



Comprehensive ANNUAL FINANCIAL REPORT For Year Ended June 30, 2015



SAN BERNARDINO ASSOCIATED GOVERNMENTS

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San Bernardino Associated Governments, CA

**Comprehensive
ANNUAL FINANCIAL REPORT**

For Year Ended June 30, 2015



Prepared by SANBAG, Finance Department

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2015

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INTRODUCTORY SECTION

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

November 30, 2015

To the Citizens of San Bernardino County, California:

The Comprehensive Annual Financial Report (CAFR) of San Bernardino Associated Governments (SANBAG), California, and related agencies for the fiscal year ended June 30, 2015 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with SANBAG. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations and cash flows of the government-wide statements and various funds of SANBAG. All disclosures necessary to enable the reader to gain an understanding of SANBAG's financial activities have been included.

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

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

Independent Audit. SANBAG policy requires that its financial statements be audited by a certified public accountant. RSM US LLP, Certified Public Accountants, have issued an unmodified opinion on SANBAG's financial statements for the fiscal year ended June 30, 2015. The auditor's report on the basic financial statements and required supplementary information is included in the financial section of this report.

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

Profile of the Government

SANBAG is a council of governments and transportation planning agency, governed by the mayors or council members of the twenty-four cities and the five members of the Board of Supervisors within San Bernardino County. SANBAG serves the residents of San Bernardino County and enjoys the membership of the County of San Bernardino and all cities and towns within the county: Adelanto, Apple Valley, Barstow, Big Bear Lake, Chino, Chino Hills, Colton, Fontana, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair, Needles, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Twentynine Palms, Upland, Victorville, Yucaipa, and Yucca Valley.

Since its creation as a Council of Governments in 1973, SANBAG has been designated to serve as several additional authorities, created primarily by statute, which are all organized under the umbrella of the Council of Governments. In accordance with the reporting entity definition of the Government Accounting Standards Board, SANBAG has included the following authorities in the financial report:

County Transportation Commission. SANBAG is responsible for short and long range transportation planning within San Bernardino County, including coordination and approval of all public mass transit service, approval of all capital development projects for mass transit and highway projects, and determination of staging and scheduling of construction relative to all transportation improvement projects in the Transportation Improvement Program.

County Transportation Authority. SANBAG is responsible for administration of the voter-approved half-cent transportation transactions and use tax for funding of major freeway construction, commuter rail service, local street and road improvements, special transit service for the elderly and disabled population, and traffic management and environmental enhancement efforts.

Service Authority for Freeway Emergencies. SANBAG operates a system of call boxes on State freeways and highways within San Bernardino County.

Congestion Management Agency. SANBAG manages the performance level of the regional transportation system in a manner which ensures consideration of the impacts from new development and promotes air quality through implementation of strategies in the adopted air quality plans.

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

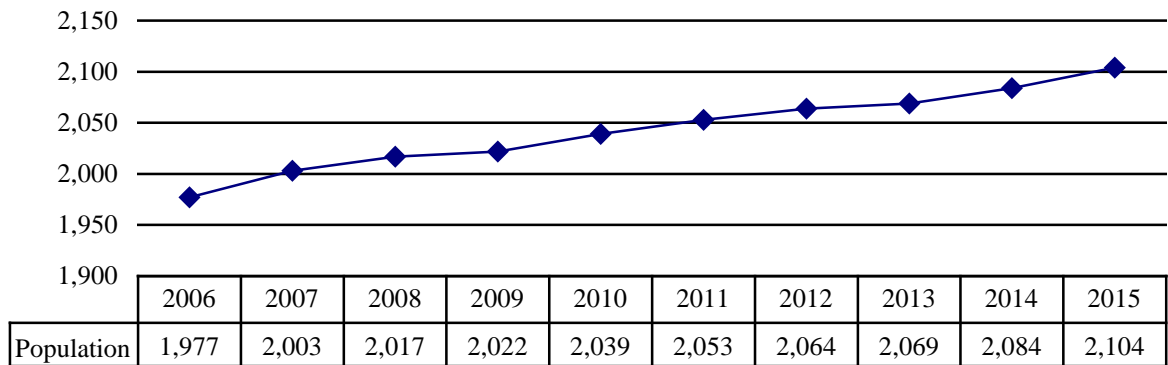
SANBAG is required to adopt a budget prior to the beginning of each fiscal year. The annual budget serves as the foundation for SANBAG's financial planning and control. The budget is prepared by funding source, program and task. Management may transfer resources within each task and between tasks within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

Local Economy

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

The population of San Bernardino County has grown by 6.5% over the last ten years. Although the growth slowed down in 2009 due to the economy, it has steadily increased in the last six years.

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



The County experienced a significant increase in unemployment during the great economic recession with an unemployment rate peaking at 14.2% in 2010. The unemployment rate has steadily decreased over the past five years to 5.8% in 2015. This compares to the pre-recession rate of 5.6% in 2007.

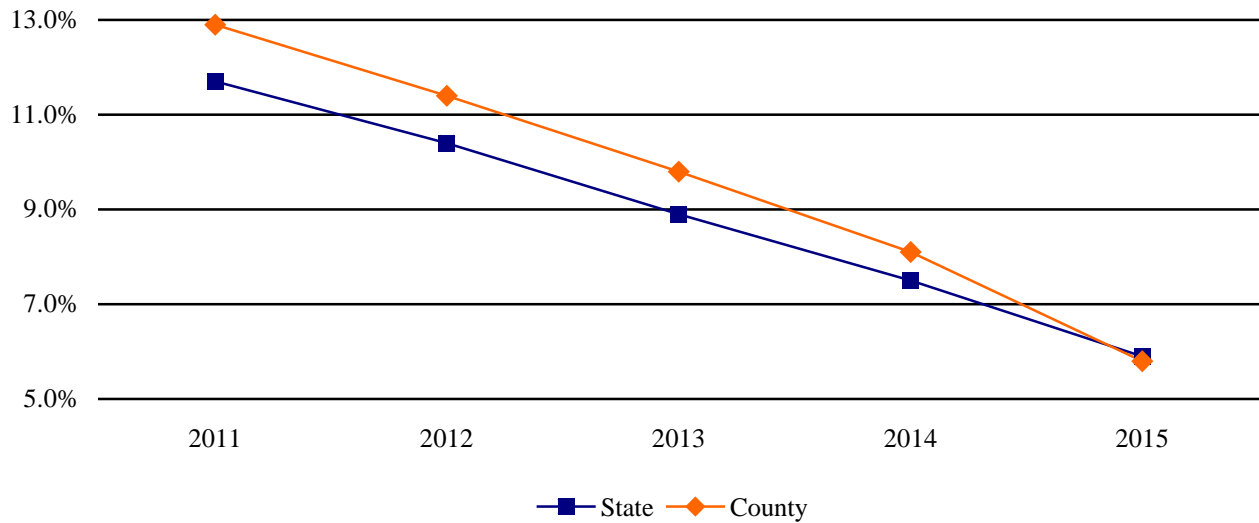
The following table summarizes the civilian labor force, employment and unemployment, and employment rate for the State of California and San Bernardino County for the calendar years 2011 through 2015. The figures for 2015 are as of nine months ending September 2015. Data for each of the years are not seasonally adjusted. Labor force data is by place of residence and includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

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

	2011		2012		2013		2014		2015	
	State	County	State	County	State	County	State	County	State	County
Civilian labor force	18,419	888.0	18,555	893.8	18,672	898.4	18,811	909.2	19,084	913.9
Employment	16,260	773.7	16,630	791.7	17,003	810.7	17,397	836.0	17,883	860.7
Unemployment	2,159	114.3	1,925	102.1	1,669	87.7	1,414	73.2	1,121	53.2
Unemployment rate	11.7%	12.9%	10.4%	11.4%	8.9%	9.8%	7.5%	8.1%	5.9%	5.8%

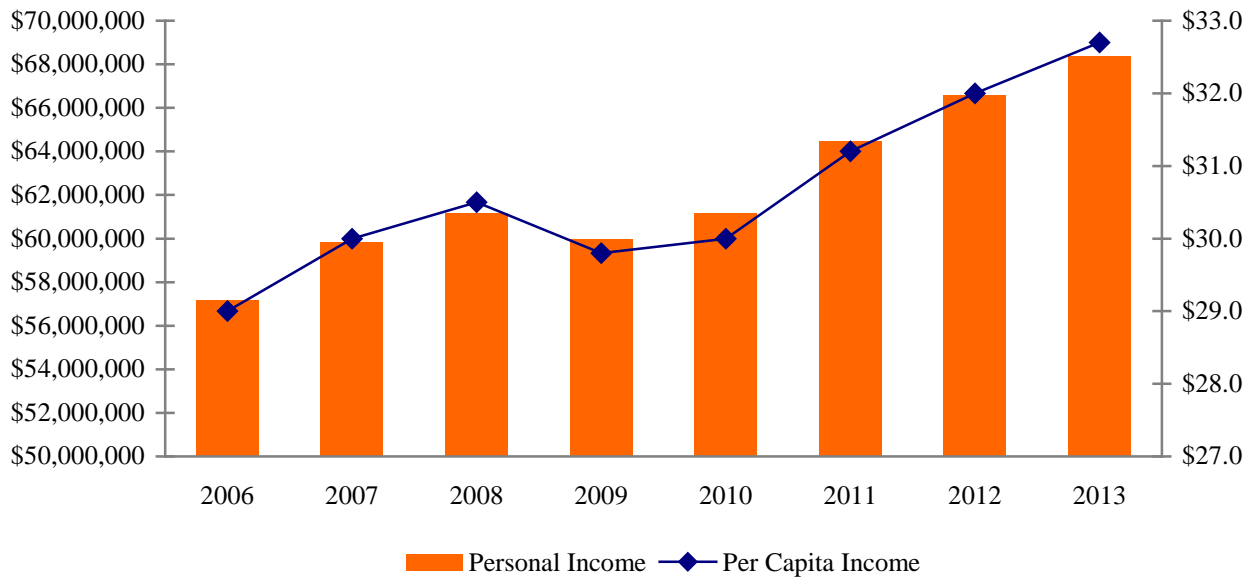
Source: Labor Market Information Division-California State Employment Development Department.

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



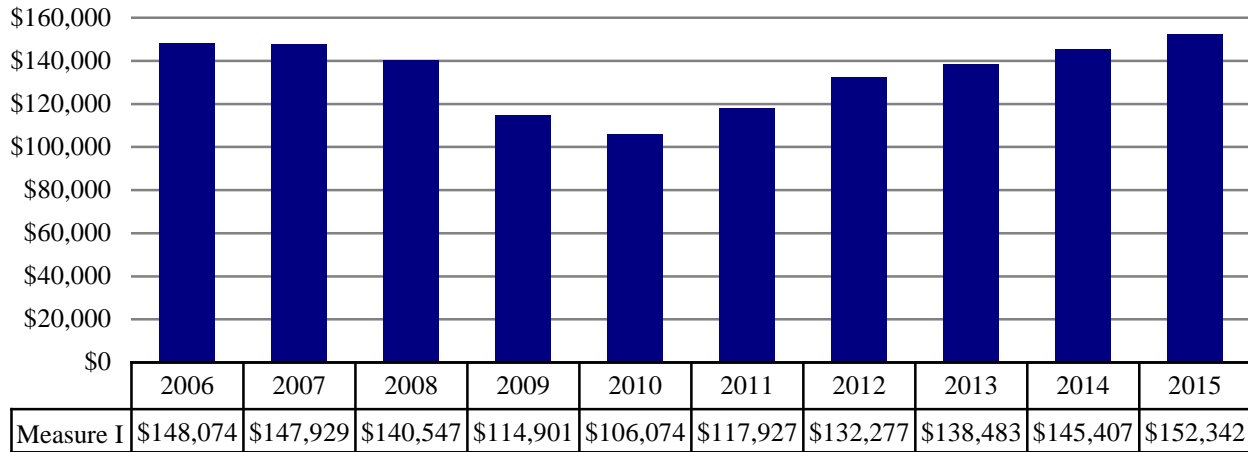
Personal income decreased from \$61.2 million in 2008 to \$60 million in 2009 because of the economic recession. The strong improvement in the local economy over the last few years has increased personal income to a high of \$68.4 million in 2013. Per capita income followed a similar pattern increasing steadily to a high of \$32,747 in 2013.

**Personal Income and Per Capita Income
Years 2005-2012
(In Thousands)**



Measure I sales tax receipts declined from a high of \$148.1 million in fiscal year 2005-2006 to a low of \$106.1 million in fiscal year 2009-2010. However, recent increase in retail sales indicates a strong recovery in the Inland Empire region. Measure I sales tax revenue for fiscal year 2014-2015 was \$152.3 million in comparison to \$145.4 million of the prior fiscal year.

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



SANBAG estimated \$149 million Measure I sales tax revenue for the fiscal year 2015-2016 budget representing a conservative increase from prior fiscal years. Measure I sales tax revenue will affect future bond financing and transportation project delivery. The economy is expected to be strong in fiscal year 2016 and beyond.

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

Long Term Planning

The new Measure I program was initiated on April 1, 2010. This was the result of voters approving the extension/renewal of the local transaction and use tax in November 2004. SANBAG has adopted a strategic plan for the implementation of this 30 year extension, designed to improve transportation and goods movement. A ten-year delivery plan was recently updated which provides revenue projections; project scope, cost and schedule; escalation and inflation; financial strategy; and long-term bonding analysis. Freeway, interchange, grade separation, and transit and commuter rail project costs identified in the plan are estimated to be \$5.7 billion. Funding includes \$1.7 billion from Measure I sales tax revenue, and \$4 billion from federal, state, and local sources.

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

Major Initiatives

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

COUNCIL OF GOVERNMENTS

Property Assessed Clean Energy Program (PACE)

SANBAG implemented a PACE program in October 2014. The program allows property owners to finance energy efficiency and water conservation improvements with an assessment on their property tax bill. Since the program start 9,758 projects valued at over \$178 million have been completed. These projects help property owners annually save 70.3 million kWh of electricity and 18.2 million gallons of water, and have reduced annual greenhouse gas emissions by 19,290 tons.

31st Annual City-County Conference

SANBAG co-sponsors the City-County Conference to bring city and county elected officials and staff together to discuss mutual concerns. The 2015 conference focused on collaboration in the areas of education, community health, and services for homeless veterans.

LEGISLATION AND PUBLIC AFFAIRS

Legislation

SANBAG's robust advocacy program resulted in: changes to federal regulations which would have negatively impacted project delivery; enhanced awareness of a need to address pending air quality deadlines which may impact future funding opportunities; consideration of additional streamlining measures and new tools to advance project delivery; and the protection of existing funding sources as well as increased attention to the need for a long-term revenue solution.

