November 27, 2023