

## San Bernardino Associated Governments

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•San Bernardino County Transportation Commission •San Bernardino County Transportation Authority •San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies

## Support Material Agenda Item No. 4

## **General Policy Committee Meeting**

November 9, 2016

9:00 AM

**Location** 

SANBAG

First Floor Lobby

1170 W. 3rd Street, San Bernardino, CA 92410

## **Discussion Items**

## **Administrative Matters**

# 4. Measure I Local Pass-Through Compliance Audits for City of San Bernardino and City of Adelanto

That the General Policy Committee recommend the Board review and receive the Measure I Audit Reports of Local Pass-Through Funds for the City of San Bernardino for Fiscal Years 2012/2013 thru 2014/2015 and the City of Adelanto for Fiscal Year 2014/2015.

## Full financial reports are attached in the order listed below.

City of San Bernardino

- Fiscal Year 2012/2013
- Fiscal Year 2013/2014
- Fiscal Year 2014/2015

## City of Adelanto

• Fiscal Year 2014/2015

## CITY OF SAN BERNARDINO, CALIFORNIA

## **MEASURE I FUND**

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2013

## CITY OF SAN BERNARDINO, CALIFORNIA

## San Bernardino Associated Governments Measure I Fund For the Year Ended June 30, 2013

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Measure I Fund (Measure I Fund), of the City of San Bernardino, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Measure I Fund's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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

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

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City as of June 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure I Fund and do not purport to, and do not, present fairly the financial position of the City of San Bernardino, California, as of June 30, 2013, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 9 and 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the City. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2016, on our consideration of the City's internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Varinek, Trine, Day & Coll

Rancho Cucamonga, California August 22, 2016

## **BALANCE SHEET**

JUNE 30, 2013

	2013
ASSETS	
Cash and investments	\$ 5,760,804
Receivables:	
Taxes	775,201
Interest	4,195
Total Assets	\$ 6,540,200
LIABILITIES AND FUND BALANCE	
Liabilities: Accounts payable	\$ 30,548
Fund Balance:	
Restricted	 6,509,652
Total Liabilities and Fund Balance	\$ 6,540,200

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2013

	2013
REVENUES Measure I sales tax Investment income (loss) Total Revenues	\$ 3,075,929 (4,130) 3,071,799
EXPENDITURES Capital: Construction	1,065,369
REVENUES OVER EXPENDITURES	2,006,430
OTHER FINANCING SOURCES (USES) Transfers In	250,000
Net Change in fund balance	2,256,430
Fund Balance Beginning of year	4,253,222
Fund Balance End of year	\$ 6,509,652

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

## NOTE 1 – GENERAL INFORMATION

## **Reporting Entity**

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City and changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

## Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 4 for a detailed description of the Measure.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure I Fund of the City conforms to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

## A. Basis of Accounting

#### Governmental Fund Financial Statements

#### Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

#### Measurement Focus and Basis of Accounting

The Special Revenue Funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2013

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

### **B.** Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts during the reporting period. Actual results could differ from those estimates.

### C. Fund Balances

Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

## **D.** Cash and Investments

Cash and investments are pooled to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, applicable to the Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

## NOTE 3 – TAXES RECEIVABLE

The taxes receivable represent the Measure I sales tax revenues for the fiscal year received from the San Bernardino County Transportation Authority after June 30, 2013.

## NOTE 4 – MEASURE I FUND

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing the San Bernardino County Transportation Authority to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. San Bernardino Associated Governments (SANBAG), acting as the Authority, was authorized to administer the programs described in the Measure.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2013

## NOTE 4 – MEASURE I FUND, (CONTINUED)

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SANBAG member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

San Bernardino Associated Governments (SANBAG), acting as the Authority, is authorized to administer the programs described in the Measure. The SANBAG Board serves as the Authority Board of Directors. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in this Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SANBAG Board of Directors, based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected State and federal transportation funds is to be reserved for use solely within the Valley Subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) Subareas. In the San Bernardino Valley Subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert Subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

## NOTE 6- TRANSFER IN FROM THE CITY OF SAN BERNARDINO

Transfers in from the City of San Bernardino of \$250,000 represent the reimbursement of prior year amounts transferred from the Measure I Fund to other City Funds that were not sufficiently supported.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2013

## NOTE 7 – INTEREST INCOME (LOSS)

The interest income reflects the net effect of the interest earned on investments and the adjustment to investments to reflect fair market value. In the current year the fair market value adjustment exceeded the interest earned on investments resulting in an interest loss.

**REQUIRED SUPPLEMENTARY INFORMATION** 

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL JUNE 30, 2013

	Buc	lget Final	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Measure I sales tax	\$ 2,934,364	\$ 2,934,364	\$ 3,075,929	\$ 141,565
Investment income (loss)			(4,130)	(4,130)
Total Revenues	2,934,364	2,934,364	3,071,799	137,435
EXPENDITURES Current:				
General Government - Administration	6,125	6,125	-	6,125
Capital:				
Construction	388,225	388,225	1,065,369	(677,144)
Total Expenditures	394,350	394,350	1,065,369	(671,019)
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	2,540,014	2,540,014	2,006,430	(533,584)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	250,000	250,000
Transfers Out	(1,200,000)	(1,200,000)	-	1,200,000
Total Other Financing Sources (Uses)	(1,200,000)	(1,200,000)	250,000	1,450,000
Net Change in fund balance	1,340,014	1,340,014	2,256,430	916,416
Fund Balance Beginning of year	4,253,222	4,253,222	4,253,222	
Fund Balance End of year	\$ 5,593,236	\$ 5,593,236	\$ 6,509,652	\$ 916,416

See accompanying note to required supplementary information.

# NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

## NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.

**OTHER INFORMATION** 

## PROGRAM STATUS: COMPARISON OF 5 YEAR PLAN PROJECT BUDGET TO CURRENT YEAR EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2013

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2012-258. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

and Deviate:	5-Year Plan Project Budget	Current Fiscal Year	Unexpende
Local Projects:	Budget	Expenditures	Budget
Construct Accessibility Improvements (Annual)	\$ 1,107,400	\$ 350,156	\$ 757,24
Street Safety Improvements (Annual) Construct new State Street between Fifth Street and 16th Street	198,100 521,600	19,648	178,45 521,60
Viden Del Rosa Drive from 2 to 4 lanes (Design) - from 6th Street to Base Line		-	
Construct curb & gutter and sidewalk - Mountain Avenue from 39th Street to 40th Street	50,000	585	50,00 166,9
Pavement rehabilitation - Rancho Ave at BNSF Railroad to Foothill Blvd	167,500 360,500	365	360,5
Construct Grade Separation - Hunts Lane at UPRR	38,600	2,544	36,0
Viden North Side @ Del Rosa Channel - Highland Avenue at Del Rosa Channel	63,800	2,344	63,8
Rehabilitate Pavement - Mountain View Avenue from 46th Street to 50th Street	122,000		122,0
Viden Street & Install Curb, Gutter & Sidwalk - H Street from Kendall Drive to 40th Street	10,000	-	122,0
raffic Calming - 4th Street Tia Juana to Cabrera St	102,800	2,825	99,9
Extend Road and Construct Bridge - Mt. View Avenue Extension and Bridge over Santa River	27,300	1,092	26,2
Viden 3rd Street and 5th Street - between Tippecanoe Avenue and Palm Avenue	20,000	1,092	20,2
viden Siteet and Siteet - Detween Tippecanoe Avenue and Fann Avenue	321,900	8,217	
istall 2-Way Left-Turn Lane on Industrial Parkway - Hallmark Parkway to Palm Avenue	54,500	3,914	313,6 50,5
	21,900	2,145	
nspection Cost - I-215 Freeway Widening: Segments 1, 2, 3, 5 & 11 Nehabilitate Pavement -	21,900	2,145	19,7
	80.000		80.0
Medical Center Drive from Home St to 16th St	80,000	-	80,0
California Street - 19th Street to Washington Avenue	30,000	1 024	30,0
46th Street - Mountain View Avenue to Sierra Way	49,200	1,024	48,1
48th Street - Electric Avenue to Mountain View	39,500	1,076	38,4
Waterman Avenue between 13th St and Gilbert Way	149,600	-	149,6
Magnolia Avenue - Western & Mt. Vernon Avenues	55,300	-	55,3
21st Street - Valencia Avenue to Perris Hill Park	127,100	-	127,1
Del Rosa Avenue - Pumalo Street to Date Street East	90,200	1,878	88,3
Little League Drive and Palm (2012 Five year Plan)	-	60	(
Perris Hill Park Road - 21st Street to Pacific Street	178,700	-	178,7
Belmont Avenue - Olive Avenue to Walnut Avenue	53,900	1,342	52,5
Davidson Street - 16th Street to 19th Street	45,000	-	45,0
Highland Avenue - Golden Avenue to Lawrence	161,700	7,791	153,9
15th Street - Mt. Vernon Avenue to Western Avenue	39,500	-	39,5
Waterman Avenue between Mill St and Central Avenue	283,100	-	283,1
Baseline St between Lugo St and Waterman Avenue	160,500	-	160,5
Electric Avenue between 44th St and 46th St	35,700	-	35,7
Mountain View Avenue between Electric Avenue and 40th St	53,400	-	53,4
Mountain View Avenue between Route 210 and 28th St	38,700	1,842	36,8
State St between University Parkway and Sheridan Road	190,000	-	190,0
Cajon Blvd between Devil's Creek Diversion and June St	174,900	-	174,9
Baseline St between Del Rosa Drive and Knob Hill Road	250,000	-	250,0
Commercial Road between Waterman Avenue and Steele Road	81,800	-	81,8
Garner Avenue between Baseline Street and 14th Street	42,400	-	42,4
Pico Avenue between 9th St and Olive St	23,000	-	23,0
Sheridan Road between Lakewood Drive and State St	32,000	-	32,0
Evans St between Western Ave and Medical Center Dr	59,600	-	59,6
nstall New Traffic Signal -			
9th Street and Sierra Way	28,000	3,346	24,6
9th Street and Arrowhead Avenue	33,100	3,209	29,8
eplace Bridge - 2nd St Bridge at Warm Creek	45,000	14,743	30,2
Citywide - Street Maintenance	350,000	359,786	(9,7
itywide - Street Lighting Maintenance	364,182	278,000	86,1
3-14 Construct Accessibility Improvements (Annual)	500,000	-	500,0
3-14 Street Safety Improvements (Annual)	100,000	-	100,0
3-14 Citywide - Street Maintenance	350,000	-	350,0
3-14 Citywide - Street Lighting Maintenance	364,182	-	364,1
Viden Street & Install Curb, Gutter & Sidwalk - H Street from Kendall Drive to 40th Street	350,000	-	350,0
ehabilitate Pavement Sterling Avenue between Highland and Date Place	90,000	-	90,0
4-15 Construct Accessibility Improvements (Annual)	500,000	-	500,0
4-15 Street Safety Improvements (Annual)	100,000	-	100,0
4-15 Citywide - Street Maintenance	350,000	-	350,0
4-15 Citywide - Street Lighting Maintenance	364,182		364,1
5-16 Construct Accessibility Improvements (Annual)	500,000	_	500,0
5-16 Street Safety Improvements (Annual)	100,000	-	100,0
5-16 Citywide - Street Maintenance	350,000	-	350,0
5-16 Citywide - Street Lighting Maintenance	364,182	-	,
			364,1
6-17 Construct Accessibility Improvements (Annual)	500,000	-	500,0
6-17 Street Safety Improvements (Annual)	100,000	-	100,0
6-17 Citywide - Street Maintenance	350,000	-	350,0
6-17 Citywide - Street Lighting Maintenance	364,182	- -	364,1
	\$ 12,229,710	\$ 1,065,369	\$ 11,164,3



## INDEPENDENT AUDITORS' 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 AND MEASURE I COMPLIANCE REQUIREMENTS

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated August 22, 2016. Our report included an emphasis of matter stating that the financial statements of the Measure I Fund do not purport to, and do not, present fairly the financial position of the City as of June 30, 2013. In addition our report included an explanatory paragraph stating that the financial statements do not include Management's Discussion and Analysis.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure I as specified in the agreement between the City and SANBAG, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Measure I requirements as specified in the agreement between the City and SANBAG, which is described in the accompanying schedule of finding and response as item 2013-001.