Public Affairs

SANBAG's public affairs program continued to offer new opportunities for citizen engagement, outreach, and education through technology, social media, and mitigation programs. These and other efforts have resulted in enhanced media opportunities to communicate accurate, timely and consistent information about SANBAG's programs, projects, and services in newspaper, radio, and television mediums and a significant growth in social media following. Lastly, enhanced focus on branding and marketing are yielding a more contemporary look and feel to SANBAG communications that are easily accessed by mobile devices.

AIR QUALITY AND TRAVELER SERVICES

Satellite Call Boxes

SANBAG administers a network of 1,200 emergency call boxes along freeways and highways throughout the 20,000 square miles of San Bernardino County. Initially call boxes were located in areas with cellular service leaving many rural areas in the mountain and desert area without any emergency communication for motorists. Satellite call box technology is now available and has been deployed in these remote areas. Currently, 28 satellite call boxes have been installed with plans for additional units to be deployed as needed.

Freeway Service Patrol (FSP)

SANBAG provides FSP services along the freeways in the urbanized area of the San Bernardino Valley. There are eight separate segments of the highways system, known as beats, and tow trucks patrol these beats during the morning and evening rush hours to assist motorists and remove broken down or stalled vehicles quickly to help keep traffic moving. FSP assisted more than 35,000 motorists during the year and received a 99% excellent ranking from the motorists that were assisted.

REGIONAL AND SUBREGIONAL PLANNING

Countywide Transportation Plan (CTP)

SANBAG completed a draft of the agency's first Countywide Transportation Plan, a comprehensive plan for multi-modal transportation through 2040. The CTP analyzes the impacts of future growth in San Bernardino County through 2040 and identifies transportation projects for both a baseline 2040 scenario (assuming traditional revenue streams) as well as for an aggressive 2040 scenario (assuming additional revenue is available). The CTP feeds the 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) being prepared by the Southern California Association of Governments (SCAG).

Measure I Expenditure Plan and Strategic Plan Policies

The SANBAG Board took action on July 2, 2014 to defer consideration of amendments to the Measure I Expenditure Plan until the 2017-2018 timeframe, in response to the outreach process required for the 2015 Measure I Expenditure Plan review. The Board also directed staff to follow up on suggestions made by commenters concerning Measure I Strategic Plan and Nexus Study policies. Strategic Plan policy amendments were prepared and were adopted by the Board on March 4, 2015.

Phase 1 of the Countywide Habitat Preservation/Conservation Framework

Phase 1 of the Countywide Habitat Preservation/Conservation Framework Study (Framework Study) was completed in February 2015. The Framework Study is an outgrowth of the San Bernardino Countywide Vision initiated in 2010, driven by community input and endorsed by the local jurisdictions of San Bernardino County in 2011. The Framework Study defined a set of habitat conservation principles that could be endorsed by a broad cross-section of San Bernardino County stakeholders, and defined the next steps to be pursued in Phase 2.

California Department of Transportation (Caltrans) Active Transportation Program (ATP) Cycle 1 Grant Awards

The ATP was created through state legislation so that Caltrans could encourage increased use of active modes of transportation, such as cycling and walking, as well as to ensure compliance with Moving Ahead for Progress in the 21st Century (MAP-21). Based on competitive grant submittals, approximately \$360 million was allocated for these projects statewide. SANBAG, Omnitrans, and local jurisdictions were collectively awarded almost \$23 million under ATP Cycle 1. A second round of grant applications was submitted late in Fiscal Year 2014-2015.

Countywide Complete Streets and Safe Routes to School Plans

SANBAG completed both a countywide Complete Streets Plan and a countywide study of Safe Routes to School through a SCAG Sustainability Grant. These studies will serve as a resource to local jurisdictions as they seek to implement state-legislated complete streets requirements and compete for future safe-routes-to-school funding.

TRANSIT AND PASSENGER RAIL

San Bernardino Transit Center

SANBAG, in partnership with Omnitrans, neared completion of San Bernardino Transit Center (SBTC). The SBTC will be the major hub for mass transit services in the San Bernardino Valley; linking the sbX bus rapid transit (BRT), fixed route bus service, service to the Victor Valley and mountain areas, access to Metrolink rail service, and the future eastern terminus of the Redlands Passenger Rail Project.

Downtown San Bernardino Passenger Rail Project

SANBAG continued construction on the Downtown San Bernardino Passenger Rail Project (DSBPRP). The DSBPRP will extend Metrolink service approximately one mile from the current terminus at the historic Santa Fe Depot to the multi-modal SBTC.

Redlands Passenger Rail Project

SANBAG received environmental approval for the Redlands Passenger Rail Project (RPRP) and released requests for proposals for final design services and program management services. The project will provide passenger rail service from the San Bernardino Transit Center to the University of Redlands, with stops in between.

Railroad Right-of-Way Policies and Templates

SANBAG implemented policies to assist staff in managing the vast railroad property portfolio held by SANBAG which stream-lined approvals of third party requests to cross or use the railroad right-of-way. These policies also set guidelines to help generate additional revenues from the use of the right-of-way by third parties.

MAJOR PROJECT DELIVERY

I-215 Bi-County High Occupancy Vehicle (HOV) Gap Closure, San Bernardino, Riverside

The project adds a HOV lane in each direction from the I-10 in City of San Bernardino to the SR-91/I-215/SR-60 Junction in the City of Riverside. The project was opened to traffic in June 2015.

I-10 Corridor Project Development, Multiple Cities

SANBAG is in the process of preliminary engineering, environmental and financial studies. The environmental document is scheduled to circulate for public comment in December of this year. High Occupancy Vehicle (HOV) lanes and Express lanes are being considered for this 33 mile corridor. The cost (nominal \$) of the alternatives range from \$650 million to \$1.8 billion.

I-15 Corridor Project Development, Multiple Cities

The preliminary engineering and environmental studies have commenced for the addition of two Express Lanes in each direction from SR-60 to SR-210, a distance of approximately 14 miles.

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

The first phase of construction was completed in February 2014. The second phase of construction commenced in February 2015 and is scheduled to be opened to traffic in February 2016.

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

The Devore interchange is the first design-build highway project in San Bernardino County and will reconfigure the interchange, add a fourth lane in each direction on the I-15 through the interchange, and add truck connectors. This \$266M construction project is approximately 9 months ahead of the scheduled open to traffic date of late 2016.

I-10/Cherry Avenue Interchange, Fontana

Construction of the new bridge at Cherry Avenue was opened to traffic in January 2015.

Hunts Lane Grade Separation, Colton/San Bernardino

The overcrossing above the Union Pacific railroad tracks on Hunts Lane, located between the cities of Colton and San Bernardino, was opened to traffic in October 2014.

Lenwood Grade Separation, Barstow

The overcrossing spanning the Burlington Northern Sante Fe railroad tracks was opened to traffic in September 2015.

FUND ADMINISTRATION AND PROGRAMMING

Ten-Year Delivery Plan

SANBAG approved the 2014 update to the Ten-Year Delivery Plan. The plan was developed within the policy framework established by the voter-approved Measure I Expenditure Plan. The Measure I 2010-2040 Strategic Plan provides a list of projects to be implemented during the next ten-year period. The Ten-Year Delivery Plan defines the current assumptions related to revenue forecasts and project scope, schedule, and budget and enables SANBAG to meet the requirements of bond rating agencies for the sale of bonds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SANBAG for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This is the third time SANBAG has received this prestigious award. In order to be awarded a Certificate of Achievement, the government needs to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

SANBAG has received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2014. To qualify for the award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communicative device.

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

Sincerely,



Raymond Wolfe
Executive Director



William W. Stawarski
Chief Financial Officer



Government Finance Officers Association

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

Presented to

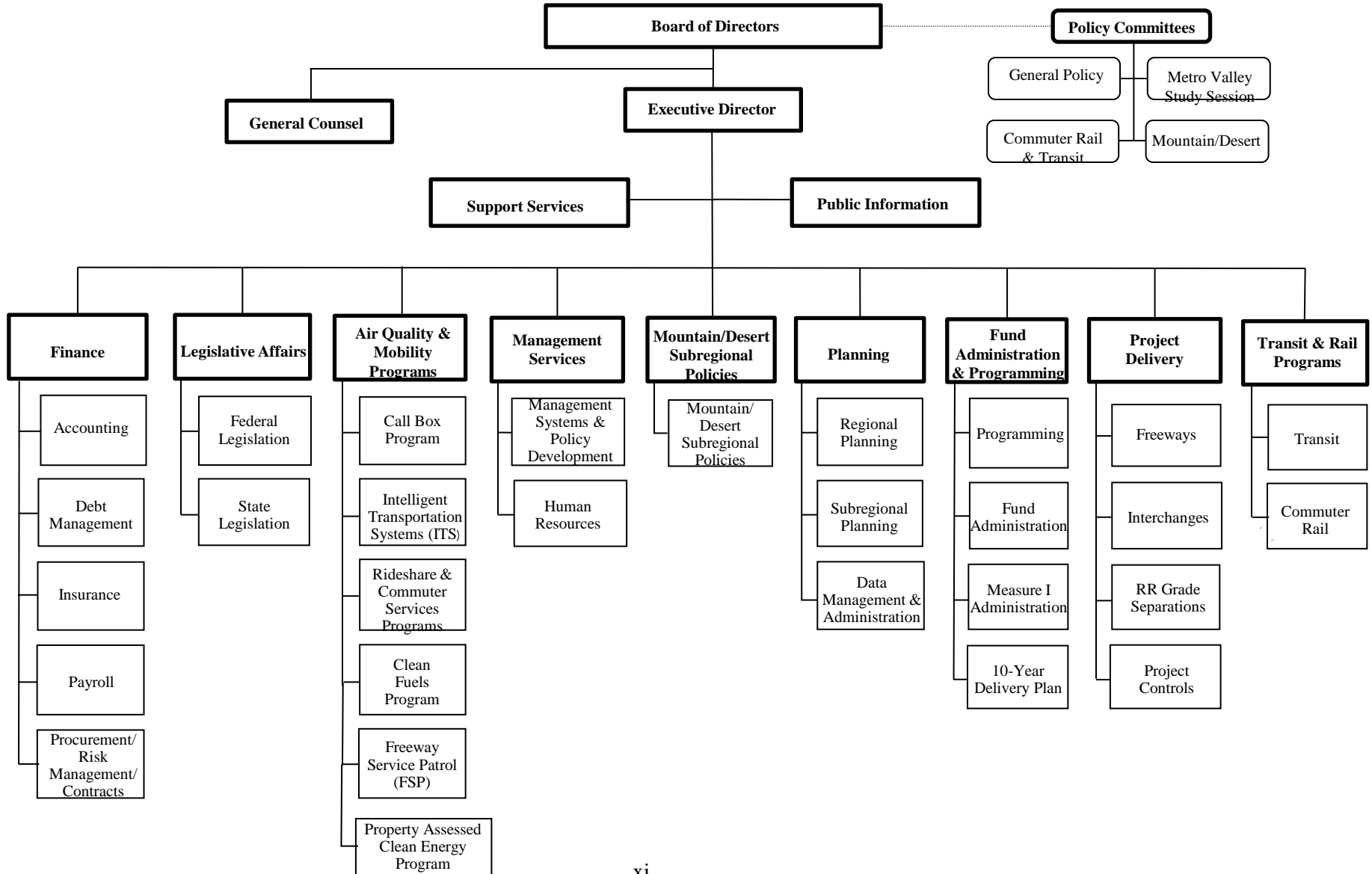
**San Bernardino Associated
Governments, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**San Bernardino Associated Governments
Organization Chart**



SAN BERNARDINO ASSOCIATED GOVERNMENTS
List of Principal Officials
June 30, 2015

Board of Directors

Name	Jurisdiction	Title
L. Dennis Michael	Mayor-City of Rancho Cucamonga	Board President General Policy Committee Vice Chair
Ryan McEachron	Council Member-City of Victorville	Board Vice-President General Policy Committee Chair Mountain/Desert Committee Chair
Rick Kerr	Mayor-City of Adelanto	
Curt Emick	Council Member-Town of Apple Valley	
Julie McIntyre	Mayor -City of Barstow	
Bill Jahn	Mayor Pro Tem-City of Big Bear Lake	
Dennis Yates	Mayor-City of Chino	
Ed Graham	Council Member-City of Chino Hills	
Frank Navarro	Mayor Pro Tem-City of Colton	
Michael Tahan	Mayor Pro Tem-City of Fontana	Metro Valley Study Session Chair
Darcy McNaboe	Mayor-City of Grand Terrace	
Mike Leonard	Council Member-City of Hesperia	
Larry McCallon	Mayor-City of Highland	
Rhodes Rigsby	Mayor-City of Loma Linda	
Paul Eaton	Mayor-City of Montclair	Commuter Rail/Transit Committee Chair
Edward Paget	Mayor-City of Needles	
Alan Wapner	Mayor Pro Tem-City of Ontario	
Jon Harrison	Mayor Pro Tem-City of Redlands	
Deborah Robertson	Mayor-City of Rialto	
R. Carey Davis	Mayor-City of San Bernardino	
Joel Kilink	Mayor-City of Twentynine Palms	
Ray Musser	Mayor-City of Upland	Metro Valley Study Session Vice Chair
Dick Riddell	Council Member-City of Yucaipa	
George Huntington	Mayor-Town of Yucca Valley	
Robert A. Lovingood	Supervisor-County of San Bernardino	Mountain/Desert Committee Vice Chair
Janice Rutherford	Supervisor-County of San Bernardino	
James Ramos	Supervisor-County of San Bernardino	Commuter Rail/Transit Committee Vice Chair
Curt Hagman	Supervisor-County of San Bernardino	
Josie Gonzales	Supervisor-County of San Bernardino	

SAN BERNARDINO ASSOCIATED GOVERNMENTS
List of Principal Officials
June 30, 2015

Appointed Officials

Raymond Wolfe, Executive Director
Eileen Teichert, General Counsel
Vicki Watson, Clerk of the Board
Duane Baker, Director of Management Services
William Stawarski, Chief Financial Officer
Wendy Strack, Director of Legislative Affairs
Steve Smith, Director of Planning
Carolyn Schindler, Director of Transit and Rail Programs
Garry Cohoe, Director of Project Delivery
Andrea Zureick, Director of Fund Administration and Programming



The Colton Crossing Rail-to-Rail Grade Separation raised the East/West Union Pacific railroad tracks over the North/South BNSF tracks. For more than 100 years, this historic crossing required trains coming from either direction to stop and allow the other train to pass through the train intersection. This project was considered a major accomplishment as it improves goods movement and reduces congestion and emissions. It was dedicated in August 2013.

FINANCIAL SECTION



RSM US LLP

Independent Auditor's Report

Board of Directors
San Bernardino Associated Governments
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the San Bernardino Associated Governments (SANBAG) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise SANBAG'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 (U.S. GAAP); this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of SANBAG as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. GAAP.

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Emphasis of Matter

As discussed in Note 16 to the financial statements, SANBAG implemented Governmental Accounting Standards Board (GASB) Statements Nos. 68 and 71, which impacted the accounting and reporting of net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, for the year ended June 30, 2015, and resulted in a restatement of net position as originally reported as of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

U.S. GAAP requires that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, schedule of contributions and related notes listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of SANBAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SANBAG's internal control over financial reporting and compliance.

RSM US LLP

Irvine, California
November 30, 2015

Management's Discussion and Analysis

Our discussion and analysis of the San Bernardino Associated Governments (SANBAG) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of SANBAG exceeded its liabilities at the close of the fiscal year by \$365,070,441 (*net position*).
- The unrestricted net position (deficit) of (\$224,771,477) is the result of issuance of long-term debt to finance freeways, freeway interchanges and major streets which are owned and vested by the California Department of Transportation and other local jurisdictions. Therefore, there is no corresponding asset to the long-term liability. Although SANBAG does not have sufficient current resources to cover long-term liabilities, future Measure I sales tax revenues are pledged to cover future debt service obligations.
- SANBAG's changes in net position increased by \$33,501,278 from the previous fiscal year as a result from operations. Beginning of the year net position was reduced by a prior year adjustment of \$8,367,140 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- The total cost of all SANBAG's activities was \$398,273,535 for the current fiscal year. Net cost of all activities was \$208,266,419.
- The total fund balances of SANBAG's governmental funds were \$507,665,999 at the close of the fiscal year. A majority of the fund balances are restricted, committed and assigned.
- General Fund expenditures exceeded revenues and other financing sources by \$273,047 for the fiscal year ended.
- The total fund balance of the General Fund was \$11,214,284 for the fiscal year. \$120,659 was nonspendable, \$24,046 was committed and \$11,069,579 was assigned.
- SANBAG's total outstanding long-term bonded debt including unamortized premiums decreased by \$3,098,024 due to principal payment and amortization of bond premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

Statement of Net Position

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

Statement of Activities

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

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

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

The basic governmental fund financial statements can be found on pages 18-25 of this report.

Proprietary Funds

SANBAG only maintains one type of proprietary fund, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among SANBAG's various functions. SANBAG uses its internal service fund to account for the Santa Fe Depot building and for tracking any associated maintenance costs. Because this activity benefits the governmental funds, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Santa Fe Depot building and associated maintenance. The basic proprietary fund financial statements can be found on pages 26-28.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain required supplementary information concerning SANBAG's budgetary results for the general fund and major special revenue funds, actuarial determined contribution rates, and the note to required supplementary information. Required supplementary information can be found on pages 63-73 of this report.

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

- Combining balance sheet and statement of revenues, expenditures and changes in fund balances relating to nonmajor governmental funds.
- Budgetary comparison schedules for nonmajor special revenue governmental funds.

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

Supplementary information can be found on pages 76-103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of SANBAG'S financial position. At June 30, 2015, SANBAG's assets exceeded liabilities by \$365,070,441. The following is condensed financial data related to net position at June 30, 2015 and June 30, 2014:

Condensed Statement of Net Position

	Governmental Activities	
	2015	2014
Current and other assets	\$ 650,146,077	\$ 633,178,338
Capital assets-net of depreciation	71,364,275	68,787,689
Total assets	<u>721,510,352</u>	<u>701,966,027</u>
Deferred outflows of resources	5,935,887	-
Long-term liabilities outstanding	260,176,279	274,242,550
Net pension liability	9,496,059	-
Other liabilities	87,992,087	87,787,174
Total liabilities	<u>357,664,425</u>	<u>362,029,724</u>
Deferred inflows of resources	4,711,373	-
Net position:		
Net investment in capital assets	71,364,275	68,787,689
Restricted	518,477,643	486,271,129
Unrestricted	(224,771,477)	(215,122,515)
Total net position	<u>\$ 365,070,441</u>	<u>\$ 339,936,303</u>

Net Position

Net investment in capital assets represents 19.5% of the net position of SANBAG. Capital assets include the Santa Fe Depot facility, land improvements and rail operating land easements. Capital assets were acquired with the use of federal grants and local revenues and no outstanding debt was used for acquisition. SANBAG utilizes the capital assets for general-council of governments support activities, air quality and traveler services, transportation services, transit and commuter rail services, and major highway and street projects for residents and businesses of San Bernardino County.

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

The unrestricted net position represent the portion of net position that can be used to finance day-to-day operations without constraints established by bond covenants, enabling legislation, or other legal requirements. Unrestricted net position (deficit) is (\$224,771,477) at June 30, 2015. This amount results in part from the impact of SANBAG's debt on the statement of net position. The deficit is the result of expenditures incurred for freeways, freeway interchanges and major streets which are owned and vested by the California Department of Transportation and other local jurisdictions. Accordingly, these capital projects are not reported as assets to offset the corresponding long-term liability.

SANBAG's changes in net position increased by \$33,501,278 during the fiscal year as a result of revenues exceeding expenses. The total cost of SANBAG activities was \$398,273,535 for the fiscal year. Net cost of all activities was \$208,266,419. Beginning of the year net position was reduced by a prior year adjustment of \$8,367,140 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

The following is condensed financial data related to changes in net position for the year ended June 30, 2015 and June 30, 2014:

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 591,987	\$ 612,541
Operating grants and contributions	189,415,129	204,806,040
General revenues:		
Sales tax-Measure I	152,342,401	145,407,342
Sales tax-Local Transportation Fund	85,531,625	79,559,209
Unrestricted investment earnings	1,906,660	165,733
Miscellaneous	1,987,011	1,116,648
Total revenues	<u>431,774,813</u>	<u>431,667,513</u>

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2015	2014
Expenses		
General-council of governments support	2,833,042	3,825,691
Air quality and traveler services	4,182,935	5,626,177
Regional and subregional planning	1,951,391	1,810,171
Transit and passenger rail	59,376,860	39,297,811
Major project delivery	168,126,021	198,290,514
Fund administration and programming	153,722,554	137,111,875
Interest and fiscal charges	8,080,732	5,115,094
Total expenses	<u>398,273,535</u>	<u>391,077,333</u>
Change in net position	<u>33,501,278</u>	<u>40,590,180</u>
Net position at the beginning of year	339,936,303	299,346,123
Prior period adjustment	<u>(8,367,140)</u>	<u>-</u>
Net position at the beginning of year, as restated	<u>331,569,163</u>	<u>299,346,123</u>
Net position at the end of year	<u><u>\$ 365,070,441</u></u>	<u><u>\$ 339,936,303</u></u>

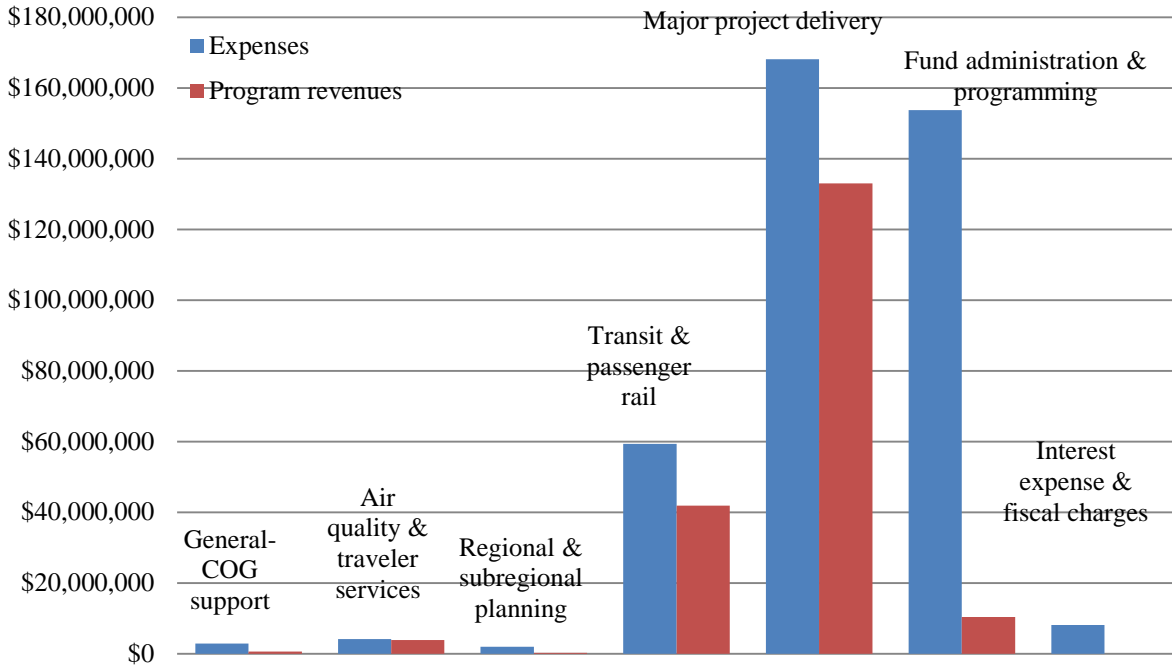
Changes in Net Position

Revenues increased by \$107,300 from the previous fiscal year. The increase is primarily attributed to increases in sales tax, unrestricted investment earnings and miscellaneous revenue offset with decreases in federal and state operating grants and contributions. Federal and state operating and contributions decrease of \$15,390,911 are related to less reimbursable expenditures in the major project delivery program. Increase of \$12,907,475 in Measure I and local transportation fund sales tax revenue reflects an improving economy throughout the County. The increase of \$1,740,927 in unrestricted investment earnings is related to a positive fair value investment adjustment at June 30, 2015.

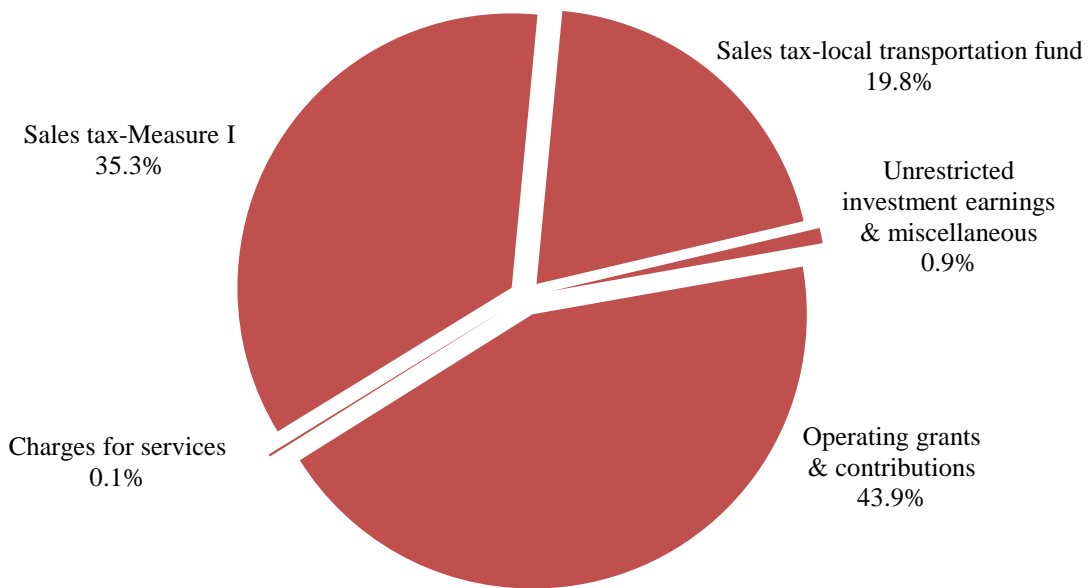
Expenses increased by \$7,196,202 or 1.8% from the previous fiscal year. The increase was primarily attributed to increase of transit and passenger rail San Bernardino Transit Center, Downtown San Bernardino Passenger Rail, and Redland Passenger rail capital expenditures. Decrease in major projects delivery is related to reduction of federal, state, and local contributions. The increase in fund administration and programming expenses is related to the acceleration of project advancement payments to various jurisdictions (see note 8 of the *notes to financial statements*).

Net expenses is a good indication of the extent to which the services provided by SANBAG are financed from sales taxes paid by citizens and businesses of San Bernardino County as opposed to recovering the cost of these services with user fees, grants and other contributions. Air quality and traveler services, transit and passenger rail, and major project delivery recover their expenses primarily from program revenues. SANBAG is very aggressive in leveraging the Measure I sales tax to obtain federal and state funds. General-council of governments (GOG) support; regional and subregional planning; transit and passenger rail; fund administration and programming; and interest expense and fiscal charges are financed primarily from general revenues.

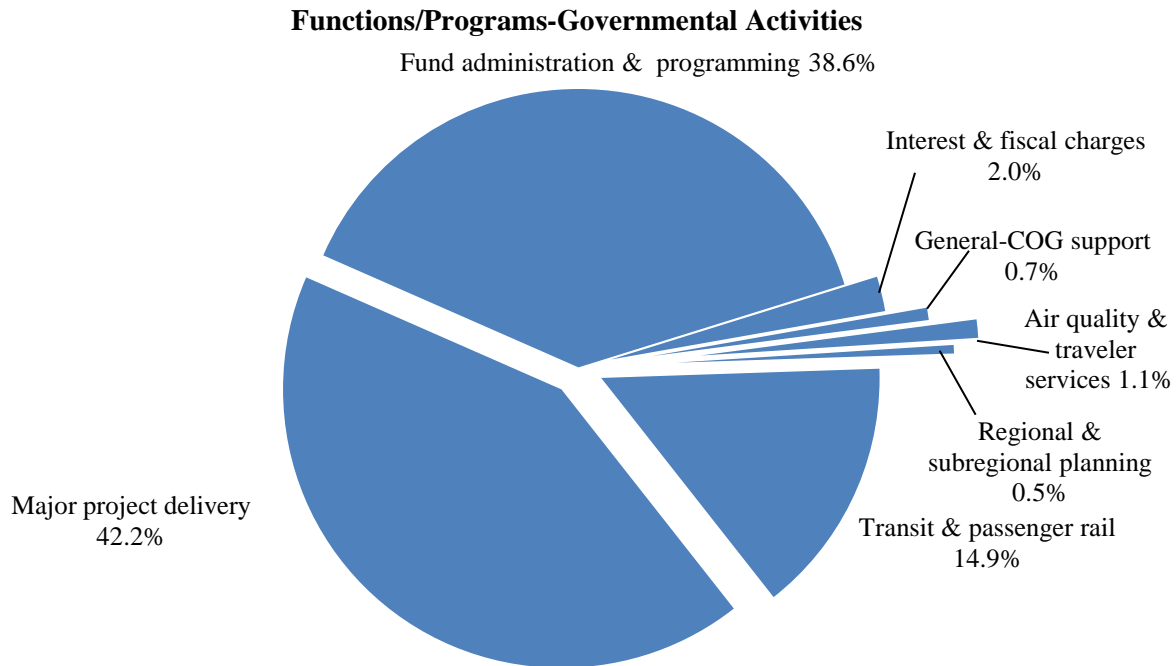
Expenses and Program Revenues-Governmental Activities



Revenue Sources-Governmental Activities



Measure I and local transportation fund sales tax revenues provide 55.1% of the overall revenue sources of the governmental activities. Another large source of revenue is operating grants and contributions which include various federal, state and local grants and reimbursements. SANBAG leverages the Measure I sales tax revenue to obtain federal and state grants.