### **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.

Varinek, Trine, Day & Cour

Rancho Cucamonga, California August 22, 2016

SCHEDULE OF FINDING AND RESPONSE JUNE 30, 2013

## Finding 2013-001

## NON-COMPLIANCE: FIVE YEAR PLAN

#### Criteria:

Pursuant to Policy VLS-9 of the Strategic Guide, the Five Year Plan must include no more than 50% of planned expenditures in general program categories.

## **Condition:**

While testing the Fiscal Year 2013-2017 Five Year Plan, it was noted that planned expenditures in general program categories exceeded 50%.

### **Context:**

The condition noted above was identified while testing the Five Year Plan for compliance with the Measure I Strategic Plan. Planned expenditures in Fiscal Year 2012/13 for general program categories were less than 50% of total annual planned expenditures, but the following fiscal years exceeded the 50% limit.

#### Effect:

The adopted Five Year Plan exceeded the 50% limit on general program category spending.

#### Cause:

The City did not include named projects totaling a minimum of 50% of annual expenditures in all five years of the Five Year Plan.

#### **Recommendation:**

The City should ensure that Five Year Plans include named projects totaling a minimum of 50% of annual expenditures in all five years of the Five Year Plan.

## View of Responsible Official and Planned Corrective Actions:

Management concurs with the finding and will do a better job reviewing future CIP schedules to ensure they comply with SANBAG's guidelines for preparation and submission of the 5-year capital spending plan.

## CITY OF SAN BERNARDINO, CALIFORNIA

## **MEASURE I FUND**

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2014

## CITY OF SAN BERNARDINO, CALIFORNIA

## San Bernardino Associated Governments Measure I Fund For the Year Ended June 30, 2014

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

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### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City as of June 30, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure I Fund and do not purport to, and do not, present fairly the financial position of the City of San Bernardino, California, as of June 30, 2014, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 8 and 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the City. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2016, on our consideration of the City's internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Varinek, Trine, Day & Cour

Rancho Cucamonga, California September 12, 2016

## BALANCE SHEET JUNE 30, 2014

	_	2014
ASSETS		
Cash and investments	\$	7,150,698
Receivables:		
Taxes		503,259
Interest		14,372
Due from other governments		502,129
Total Assets	\$	8,170,458
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$	914,350
Rentention payable		49,617
Total Liabilities		963,967
Deferred Inflows of Resourses:		
Unavailable Revenue		502,129
Fund Balance: Restricted		6,704,362
Tetal Lishiliking Deferred Influence of Decompose and Freed Delerge	¢	0 170 450
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	8,170,458

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2014

		2014
REVENUES Measure I sales tax Investment income Total Revenues	\$	3,164,622 44,572 3,209,194
EXPENDITURES Capital: Construction		3,014,484
Net Change in fund balance	_	194,710
Fund Balance Beginning of year		6,509,652
Fund Balance End of year	\$	6,704,362

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

## NOTE 1 – GENERAL INFORMATION

## **Reporting Entity**

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City and changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

### Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 5 for a detailed description of the Measure.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure I Fund of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

## A. Basis of Accounting

#### **Governmental Fund Financial Statements**

Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

### Measurement Focus and Basis of Accounting

The Special Revenue Funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2014

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

#### **B.** Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts during the reporting period. Actual results could differ from those estimates.

#### C. Fund Balances

Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

### D. Cash and Investments

Cash and investments are pooled to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, applicable to the Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

## E. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, unavailable revenues, represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available.

## NOTE 3 – TAXES RECEIVABLE

The taxes receivable represent the Measure I sales tax revenues for the fiscal year received from the San Bernardino County Transportation Authority after June 30, 2014.

## **NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Due from other governments represents funding for the State Street to Foothill Blvd. project that will be reimbursed through San Bernardino Associated Governments. The amount was not considered available for revenue recognition purposes and therefore has been recorded as a deferred inflow of resources – unavailable revenue as of June 30, 2014.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2014

## NOTE 5 – MEASURE I FUND

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing the San Bernardino County Transportation Authority to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. San Bernardino Associated Governments (SANBAG), acting as the Authority, was authorized to administer the programs described in the Measure.

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SANBAG member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

San Bernardino Associated Governments (SANBAG), acting as the Authority, is authorized to administer the programs described in the Measure. The SANBAG Board serves as the Authority Board of Directors. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in this Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SANBAG Board of Directors, based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected State and federal transportation funds is to be reserved for use solely within the Valley Subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) Subareas. In the San Bernardino Valley Subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert Subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

**REQUIRED SUPPLEMENTARY INFORMATION** 

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Buc	lget		Variance From Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Measure I sales tax	\$ 2,995,716	\$ 2,995,716	\$ 3,164,622	\$ 168,906
Investment income	2,000	2,000	44,572	42,572
Total Revenues	2,997,716	2,997,716	3,209,194	211,478
<b>EXPENDITURES</b> Capital: Construction	2,956,754	3,603,921	3,014,484	589,437
Net Change in fund balance	40,962	(606,205)	194,710	800,915
Fund Balance Beginning of year	6,509,652	6,509,652	6,509,652	
Fund Balance End of year	\$ 6,550,614	\$ 5,903,447	\$ 6,704,362	\$ 800,915

See accompanying note to required supplementary information.

# NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

## NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.

**OTHER INFORMATION** 

## PROGRAM STATUS: COMPARISON OF 5 YEAR PLAN PROJECT BUDGET TO CURRENT YEAR EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2014

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2013-296. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

	5-Year Plan	Current	
	Project	Fiscal Year	Unexpended
Local Projects:	Budget	Expenditures	Budget
SS04-009 State Street Extension (PA & ED)	\$ 1,643,300	375,426	1,267,874
SS04-018 Mountain Ave Street Imps (Curb, Sidewalk, Pvmnt Rehab) 39th to 40th	640,000	6,052	633,948
SS04-051 Hunts Lane Grade Separation over UPRR (Inspection, Coord.)	40,000	100	39,900
SS04-150 Mt. View Ave Pavement Rehabilitation between 46th and 50th	161,900	10,940	150,960
SS07-003 Mt. View Ave Extension South of Santa Ana River	30,000	2,250	27,750
SS07-014 Old Waterman Canyon Road Bridge Repair	350,000	318,321	31,679
SS12-001 46th St Pavement Rehabilitation between Mt. View and Sierra Way	68,600	2,295	66,305
SS12-002 48th St Pavement Rehabilitation between Electric and Mt. View	39,500	6,021	33,479
SS12-007 Del Rosa Ave Pavement Rehabilitation between Pumalo and Date St (East)	275,000	272,940	2,060
SS12-012 Belmont Ave Pavement Rehabilitation between Olive and Walnut	74,300	2,741	71,559
SS12-014 Highland Ave Pavement Rehabilitation between Cedar and Golden	366,600	351,068	15,532
SS13-001 2nd Street Bridge at Warm Creek (HBP Replacement Local Match)	759,000	413	758,587
SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Grant and Walnut	506,000	436,247	69,753
TC12-001 9th St and Sierra Way Traffic Signal Modification (Local Match)	40,000	2,011	37,989
TC12-002 9th St and Arrowhead Ave Traffic Signal Modification (Local Match)	40,000	1,636	38,364
Street lighting - citywide	1,800,000	256,757	1,543,243
Construct accessibility improvements - citywide	2,500,000	3,999	2,496,001
Street maintenance - citywide	1,750,000	965,267	784,733
	-	\$ 3,014,484	
Total expenditures for Measure I F	unds 2010-2040	\$ 3,014,484	



## INDEPENDENT AUDITORS' 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 AND MEASURE I COMPLIANCE REQUIREMENTS

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2016. Our report included an emphasis of matter stating that the financial statements of the Measure I Fund do not purport to, and do not, present fairly the financial position of the City as of June 30, 2014. In addition our report included an explanatory paragraph stating that the financial statements do not include Management's Discussion and Analysis.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2014-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure I as specified in the agreement between the City and SANBAG, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Measure I requirements as specified in the agreement between the City and SANBAG, which is described in the accompanying schedule of finding and response as item 2014-001.

### **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.

Varinek, Trine, Day & Cour

Rancho Cucamonga, California September 12, 2016

## SCHEDULE OF FINDING AND RESPONSE JUNE 30, 2014

## Finding 2014-001

## CATEGORICAL PROJECT TRACKING

## Criteria:

Pursuant to Policy VLS-10 of the Strategic Guide, any single project expenditure in excess of \$100,000 shall be listed as an individual project and shall not be included in the general program category.

## **Condition:**

While testing the current year categorical projects, it was noted that the City did not track categorical project costs by individual project.

## **Context:**

The condition noted above was identified while testing the actual expenditures for compliance with the Measure I Strategic Plan.

## Effect:

Individual projects included in the general program category may exceed \$100,000.

#### Cause:

The City did not track individual projects in the general program category.

## **Recommendation:**

The City should enhance its tracking of Measure I costs of general program projects to ensure compliance with the Strategic Plan requirement that individual projects that exceed \$100,000 are identified separately in the Five Year Plan.

## View of Responsible Official and Planned Corrective Actions:

Management concurs with the finding and indicates that it has undertaken a comprehensive, citywide capital improvement planning effort that will strengthen the strategic planning for the City's extensive capital needs. In that effort, greater attention to properly completing the project tracking information for the Measure I report will occur.

# SCHEDULE OF PRIOR YEAR FINDING JUNE 30, 2014

# **<u>Finding No.</u> Description**

2013-001 Five Year Plan Categorical Project Percentage

# <u>Status</u>

No instance of non-compliance noted in the current year related to this item.

# CITY OF SAN BERNARDINO, CALIFORNIA

# **MEASURE I FUND**

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2015

# CITY OF SAN BERNARDINO, CALIFORNIA

# San Bernardino Associated Governments Measure I Fund For the Year Ended June 30, 2015

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

# **Report on the Financial Statements**

We have audited the accompanying financial statements of the Measure I Fund (Measure I Fund), of the City of San Bernardino, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Measure I Fund's basic financial statements, as listed in the table of contents.

# Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

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

# **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure I Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2015, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. As described in Note 6, the City filed a case on August 1, 2012, seeking bankruptcy protection and adjustment of its liabilities under Chapter 9 of the United States Bankruptcy Code. Our opinion is not modified with respect to this matter.

## **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 9 and 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the City. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2016, on our consideration of the City's internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Varinek, Trine, Day & Cour

Rancho Cucamonga, California September 29, 2016

# **BALANCE SHEET** JUNE 30, 2015

		2015
ASSETS		
Cash and investments	\$	7,231,097
Receivables:		
Taxes		838,211
Interest		11,666
Due from other governments		502,358
Total Assets	\$	8,583,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$	227,426
Retention payable		136,325
Total Liabilities		363,751
Deferred Inflows of Resourses:		
Unavailable Revenue		502,358
		502,550
Fund Balance:		
Restricted		7,717,223
	<b>.</b>	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	8,583,332

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2015

	2015
REVENUES	
Measure I sales tax	\$ 3,384,653
Investment income	 77,274
Total Revenues	 3,461,927
EXPENDITURES Capital:	
Construction	 2,449,066
Net Change in fund balance	 1,012,861
Fund Balance Beginning of year	 6,704,362
Fund Balance End of year	\$ 7,717,223

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

# NOTE 1 – GENERAL INFORMATION

# **Reporting Entity**

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City and changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

#### Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 5 for a detailed description of the Measure.

# NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure I Fund of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

# A. Basis of Accounting

# Governmental Fund Financial Statements

Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

#### Measurement Focus and Basis of Accounting

The Special Revenue Funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

# NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

#### **B.** Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts during the reporting period. Actual results could differ from those estimates.

#### C. Fund Balances

Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

#### D. Cash and Investments

Cash and investments are pooled to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, applicable to the Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

# E. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, unavailable revenues, represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available.

# NOTE 3 – TAXES RECEIVABLE

The taxes receivable represent the Measure I sales tax revenues for the fiscal year received from the San Bernardino County Transportation Authority after June 30, 2015.

# **NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Due from other governments represents funding for the State Street to Foothill Blvd. project that will be reimbursed through San Bernardino Associated Governments. The amount was not considered available for revenue recognition purposes and therefore has been recorded as a deferred inflow of resources – unavailable revenue as of June 30, 2015.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

## NOTE 5 – MEASURE I FUND

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing the San Bernardino County Transportation Authority to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. San Bernardino Associated Governments (SANBAG), acting as the Authority, was authorized to administer the programs described in the Measure.

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SANBAG member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

San Bernardino Associated Governments (SANBAG), acting as the Authority, is authorized to administer the programs described in the Measure. The SANBAG Board serves as the Authority Board of Directors. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in this Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SANBAG Board of Directors, based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected State and federal transportation funds is to be reserved for use solely within the Valley Subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) Subareas. In the San Bernardino Valley Subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

# NOTE 5 – MEASURE I FUND, (CONTINUED)

In each of the Mountain/Desert Subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

# NOTE 6 - CITY OF SAN BERNARDINO BANKRUPTCY FILING

On July 18, 2012 the Mayor and Common Council of the City declared a fiscal emergency and on August 1, 2012 the City commenced a bankruptcy case under Chapter 9 of the Bankruptcy Code. The City's auditors have expressed concern with respect to the City's ability to continue as a going concern. Under the City's Proposed Plan of Adjustment the restricted resources or special use funds of the City, such as the funds accumulated in the Measure I Fund, remain unimpaired. The full Plan of Adjustment and related bankruptcy filings can be found on the City's website at: http://www.ci.sanbernardino.ca.us/home\_nav/chapter\_9\_bankruptcy/default.asp.

**REQUIRED SUPPLEMENTARY INFORMATION** 

# SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Buc	lget		Variance From Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Measure I sales tax	\$ 3,055,630	\$ 3,055,630	\$ 3,384,653	\$ 329,023
Investment income	-		77,274	77,274
Total Revenues	3,055,630	3,055,630	3,461,927	406,297
EXPENDITURES Capital:				
Construction	9,903,297	9,938,174	2,449,066	7,489,108
Net Change in fund balance	(6,847,667)	(6,882,544)	1,012,861	7,895,405
Fund Balance Beginning of year	6,704,362	6,704,362	6,704,362	
Fund Balance End of year	\$ (143,305)	\$ (178,182)	\$ 7,717,223	\$ 7,895,405

See accompanying note to required supplementary information.

# NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

# NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.

**OTHER INFORMATION** 

# PROGRAM STATUS: COMPARISON OF 5 YEAR PLAN PROJECT BUDGET TO CURRENT YEAR EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2015