Major project delivery and fund administration and programming represent 80.8% of the programs of the governmental activities. Major project delivery provides for the freeway, freeway interchange and grade separation projects utilizing federal, state, and local revenues; and Measure I sales tax revenue. Each project is identified in the Measure I 2010-2040 expenditure and ten-year delivery plans. Fund administration and programming provides for the apportionment and allocation of Measure I sales tax, local transportation fund sales tax and state transit assistance fund revenues for various local arterial projects, project advancement agreements (see note 8 of *notes to financial statements*), transit operator support and local street pass-through payments.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds

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

SANBAG's governmental funds reported combined fund balances of \$507,665,999 as of June 30, 2015. This represents a \$2,845,538 increase from the previous fiscal year. The total fund balance is either *nonspendable*, *restricted*, *committed*, *assigned* or *unassigned* as follows:

- Not in spendable form-\$120,659
- Restricted for particular purposes-\$511,144,916
- Committed for particular purposes-\$24,046
- Assigned for particular purposes-\$11,069,579
- Unassigned (deficit)-(\$14,693,201)

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

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

General Fund

The general fund is the chief operating fund of SANBAG. At the end of the fiscal year, the fund balance of the general fund was \$11,214,284 which represents a \$273,047 decrease from the previous fiscal year. The decrease in fund balance was attributed to increase spending in certain transit and rail projects. Total fund balance of the general fund was either *nonspendable* (\$120,659 for prepaid items), *committed* (\$24,046 for council of governments activities) or *assigned* (\$11,069,579 for general administration; regional and subregional planning; and rail activities).

Federal Highway Special Revenue Fund

The federal highway special revenue fund reported an unassigned fund deficit of \$2,901,098 at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures and the deficit is attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2015.

Federal Transit Administration Special Revenue Fund

The federal transit administration special revenue fund reported no fund balance at the end of the fiscal year. The fund primarily accounts for reimbursement of qualified program expenditures.

State Highway Special Revenue Fund

The state highway special revenue fund reported an unassigned fund deficit of \$6,837,932 at the end of the fiscal year. The fund primarily accounts for reimbursement of program expenditures and the deficit is attributed to deferred inflows of resources-unavailable grant and local reimbursements at June 30, 2015.

Proposition 1B Special Revenue Fund

The proposition 1B special revenue fund had a fund balance increase of \$19,052,435 from the previous fiscal year. The increase is due to certain capital projects in major project delivery not expending revenues available at June 30, 2015. Total fund balance of \$29,196,721 is reported as restricted fund balance at June 30, 2015.

Local Transportation Fund Special Revenue Fund

The local transportation fund special revenue fund had a fund balance increase of \$9,391,448 from the previous fiscal year. The increase in fund balance was primarily attributed to lesser transfers to the general fund for general administrative, planning and rail expenditures. Total fund balance of \$106,730,175 is reported as *restricted* fund balance at June 30, 2015.

State Transit Assistance Fund Special Revenue Fund

The fund balance of the state transit fund special revenue fund was \$55,295,279 at the end of the fiscal year which represents a \$275,667 decrease. The decrease in fund balance was attributed to less revenues received from the State. Total fund balance is reported as *restricted* at June 30, 2015.

1990-2010 Measure I Special Revenue Fund

The 1990-2010 Measure I special revenue fund had a decrease in fund balance of \$10,380,462 from the previous fiscal year. The total fund balance of \$19,346,234 was *restricted* at June 30, 2015. The decrease is due to the drawdown of the remaining fund balance of the old Measure I program.

2010-2040 Measure I Special Revenue Fund

The 2010-2040 Measure I special revenue fund had an increase in fund balance of \$43,407,145 from the previous fiscal year. The total fund balance of \$223,956,251 was *restricted* at June 30, 2015. The increase in fund balance was largely due to an increase in Measure I sales tax revenue collections and the timing of certain capital improvement outlays.

Debt Service Fund

At the end of the fiscal year, the fund balance of the debt service fund was \$8,039,360 which represents a \$4,049,037 decrease from the previous fiscal year. The decrease was due to payment of interest and fiscal charges on the Sales Tax Revenue Bonds of 2012, Series A and Sales Tax Revenue Bonds of 2014, Series A which was accounted for in the debt service fund. The total fund balance of the debt service fund was restricted.

Capital Projects Fund

The capital projects fund had a fund balance decrease of \$56,512,770 from the previous fiscal year. The total fund balance of \$59,930,953 is reported as *restricted* fund balance at June 30, 2015. The decrease in fund balance was primarily due to the use of bond proceeds for certain transit and passenger rail and major project delivery capital expenditures.

Proprietary Funds

SANBAG maintains one proprietary fund which is an *internal service fund*. The unrestricted net position of the Santa Fe Depot internal service fund was \$3,225 at the end of the fiscal year. The decrease in net position of \$162,798 was attributed to operating expenses exceeding operating revenues.

General Fund Budgetary Highlights

Differences between the original budget for expenditure appropriations and the final budget were \$1,990,545. The largest general fund appropriation increase was primarily attributed to capital outlay which included land for the San Bernardino passenger rail, computer hardware and software, call boxes, and Board room security improvements.

During the fiscal year, actual revenues were less than budgetary estimated revenues by \$2,274,194. The decrease in revenues was primarily due to less charges for services, special assessments and miscellaneous revenues associated with general support and council of governments activities.

Actual expenditures were less than budgetary appropriations by \$18,446,757. The most significant budgetary appropriation variance between the final budget and actual amount was attributed to transit and passenger rail program. The variance of \$15,909,050 is due to certain capital projects identified earlier that were not completed at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

SANBAG's investment in capital assets for its governmental activities as of June 30, 2015 is \$71,364,275 (net of accumulated depreciation). Capital assets include land, buildings, equipment, and vehicles. The following is a summary of capital assets (net of depreciation) at June 30, 2015 and 2014:

	Capital Assets (net of depreciation)	
	Governmental Activities	
	2015	2014
Governmental activities		
Land	\$ 67,336,870	\$ 64,763,870
Buildings	3,562,042	3,741,635
Equipment and vehicles	465,363	282,184
Total capital assets	<u>\$ 71,364,275</u>	<u>\$ 68,787,689</u>

The net increase in capital assets for the fiscal year was \$2,576,586. The change in capital assets is attributed to additions of \$2,908,219 and depreciation of \$331,633.

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

Debt Administration

At the end of the fiscal year, SANBAG had total long-term bonded debt of \$200,105,000. This included the sales tax revenue bonds issued in 2012 and 2014. The following is a summary of the outstanding bonded debt (including unamortized premiums) at June 30, 2015 and 2014:

	Governmental Activities	
	2015	2014
Governmental activities		
Sales tax revenue bonds	\$ 217,309,118	\$ 220,407,142
Total outstanding bonded debt	<u>\$ 217,309,118</u>	<u>\$ 220,407,142</u>

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

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

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

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

ECONOMIC FACTORS AND NEXT YEARS BUDGET

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

- Population of San Bernardino remains stable, increasing by 1% from the previous year.
- Personal income and personal income per capita increased by 2.7% and 2.2%, respectively from 2012 to 2013 (only information available).
- Unemployment rate for the County decreased from 8.1% to 5.8% from the previous year.
- Measure I sales tax revenue continues to increase each year. Measure I sales tax revenue was \$106.1 million in 2010, \$117.9 million in 2011, \$132.3 million in 2012, \$138.4 million in 2013, \$145.4 million in 2014 and \$152.3 in 2015. This represents a 43.5% increase since fiscal year 2010.

Estimated 2015/2016 budget revenues are \$420.6 million in comparison to \$443.1 million of the previous year. Measure I sales tax revenues are estimated to be \$149 million in comparison to \$142 million of the prior year. SANBAG continues to be conservative in Measure I sales tax projections to ensure adequate reserves for future contingencies and economic swings. The decrease in total estimated revenues is primarily due to a less federal, state, and local grants and reimbursements, and the issuance of sales tax revenue bonds in the prior fiscal year.

Budget appropriations for fiscal year 2015/2016 are \$504.3 million. The largest portion of the budget is related to the major projects delivery program of \$197.5 million. The adopted budget is balanced utilizing existing restricted fund balances including bond proceeds.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Cash and investments	\$ 399,887,707
Accrued interest receivable	275,069
Sales taxes receivable	28,624,756
Accounts receivable	7,766,429
Intergovernmental receivable	83,080,473
Prepaid items	120,659
Loans receivable	38,025,993
Cash and investments-restricted	92,364,991
Capital assets not being depreciated-land	67,336,870
Capital assets, net of depreciation:	
Buildings	3,562,042
Equipment and vehicles	465,363
Total assets	721,510,352
Deferred outflows of resources of net pension liability	5,935,887
Liabilities	
Accounts payable	46,694,946
Accrued liabilities	311,816
Accrued interest payable	3,074,017
Intergovernmental payable	36,911,874
Unearned revenue	999,434
Long-term liabilities:	
Due within one year	15,317,375
Due in more than one year	244,858,904
Net pension liability	9,496,059
Total liabilities	357,664,425
Deferred inflows of resources of net pension liability	4,711,373
Net position	
Net investment in capital assets	71,364,275
Restricted for:	
Traveler services	3,695,772
Freeway projects	115,280,407
Major street projects	157,127,472
Commuter rail	41,317,311
Transit services	24,288,978
Traffic management and project development	14,742,249
Transportation development act	162,025,454
Unrestricted (deficit)	(224,771,477)
Total net position	\$ 365,070,441

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government				
Governmental activities:				
General-council of governments support	\$ 2,833,042	\$ 591,987	\$ 11,178	\$ (2,229,877)
Air quality and traveler services	4,182,935	-	3,875,057	(307,878)
Regional and subregional planning	1,951,391	-	291,478	(1,659,913)
Transit and passenger rail	59,376,860	-	41,850,314	(17,526,546)
Major project delivery	168,126,021	-	133,025,495	(35,100,526)
Fund administration and programming	153,722,554	-	10,361,607	(143,360,947)
Interest and fiscal charges	8,080,732	-	-	(8,080,732)
Total governmental activities	<u>\$ 398,273,535</u>	<u>\$ 591,987</u>	<u>\$ 189,415,129</u>	<u>(208,266,419)</u>
General revenues:				
				152,342,401
				85,531,625
				1,906,660
				1,987,011
				<u>241,767,697</u>
				<u>33,501,278</u>
				339,936,303
				<u>(8,367,140)</u>
				<u>331,569,163</u>
				<u>\$ 365,070,441</u>

See accompanying notes to financial statements



The I-10/Riverside Avenue Interchange in Rialto, CA, was designed to replicate the famous Rialto Bridge in Venice, Italy. The City of Rialto selected the unique design to commemorate the city's Centennial Celebration in 2011.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Balance Sheet
Governmental Funds
June 30, 2015

	Special Revenue		
	General	Federal Highway	Federal Transit Administration
Assets			
Cash and investments	\$ 13,216,361	\$ -	\$ -
Accrued interest receivable	9,849	-	-
Sales taxes receivable	286,248	-	-
Accounts receivable	20,000	-	-
Intergovernmental receivable	505	14,792,999	1,118,682
Due from other funds	-	-	-
Prepaid items	120,659	-	-
Loans receivable	-	-	-
Advances to other funds	-	-	-
Cash and investments-restricted	-	-	-
Total assets	<u>\$ 13,653,622</u>	<u>\$ 14,792,999</u>	<u>\$ 1,118,682</u>
Liabilities			
Accounts payable	\$ 1,762,855	\$ 6,891,287	\$ 194,092
Accrued liabilities	243,818	-	-
Intergovernmental payable	423,725	3,955	-
Due to other funds	-	7,897,757	924,590
Advances from other funds	-	-	-
Unearned revenue	8,940	-	-
Total liabilities	<u>2,439,338</u>	<u>14,792,999</u>	<u>1,118,682</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	-	2,901,098	-
Fund balances (deficits)			
Nonspendable-Prepaid items	120,659	-	-
Restricted:			
Traveler services	-	-	-
Freeway projects	-	-	-
Major street projects	-	-	-
Commuter rail	-	-	-
Transit services	-	-	-
Traffic management and project development	-	-	-
Transportation development act	-	-	-
Debt service	-	-	-
Committed-Council of governments	24,046	-	-
Assigned:			
General administration	7,246,209	-	-
Regional and subregional planning	766,513	-	-
Rail	3,056,857	-	-
Unassigned (deficits)	-	(2,901,098)	-
Total fund balances (deficits)	<u>11,214,284</u>	<u>(2,901,098)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,653,622</u>	<u>\$ 14,792,999</u>	<u>\$ 1,118,682</u>

See accompanying notes to financial statements

Special Revenue						
State Highway	Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service
\$ -	\$ 30,992,907	\$ 90,234,398	\$ 55,218,010	\$ 31,627,133	\$ 166,576,846	\$ -
-	4,246	130,236	77,269	6,335	46,565	-
-	-	-	-	-	28,338,508	-
-	-	-	-	-	-	-
11,125,848	16,547,263	16,365,541	-	-	-	-
-	-	-	-	-	60,679,009	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,420,613	-
-	-	-	-	-	-	8,039,360
<u>\$ 11,125,848</u>	<u>\$ 47,544,416</u>	<u>\$ 106,730,175</u>	<u>\$ 55,295,279</u>	<u>\$ 31,633,468</u>	<u>\$ 264,061,541</u>	<u>\$ 8,039,360</u>
\$ 922,359	\$ 7,411,687	\$ -	\$ -	\$ 12,254,132	\$ 6,428,205	\$ -
-	-	-	-	-	56,690	-
16,600	141,758	-	-	33,102	33,620,395	-
10,186,889	10,483,616	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,125,848</u>	<u>18,037,061</u>	<u>-</u>	<u>-</u>	<u>12,287,234</u>	<u>40,105,290</u>	<u>-</u>
<u>6,837,932</u>	<u>310,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	114,078,278	-
-	29,196,721	-	-	11,363,403	52,414,206	-
-	-	-	-	-	26,415,371	-
-	-	-	-	2,378,946	21,910,032	-
-	-	-	-	5,603,885	9,138,364	-
-	-	106,730,175	55,295,279	-	-	-
-	-	-	-	-	-	8,039,360
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(6,837,932)	-	-	-	-	-	-
<u>(6,837,932)</u>	<u>29,196,721</u>	<u>106,730,175</u>	<u>55,295,279</u>	<u>19,346,234</u>	<u>223,956,251</u>	<u>8,039,360</u>
<u>\$ 11,125,848</u>	<u>\$ 47,544,416</u>	<u>\$ 106,730,175</u>	<u>\$ 55,295,279</u>	<u>\$ 31,633,468</u>	<u>\$ 264,061,541</u>	<u>\$ 8,039,360</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Balance Sheet

Governmental Funds

June 30, 2015

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 8,428,011	\$ 3,590,816	\$ 399,884,482
Accrued interest receivable	-	569	275,069
Sales taxes receivable	-	-	28,624,756
Accounts receivable	7,746,429	-	7,766,429
Intergovernmental receivable	22,352,622	777,013	83,080,473
Due from other funds	-	-	60,679,009
Prepaid items	-	-	120,659
Loans receivable	38,025,993	-	38,025,993
Advances to other funds	-	-	8,420,613
Cash and investments-restricted	84,325,631	-	92,364,991
Total assets	<u>\$ 160,878,686</u>	<u>\$ 4,368,398</u>	<u>\$ 719,242,474</u>
Liabilities			
Accounts payable	\$ 10,521,586	\$ 308,743	\$ 46,694,946
Accrued liabilities	6,105	5,203	311,816
Intergovernmental payable	14,638,954	34,683	48,913,172
Due to other funds	30,862,164	323,993	60,679,009
Advances from other funds	8,420,613	-	8,420,613
Unearned revenue	990,490	4	999,434
Total liabilities	<u>65,439,912</u>	<u>672,626</u>	<u>166,018,990</u>
Deferred inflows of resources			
Unavailable grant and local reimbursements	<u>35,507,821</u>	-	<u>45,557,485</u>
Fund balances (deficits)			
Nonspendable-Prepaid items	-	-	120,659
Restricted:			
Traveler services	-	3,695,772	3,695,772
Freeway projects	14,231,549	-	128,309,827
Major street projects	35,751,635	-	128,725,965
Commuter rail	14,901,940	-	41,317,311
Transit services	-	-	24,288,978
Traffic management and project development	-	-	14,742,249
Transportation development act	-	-	162,025,454
Debt service	-	-	8,039,360
Committed-Council of governments	-	-	24,046
Assigned:			
General administration	-	-	7,246,209
Regional and subregional planning	-	-	766,513
Rail	-	-	3,056,857
Unassigned (deficits)	<u>(4,954,171)</u>	-	<u>(14,693,201)</u>
Total fund balances (deficits)	<u>59,930,953</u>	<u>3,695,772</u>	<u>507,665,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 160,878,686</u>	<u>\$ 4,368,398</u>	<u>\$ 719,242,474</u>

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2015

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Fund balances-total governmental funds (page 20)	\$ 507,665,999
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	67,956,695
Revenues recognized for governmental activities that are not available in the current period and, therefore, are not reported in the funds.	45,557,485
Internal service fund is used by management to account for the operating revenues and expenses of Santa Fe Depot. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position.	3,410,805
Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds.	(3,074,017)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The long-term liabilities consist of the following:	
Compensated absences payable	(680,465)
Project advance agreements	(30,185,398)
Revenue bonds payable	(200,105,000)
Unamortized premium on revenue bonds	(17,204,118)
Amounts reported for net pension liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net pension liability in future measurement years are reported as deferred outflows and deferred inflows of resources are therefore not reported in the governmental funds.	
Net pension payable	(9,496,059)
Deferred outflows of resources related to pensions	5,935,887
Deferred inflows of resources related to pensions	<u>(4,711,373)</u>
Net position of governmental activities	<u>\$ 365,070,441</u>

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue		
	General	Federal Highway	Federal Transit Administration
Revenues			
Sales tax-Measure I	\$ 1,523,424	\$ -	\$ -
Sales tax-local transportation fund	-	-	-
Intergovernmental	-	20,823,115	7,579,892
Charges for services	473,282	-	-
Special assessments	118,705	-	-
Investment earnings	63,816	337	-
Miscellaneous	1,975,547	-	-
Total revenues	<u>4,154,774</u>	<u>20,823,452</u>	<u>7,579,892</u>
Expenditures			
Current:			
General-council of governments support	1,401,401	-	-
Air quality and traveler services	840	757,727	-
Regional and subregional planning	713,039	-	-
Transit and passenger rail	17,638,076	-	7,298,612
Major project delivery	255	20,370,061	-
Fund administration and programming	1,559,566	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	<u>2,452,289</u>	-	<u>281,280</u>
Total expenditures	<u>23,765,466</u>	<u>21,127,788</u>	<u>7,579,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,610,692)</u>	<u>(304,336)</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	19,337,645	147,526	-
Transfers out	-	(631,022)	-
Total other financing sources (uses)	<u>19,337,645</u>	<u>(483,496)</u>	<u>-</u>
Net change in fund balances	(273,047)	(787,832)	-
Fund balances (deficits) beginning of year	<u>11,487,331</u>	<u>(2,113,266)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 11,214,284</u>	<u>\$ (2,901,098)</u>	<u>\$ -</u>

See accompanying notes to financial statements

Special Revenue						
State Highway	Proposition 1B	Local Transportation Fund	State Transit Assistance Fund	1990-2010 Measure I	2010-2040 Measure I	Debt Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,818,977	\$ -
-	-	85,531,625	-	-	-	-
12,587,535	64,328,853	-	9,564,536	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	203,267	393,551	247,017	109,543	805,250	6,035
-	-	949	-	915	-	-
<u>12,587,535</u>	<u>64,532,120</u>	<u>85,926,125</u>	<u>9,811,553</u>	<u>110,458</u>	<u>151,624,227</u>	<u>6,035</u>
-	-	-	-	29,701	956,031	-
-	-	-	-	-	879,797	-
291,332	-	-	-	(10,359)	973,502	-
-	10,645,764	-	-	-	10,954,079	-
8,093,092	34,004,216	-	-	13,549,167	39,968,082	-
797,071	-	57,197,032	10,087,220	-	56,520,834	-
-	-	-	-	-	-	1,910,000
-	-	-	-	-	-	8,862,406
-	-	-	-	-	16,250	-
<u>9,181,495</u>	<u>44,649,980</u>	<u>57,197,032</u>	<u>10,087,220</u>	<u>13,568,509</u>	<u>110,268,575</u>	<u>10,772,406</u>
<u>3,406,040</u>	<u>19,882,140</u>	<u>28,729,093</u>	<u>(275,667)</u>	<u>(13,458,051)</u>	<u>41,355,652</u>	<u>(10,766,371)</u>
485,473	-	-	-	3,079,567	11,726,093	6,717,334
(1,793,581)	(829,705)	(19,337,645)	-	(1,978)	(9,674,600)	-
<u>(1,308,108)</u>	<u>(829,705)</u>	<u>(19,337,645)</u>	<u>-</u>	<u>3,077,589</u>	<u>2,051,493</u>	<u>6,717,334</u>
2,097,932	19,052,435	9,391,448	(275,667)	(10,380,462)	43,407,145	(4,049,037)
(8,935,864)	10,144,286	97,338,727	55,570,946	29,726,696	180,549,106	12,088,397
<u>\$ (6,837,932)</u>	<u>\$ 29,196,721</u>	<u>\$ 106,730,175</u>	<u>\$ 55,295,279</u>	<u>\$ 19,346,234</u>	<u>\$ 223,956,251</u>	<u>\$ 8,039,360</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Revenues and Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Sales tax-Measure I	\$ -	\$ -	\$ 152,342,401
Sales tax-local transportation fund	-	-	85,531,625
Intergovernmental	25,335,824	3,647,488	143,867,243
Charges for services	-	-	473,282
Special assessments	-	-	118,705
Investment earnings	68,257	9,589	1,906,662
Miscellaneous	-	-	1,977,411
Total revenues	<u>25,404,081</u>	<u>3,657,077</u>	<u>386,217,329</u>
Expenditures			
Current:			
General-council of governments support	2,634	11,178	2,400,945
Air quality and traveler services	170,365	2,382,280	4,191,009
Regional and subregional planning	-	146	1,967,660
Transit and passenger rail	12,858,613	-	59,395,144
Major project delivery	52,162,712	-	168,147,585
Fund administration and programming	7,427,100	-	133,588,823
Debt Service:			
Principal	-	-	1,910,000
Interest and fiscal charges	-	-	8,862,406
Capital outlay	70,320	88,080	2,908,219
Total expenditures	<u>72,691,744</u>	<u>2,481,684</u>	<u>383,371,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,287,663)</u>	<u>1,175,393</u>	<u>2,845,538</u>
Other financing sources (uses)			
Transfers in	2,137,457	-	43,631,095
Transfers out	(11,362,564)	-	(43,631,095)
Total other financing sources (uses)	<u>(9,225,107)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(56,512,770)	1,175,393	2,845,538
Fund balances (deficits) beginning of year	116,443,723	2,520,379	504,820,461
Fund balances (deficits) end of year	<u>\$ 59,930,953</u>	<u>\$ 3,695,772</u>	<u>\$ 507,665,999</u>

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

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

Net changes in fund balances-total governmental funds (page 24)	\$	2,845,538
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The adjustments for capital outlay and depreciation expenses are as follows:</p>		
Capital outlay		2,908,219
Depreciation		(168,680)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		14,106,252
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. The adjustments for the issuance and repayment of long-term debt are as follows:</p>		
Changes in project advancement agreements		11,298,285
Principal payments on sales tax revenue bonds		1,910,000
Amortization of premium on sales tax revenue notes		1,188,024
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These expenses consist of:</p>		
Changes in compensated absences		(112,807)
Changes in accrued interest on sales tax revenue bonds		(406,350)
Changes in net pension liability		95,595
Internal service fund is used by management to account for the operating revenues and expenses of Santa Fe Depot. The net revenue of the internal service fund is reported with governmental activities		(162,798)
Change in net position of governmental activities	\$	33,501,278

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Net Position
Proprietary Fund
June 30, 2015

	Governmental Activities	Internal Service Fund
Assets		
Current assets		
Cash and investments	\$	3,225
Noncurrent assets		
Capital assets:		
Land		284,929
Buildings		4,857,904
Equipment		30,092
Less accumulated depreciation		(1,765,345)
Total noncurrent assets		3,407,580
Total assets		3,410,805
Net position		
Net investment in capital assets		3,407,580
Unrestricted		3,225
Total net position	\$	3,410,805

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities
	Internal Service Fund
Operating revenues	
Rental charges:	
SANBAG	\$ 325,318
Metrolink	47,370
SCAG	18,987
Other	3,720
Total operating revenues	395,395
Operating expenses	
Supplies, maintenance and other	395,240
Depreciation	162,953
Total operating expenses	558,193
Operating income (loss)	(162,798)
Net position at beginning of year	3,573,603
Net position at end of year	\$ 3,410,805

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities
	Internal Service Fund
Cash Flows from operating activities	
Receipts from customers and users:	
SANBAG	\$ 325,318
Metrolink	47,370
SCAG	18,987
Other	3,720
Payments to suppliers and service providers	(395,240)
Net cash provided by (used for) operating activities	155
Cash and investments at beginning of year	3,070
Cash and investments at end of year	\$ 3,225
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (162,798)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	162,953
Net cash provided by (used for) operating activities	\$ 155

See accompanying notes to financial statements

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

San Bernardino Associated Governments (SANBAG) was established in 1973 for the purpose of improving and coordinating certain governmental services on a countywide subregional basis. SANBAG acts as the San Bernardino County Transportation Commission (the Commission), established in 1977 under Division 12 (commencing with Section 130000) of the Public Utilities Code to provide transportation planning and programming at the local level. Funding for the Commission is provided from transportation funds and federal grant programs administered through the California Department of Transportation.

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

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

Blended Component Unit

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

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

B. Description of Government-wide Financial Statements

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

C. Basis of Presentation – Government-wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

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

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

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SANBAG reports the following major governmental funds:

General Fund

The *general fund* is the general operating fund of SANBAG and accounts for the financial resources not required to be accounted in another fund.

Federal Highway Special Revenue Fund

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

Federal Transit Administration Special Revenue Fund

This *special revenue fund* accounts for revenues and expenditures related to the Federal Transit Administration program.

State Highway Special Revenue Fund

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

Proposition 1B Special Revenue Fund

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

Local Transportation Fund Special Revenue Fund

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

State Transit Assistance Fund Special Revenue Fund

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

1990-2010 Measure I Special Revenue Fund

The *special revenue fund* accounts for the ½ cent Measure I sales tax approved by the voters of San Bernardino County in November 1989. Ordinance No. 89-1 established the expenditure plan for the distribution of tax revenues to the subareas of the county.

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2010-2040 Measure I Special Revenue Fund

The *special revenue fund* accounts for the extension of the ½ cent Measure I sales tax approved by the voters of San Bernardino County in November 2004. Ordinance No. 04-01 established the expenditure plan for the distribution of tax revenues to the subareas of the county.

Debt Service Fund

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

Capital Projects Fund

The *capital projects fund* accounts for local reimbursements and contributions, and sales tax revenue bond proceeds for transportation and transit improvement projects.

SANBAG reports the following proprietary fund:

Internal Service Fund

The *internal service fund* is the only proprietary fund reported by SANBAG. It accounts for the maintenance and operation of the Santa Fe Depot.

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

Service Authority for Freeway Emergencies Special Revenue Fund

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

Freeway Service Patrol Special Revenue Fund

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

Low Carbon Transit Operations Program Special Revenue Fund

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

Active Transportation Program Special Revenue Fund

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

E. Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using *the current financial resources measurement focus* and *the modified accrual basis of accounting*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, SANBAG considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, compensated absences, long-term project advance agreements, pension expenses, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt is reported as other financing sources.

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

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

F. Budgetary Information

Budgetary Basis of Accounting

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

Budget Amendments

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

Administrative Budget Amendments

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

- 1) Transfers from one line item to another within the task budget and fund, or changes between tasks within the same program and fund.

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

Board Approved Amendments

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

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

Excess of Expenditures over Appropriations

For fiscal year ended June 30, 2015, no expenditures exceeded appropriations.

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

Cash and Investments

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

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

Cash in the County Treasury and LAIF is carried at fair value based on the value of each participating dollar as provided by the County Treasurer and LAIF. The fair value of SANBAG's position in the County pool and LAIF is the same as the value of the pool shares. Investments in U.S. Government and agency securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on the fund's share price.