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2014-374. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects:     Estimate     Expenditus     Estimate       SSH-015 Monutain Ave Street Imps (Curb, Sidevalk, Pennt Rchab) 29th robit     5     64.000     \$     62.248     6     67.542       SSH-015 M. View Ave Parement Rchabiliation between 10h and Vashington     31.000     263     29.733       SSH-015 M. View Ave Parement Rchabiliation between 10h and Vashington     31.000     263     29.733       SSH-015 M. View Ave Parement Rchabiliation between 10h and Vashington     31.000     36.26     30.838       SSH-015 M. View Ave Parement Rchabiliation between 10h and Vashington     116.300     55.62     165.738       SSH-014 Sington Ave Parement Rchabiliation between 10k and Gibert     106.300     566.0     1.588       SSH-014 Sington Ave Parement Rchabiliation between Clear and Golden     366.600     1.588     365.012       SSH-004 Sington Ave Parement Rchabiliation between Clear and Golden     356.501     358.320     115.902     358.201       SSH-004 Sington Ave Parement Rchabiliation between Clear and Golden     356.501     358.300     136.700     (31.300       SSH-004 Sington Ave Parement Rchabiliation between Clear and Golden     35.800     136.700     (31.994)       SSH-004 S		5-Year Plan Project	Current Fiscal Year	Unexpended
S804-051     40,000     2,093     37,907       S804-150 MV: View Ave Pavement Rehabilitation between 46th and 50th     235,000     160,852     74,118       S807-030 M: View Ave Pavement Rehabilitation between 19th and Washington     31,400     562     30,338       S812-001 41th S. Pavement Rehabilitation between 19th and Washington     31,400     562     30,338       S812-001 44th S. Pavement Rehabilitation between Paralu and Date St (Eas)     275,600     84     275,516       S812-001 44th S. Pavement Rehabilitation between 10th and 19th     86,000     666     85,634       S812-012 Belmont Ave Pavement Rehabilitation between 10th and Date St (Eas)     275,600     84     275,516       S812-013 Davidson Ave Pavement Rehabilitation between 10th and Date St (Eas)     205,600     85,630     666       S812-013 Davidson Ave Pavement Rehabilitation between Arnowhead and Waterman     47,400     1,588     305,012       S813-003 Ru View Ave Pavement Rehabilitation between Rehabilitation between Rehabilitation between Rehabilitation Pavement Rehabilitation Pavement Rehabilitation Pavement Rehabilitation Pavement Rehabilitation between Rehabilitation Pavement Rehabilitation Paveme				
S204-150 ML View Ave Extension south of Santa Am Rever (happection/Coord)     325,000     105,822     74,118       S207-033 ML View Ave Extension south of Santa Am Rever (happection/Coord)     30,400     265     29,735       S311-01 01 California S1 Pavement Rehabilitation between 19th and Wahington     31,400     75,12     44,088       S312-004 248b S1 Pavement Rehabilitation between I3th and Gibert     166,300     562     165,738       S312-004 Wateman Ave Pavement Rehabilitation between Olive and Wahut     177,600     84     275,516       S312-012 Jabrickon Ave Pavement Rehabilitation between Clava and Golden     366,600     15,88     365,212       S312-013 Javickon Ave Pavement Rehabilitation between Clava and Golden     366,600     15,88     365,012       S312-001 Zaliform Ave Pavement Rehabilitation between Clava and Golden     36,600     15,88     365,012       S312-003 Zaliform Ave Pavement Rehabilitation between Electric and 40th     111,700     1,759     109,941       S312-004 Micro Ave Pavement Rehabilitation between Diversity and Sterdan     216,000     186,627     223,571       S312-013 Kaliform Ave Pavement Rehabilitation between Diversity and Sterdan     216,000     163,00     245,940     151,951       S312-013 Xabin				
S8D7-003 M. View Ave Extension South of Santa Am River (Inspection/Coord)     30,000     265     29,735       S811-010 California Si Pavement Rehabilitation between 19th and Wainsigton     31,400     562     30,838       S812-001 40h S Pavement Rehabilitation between 19th and Wains     116,500     54,987     61,333       S812-002 44h S Pavement Rehabilitation between 10th and Gilbert     166,300     562     165,738       S812-012 Delmont Ave Pavement Rehabilitation between 10th and Det St (Eas)     27,600     844     275,516       S812-012 Delmont Ave Pavement Rehabilitation between 10th and Det St (Eas)     27,600     95,862     1996,118       S813-001 20th Stander Bridge at Warner Rehabilitation between 14th and Much)     200,000     95,852     1996,118       S813-001 20th Stander Bridge at Warner Athen 14th and Much)     200,000     95,852     1996,118       S813-003 10th Stander Bridge at Warner Athen 14th and Much)     200,000     95,852     1996,118       S813-003 10th Stander Bridge at Warner Athen 200,000     95,852     1996,118     183,000     116,000     116,000     116,000     116,000     116,000     116,000     116,000     116,000     116,000     115,000     159,000     159,00				
SS11-010 California SI Pavement Rehabilitation between IM View and Sirrar Way     115,400     71,312     44,088       SS12-001 40h, SI Pavement Rehabilitation between Electric and Mi, View     116,300     552     165,738       SS12-007 Del Rosa Ave Pavement Rehabilitation between Olix and Wahut     174,000     115,920     58,098       SS12-017 Del Rosa Ave Pavement Rehabilitation between Olix and Wahut     174,000     115,920     58,098       SS12-012 Iabinot Ave Pavement Rehabilitation between Olix and Wahut     174,000     115,920     58,098       SS12-013 Davidson Ave Pavement Rehabilitation between Iolix and Waterman     437,400     2,112     435,288       SS13-003 But, View Ave Pavement Rehabilitation between 14h and 46h     39,600     188,430     (43,830)       SS13-003 ML, View Ave Pavement Rehabilitation between 24h and 82,10     85,000     186,700     186,700       SS13-003 ML, View Ave Pavement Rehabilitation between and Devil Creek Diversion     249,000     198,309     151,931       SS13-023 But, View Ave Pavement Rehabilitation between and Devil Creek Diversion     249,000     186,700     153,931       SS13-023 But, View Ave Pavement Rehabilitation between and and 16h     1,000     186,700     153,931       SS13-023 But, Del Rabilit				
SS12-001 46th S Pavement Rehabilitation between Electric and N. View     115,400     71,312     44,083       SS12-002 48th S Pavement Rehabilitation between Diah and Cilbert     165,300     562     165,738       SS12-004 Waterman Ave Pavement Rehabilitation between Dinah and Date St. (Easy)     275,600     84     275,516       SS12-001 28th Song Ave Pavement Rehabilitation between Olive and Walnut     174,000     99,882     19,061.18       SS12-001 20th Store Ending at Warm Creek (HBP Peplacement Local Match)     2,000,000     99,882     19,061.18       SS13-001 20th Store Ending at Warm Creek (HBP Peplacement Local Match)     2,000,000     98,882     19,061.18       SS13-003 Baschine St Pavement Rehabilitation between Afto and 40th     111,700     1,759     109,941       SS13-003 BM. View Ave Pavement Rehabilitation between Bletric and 40th     210,900     186,927     23,973       SS13-043 Cigon Bird Pavement Rehabilitation between Jone and Devis     24,900     186,929     51,591       SS13-043 Cigon Bird Pavement Rehabilitation between Dire Abos Ave and Almon     41,300     1,41     43,986       SS13-043 Cigon Bird Pavement Rehabilitation between Baseline and Ide     45,100     1,114     43,986       SS13-043 Cigon Ave Pavement Rehabilitation				
SS12-002     48th 54 Pavement Rehabilitation between Ditan of Gibert     16.6.300     552     2653       SS12-004 Waterman Ave Pavement Rehabilitation between Oliva and Wahut     174.000     115.902     58.008       SS12-012 Janvidson Ave Pavement Rehabilitation between Oliva and Wahut     174.000     115.902     58.008       SS12-014 Highhad Ave Pavement Rehabilitation between Oliva and Waterman     436.600     1.588     365.012       SS13-001 Janvidson Ave Pavement Rehabilitation between Calva and Waterman     437.400     2.112     453.288       SS13-003 Ru-feines Pavement Rehabilitation between Arowhead and Waterman     437.400     2.12     453.288       SS13-003 Ru-feines Pavement Rehabilitation between Afsh and 46th     39.600     185.700     (43.830)       SS13-003 Ru-feines Pavement Rehabilitation between Julix and Vaterman     240.900     188.207     23.973       SS13-023 Ru-feines Pavement Rehabilitation between Julix and Vater and Alvan     41.300     445.531     53.100       SS13-023 Sucials Pavement Rehabilitation between Ditro and Vater and Alvan     249.000     189.309     51.501       SS13-023 Forcian RV Pavement Rehabilitation between Mark 310     151.600     445.535     53.1400     53.1400     53.640     5				
S12-004 Waterman Ave Pavement Rehabilitation between Punalo and Date St. Gass)     275.600     584     275.516       S12-007 DE Ros Ave Pavement Rehabilitation between Othun and 19th     86,300     666     85.634       S12-013 Davidson Ave Pavement Rehabilitation between I Othun and Otate St. Gass)     276.600     91.882     19.000.000     95.828     19.06.118       S13-001 201 Street Bridge at Warm Creek (HBP Peplacement Local Match)     2.000.000     95.828     19.06.118       S13-002 103 Street Bridge at Warm Creek (HBP Peplacement Local Match)     3.0000     83.830     10.65.000     83.830       S13-003 Bascine St Pavement Rehabilitation between Athun and 40th     111.700     1.759     109.941       S13-004 DK. View Ave Pavement Rehabilitation between Bascine and View     210.900     186.927     23.973       S13-040 SL Gue Ave Pavement Rehabilitation between Bascine and I ofth     45.100     1.114     43.786       S13-037 SPico Ave Pavement Rehabilitation between Bascine and I ofth     45.100     1.14     43.786       S13-037 SPico Ave Pavement Rehabilitation between Medical Center and Waterm     66.300     764     65.331       S13-037 SPico Ave Pavement Rehabilitation between Medical Center and Waterm     50.600     159     50.541	-			
SS12-012 Belmont Ave Pavement Rehabilitation between forh and 19th     86,300     155,000     156,503       SS12-013 Duxidson Ave Pavement Rehabilitation between Cedar and Golden     366,600     1,588     365,011       SS13-001 204 Stree Bridge at Warn Creek (IBP Replacement Local Match)     2,000,000     93,882     1,096,118       SS13-001 204 Strees Arbige at Warn Creek (IBP Replacement Local Match)     37,000     1,759     1,099,411       SS13-001 204 View Ave Pavement Rehabilitation between Left and 40th     111,700     1,759     1,099,411       SS13-004 Divis Ave Pavement Rehabilitation between Diversion 204 View Ave Pavement Rehabilitation between Diversion 244 900     188,307     2,3373       SS13-040 Sturb Wiew Ave Pavement Rehabilitation between Diversion 244 900     188,309     1,43,386       SS13-043 Cincurs Ave Pavement Rehabilitation between Diversion 244 900     186,927     2,3373       SS13-043 Sturb Rehabilitation between Diversion 240 900     186,927     2,3973       SS13-043 Sturb Rehabilitation between Diversion 240 900     186,927     2,3973       SS13-043 Sturb Rehabilitation between Basicine and Idth     4,500     1,114     4,386       SS13-043 Sturb Rehabilitation between Matria and Hold     14,500     1,230     1,415	SS12-004 Waterman Ave Pavement Rehabilitation between 13th and Gilbert	166,300	562	165,738
SS12-013 Davidson Ave Pavement Rehabilitation between Cadar and Golden     366,600     1.588       SS12-014 Highland Ave Pavement Rehabilitation between Arowhead and Waterman     437,400     2.112     435,238       SS13-005 Baccines S1 Pavement Rehabilitation between Arowhead and Waterman     437,400     2.112     435,238       SS13-007 Electric Ave Pavement Rehabilitation between Harvies and SR 210     858,300     166,927     25,973       SS13-018 ML: View Ave Pavement Rehabilitation between University and SR 210     858,300     166,927     25,973       SS13-014 Cajon Bivd Pavement Rehabilitation between David Creek Diversion     249,900     186,927     25,973       SS13-043 Stues Street Pavement Rehabilitation between David Creek Diversion     249,900     186,927     25,973       SS13-043 Cajon Bivd Pavement Rehabilitation between David Creek Diversion     249,900     186,927     25,973       SS13-043 Stene Ave Pavement Rehabilitation between David Creek Jiand Little Mn Dr     146,900     1,230     145,670       SS13-043 Stene Ave Pavement Rehabilitation between Madia Canter and Waterna     506,000     1,230     145,670       SS14-005 ML/Y Teprocanoe Ave Pavement Rehabilitation between Madia Canter and Waterna     60,000     1,950     86,271       SS14-00	SS12-007 Del Rosa Ave Pavement Rehabilitation between Pumalo and Date St (East)			275,516
SS12-014 Highland Ave Pavement Rehabilitation between Cadar and Golden     366,000     1.588     305,011       SS13-001 204 Stree Bridge at Warn Creek (HBP Replacement Local Match)     2,000,000     9.3882     1.306,118       SS13-001 204 Creit Ave Pavement Rehabilitation between 44th and 46th     39,600     8.3430     1.537       SS13-009 ML: View Ave Pavement Rehabilitation between 14th and SR 210     85,800     156,700     (50,900)       SS13-010 AL: Wiew Ave Pavement Rehabilitation between 110 and Devil Creck Diversion     249,900     186,927     23,373       SS13-040 SL: Wiew Ave Pavement Rehabilitation between Davin and Devil Creck Diversion     249,900     186,927     23,973       SS13-040 SL: Wiew Ave Pavement Rehabilitation between Davin and Devil Creck Diversion     249,900     186,927     23,973       SS13-043 Divent Ave Pavement Rehabilitation between Baseline and 16th     45,100     1.114     43,986       SS13-043 Divent Ave Pavement Rehabilitation between Start and Lintle Mn Dr     146,900     1.230     145,670       SS14-003 GM: View Ave Pavement Rehabilitation between Mart Orottpack     300,000     149     45,570       SS14-040 SM: View Ave Pavement Rehabilitation between Mart Orottpack     300,000     149,64     15,374       SS				
SS13-001 2nd Street Bridge at Warm Creek (HBP Replacement Local Match)     2.000.000     93.882     1.906       SS13-005 Baselines SP Pavement Rehabilitation between Arowhead and Watermann     437.400     8.11.405     435.238       SS13-005 ML: View Ave Pavement Rehabilitation between Electric and 40th     111.700     17.59     109.941       SS13-005 ML: View Ave Pavement Rehabilitation between Duer and Devil Creek Diversion     249.000     198.609     72.3973       SS13-015 State Street Pavement Rehabilitation between Duer and Devil Creek Diversion     249.000     198.609     51.591       SS13-035 East Street Pavement Rehabilitation between Date State and I bith     45.100     4.1.104     43.986       SS13-043 East Street Pavement Rehabilitation between Date State and I bith     45.100     1.1.14     43.986       SS13-043 Steament Rehabilitation between Date State and I bith Dr     14.6.000     1.93     53.535       SS14-005 Stut, Vernon Ave Pavement Rehabilitation between State and Hotten and Wester     66.300     764     65.536       SS14-005 Stut, Vernon Ave Pavement Rehabilitation between Part Sheppard and 3rd     31.500     3.784     31.1.816       SS14-010 Stuthese Streement Rehabilitation between Harrison and Mountain     197.500     1.1.28     196.632 <td></td> <td></td> <td></td> <td></td>				