Receivables

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS
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Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

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

Building, equipment and furniture, and vehicles of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Asset</u>	<u>Useful Life</u>
Buildings	39 years
Equipment and furniture	5 - 7 years
Vehicles	5 years

Major Project Delivery Expenditure/Expense

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

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

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

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

Net Position Use Assumption

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

Net Investment in Capital Assets

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

Restricted

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

Unrestricted

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance classifications of governmental funds are based primarily on the extent to which SANBAG is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. SANBAG Policy No. 20200 adopted by the Board of Directors on August 3, 2011 establishes the standards for reporting, within the annual financial statements, unrestricted fund balance within the governmental funds: General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. As of June 30, 2015, fund balances for governmental funds are made up of the following:

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Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

H. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include:

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

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

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Sales Tax-Measure I

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

One-percent of the Measure I sales tax revenue is deducted for general administration of the Measure I program. The balance is allocated to six separate subareas of the county: San Bernardino Valley, Victor Valley, North Desert, Colorado River, Morongo Basin, and Mountain. The San Bernardino Valley Subarea includes not only allocations for local jurisdictions, but also allocations for freeway projects, freeway interchange projects, major street projects, Metrolink/rail, express bus/bus rapid transit, senior and disabled transit, and traffic management systems. The remaining subareas include allocations for major local highways, local streets, senior and disabled transit, and project development and traffic management.

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

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

Sales Tax-Local Transportation Plan

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

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

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

Long-Term Debt

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

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

Compensated Absences

Regular, full-time employees earn vacation at the rate of 10 to 20 days per year based upon length of service. Vested accumulated vacation leave that is expected to be payable from available resources is reported as a liability of the general fund, if matured, for example, as a result of employee retirements or terminations. The unmatured portion is included with long-term debt in the government-wide financial statements.

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

Pensions

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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The details of the net adjustment of \$67,956,695 are as follows:

Land	\$ 67,051,941
Buildings	529,297
Equipment and vehicles	4,154,020
Less: Accumulated depreciation	<u>(3,778,563)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 67,956,695</u></u>

3. DEFICIT FUND EQUITY

At June 30, 2015, the federal highway special revenue fund has a deficit fund balance of \$2,901,098 and State Highway special revenue fund had a deficit fund balance of \$6,837,932, both major funds. The deficits are attributed to certain grants from federal and state agencies not received before the revenue recognition criteria of 180 days and are recorded as deferred inflows of resources. The fund balance deficits will be offset with future collections of unavailable revenue.

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2015 consist of the following:

	Unrestricted			Restricted Investments	Grand Total
	Cash	Investments	Total		
Cash in bank	\$ 97,989,438	\$ -	\$ 97,989,438	\$ -	\$ 97,989,438
Petty cash	1,000	-	1,000	-	1,000
Cash in County Treasury	-	204,020,779	204,020,779	-	204,020,779
Local agency investment fund	-	6,934,836	6,934,836	-	6,934,836
Investments with custodian	-	90,941,654	90,941,654	-	90,941,654
Investments with fiscal agent	-	-	-	<u>92,364,991</u>	<u>92,364,991</u>
Total	<u><u>\$ 97,990,438</u></u>	<u><u>\$ 301,897,269</u></u>	<u><u>\$ 399,887,707</u></u>	<u><u>\$ 92,364,991</u></u>	<u><u>\$ 492,252,698</u></u>

Investments Authorized

SANBAG maintains cash and investments in accordance with its investment policy. The investment policy complies with, or is more restrictive than, applicable state statutes. SANBAG's investment policy authorizes investments in the following:

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

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

Disclosure Related to Interest Rate Risk

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

Investment Type	Amount Reported	Weighted Average Maturity (in Years)
U.S. Treasuries	\$ 17,184,030	4.00
U.S. government sponsored enterprise securities:		
FHLB	9,380,655	2.46
FHLMC	12,091,961	2.70
FNMA	22,284,437	3.79
GO Bonds	1,347,078	1.97
Corporate notes	27,779,724	3.42
Local agency investment fund	6,934,836	0.65
San Bernardino County pool	204,020,779	0.94
Money market mutual funds	93,238,760	N/A
Total	<u>\$ 394,262,260</u>	

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Disclosure Relating to Credit Risk

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

Investment Type	Total as of June 30, 2015	AAA	AA	A-1/A-1+	Not Rated
U.S. Treasuries ⁽¹⁾	\$ 17,184,030	\$ -	\$ -	\$ -	\$ -
U.S. government sponsored enterprise securities					
FHLBB	9,380,655	9,380,655	-	-	-
FHLMC	12,091,961	-	12,091,961	-	-
FNMA	22,284,437	1,728,599	19,556,508	999,330	-
Corporate notes	27,779,724	-	23,405,059	4,374,665	-
GO Bonds	1,347,078	-	551,612	795,466	-
Local agency investment fund	6,934,836	-	-	-	6,934,836
San Bernardino County pool	204,020,779	9,997,018	132,205,465	61,818,296	-
Money market mutual funds	93,238,760	93,238,760	-	-	-
Total	<u>\$ 394,262,260</u>	<u>\$ 114,345,032</u>	<u>\$ 187,810,605</u>	<u>\$ 67,987,757</u>	<u>\$ 6,934,836</u>

⁽¹⁾ Exempt from disclosure.

Custodial Credit Risk

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

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

As of June 30, 2015, SANBAG has bank deposits with a balance of \$105,097,042 of which \$250,000 is federally insured and the balance is collateralized in accordance with the Code.

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California Local Agency Investment Fund

SANBAG is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission. The fair value of SANBAG's investments in this pool is reported in the accompanying financial statements at amounts based upon SANBAG's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

San Bernardino County Treasury Pool

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

5. INTERFUND TRANSACTIONS

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

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

Activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds" or "advances to/from other funds." Due to/from other funds are recorded when funds maintain a temporary negative cash balance.

Transactions between governmental funds and the Internal Service fund are accounted for as revenues and expenditures or expenses in the funds involved.

A. Interfund Receivables and Payables

Operating receivables and payables between funds are classified as due from or due to other funds. Negative individual fund cash and investment balances are offset by a due from other funds in the 2010-2040 Measure I special revenue fund. The following are the due from and due to balances as of June 30, 2015:

SAN BERNARDINO ASSOCIATED GOVERNMENTS
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Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Federal highway	\$ 7,897,757
	Federal transit administration	924,590
	State highway	10,186,889
	Proposition 1B	10,483,616
	Capital projects	30,862,164
	Nonmajor governmental	323,993
Total		<u>\$ 60,679,009</u>

SANBAG has approved an interest-bearing interfund loan for the City of Victorville La Mesa/ Nisqualli interchange project based on the allocation of Victorville Measure I local street funds. The interfund loan amount as of June 30, 2015 is \$8,256,346. The interfund loan initiated in June 2013 and is recorded as an advance to other funds in the 2010-2040 Measure I special revenue fund and an advance from other funds in the capital projects fund. The project expenditures are recorded in the capital projects fund. The interfund loan will be recorded until the City of Victorville's share of the project cost is paid plus interest.

Similar interfund loan arrangement was entered with the City of Colton. The loan amount as of June 30 2015 is \$164,267. The interfund loan between the 2010-2040 Measure I special revenue fund and an advance from other funds in the capital projects fund. The project expenditures are recorded in the capital projects fund.

The following are the advances to and advances from balances as of June 30, 2015:

Receivable Fund	Payable Fund	Amount
2010-2040 Measure I	Capital projects	<u>\$ 8,420,613</u>

B. Interfund Transfers

Transfers are used to (1) move funds from the local transportation fund to the general fund for reimbursement of certain general administrative, planning and rail expenditures, (2) to transfer funds within the federal highway fund type from transportation enhancement activities to congestion management and air quality; and from federal highway to state highway to optimize use of funds, (3) to transfer funds from 2010-2040 Measure I fund to 1990-2010 Measure I fund to reclassify expenditures for the SR-210 and I-215 projects, (4) transfer to 1990-2010 Measure I fund from capital projects to optimize use of local funds, (5) transfer from Proposition 1B to the 2010-2040 Measure I fund to maximize use of Public Utilities Commission funds, (6) transfer funds to 2010-2040 Measure I fund from capital projects to reclassify expenditures to bond funds, (7) transfer funds from 2010-2040 Measure I fund to debt service to record interest income and debt service payment with the trustee, Bank of New York, (8) transfer from capital projects to debt service for trustee fees, (9) transfer from State Highway fund to capital projects to maximize use of bond funds, (10) transfer from 2010-2040 Measure I fund to capital projects to reclassify expenditures to bond fund, and (11) transfer from Local Projects Fund to reclassify expenditures to bond fund.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
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On November 5, 2014, SANBAG Board approved receivable contract with Caltrans to receive up to \$5,000,000 from the California Public Utilities Commission (CPUC) for Section 190 funds for the Lenwood Road Grade Separation Project. CPUC allows SANBAG to apply prior year's expenditures; Therefore a transfer was recorded in 2010-2040 MSI for \$829,705 and transfer out from CPUC fund.

Transfers In Fund	Transfers Out Fund	Amount
General	Local Transportation Fund	\$ 19,337,645
Federal highway	Federal highway	147,526
State highway	Federal highway	483,496
	1990-2010 Measure I	1,978
1990-2010 Measure I	2010-2040 Measure I	2,649,697
	Capital projects	429,870
2010-2040 Measure I	Proposition 1B	829,705
	Capital projects	10,896,388
Debt Service	2010-2040 Measure I	6,711,187
	Capital projects	6,147
Capital projects	State highway	1,793,581
	2010-2040 Measure I	313,716
	Capital projects	30,159
		\$ 43,631,095

6. Loans to Other Jurisdictions

SANBAG entered into loan agreements with jurisdictions for various projects.

Jurisdiction:

City of Victorville	\$ 8,256,346
City of Colton	164,267
City of Hesperia	21,850,380
City of Ontario	7,755,000
	\$ 38,025,993

Per cooperative Agreement C11200, Section III, Article 7 with the City of Victorville for the La Mesa/ Nisqualli interchange project, SANBAG is authorized to withhold disbursements of 2010-2040 Measure I local streets and roads funds necessary to pay the City's share of construction invoices plus interest. These funds are to be withheld until the City can contribute additional funds to the escrow account or until the City's share of the construction cost plus interest has been paid to SANBAG. Withholding amount equals to the note receivable amount and it is recorded as intergovernmental payable in the 2010-2040 Measure I fund. Interest is calculated annually on the unpaid balance at the same rate as applied to the State of California. The outstanding loan balance as of June 30, 2015 is \$8,256,346.

Per Policy 40005 VFI 23-1, SANBAG entered into a 2010-2040 Measure I Valley freeway interchange program term loan agreement with the City of Colton for the I-10 Pepper Interchange Project. Loan will not-to-exceed the amount of \$164,267 which is two-thirds of the estimated local share of project costs. The outstanding loan balance as of June 30, 2015 is \$164,267.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
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Per Agreement C12219 with the City of Hesperia for the Ranchero Road Interchange Project, SANBAG will lend the City's remaining balance of project costs, estimated at \$23,158,448 if the City is unable to pay at the completion of the project. The first payment is due 24 months after the acceptance of the project by Caltrans. Subsequent payments will be made annually and if the City fails to make the annual payment, SANBAG is authorized to withhold the City's Measure I local street funds and apply the amounts towards the loan. The outstanding balance of the loan as of June 30, 2015 is \$21,850,380.

Per Agreements with City of Ontario C13104, South Milliken Avenue Grade Separation, and C13105, North Vineyard Avenue Grade separation, SANBAG agreed for an advancement of Measure I contribution in accordance with Measure I Strategic Plan Policy 40006, VMS-7. The total advanced amount for C13104 is \$4,393,469 for South Milliken Avenue Grade Separation and \$3,361,531 for North Vineyard Avenue Grade Separation Project. The outstanding balance of the loan as of June 30, 2015 is \$7,755,000. The advance will be reduced as expenditures are incurred for the public share cost of the project.

7. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities				
Capital assets, not depreciated-land	\$ 64,763,870	\$ 2,573,000	\$ -	\$ 67,336,870
Capital assets, depreciated:				
Buildings	5,387,201	-	-	5,387,201
Equipment and vehicles	3,848,894	335,219	-	4,184,112
Total capital assets, depreciated	<u>9,236,095</u>	<u>335,219</u>	<u>-</u>	<u>9,571,313</u>
Less accumulated depreciation for:				
Buildings	(1,645,566)	(179,593)	-	(1,825,159)
Equipment and vehicles	(3,566,710)	(152,040)	-	(3,718,749)
Total accumulated depreciation	<u>(5,212,276)</u>	<u>(331,633)</u>	<u>-</u>	<u>(5,543,908)</u>
Total capital assets, depreciated, net	<u>4,023,819</u>	<u>3,586</u>	<u>-</u>	<u>4,027,405</u>
Total capital assets, net	<u>\$ 68,787,689</u>	<u>\$ 2,576,586</u>	<u>\$ -</u>	<u>\$ 71,364,275</u>

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

Governmental activities	
General government	\$ 168,680
Capital assets held by the government's internal service fund are charged to the general government program based on the usage of the assets	<u>162,953</u>
Total depreciation expense-governmental activities	<u>\$ 331,633</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
June 30, 2015

8. LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due within One Year
Governmental activities					
Revenue bonds payable	\$ 202,015,000	\$ -	\$ 1,910,000	\$ 200,105,000	\$ 1,990,000
Unamortized premium on revenue bonds payable	18,392,142	-	1,188,024	17,204,118	1,162,120
Compensated absences	567,658	167,296	54,489	680,465	163,957
Project advancement agreements	53,267,750	52,964,475	64,045,529	42,186,696	12,001,298
Net pension liability	9,803,234	-	307,175	9,496,059	-
Total long-term liabilities, net	<u>\$ 284,045,784</u>	<u>\$ 53,131,771</u>	<u>\$ 67,505,217</u>	<u>\$ 269,672,338</u>	<u>\$ 15,317,375</u>

Sales Tax Revenue Obligations

The combined maturities for the sales tax revenue bonds payable are as follows:

Year Ending, June 30,	Principal	Interest	Total
2016	\$ 1,990,000	\$ 9,222,050	\$ 11,212,050
2017	2,845,000	9,122,550	11,967,550
2018	3,365,000	9,016,300	12,381,300
2019	3,860,000	8,893,650	12,753,650
2020	4,150,000	8,739,250	12,889,250
2021-2025	25,870,000	40,639,303	66,509,303
2026-2030	36,895,000	33,340,752	70,235,752
2031-2035	51,585,000	22,818,803	74,403,803
2036-2040	69,545,000	9,513,321	79,058,321
	<u>\$ 200,105,000</u>	<u>\$ 151,305,979</u>	<u>\$ 351,410,979</u>

Sales Tax Revenue Bonds of 2012, Series A

The sales tax revenue bonds of \$91,880,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 28, 2012. Interest is payable semiannually on March 1st and September 1st of each year at rates of interest ranging from 4% to 5% and yield rates ranging from 0.53% to 3.46%. Principal payments on the bonds began on March 1, 2015 and are due each year thereafter through 2032.