SS13-005 Baseline St Pavement Rehabilitation between Hard 46th     37,400     2,112     435,288       SS13-007 Electric Ave Pavement Rehabilitation between Electric and 40th     111,700     17,79     109,941       SS13-007 Bit, View Ave Pavement Rehabilitation between Electric and 40th     111,700     18,6027     23,973       SS13-012 State Street Pavement Rehabilitation between Dark nas Ave and Alamo     41,300     426     40,871       SS13-023 Baseline St Pavement Rehabilitation between Dark nas Ave and Alamo     41,300     426     40,871       SS13-035 Floc Ave Pavement Rehabilitation between Dark nas Ave and Alamo     41,300     426     40,871       SS13-035 Floc Ave Pavement Rehabilitation between State St and Little Mtn Dr     146,600     1,230     145,670       SS13-035 Floc Ave Pavement Rehabilitation between Grant and Walnut     506,000     159     505,541       SS14-000 Tolybe Pavement Rehabilitation between Harins and Mountain     197,500     862     218,638       SS14-001 Tolybe Pavement Rehabilitation between Harins and Mountain     197,500     1,23     145,670       SS14-001 Viersity Pavy Pavement Rehabilitation between 121s and Northpark     300,000     149,694     150,306       SS14-001 Sthits Pavement Rehabilitation between 121				
SS13-007 Electric Ave Pavement Rehabilitation between Electric and 40th     39,600     83,430     (43,830)       SS13-008 ML, View Ave Pavement Rehabilitation between 28th and SR 210     85,800     136,700     (50,900)       SS13-018 CL, View Ave Pavement Rehabilitation between 28th and SR 210     85,800     136,700     (50,900)       SS13-014 Cajon Bivd Pavement Rehabilitation between Due and Devil Creek Diversion     249,900     198,300     41,430     426     40,874       SS13-035 Electra Ave Pavement Rehabilitation between Bare in Devin     16,100     4,114     43,986     51,105       SS13-035 Electra Ave Pavement Rehabilitation between Bare in all Chith Mn Dr     146,500     1,23     145,570       SS14-005 ML, Vernon Ave Pavement Rehabilitation between Harry Sheppard and 3rd     315,600     3,784     311,816       SS14-005 ML, Vernon Ave Pavement Rehabilitation between Marrison and Prontage Rd     219,500     862     218,633       SS14-010 ML, Vernon Ave Pavement Rehabilitation between Harrison and Mountain     197,500     1,128     196,6372       SS14-010 LM, St Pavement Rehabilitation between Harrison and Mountain     197,500     1,128     196,6372       SS14-010 LM St Pavement Rehabilitation between Marina Baseline     108,500     640				, ,
SS13-008 ML View Ave Pavement Rehabilitation between Electric and 40h     11.700     1.759     109.901       SS13-009 ML View Ave Pavement Rehabilitation between University and Sheridan     249.900     186.927     23.973       SS13-04 C Gap BH Of Pavement Rehabilitation between Una and Devil Creek Diversion     249.900     198.300     51.591       SS13-042 Cap BH Of Pavement Rehabilitation between Dte and Divic     51.601     445.100     1.114     43.986       SS13-043 Cap Cave Pavement Rehabilitation between March and Olive     51.600     495     51.103       SS13-035 Pico Ave Pavement Rehabilitation between March St and Lintle Mn Dr     146.900     1.230     145.670       SS13-035 Picopeano Ave Pavement Rehabilitation between March Center and Wastern     66.300     764     65.536       SS14-000 Thy Pavement Rehabilitation between March and Mountain     197.500     8.62     218.638       SS14-001 Vieween Newen March and Mountain     197.500     8.62     128.843       SS14-001 Vieween Rehabilitation between Harry Sheppard and 3rd     25.000     38.960     12.900       SS14-011 St Ns Pavement Rehabilitation between Harry Sheppard and 3rd     15.600     4.64     15.930       SS14-010 St Ns Pavement Rehabilitation between Antrowhead </td <td></td> <td></td> <td></td> <td></td>				
SS13-009 Mt, View Ave Pavement Rehabilitation between 12m and SR 210     85,800     136,700     (69,000)       SS13-013 State Streef Pavement Rehabilitation between June and Devil Creek Diversion     249,900     198,309     513,913       SS13-013 Gaine St Pavement Rehabilitation between Dake Ave and Alamo     41,300     426     40,874       SS13-023 Gamer Ave Pavement Rehabilitation between Baseline and 16th     45,100     1,114     43,986       SS13-037 Sheridan Rd Pavement Rehabilitation between State St and Little Mn Dr     146,000     1.99     055,841       SS14-005 Mt, Vernon Ave Pavement Rehabilitation between Garant and Walnut     506,000     159     505,841       SS14-005 Mt, Vernon Ave Pavement Rehabilitation between Harry Sheppard and 3rd     315,600     3,784     311,815       SS14-005 Mt, IS Pavement Rehabilitation between Marrison and Mountain     197,500     1,128     196,372       SS14-0105 Mt, IS Pavement Rehabilitation between 12:15 and Northpark     300,000     149,694     150,306       SS14-010 String St Pavement Rehabilitation between Marrison and Valencia     62,600     1,225     61,355       SS14-010 String St Pavement Rehabilitation between Marrison and Valencia     62,600     1,245     61,355       SS14-010 String St Pav				
SS13-012 State Street Pavement Rehabilitation between Ind and Devil Creek Diversion     249.900     198.309     51.591       SS13-014 Cajon Bird Pavement Rehabilitation between Inde and Iofin     41.300     426     40.874       SS13-032 Baseline St Pavement Rehabilitation between Mad Iofin     45.100     1.114     43.986       SS13-035 Pico Ave Pavement Rehabilitation between Mad Iolive     51.600     495     51.105       SS13-035 Pico Ave Pavement Rehabilitation between Medical Center and Western     66.300     764     65.536       SS14-005 UNA Vernon Ave Pavement Rehabilitation between Affeida Center and Western     63.000     179     505.841       SS14-004 ONK Pavement Rehabilitation between Materian and Forotage Rd     219.500     862     218.638       SS14-004 ONK Pavement Rehabilitation between Harry Sheppard and 3rd     315.600     179     15.238       SS14-001 University Pkwy Pavement Rehabilitation between Harry Sheppard and 3rd     30.0000     149.694     150.306       SS14-010 University Pkwy Pavement Rehabilitation between Harry Sheppard and 3rd     30.0000     149.694     150.306       SS14-012 Wilson St Pavement Rehabilitation between Harry Sheppard and 3rd     30.0000     149.694     150.306       SS14-010 University Pkwy Pavemen				
SS13-022     Baseline SL Pavement Rehabilitation between Del Rosa Ave and Alamo     41,300     426     40,874       SS13-035     Brein RA ve Pavement Rehabilitation between State St and Little Mtn Dr     51,600     495     51,103       SS13-035     Prein Rehabilitation between Mate St and Little Mtn Dr     146,000     1,230     145,670       SS13-035     Pervement Rehabilitation between Grant and Watern     66,300     764     65,536       SS14-000     Mt. Vernon Ave Pavement Rehabilitation between Grant and Watern     96,500     159     505,811       SS14-000     Mt. Vernon Ave Pavement Rehabilitation between Harry Sheppard and 3rd     515,000     3,784     311,816       SS14-010     Diversity Pkwy Pavement Rehabilitation between Harron and Mountain     197,500     1,28     196,372       SS14-010     Diversity Pkwy Pavement Rehabilitation between Vaternan and Valencia     26,000     124,960     140,300       SS14-012     Sth Pavement Rehabilitation between Parton Arrowhead     63,300     2,294     61,536       SS14-012     Sth Pavement Rehabilitation between Thist and Pavement     113,300     SS1     112,719       SS14-012     Sth S Pavement Rehabibilitation between Thist				
SS13-034 Gamer Ave Pavement Rehabilitation between Baseline and Olive   51,600   45,100     SS13-035 For Ave Pavement Rehabilitation between State St and Little Mtn Dr   146,900   1,230   145,670     SS13-037 Sheridan Rd Pavement Rehabilitation between Grant and Wahut   506,000   764   65,536     SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Grant and Wahut   506,000   159   505,841     SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Grant and Wahut   506,000   149,654   118,816     SS14-005 Mt. IS Pavement Rehabilitation between Harry Sheppard and 3rd   215,600   862   218,638     SS14-001 Mt. IS Pavement Rehabilitation between Vaterma and Frontage Rd   219,500   862   218,638     SS14-011 48th St Pavement Rehabilitation between Little Mm Dr and Magnolia   26,000   38,960   (12,960)     SS14-012 Abit Pavement Rehabilitation between Harry Sharenan and Valencia   62,600   1,425   61,535     SS14-012 Abit St Pavement Rehabilitation between Vaterman   81,000   834   80,166     SS14-012 Abit St Pavement Rehabilitation between Tipscance and Del Rosa Dr   113,300   581   112,719     SS14-012 St St Pavement Rehabilitation between Tipscance and Del Rosa Dr   113,8,00   374   106,526	•			
SS13-035 Pico Ave Pavement Rehabilitation between 9th and Olive     51,600     495     51,105       SS13-037 Sheridan Rd Pavement Rehabilitation between Medical Center and Western     66,300     1764     65,535       SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Harry Shepperd and 374     515,600     3,784     311,815       SS14-007 Tippecance Ave Pavement Rehabilitation between Harry Shepperd and 374     215,600     3,784     311,815       SS14-003 PM0 St Pavement Rehabilitation between Harry Shepperd and 374     219,500     862     218,638       SS14-003 PM0 St Pavement Rehabilitation between Harry Shepperd and 374     300,000     149,694     150,306       SS14-010 University Pkwy Pavement Rehabilitation between P1215 and Northpark     300,000     149,694     150,306       SS14-013 2Mb St Pavement Rehabilitation between Vaterman and Valencia     62,600     1,245     61,355       SS14-015 2Mb St Pavement Rehabilitation between Arb Ara and Arrowhead     63,800     2,294     61,506       SS14-015 2Mb St Pavement Rehabilitation between Arb and Arrowhead     61,300     S81     112,719       SS14-012 SMb St Pavement Rehabilitation between Arb and Ph St     113,300     S81     112,719       SS14-010 SN Pavement Rehabilitation between Arb a	SS13-022 Baseline St Pavement Rehabilitation between Del Rosa Ave and Alamo	41,300	426	40,874
SS13-037 Sheridan Rd Pavement Rehabilitation between Medical Center and Western   146,900   1,230   145,670     SS13-039 Evans St Pavement Rehabilitation between Grant and Walnut   506,000   159   503,84     SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Grant and Walnut   506,000   159   503,841     SS14-005 Mt. Vernon Ave Pavement Rehabilitation between Harry Sheppard and 3rd   215,600   3,784   311,816     SS14-005 Mtlills Pavement Rehabilitation between Harrison and Mountain   197,500   1,128   196,372     SS14-010 University Pkwp Pavement Rehabilitation between 1-215 and Northpark   300,000   149,664   153,360     SS14-012 2Mth St Pavement Rehabilitation between 9th and Baseline   108,500   640   107,860     SS14-012 2Mth St Pavement Rehabilitation between 7th St and 9th St   113,300   S81   112,719     SS14-012 2Mth St Pavement Rehabilitation between 7th St and 9th St   113,300   S81   112,719     SS14-012 2Mth St Pavement Rehabilitation between 7th St and 9th St   113,400   1,625   409,675     SS14-012 2Mth St Pavement Rehabilitation between The St and 9th St   113,300   581   112,719     SS14-012 2Mth St Pavement Rehabilitation between The St and 9th St   113,400   1,625   409,675<				
SS13-039 Evans St Pavement Rehabilitation between Medical Center and Wastern     66,300     764     65,336       SS14-007 Tippecance Ave Pavement Rehabilitation between Farry Sheppard and 3rd     315,600     3,784     311,816       SS14-007 Tippecance Ave Pavement Rehabilitation between Harry Sheppard and 3rd     315,600     3,784     311,816       SS14-001 Ohiversity Pkwy Pavement Rehabilitation between Harry Sheppard and 3rd     300,000     149,694     150,306       SS14-010 University Pkwy Pavement Rehabilitation between L:215 and Northpark     300,000     149,694     150,306       SS14-011 4Mb St Pavement Rehabilitation between 1/215 and Northpark     300,000     149,694     150,306       SS14-012 4Mb St Pavement Rehabilitation between 1/215 and Northpark     300,000     128,600     128,600       SS14-012 2Mb St Pavement Rehabilitation between Maternan and Valencia     62,600     1,245     61,555       SS14-012 2Mb St Pavement Rehabilitation between Thy Stand 94 bf St     113,300     834     80,166       SS14-012 2Mb St Pavement Rehabilitation between The Stand 94 bf St     113,300     774     106,526       SS14-012 1Mb St Pavement Rehabilitation between Thy Stand 94 bf St     113,400     626     112,774       SS14-020 Evaso Ave Pavement Re				
SS14-005 ML Verion Ave Pavement Rehabilitation between Harry Sheppard and 3rd     315,600     3,784       SS14-008 MIII St Pavement Rehabilitation between Waterman and Frontage Rd     219,500     862     218,638       SS14-008 MIII St Pavement Rehabilitation between Harrison and Mountain     197,500     1,128     196,372       SS14-010 Miniersity Pkwy Pavement Rehabilitation between Harrison and Mountain     197,500     149,694     150,306       SS14-010 University Pkwy Pavement Rehabilitation between 1/215 and Morthpark     300,000     38,960     (12,960)       SS14-010 University Pkwy Pavement Rehabilitation between 1/215 and Morthpark     300,000     449,694     150,306       SS14-012 2Mt St Pavement Rehabilitation between Arterman and Valencia     62,600     1,245     61,355       SS14-012 2Mt St Pavement Rehabilitation between Artowhead and Waterman     81,000     834     80,166       SS14-012 2Mt St Pavement Rehabilitation between Tippecance and Del Rosa Dr     198,200     774     106,526       SS14-020 Del Rosa Ave Pavement Rehabilitation between Pavement Pavement Rehabilitation between Arontal and Michelle     31,100     83,495     (52,395)       SS14-021 EMt Ramement Rehabilitation between Varion and 9th     12,874     13,040     62     112,774  <				
SS14-007 Tippecance Ave Pavement Rehabilitation between Materman and Frontage Rd315,6003,784311,816SS14-009 Mult St Pavement Rehabilitation between Materman and Frontage Rd219,500862218,638SS14-009 Julty St Pavement Rehabilitation between L1215 and Northpark300,000149,694150,306SS14-011 4Mb St Pavement Rehabilitation between L1215 and Northpark300,000149,694150,306SS14-011 4Mb St Pavement Rehabilitation between Jult Mn Dr and Magnolia26,00038,960(12,960)SS14-011 4Mb St Pavement Rehabilitation between Materman and Valencia62,6001,24561,355SS14-012 Sah St Pavement Rehabilitation between Materman and Valencia63,8002,29461,506SS14-012 Sah St Pavement Rehabilitation between P1 St and Arrowhead63,8002,74461,506SS14-012 Torwhead Ave Pavement Rehabilitation between P1 BS and Pash113,300581112,719SS14-012 Sah St Pavement Rehabilitation between P1 BS and Baseline107,300774106,526SS14-020 Del Rosa Ave Pavement Rehabilitation between Del Rosa Dr and Highland132,000952131,048SS14-022 Harrison St Pavement Rehabilitation between Kendall and Michelle31,10083,495(52,395)SS14-023 Extle MD Dr Pavement Rehabilitation between Varian and Sta113,400626112,774SS14-024 G St Pavement Rehabilitation between Varian and Sta131,00084,809(52,395)SS14-025 Carlist MD Dr Pavement Rehabilitation between Varian and Sta131,00084,809(52,395)SS14-026 Western Ave Pavement				
SS14-008 Mill St Pavement Rehabilitation between Harrison and Mountain     197,500     862     218,638       SS14-010 University Pkwy Pavement Rehabilitation between L215 and Northpark     300,000     149,694     150,306       SS14-010 University Pkwy Pavement Rehabilitation between L1215 and Northpark     300,000     149,694     150,306       SS14-011 48th St Pavement Rehabilitation between Vhand Baseline     108,500     640     107,860       SS14-013 Wilson St Pavement Rehabilitation between Vhand Baseline     62,600     1,245     61,355       SS14-016 XBt St Pavement Rehabilitation between Arthyst Antrowhead     63,800     2,294     61,505       SS14-016 ZBth St Pavement Rehabilitation between Arthyst And 9th St     113,300     581     112,719       SS14-016 ZBth St Pavement Rehabilitation between Arthyst And 9th St     113,300     581     112,719       SS14-020 Del Rosa Ave Pavement Rehabilitation between Lynwood and 40th St     411,300     1,625     409,675       SS14-020 Lel Rosa Ave Pavement Rehabilitation between Verson Lynwood and 40th St     411,300     6,626     21,774       SS14-020 Lel Rosa Ave Pavement Rehabilitation between Verson Pavement Rehabilitation between Verson Pavement Rehabilitation between Verson Pavement Rehabilitation between Varen Averson Pavement Rehabilitation between Verson Paveme				
SS14-009 40th St Pavement Rehabilitation between Latis and Mountain     197,500     1,128     196,372       SS14-011 4kth St Pavement Rehabilitation between Little Mtn Dr and Magnolia     26,000     38,960     (12,960)       SS14-011 4kth St Pavement Rehabilitation between Vaterman and Valencia     26,000     38,960     (12,960)       SS14-011 428th St Pavement Rehabilitation between Waterman and Valencia     63,800     2,294     61,506       SS14-012 Sth St Pavement Rehabilitation between H St and Arrowhead     63,800     2,294     61,506       SS14-012 Sth St Pavement Rehabilitation between Arbs and 9th St     113,300     SS14     112,719       SS14-012 Reparament Rehabilitation between D Park and 9th St     113,300     5781     112,719       SS14-012 Reparament Rehabilitation between D Park and Dr and Highland     132,000     952     131,048       SS14-022 Harrison St Pavement Rehabilitation between D Park BD Park Highland     132,000     252     131,048       SS14-022 Karrison Between Rehabilitation between Medical Center and Mt. Vernon     158,700     2,888     155,812       SS14-022 Karrison Between Rehabilitation between Varist and 37d St     54,600     45,171     9,429       SS14-022 Karis St Pavement Rehabilitation between Varist and 2				
SS14-010     University Pkwy Pavement Rehabilitation between Little Mn Dr and Magnolia     300,000     149,694     150,306       SS14-013     Withon St Pavement Rehabilitation between 9th and Baseline     108,500     640     107,860       SS14-013     Withon St Pavement Rehabilitation between 9th and Baseline     62,600     1,245     61,355       SS14-016     Sth St Pavement Rehabilitation between Arrowhead Materman     81,000     834     80,166       SS14-016     Sth Pavement Rehabilitation between 7th St and 9th St     113,300     S81     112,719       SS14-016     Sth Pavement Rehabilitation between 9th St and Baseline     107,300     774     106,525       SS14-020 Del Rosa Ave Pavement Rehabilitation between 9th St and Baseline     107,300     774     106,525       SS14-020 Del Rosa Ave Pavement Rehabilitation between Vencod and 40th St     411,300     1,625     409,675       SS14-021 Little Min Dr Pavement Rehabilitation between Vencod and 9th     20,800     489     20,311       SS14-023 Little Min Dr Pavement Rehabilitation between Vencod and 9th     20,800     489     20,311       SS14-024 G St Pavement Rehabilitation between Vencod and 9th     20,800     489     20,311  <	-			
SS14-011 48th St Pavement Rehabilitation between 9th and Baseline     108,500     640     107,860       SS14-012 Wilson St Pavement Rehabilitation between 9th and Valencia     62,600     1,245     61,355       SS14-012 28th St Pavement Rehabilitation between 9th and Valencia     62,600     834     80,166       SS14-015 28th St Pavement Rehabilitation between Arowhead and Waterman     81,000     834     80,166       SS14-017 Arrowhead Ave Pavement Rehabilitation between 7th St and 9th St     113,300     581     112,719       SS14-017 Arrowhead Ave Pavement Rehabilitation between 7th Ppecanoe and Del Rosa Dr     198,200     736     197,464       SS14-020 Del Rosa Ave Pavement Rehabilitation between Del Rosa Dr and Highland     132,000     952     131,048       SS14-022 Harrison St Pavement Rehabilitation between Lynwood and 40th St     411,300     1,625     409,675       SS14-023 Little Mn Dr Pavement Rehabilitation between Mitchelle     113,400     626     112,774       SS14-024 G St Pavement Rehabilitation between And St and 33rd St     138,405     452,171     94,293       SS14-025 Kth St Pavement Rehabilitation between Maint and Mitchelle     38,100     489     6,191       SS14-026 Veravement Rehabilitation between Maint and St At				
$\begin{array}{llllllllllllllllllllllllllllllllllll$			38,960	
SS14-015 28th St Pavement Rehabilitation between H St and Arrowhead63,8002,29461,506SS14-017 Arrowhead Ave Pavement Rehabilitation between Arrowhead and Waterman81,00083480,166SS14-017 Arrowhead Ave Pavement Rehabilitation between Tippecanoe and Del Rosa Dr198,200736197,464SS14-017 Sterra Way Pavement Rehabilitation between Pth St and Baseline107,300774106,526SS14-021 Del Rosa Ave Pavement Rehabilitation between Dth Rosa Dr and Highland132,000952131,048SS14-022 Harrison St Pavement Rehabilitation between Lynwood and 40th St411,3001,625409,675SS14-023 Little Mtn Dr Pavement Rehabilitation between Kendall and Michelle31,10083,495(52,395)SS14-024 G St Pavement Rehabilitation between Medical Center and Mt. Vernon158,7002,888155,812SS14-026 Vestern Ave Pavement Rehabilitation between Union and 9th20,80048920,311SS14-027 Colleg Ave Pavement Rehabilitation between Mick and Sard St54,60045,1719,429SS14-024 Colleg Ave Pavement Rehabilitation between Mick and Park91,00084,8096,191SS14-025 Morgan Rd Pavement Rehabilitation between Asth St and Universal22,50070,484(47,984)SS14-032 Cambridge Ave Pavement Rehabilitation between Asth St and Universal22,50070,484(47,984)SS14-032 Cambridge Ave Pavement Rehabilitation between Mick and Park91,00084,8096,191SS14-032 Cambridge Ave Pavement Rehabilitation between Asth St and Universal22,50070,484(47,984)S	SS14-013 Wilson St Pavement Rehabilitation between 9th and Baseline	108,500	640	107,860
SS14-01681,00083480,166SS14-017Arrowhead Ave Pavement Rehabilitation between 7th St and 9th St113,300581112,719SS14-0189th St Pavement Rehabilitation between and Del Rosa Dr198,200736197,464SS14-019Sierra Way Pavement Rehabilitation between Del Rosa Dr and Highland132,000952131,048SS14-020Del Rosa Ave Pavement Rehabilitation between Del Rosa Dr and Highland132,000952131,048SS14-023Little Mtn Dr Pavement Rehabilitation between Kendall and Michelle31,10083,495(52,395)SS14-024G St Pavement Rehabilitation between Medical Center and Mt. Vernon158,7002,888155,812SS14-025Western Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-026Western Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-027College Ave Pavement Rehabilitation between Natist and Stat91,00084,8096,191SS14-028Havement Rehabilitation between Materwan Advencia22,50070,484(47,984)SS14-032Cambridge Ave Pavement Rehabilitation between 48th St and Universal22,50070,484(47,984)SS14-032Cambridge Ave Pavement Rehabilitation between Materman and Valencia62,60088961,711SS14-032Cambridge Ave Pavement Rehabilitation between Materman Materman23,50010,05338,795SS14-032St Pavement Rehabilitation between Materman Materman22,50070,484 <t< td=""><td>SS14-014 28th St Pavement Rehabilitation between Waterman and Valencia</td><td></td><td></td><td>61,355</td></t<>	SS14-014 28th St Pavement Rehabilitation between Waterman and Valencia			61,355
SS14-017 Arrowhead Ave Pavement Rehabilitation between 7th St and 9th St113,300581112,719SS14-018 9th St Pavement Rehabilitation between Tippecance and Del Rosa Dr198,200736197,464SS14-019 Sierra Way Pavement Rehabilitation between Ph St and Baseline107,300774106,526SS14-020 Del Rosa Ave Pavement Rehabilitation between Del Rosa Dr and Highland132,000952131,048SS14-021 Harrison St Pavement Rehabilitation between Leynwood and 40th St411,3001,625409,675SS14-024 G St Pavement Rehabilitation between Kendall and Michelle113,400626112,774SS14-024 G St Pavement Rehabilitation between Medical Center and Mt. Vernon158,7002,888155,812SS14-024 G Vestern Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-024 C Vestern Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-024 D Morgan Rd Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-030 Union St Pavement Rehabilitation between Mt. Vernon and Western85,30066584,635SS14-030 Union St Pavement Rehabilitation between Mt Vernon and Vestern22,50070,484(47,984)SS14-031 S Pavement Rehabilitation between Northpark and State40,5001,70538,795SS14-032 Cambridge Ave Pavement Rehabilitation between Maternan and Valencia62,60088961,711SS14-030 Union St Pavement Rehabilitation between Maternan and Valencia62,6001,70538,795SS14-032 S 5H				
$\begin{array}{llllllllllllllllllllllllllllllllllll$				
SS14-019 Sierra Way Pavement Rehabilitation between 9th St and Baseline   107,300   774   106,526     SS14-020 Del Rosa Ave Pavement Rehabilitation between Del Rosa Dr and Highland   132,000   952   131,048     SS14-022 Little Mtn Dr Pavement Rehabilitation between Lel Rosa Dr and Highland   132,000   952   131,048     SS14-023 Little Mtn Dr Pavement Rehabilitation between Kendall and Michelle   31,100   83,495   (52,395)     SS14-025 8th St Pavement Rehabilitation between Medical Center and Mt. Vernon   158,700   2,888   115,812     SS14-026 Western Ave Pavement Rehabilitation between Varity and State   83,600   97,281   (13,681)     SS14-027 College Ave Pavement Rehabilitation between Varity and State   85,600   45,171   9,429     SS14-029 Morgan Rd Pavement Rehabilitation between Varity and State   91,000   84,809   6,191     SS14-030 Union St Pavement Rehabilitation between Mt. Vernon and Western   85,300   665   84,635     SS14-032 Cambridge Ave Pavement Rehabilitation between 48th St and Universal   22,500   70,484   (47,984)     SS14-032 Cambridge Ave Pavement Rehabilitation between A8th St and Universal   62,600   889   61,711     SS14-032 Sith St Pavement Rehabilitation between Mt. Vernon   26,900   46				
SS14-020 Del Rosa Ave Pavement Rehabilitation between Lynwood and 40th St132,000952131,048SS14-022 Harrison St Pavement Rehabilitation between Lynwood and 40th St411,3001,625409,675SS14-023 Little Mtn Dr Pavement Rehabilitation between Kendall and Michelle31,10083,495(52,395)SS14-024 G St Pavement Rehabilitation between Medical Center and Mt. Vernon158,7002,888112,774SS14-025 Rh St Pavement Rehabilitation between Union and 9th20,80048920,311SS14-027 College Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-028 F St Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-029 Morgan Rd Pavement Rehabilitation between Math 33 dSt54,60045,1719,429SS14-029 Loge Ave Pavement Rehabilitation between 48th St and Universal22,50070,484(47,984)SS14-032 Cambridge Ave Pavement Rehabilitation between 48th St and Universal22,50070,484(47,984)SS14-035 Broadmoor Blvd Pavement Rehabilitation between 30th St and Parkdale40,5001,70538,795SS14-040 Spruce Street Pavement Rehabilitation between Northpark and 57th St38,50039,509(1,009)SS14-041 Eucalyptus Ave Pavement Rehabilitation between Pico and Mt. Vernon26,90046426,436SS14-042 Riatio Ave Pavement Rehabilitation between Pico and Mt. Vernon26,90046426,436SS14-035 Undor Blvd Pavement Rehabilitation between Pico and Mt. Vernon26,90046426,436SS14-040 Spruce Stre				
SS14-022 Harrison St Pavement Rehabilitation between Lynwood and 40th St411,3001,625409,675SS14-023 Little Mtn Dr Pavement Rehabilitation between Kendall and Michelle31,10083,495(52,395)SS14-024 G St Pavement Rehabilitation between Medical Center and Mt. Vernon158,7002,888115,812SS14-025 8th St Pavement Rehabilitation between Union and 9th20,80048920,311SS14-027 College Ave Pavement Rehabilitation between Varsity and State83,60097,281(13,681)SS14-028 F St Pavement Rehabilitation between Varsity and State83,60045,1719,429SS14-029 Morgan Rd Pavement Rehabilitation between Att and 33rd St54,60045,1719,429SS14-030 Union St Pavement Rehabilitation between Mt. Vernon and Western85,30066584,635SS14-032 Cambridge Ave Pavement Rehabilitation between 30th St and 33rd St22,50070,484(47,984)SS14-032 Cambridge Ave Pavement Rehabilitation between 30th St and Park91,00084,8096,191SS14-035 Syndo Blvd Pavement Rehabilitation between 30th St and Park20,5001,70538,795SS14-038 I St Pavement Rehabilitation between Northpark and 57th St38,50039,509(1,009)SS14-042 Syndo Ave Pavement Rehabilitation between Pico and Mt. Vernon26,90046426,436SS14-043 I St Pavement Rehabilitation between Natolinas and Park Vista123,900691123,209SS14-044 Eucalyptus Ave Pavement Rehabilitation between Santolinas and Park Vista123,900518132,382SS14-045 I Brate Ave Pavement Rehab				
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SS-B Construct Accessibility Improvements at Various Locations - Citywide2,500,00033,1932,466,807Street Maintenance - Citywide1,750,000334,2881,415,712Street Lighting - Citywide1,800,000307,9641,492,036		50,000	4,386	45,614
Street Maintenance - Citywide     1,750,000     334,288     1,415,712       Street Lighting - Citywide     1,800,000     307,964     1,492,036				
Street Lighting - Citywide 307,964 1,492,036_				
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φ 2, <del>44</del> 9,000	Street Lignung - Citywide	1,800,000		1,492,036
			φ 2,449,000	