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
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Year Ending, June 30,	Principal	Interest	Total
2016	\$ 1,990,000	\$ 4,086,938	\$ 6,076,938
2017	2,090,000	3,987,437	6,077,437
2018	2,170,000	3,903,837	6,073,837
2019	2,260,000	3,817,037	6,077,037
2020	2,355,000	3,726,637	6,081,637
2021-2025	13,480,000	16,903,188	30,383,188
2026-2030	17,040,000	13,334,687	30,374,687
2031-2035	21,650,000	8,721,937	30,371,937
2036-2040	26,935,000	3,443,119	30,378,119
	<u>\$ 89,970,000</u>	<u>\$ 61,924,817</u>	<u>\$ 151,894,817</u>

Sales Tax Revenue Bonds of 2014, Series A

The sales tax revenue bonds of \$110,135,000 are tax exempt and were issued by the San Bernardino County Transportation Authority on March 18, 2014. Interest is payable semiannually on March 1st and September 1st of each year at rates of interest ranging from 3% to 5% and yield rates ranging from 0.40% to 3.85%. Principal payments on the bonds began on March 1, 2017 and are due each year thereafter through 2040. The range of annual debt service payments range from \$4,692,922 to \$10,130,963.

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

Year Ending, June 30,	Principal	Interest	Total
2016	\$ -	\$ 5,135,113	\$ 5,135,113
2017	755,000	5,135,113	5,890,113
2018	1,195,000	5,112,463	6,307,463
2019	1,600,000	5,076,613	6,676,613
2020	1,795,000	5,012,613	6,807,613
2021-2025	12,390,000	23,736,115	36,126,115
2026-2030	19,855,000	20,006,065	39,861,065
2031-2035	29,935,000	14,096,865	44,031,865
2036-2040	42,610,000	6,070,202	48,680,202
	<u>\$ 110,135,000</u>	<u>\$ 89,381,162</u>	<u>\$ 199,516,162</u>

Financial covenant for sales tax revenue bonds is illustrated below:

Sales Tax Revenue Fiscal Year Ended June 30, 2015	Maximum Annual Debt Service	Debt Coverage Ratio
\$ 152,342,401	\$ 16,206,656	9.40 X

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
June 30, 2015

Conduit Debt

Beginning in October 2013, SANBAG issued bonds for the Property Assessed Clean Energy Program. Third party, property owners, assume sole responsibility for repayment of the debt, and SANBAG has no obligation for the repayment of the bonds. The outstanding balance as of June 30, 2015 is \$143,822,031.

Project Advancement Agreements

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

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

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

The following summarizes the liability activities that took place in fiscal year 2014/2015:

	Balance			Balance	
	July 1, 2014	Additions	Deletions	June 30, 2015	Due within One Year
Valley freeway interchange	\$ 17,287,945	\$ 12,981,308	\$ 12,981,308	\$ 17,287,945	\$ 4,258,525
Valley major street	35,979,805	39,983,167	51,064,221	24,898,751	7,742,773
Total Project Adv Agreements	<u>\$ 53,267,750</u>	<u>\$ 52,964,475</u>	<u>\$ 64,045,529</u>	<u>\$ 42,186,696</u>	<u>\$ 12,001,298</u>

The following summarizes the declared projects with Project Advancement Agreements:

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

Measure I 2010-2040 Program	Location	Project	Cost Estimate	Measure I Share
Victor Valley MLH	Hesperia	I-15 Ranchero Interchange	\$ 39,005,000	\$ 8,598,000
Valley Freeway Interchange	Yucaipa	I-10 at Oak Glen/Live Oak	18,403,246	6,286,672
Valley Freeway Interchange	Fontana	I-15 at Duncan Canyon Rd	18,000,000	4,068,000
Valley Freeway Interchange	Rialto	I-10 at Riverside Avenue	30,400,000	17,382,581
Valley Freeway Interchange	SB County	I-10 Pepper Ave	10,000,000	6,600,000
Valley Major Street	Chino	Chino Avenue	4,565,000	2,236,850
Valley Major Street	Chino	Kimball Ave	6,661,000	3,263,890
Valley Major Street	Chino	Pine & Mill Creek	181,000	88,690
Valley Major Street	Chino	Pine & West Preserve Loop	181,000	88,690
Valley Major Street	Chino	Fern & Riverside Dr	201,000	98,490
Valley Major Street	Chino Hills	Peyton Dr	15,167,000	8,202,776
Valley Major Street	Fontana	Baseline Ave	7,550,000	5,134,000
Valley Major Street	Fontana	Cherry Ave	3,110,000	2,114,800
Valley Major Street	Fontana	Foothill Ave	7,400,000	5,032,000
Valley Major Street	Fontana	Sierra Ave	7,800,000	5,304,000
Valley Major Street	Fontana	Jurupa Ave	12,000,000	8,160,000
Valley Major Street	Fontana	Citrus Ave	4,000,000	2,720,000
Valley Major Street	Fontana	Walnut Ave	4,200,000	2,856,000
Valley Major Street	Fontana	So. Highland Ave	4,000,000	2,720,000
Valley Major Street	Fontana	Cypress Ave	20,000,000	10,245,502
Valley Major Street	Highland	Greenspot Rd	2,710,000	523,416
Valley Major Street	Highland	9th Street	26,587	-
Valley Major Street	Highland	9th Street	98,662	-
Valley Major Street	Highland	9th Street	506,424	-
Valley Major Street	Highland	TDA Art 3	92,694	92,694
Valley Major Street	R Cucamonga	Haven Ave	15,910,000	13,856,000
Valley Major Street	R Cucamonga	Haven Ave	6,000,000	4,260,000
Valley Major Street	R Cucamonga	Church St	1,152,000	817,920
Valley Major Street	R Cucamonga	4th & Richmond	158,000	112,180
Valley Major Street	R Cucamonga	4th & Utica	158,000	112,180
Valley Major Street	R Cucamonga	6th & Buffalo	158,000	112,180
Valley Major Street	R Cucamonga	6th & Utica	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & Banyan	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & San Bernardino	158,000	112,180
Valley Major Street	R Cucamonga	Archibald & Victoria	158,000	112,180
Valley Major Street	R Cucamonga	Arrow & Center	158,000	112,180
Valley Major Street	R Cucamonga	Banyan & Wardman Bullock	158,000	112,180
Valley Major Street	R Cucamonga	Carnelian & Wilson	158,000	112,180
Valley Major Street	R Cucamonga	Church & Elm	158,000	112,180
Valley Major Street	R Cucamonga	Day Creek & Madrigal	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & Cornwall	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & East Ave	158,000	112,180
Valley Major Street	R Cucamonga	Foothill & Malachite	158,000	112,180
Valley Major Street	R Cucamonga	Haven & Trademark	158,000	112,180
Valley Major Street	R Cucamonga	Haven & Wilson	158,000	112,180

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

Program	Location	Project	Cost Estimate	Measure I Share
Valley Major Street	R Cucamonga	Hermosa & Church	158,000	112,180
Valley Major Street	R Cucamonga	Wilson & San Sevaime	158,000	112,180
Valley Major Street	R Cucamonga	Wilson & Wardman Bullock	158,000	112,180
Valley Major Street	Rialto	Willow Ave	395,000	237,000
Valley Major Street	Rialto	Merrill Ave & Willow Ave	282,000	169,200
Valley Major Street	Rialto	Cactus Ave & Walnut Ave	282,000	169,200
Valley Major Street	Rialto	Cactus & Randall Ave	282,000	169,200
Valley Major Street	Rialto	Riverside Ave & Alder Ave	282,000	169,200
Valley Major Street	Yucaipa	Yucaipa Blvd	2,898,400	1,224,750
Valley Major Street	Yucaipa	Oak Glen Rd	500,000	345,000
Valley Major Street	Yucaipa	Oak Glen Rd	1,800,000	1,242,000
Valley Major Street	Yucaipa	Wildwood Canyon Rd	551,605	380,880
Adjustment - Project removed from PAA:			249,753,618	127,101,001
Valley Freeway Interchange	Fontana	I-15 at Duncan Canyon Rd	(18,000,000)	(4,068,000)
Valley Freeway Interchange	Hesperia	I-15 Ranchero Road	(8,598,000)	(8,598,000)
Total project advancement agreements commitment			<u>\$ 223,155,618</u>	<u>\$ 114,435,001</u>

Measure I 2010-2040 collections began April 1, 2010. Based on the Measure I 2010-2040 Strategic Plan 40% of available receipts received for the Freeway Interchange and Major Streets Programs, and 20% of available receipts received for the Victor Valley Major Local Highway Projects, would be used for reimbursement of the Project Advancement Agreements. As determined in the Measure I 2010-2040 Strategic Plan, reimbursements for Project Advancement Agreements begin when sufficient Measure I 2010-2040 revenues exists to fund those eligible project reimbursements and the cities have satisfied any and all necessary project requirements. It is currently estimated that the reimbursement of current Project Advancement Agreements will be completed within 8 to 12 years from the start of Measure I 2010-2040.

	Valley		
	Freeway		Total
	Interchange	Major Street	
Cash payments on projects	\$ 12,981,308	\$ 51,064,221	\$ 64,045,529
Current liabilities	4,258,525	7,742,773	12,001,298
Long-term liabilities	13,029,420	17,155,978	30,185,398
Commitments	-	8,202,776	8,202,776
Total	<u>\$ 30,269,253</u>	<u>\$ 84,165,748</u>	<u>\$ 114,435,001</u>

Expenditures are amounts paid through the fiscal year and represent current year liquidations of the overall long term liability through the use of available Measure I sales tax revenues collected as of June 30, 2015.

Current liabilities are accrued expenses whose liquidation can be reasonably expected through the use of existing Measure I sales tax revenues collected as of June 30, 2015. These are recorded as intergovernmental payables in the governmental fund financial statements and long-term liabilities, due in one year, on the statement of net position.

Long term liabilities are accrued expenses whose liquidation would be expected through the use of collection of future Measure I sales tax revenues beyond June 30, 2015.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
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Commitments are possible obligations in which SANBAG would reserve funds in the future to meet the liability when they are recognized. A total of \$30,185,398 was recognized as long term liabilities in fiscal year 2014/2015. The total remaining commitments is \$8,202,776.

Rebatable Arbitrage

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

9. PENSION OBLIGATIONS

San Bernardino County Employees Retirement Association (SBCERA)

Plan Description

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

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

SBCERA is a legally separate entity from SANBAG, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, SANBAG's comprehensive annual financial report excludes the SBCERA pension plan as of June 30, 2015. SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

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

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

Contributions

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

Employee contribution rates for the fiscal year ended June 30, 2015 ranged between 7.07% and 13.52% for Tier 1 General members, between 6.37% and 7.88% for Tier 2 General members.

Employer contribution rates for the year ended June 30, 2015 are as follows:

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

	<u>Employer Contribution Rates</u>		<u>Paid by Employer for Employee Employee Contribution Rates</u>	
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>
	Actuarially determined required contribution for general members	29.91%	25.44%	100%

The required employer contributions and the amount paid to SBCERA by SANBAG for the year ended June 30, 2015 were \$1,464,122. SANBAG's employer contributions were equal to the required employer contributions for the year ended June 30, 2015.

Pension Liability

At June 30, 2015, SANBAG reported a net pension liability of \$9,456,951 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. SANBAG reported liability at June 30, 2015, decreased by \$292,848 from SANBAG's prior year liability of \$9,749,799 because of changes in the SBCERA net pension liability and SANBAG's proportionate share of that liability. The SBCERA's publicly available financial report provides details on the change in the net pension liability.

SANBAG's proportion of the net pension liability was based on SANBAG's contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2013 through June 30, 2014, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2014, SANBAG's proportion was .556%, which was an increase of .065% from its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2015, SANBAG recognized pension expense of \$1,369,020 for its proportionate share of SBCERA's pension expense. At June 30, 2015, SANBAG reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,801,759
Changes in actuarial assumptions	1,535,471	
Net differences between projected and actual earnings on pension plan investments	-	2,896,471
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,931,812	-
Employer contributions paid to SBCERA subsequent to the measurement date	1,464,122	-
Total	\$ 5,931,405	\$ 4,698,230

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

The \$1,464,122 reported as deferred outflows of resources related to pensions resulting from SANBAG's contributions to SBCERA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Year ended June 30	
2016	\$ (281,548)
2017	(281,548)
2018	(281,548)
2019	200,430
2020	356,761
2021-2025	56,506

Actuarial assumptions and methods

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll (3.75% payroll growth assumed)
Investment rate of return	7.50%
Inflation	3.25%
Projected Salary increases	General: 4.60% to 13.75%
Administrative Expenses	0.60% of payroll

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2010 – June 30, 2013.

The June 30, 2014 actuarial valuation reflected new assumptions compared to the June 30, 2013 actuarial valuation, based on the June 30, 2014 experience study. The June 30, 2013 actuarial valuation reflected 7.75% for the investment rate of return, 3.50% for inflation, 4.75% to 14.00% for both general and safety, for projected salary increases, 4.00% for wage inflation and there was no offset to investment return for administrative expenses.

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
June 30, 2015

SBCERA's Long-Term Expected Real Rate of Return

	As of June 30, 2014	
	<u>Valuation Date</u>	
<u>Asset Class</u>	Target	Long-Term
	<u>Allocation</u>	Expected Real
		<u>Rate of Return</u>
		<u>(Arithmetic)</u>
U.S. Equity	N/A ¹	N/A ¹
Large Cap U.S. Equity	5.00%	5.94%
Small Cap U.S. Equity	2.00%	6.50%
Developed International Equity	6.00%	6.87%
Emerging Market Equity	6.00%	8.06%
U.S. Core Fixed Income	2.00%	0.69%
High Yield/Credit Strategies	13.00%	3.10%
Global Core Fixed Income	1.00%	0.30%
Emerging Market Debt	6.00%	4.16%
Real Estate	9.00%	4.96%
Cash & Equivalents	2.00%	-0.03%
International Credit	10.00%	6.76%
Absolute Return	13.00%	2.88%
Real Assets	6.00%	6.85%
Long/Short Equity	3.00%	4.86%
Private Equity	16.00%	9.64%
Total	<u>100.00%</u>	

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

Discount rate

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

Sensitivity of SANBAG's proportionate share of the SBCERA net pension liability to changes in the discount rate

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

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
SANBAG's proportionate share of the net pension liability	\$ 16,712,625	\$ 9,456,951	\$ 3,448,028

Pension plan fiduciary net position

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

California Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contributions for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the contribution amount. The total plan contributions are determined through the PERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined contribution is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs related to any unfunded accrued liability. There are no active employees in this plan; therefore no employee contributions were made during the measurement period ended June 30, 2015.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

The required employer contributions and the amount paid to PERS by SANBAG for the year ended June 30, 2015 were \$2,041 toward the payment of unfunded accrued liability. SANBAG's employer contributions were equal to the required employer contributions for the year ended June 30, 2015.