Total expenditures for Measure I Funds 2010-2040 \$ 2,449,066



# INDEPENDENT AUDITORS' 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 AND MEASURE I COMPLIANCE REQUIREMENTS

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund (Measure I Fund) of the City of San Bernardino, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2016. Our report included an emphasis of matter stating that the financial statements of the Measure I Fund do not purport to, and do not, present fairly the financial position of the City as of June 30, 2015. Our report also noted that the City filed bankruptcy on August 1, 2012. In addition our report included an explanatory paragraph stating that the financial statement's Discussion and Analysis.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2015-001 that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure I as specified in the agreement between the City and SANBAG, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Measure I requirements as specified in the agreement between the City and SANBAG, which is described in the accompanying schedule of finding and response as item 2015-001.

#### **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.

Varinek, Trine, Day & Cour

Rancho Cucamonga, California September 29, 2016

# SCHEDULE OF FINDING AND RESPONSE JUNE 30, 2015

# Finding 2015-001

# CATEGORICAL PROJECT TRACKING

# Criteria:

Pursuant to Policy VLS-10 of the Strategic Guide, any single project expenditure in excess of \$100,000 shall be listed as an individual project and shall not be included in the general program category.

# **Condition:**

While testing the current year categorical projects, it was noted that the City did not track categorical project costs by individual project.

# **Context:**

The condition noted above was identified while testing the actual expenditures for compliance with the Measure I Strategic Plan.

# Effect:

Individual projects included in the general program category may exceed \$100,000.

# Cause:

The City did not track individual projects in the general program category.

# **Recommendation:**

The City should enhance its tracking of Measure I costs of general program projects to ensure compliance with the Strategic Plan requirement that individual projects that exceed \$100,000 are identified separately in the Five Year Plan.

# View of Responsible Official and Planned Corrective Actions:

Management concurs with the finding and indicates that it has undertaken a comprehensive, citywide capital improvement planning effort that will strengthen the strategic planning for the City's extensive capital needs. In that effort, greater attention to properly completing the project tracking information for the Measure I report will occur.

# SCHEDULE OF PRIOR YEAR FINDING JUNE 30, 2015

# Finding No.DescriptionStatus2014-001Five Year Plan Tracking of Categorical<br/>CostsNot implemented – see current year finding<br/>2015-001

# **CITY OF ADELANTO, CALIFORNIA**

# **MEASURE I FUNDS**

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2015

# CITY OF ADELANTO, CALIFORNIA

# San Bernardino Associated Governments Measure I Funds For the Year Ended June 30, 2015

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# **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

# **Report on the Financial Statements**

We have audited the accompanying financial statements of the Measure I Fund 1990-2010 and the Measure I Fund 2010-2040 (Measure I Funds), of the City of Adelanto, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Measure I Funds' basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure I Funds of the City as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

# **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure I Funds and do not purport to, and do not, present fairly the financial position of the City of Adelanto, California, as of June 30, 2015, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

# **Other Matters**

# Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 9 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

# Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure I Funds of the City. The other information on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

# Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2016, on our consideration of the City's internal control over financial reporting of the Measure I Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure I Funds' internal control over financial reporting and compliance.

Varinek, Trine, Day & Coll

Rancho Cucamonga, California May 20, 2016

# BALANCE SHEET JUNE 30, 2015

	Measure I Fund 1990-2010		 Measure I Fund 2010-2040	
ASSETS				
Cash and Investments	\$	2,416,004	\$ 2,043,177	
Receivables:				
Taxes		-	128,769	
Due from City of Adelanto		-	 32,499	
Total Assets	\$	2,416,004	\$ 2,204,445	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$	-	\$ 6,644	
Deferred inflows of resources				
Unavailable revenues - repayments of unallowable costs		-	 32,499	
Fund Balance:				
Restricted		2,416,004	 2,165,302	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$	2,416,004	\$ 2,204,445	

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2015

			 easure I Fund 2010-2040	
REVENUES				
Measure I Sales Tax	\$	-	\$ 735,495	
Interest Income		767	 207	
Total Revenues		767	 735,702	
EXPENDITURES				
Current:				
General Government		-	1,263	
Street Maintenance Projects		-	128,492	
Capital:				
Construction		904,567	 34,950	
Total Expenditures		904,567	 164,705	
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>		(903,800)	 570,997	
Fund Balance Beginning of Year		3,319,804	 1,594,305	
Fund Balance End of Year	\$	2,416,004	\$ 2,165,302	

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

# NOTE 1 – GENERAL INFORMATION

# **Reporting Entity**

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Funds (Measure I Funds) of the City of Adelanto, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City and changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

#### Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 4 for a detailed description of the Measure.

# NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure I Funds of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

# A. Basis of Accounting

#### Governmental Fund Financial Statements

#### Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I 1990-2010 and Measure I 2010-2040 Special Revenue Funds.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed, to expenditure for specified purposes other than debt service or capital projects.

# Measurement Focus and Basis of Accounting

The Special Revenue Funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

# NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

# NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

#### **B.** Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

#### C. Deferred Inflows of Resources

Deferred inflows of resources, unavailable revenues, represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available.

#### **D.** Fund Balances

Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

#### E. Cash and Investments

Cash and investments are pooled to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Funds based upon the average cash balance. The investment policies and the risks related to GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, applicable to the Funds, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

# **NOTE 3 – TAXES RECEIVABLE**

The taxes receivable represent the Measure I sales tax revenues for the fiscal year received from the San Bernardino County Transportation Authority after June 30, 2015.

# NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

# NOTE 4 – MEASURE I FUNDS

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing the San Bernardino County Transportation Authority to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. San Bernardino Associated Governments (SANBAG), acting as the Authority, was authorized to administer the programs described in the Measure.

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SANBAG member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I. The City of Adelanto accounted for these funding sources in separate Funds which are referred to as Measure I Funds 1990-2010 and Measure I Funds 2010-2040 in these financial statements.

San Bernardino Associated Governments (SANBAG), acting as the Authority, is authorized to administer the programs described in the Measure. The SANBAG Board serves as the Authority Board of Directors. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in this Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SANBAG Board of Directors, based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected State and federal transportation funds is to be reserved for use solely within the Valley Subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) Subareas. In the San Bernardino Valley Subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

# NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

# NOTE 4 – MEASURE I FUNDS, (CONTINUED)

In each of the Mountain/Desert Subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

# NOTE 5 – DUE FROM THE CITY OF ADELANTO

The amount due from the City of Adelanto of \$32,499 represents expenditures incurred by the fund that were not allowable by the Measure I Strategic Plan. \$31,236 was incurred in fiscal year 2013-14 and \$1,263 was incurred in fiscal year 2014-15. The City has asserted that it will return the funds during fiscal year ended June 30, 2016. The amount is also reported as a deferred inflow of resources as the reimbursements were not received within the availability period.

**REQUIRED SUPPLEMENTARY INFORMATION** 

# SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL MEASURE I FUND 1990-2010 FOR THE YEAR ENDED JUNE 30, 2015

		dget		Variance From Final Budget Positive	
	Original	Final	Actual	(Negative)	
REVENUES					
Interest Income	\$ 500	\$ 500	\$ 767	\$ 267	
<b>EXPENDITURES</b> Capital: Construction	3,270,000	3,320,000	904,567	2,415,433	
Net Change in Fund Balance	(3,269,500)	(3,319,500)	(903,800)	2,415,700	
Fund Balance Beginning of Year	3,319,804	3,319,804	3,319,804		
Fund Balance End of Year	\$ 50,304	\$ 304	\$ 2,416,004	\$ 2,415,700	

See accompanying note to required supplementary information.

# SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL MEASURE I FUND 2010-2040 FOR THE YEAR ENDED JUNE 30, 2015

		Buc	dget			Fin	ance From al Budget Positive
	Orig	ginal		Final	Actual	(N	legative)
REVENUES					 		
Measure I Sales Tax	\$ 5	72,634	\$	572,634	\$ 735,495	\$	162,861
Interest Income		150		150	207		57
Total Revenues	5	72,784		572,784	735,702		162,918
EXPENDITURES Current: General Government		-		1,300	1,263		37
Street Maintenance Projects Capital:	2	65,000		263,700	128,492		135,208
<b>C</b> onstruction		-		1,005,000	34,950		970,050
Total Expenditures	2	65,000		1,270,000	164,705		1,105,295
Net Change in Fund Balance	3	07,784		(697,216)	 570,997		1,268,213
Fund Balance Beginning of Year	1,5	94,305		1,594,305	 1,594,305		
Fund Balance End of Year	\$ 1,9	02,089	\$	897,089	\$ 2,165,302	\$	1,268,213

See accompanying note to required supplementary information.

# NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

# NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.

**OTHER INFORMATION** 

# PROGRAM STATUS: COMPARISON OF FIVE YEAR PLAN PROJECT BUDGET TO CURRENT YEAR EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2015

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 15-51. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Palmdale & Pearmain Pedestrian Improvements (Pearmain East to existing sidewalk and access ramps at begorian & pearmain)\$Bellflower Widening Project (Palmdale to existing improvents)\$	50,000	¢	
	50,000	¢	
		<b>&gt;</b> -	\$ 50,000
	684,932	34,950	649,982
Adelanto Road (Holly to Air Expressway) Rehab & South Bound Closure @395 1	1,000,000	-	1,000,000
Non-Motorized Transportation Bicycle lane Cactus Rd (Jonathan to 395)	125,000	-	125,000
Aster Rd. Pedestrian Improvements (East Side from North of Seneca to Victor)	100,000	-	100,000
Jonathan Pedestrian trail (East Side from Seneca north to Tara)	100,000	-	100,000
Non-Motorized Transportation Bicycle lane Adelanto Rd (Air Express to Holly)	200,000	-	200,000
Non-Mororized Transportation Bicycle lane Mojave Drive (Aster to 395)	175,000	-	175,000
Victor Pedestrian Improvements (Aster to Pearmain, south side, including			
connectors from Victor	616,000	-	616,000
Victor and Pearmain Street Maintenance	1,185	22,778	(21,593)
Cactus and Pearmain Street Maintenance	2,895	-	2,895
HWY 395 Road Widening project Maintenance	4,525,000	880,526	3,644,474
Traffic Survey & Warrant Studies	30,000		30,000
City Wide Pavement Management System	797,000	129,755	667,245
City Wide Streetscapeing and Complete Streets Modifications	797,000	-	797,000
\$9	9,204,012	\$ 1,068,009	\$ 8,136,003

Total expenditures for Measure I Fund 1990-2010 Total expenditures for Measure I Fund 2010-2040 Less questioned costs included in Measure I Fund 2010-2040

Total expenditures for the year ended June 30, 2015

164,705 (1,263)

904,567

\$ 1,068,009

\$



# INDEPENDENT AUDITORS' 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 AND MEASURE I COMPLIANCE REQUIREMENTS

To the Board of Directors San Bernardino Associated Governments San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I 1990-2010 and the Measure I 2010-2040 Funds (Measure I Funds) of the City of Adelanto, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Measure I Funds' basic financial statements, and have issued our report thereon dated May 20, 2016. Our report included an emphasis of matter stating that the financial statements of the Measure I Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2015. In addition our report included an explanatory paragraph stating that the financial statements do not include Management's Discussion and Analysis.

## **Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting 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 and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control described that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as finding 2015-003 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 2015-001 and 2015-002 to be significant deficiencies.

# **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Funds of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure I as specified in the agreement between the City and SANBAG, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the requirements of the Measure I requirements as specified in the agreement between the City and SANBAG, which is described in the accompanying schedule of findings and responses as finding 2015-002.

# **City's Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit and, accordingly, we express no opinion on them.

#### **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.

avinek, Trine, Day & Cour

Rancho Cucamonga, California May 20, 2016

# SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2015

# Finding 2015-001

# FINANCIAL REPORTING - REVENUE RECOGNITION

# Criteria:

Governmental Accounting Standards Board (GASB) Statement No. 33 states that a receivable is recognized for derived tax revenue when the underlying exchange occurs or resources are received, whichever is first.

# **Condition:**

The City did not recognize a receivable for derived nonexchange transactions that occurred during the months of May and June and which the related receipts occurred in July and August.

# **Context:**

The condition was discovered during our procedures over revenues.

# **Effect:**

Adjustments were proposed to fairly state revenues recognized as of June 30, 2015.

# Cause:

The City did not accrue sales tax revenue appropriately.

# **Recommendation:**

We recommend that the City enhance its closing process to ensure that sales tax revenues are properly accrued to the appropriate fiscal year.

# View of Responsible Officials and Planned Corrective Action:

The City will prepare and record journal entries to properly accrue July and August receipts of tax revenue for the period of May and June as proposed as audit adjustments, and will insure that current year accruals are properly recorded for FY15-16.

# SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2015

# Finding 2015-002

# EXPENDITURES NOT INCLUDED IN MEASURE I FIVE YEAR CAPITAL IMPROVEMENT PLAN

# Criteria:

Policy VVLS-15 of the SANBAG Victor Valley Local Street (VVLS) Program Measure I Strategic Plan states that expenditures of the Measure I Local Street Funds must be included in the Five Year Capital Improvement Plan and adopted by resolution of the governing body.

# **Condition:**

Expenditures totaling \$1,263 were made for membership costs. These costs were not included on the Measure I Five Year Capital Improvement Plan and are not eligible costs to be funded with Measure I sales tax revenue.

# **Context:**

The condition above was noted during our testing of Measure I compliance.

#### Effect:

The City had instances of noncompliance with Policy VVLS-15 of the SANBAG Victor Valley Local Streets (VVLS) Strategic Guide.

# Cause:

The City incurred expenditures for projects not listed on the Measure I Five Year Capital Improvement Plan and that were not eligible to be funded with Measure I sales tax revenue.

# **Recommendation:**

We recommend the City enhance controls over Measure I compliance to ensure that only eligible costs are funded by Measure I sales tax. Additionally, we recommend that all costs being funded with Measure I funds be included on the adopted Measure I Five Year Capital Improvement Plan.

# View of Responsible Officials and Planned Corrective Action:

City finance staff will be reviewing all expenditures made during the FY15-16 year to assure compliance with VVLS-15, and any necessary adjustments made prior to the next audit.

The City Finance department will be coordinating efforts with the City Public Works/Engineering department and the Street Maintenance department in order that the adopted amendments to the Five Year Capital Improvement Plan and the Annual City Budget For FY17, so that they will be in alignment. The City has issued a purchase order to acquire a "project management" software module that will work with our general ledger to better account for Measure I projects (as well as other City projects) to be implemented for FY17.

# SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2015

# Finding 2015-003

# MONEY MARKET ACCOUNT RECONCILIATION/INTEREST ALLOCATION

#### Criteria:

Policy MDLS-18 of the SANBAG Mountain/Desert Subareas (MDLS) Program Measure I Strategic Plan states that any interest earned on the investment of Measure I Transportation Sales Tax Funds must be deposited in the Special Measure I Transportation Sales Tax Fund. Any jurisdiction not electing to invest its Measure I funds but at the same time investing most of its other available funds should deposit the Measure I funds in a separate account to clearly indicate that no such monies were invested. If Measure I Transportation Sales Tax funds are invested, they must receive their equitable proration of interest earned on the total funds invested.

#### **Condition:**

The City maintains a money market account that earns interest. The money market account balance is held by the Measure I 1990-2010 Fund and the Measure I 2010-2040 Fund. The account was not reconciled timely and the interest earned had not been recorded in the general ledger.

#### **Context:**

The condition above was noted during our testing of cash and investment balances reported in the Measure I Funds.

## Effect:

Adjustments were proposed to reconcile the trial balance with the balances held in the financial institution and to credit the Measure I Funds with the earned interest.

#### Cause:

The City did not reconcile the money market account timely.

#### **Recommendation:**

We recommend the City enhance its bank reconciliation process to include the money market account.

# View of Responsible Officials and Planned Corrective Action:

The City Finance department will make sure that the City's money market account is reconciled and the interest earned recorded in the general ledger. It will also transfer 80% of Measure I Tax funds received into the City's pooled cash account to the money market account as funds are received in FY17 for Capital Projects reserve, retaining 20% for general street maintenance in the pooled account.

# SCHEDULE OF PRIOR YEAR FINDINGS JUNE 30, 2015

<u>Finding No.</u>	Description	Status
2014-001	Year end closing	Partially Implemented – see Finding 2015-001
2014-002	Expenditures not included in Five-Year Plan	Not implemented – see Finding 2015-002