Pension Liability

At June 30, 2015 SANBAG reported a net pension liability of \$39,108 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2015, SANBAG recognized pension expense of \$1,548 for its proportionate share of PERS' pension expense. At June 30, 2015, SANBAG reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 13,143
Changes in actuarial assumptions	2,441	-
Employer contributions paid to SBCERA subsequent to the measurement date	2,041	-
Total	\$ 4,482	\$ 13,143

The \$2,041 reported as deferred outflows of resources related to pensions resulting from SANBAG's contributions to PERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

2017	(2,414)
2018	(2,589)
2019	(3,284)
2020	-

The \$2,041 reported as deferred outflows of resources related to pensions resulting from SANBAG's contributions to PERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Actuarial assumptions and methods

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll (3.75% payroll growth assumed)
Investment rate of return	7.50%

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

Inflation	2.75%
Projected Salary increases	Varies by entry age and service
Administrative Expenses	0.15% of payroll

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return¹</u>
Global Equity	47.00%	5.25%
Global Fixed Income	19.00%	0.99%
Inflation Sensitive	6.00%	0.45%
Private Equity	12.00%	6.83%
Real Estate	11.00%	4.50%
Infrastructure and Forestland	3.00%	4.50%
Liquidity	2.00%	-0.55%
	<u>100.00%</u>	

⁽¹⁾ An expected inflation rate of 2.5 was used

Sensitivity of SANBAG's proportionate share of the SBCERA net pension liability to changes in the discount rate

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

Sensitivity of Net Pension Liability to Changes in the Discount Rate

As of June 30, 2015

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
<u>June 30, 2015</u>			
SANBAG's proportionate share of the net pension liability	\$ 69,678	\$ 39,108	\$ 13,738

Pension plan fiduciary net position

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

10. COMMITMENTS

Transportation

Outstanding Contracts

As of June 30, 2015, SANBAG had contracted, subject to future Board appropriation, for professional and special services for various transportation projects, including transit studies, right-of-way purchases and construction, which have not yet been rendered. The aggregate amount committed under these contracts is approximately \$621 million at June 30, 2015.

Retention Payable

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

Encumbrances

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

11. PTMISEA FUNDING

As of June 30, 2015, San Bernardino Associated Governments (SANBAG) received a total of \$37,409,070 in Public Transportation, Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds and are accounted for in the Proposition 1B fund. These funds are designated to be used for the purchase of three rail cars by SCRRA for Metrolink operations \$(5,500,000), replacement paratransit vehicles by SANBAG-City of Barstow \$(420,000), Metrolink positive train control by SCRRA \$(3,309,525), Metrolink parking lot expansion (\$1,500,000), for San Bernardino Downtown Passenger Rail Project (\$6,419,844), Redlands Passenger Rail Project (\$6,542,602 and \$9,284,398 for cycle 2), Barstow Bus Stop Reconstruction Project (\$2,232,701), Double Tracking Project for San Gabriel Subdivision (\$2,000,000), and Needles Intermodal Transit Center (\$200,000). A total of \$6,392,074 has been received in Transit System Safety Security Disaster Discovery fund and recorded as fund balance in the Prop 1B fund. \$1,375,000 was disbursed during Fiscal Year 2007-2008, \$4,125,000 was disbursed during Fiscal Year 2009-2010, \$3,659,456 was disbursed during Fiscal Year 2010-11, \$1,043,757.72 was disbursed during Fiscal Year 2013-2014, and \$4,316,855.47 was disbursed in Fiscal Year 2014-2015.

12. RISK MANAGEMENT

SANBAG is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors and omissions. SANBAG purchases commercial insurance coverage for automobile (\$1,000 deductible-physical damage), primary crime (\$20,000 deductible), excess crime, general liability (\$10,000 self-insured retention), property (\$10,000 deductible), public officials (\$100,000 deductible), excess liability, and worker compensation. Workers compensation limits are statutory by the State of California. During the past three fiscal years, there has been no settlements in excess of covered amounts.

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Notes to the Financial Statements

June 30, 2015

13. JOINT VENTURE

SANBAG is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's Board consists of one member from the Ventura County Transportation Commission; two members each from the Orange County Transit Authority, SANBAG and the Riverside County Transportation Commission; and four members from Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five Southern California Counties. As a member of the SCRRA, SANBAG makes capital and operating contributions for its pro rata share of rail lines servicing the County of San Bernardino. SANBAG expended \$11,740,784 during fiscal year 2014-2015 for its share of Metrolink capital and operating costs. The expenditures are recorded in SANBAG's general fund for LTF rail, in Transit and passenger rail program. Separate financial statements are prepared by and available from the SCRRA at One Gateway Plaza, Floor 12, Los Angeles, California 90012.

14. CONTINGENCIES

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

The San Bernardino County Flood Control District sued SANBAG, Caltrans and the City of Rialto regarding a transportation-related improvement referred to as the Cactus Basin Channel. This litigation stems from a dispute regarding the Cactus Basin Channel flood control improvement facilities that were constructed in 2004 associated with the new State Route 210 freeway project in the City of Rialto. A settlement agreement between the parties resolving the dispute was entered into April 7, 2015, that called for the dismissal of the lawsuit upon defendants' payment of a total of \$16 million into escrow for the construction of flood control basin improvements. SANBAG's portion totaling \$5.5 million was accrued as account payable.

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

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

SANBAG implemented a PACE program in October 2013. This program provides financing for property owners to install energy efficiency, green energy production or water conservation improvements. Since its start, over \$189 million in these projects have been installed for over 10,300 property owners (See note 8 for additional information). SANBAG collects an administration fee and is recorded in the general fund.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Notes to the Financial Statements
June 30, 2015

16. GASB PRONOUNCEMENTS AND PRIOR PERIOD ADJUSTMENT

Effective in Current Period

SANBAG implemented the provisions of GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions, and GASB Statement No. 71 (GASB 71), Pension Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. The impact of the implementation of GASB 68 and GASB 71 resulted in a change in accounting and reporting of net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense. The implementation of GASB 68 and GASB 71 also resulted in net position being restated as of June 30, 2014 as follows:

Net Position, Beginning of year as previously reported <u>June 30, 2014</u>	<u>Adjustment due to Accounting Change</u>	Beginning of Year, as Restated <u>at June 30, 2014</u>
\$ 339,936,303	\$ (8,367,140)	\$ 331,569,163

Effective in Future Periods

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

- GASB Statement No. 72, *Fair Value Measurement and Application* (effective for periods beginning after June 15, 2015)
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (effective for periods beginning after June 15, 2015)
- GASB Statement No. 77, *Tax Abatement Disclosures* (effective for periods beginning after December 15, 2015)

Required Supplementary Information

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 1,769,865	\$ 1,769,865	\$ 1,523,424	\$ (246,441)
Charges for services	1,330,933	1,363,933	473,282	(890,651)
Special assessments	491,089	491,089	118,705	(372,384)
Investment earnings	-	-	63,816	63,816
Miscellaneous	2,804,081	2,804,081	1,975,547	(828,534)
Total revenues	<u>6,395,968</u>	<u>6,428,968</u>	<u>4,154,774</u>	<u>(2,274,194)</u>
Expenditures				
Current:				
General-council of governments support	3,915,833	2,731,514	1,401,401	1,330,113
Air quality and traveler services	203,175	203,175	840	202,335
Regional and subregional planning	981,202	1,098,431	713,039	385,392
Transit and passenger rail	33,055,695	33,547,126	17,638,076	15,909,050
Major project delivery	2,799	2,799	255	2,544
Fund administration and programming	2,062,974	2,162,778	1,559,566	603,212
Capital outlay	-	2,466,400	2,452,289	14,111
Total expenditures	<u>40,221,678</u>	<u>42,212,223</u>	<u>23,765,466</u>	<u>18,446,757</u>
Excess (deficiency) of revenues over (under) expenditures	(33,825,710)	(35,783,255)	(19,610,692)	16,172,563
Other financing sources (uses)				
Transfers in	29,377,202	29,377,202	19,337,645	(10,039,557)
Net change in fund balances	(4,448,508)	(6,406,053)	(273,047)	6,133,006
Fund balances beginning of year	11,487,331	11,487,331	11,487,331	-
Fund balances end of year	<u>\$ 7,038,823</u>	<u>\$ 5,081,278</u>	<u>\$ 11,214,284</u>	<u>\$ 6,133,006</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Federal Highway Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 32,909,781	\$ 40,306,701	\$ 20,823,115	\$ (19,483,586)
Investment earnings	-	-	337	337
Total revenues	<u>32,909,781</u>	<u>40,306,701</u>	<u>20,823,452</u>	<u>(19,483,249)</u>
Expenditures				
Current:				
Air quality and traveler services	1,811,664	1,811,664	757,727	1,053,937
Transit and passenger rail	-	642,000	-	642,000
Major project delivery	31,098,117	37,853,037	20,370,061	17,482,976
Total expenditures	<u>32,909,781</u>	<u>40,306,701</u>	<u>21,127,788</u>	<u>19,178,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(304,336)</u>	<u>(304,336)</u>
Other financing sources (uses)				
Transfers in	-	-	147,526	147,526
Transfers out	<u>-</u>	<u>(631,022)</u>	<u>(631,022)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(631,022)</u>	<u>(483,496)</u>	<u>147,526</u>
Net change in fund balances	-	(631,022)	(787,832)	(156,810)
Fund balances (deficits) beginning of year	<u>(2,113,266)</u>	<u>(2,113,266)</u>	<u>(2,113,266)</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ (2,113,266)</u>	<u>\$ (2,113,266)</u>	<u>\$ (2,901,098)</u>	<u>\$ (156,810)</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Federal Transit Administration Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 9,292,000	\$ 10,560,397	\$ 7,579,892	\$ (2,980,505)
Expenditures				
Transit and passenger rail	9,292,000	10,279,117	7,298,612	2,980,505
Capital outlay	-	281,280	281,280	-
Total expenditures	<u>9,292,000</u>	<u>10,560,397</u>	<u>7,579,892</u>	<u>2,980,505</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances beginning of year	-	-	-	-
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State Highway Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 28,912,949	\$ 28,508,593	\$ 12,587,535	\$ (15,921,058)
Expenditures				
Current:				
Regional and subregional planning	-	293,829	291,332	2,497
Major project delivery	28,012,949	27,761,436	8,093,092	19,668,344
Fund administration and programming	900,000	830,196	797,071	33,125
Total expenditures	<u>28,912,949</u>	<u>28,885,461</u>	<u>9,181,495</u>	<u>19,703,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(376,868)</u>	<u>3,406,040</u>	<u>3,782,908</u>
Other financing sources (uses)				
Transfers in	-	485,473	485,473	-
Transfers out	-	(1,793,581)	(1,793,581)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,308,108)</u>	<u>(1,308,108)</u>	<u>-</u>
Net change in fund balances			2,097,932	
Fund balances (deficits) beginning of year	<u>(8,935,864)</u>	<u>(8,935,864)</u>	<u>(8,935,864)</u>	<u>-</u>
Fund balances (deficits) end of year	<u><u>\$ (8,935,864)</u></u>	<u><u>\$ (9,312,732)</u></u>	<u><u>\$ (6,837,932)</u></u>	<u><u>\$ 3,782,908</u></u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Proposition 1B Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 68,674,138	\$ 65,028,115	\$ 64,328,853	\$ (699,262)
Investment earnings	-	-	203,267	203,267
Total revenues	<u>68,674,138</u>	<u>65,028,115</u>	<u>64,532,120</u>	<u>(495,995)</u>
Expenditures				
Current:				
Transit and passenger rail	21,417,652	22,871,629	10,645,764	12,225,865
Major project delivery	<u>47,256,486</u>	<u>57,256,488</u>	<u>34,004,216</u>	<u>23,252,272</u>
Total expenditures	<u>68,674,138</u>	<u>80,128,117</u>	<u>44,649,980</u>	<u>35,478,137</u>
Excess (deficiency) of revenues over (under) expenditures	-	(15,100,002)	19,882,140	34,982,142
Other financing sources (uses)				
Transfers out	-	(829,705)	(829,705)	-
Net change in fund balances	-	(15,929,707)	19,052,435	34,982,142
Fund balances (deficits) beginning of year	<u>10,144,286</u>	<u>10,144,286</u>	<u>10,144,286</u>	<u>-</u>
Fund balances (deficits) end of year	<u>\$ 10,144,286</u>	<u>\$ (4,955,716)</u>	<u>\$ 29,196,721</u>	<u>\$ 34,982,142</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Local Transportation Fund Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-local transportation fund	\$ 63,196,177	\$ 63,196,177	\$ 85,531,625	\$ 22,335,448
Investment earnings	-	-	393,551	393,551
Miscellaneous	-	-	949	949
Total revenues	<u>63,196,177</u>	<u>63,196,177</u>	<u>85,926,125</u>	<u>22,729,948</u>
Expenditures				
Current-fund administration and programming	<u>63,196,177</u>	<u>57,197,032</u>	<u>57,197,032</u>	-
Excess (deficiency) of revenues over (under) expenditures	-	5,999,145	28,729,093	22,729,948
Other financing sources (uses)				
Transfers out	-	(19,337,645)	(19,337,645)	-
Net change in fund balances	-	(13,338,500)	9,391,448	22,729,948
Fund balances beginning of year	<u>97,338,727</u>	<u>97,338,727</u>	<u>97,338,727</u>	-
Fund balances end of year	<u><u>\$ 97,338,727</u></u>	<u><u>\$ 84,000,227</u></u>	<u><u>\$ 106,730,175</u></u>	<u><u>\$ 22,729,948</u></u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
State Transit Assistance Fund Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 23,678,391	\$ 23,678,391	\$ 9,564,536	\$ (14,113,855)
Investment earnings	-	-	247,017	247,017
Total revenues	<u>23,678,391</u>	<u>23,678,391</u>	<u>9,811,553</u>	<u>(13,866,838)</u>
Expenditures				
Current-fund administration and programming	<u>23,678,391</u>	<u>23,678,391</u>	<u>10,087,220</u>	<u>13,591,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(275,667)</u>	<u>(275,667)</u>
Fund balances beginning of year	<u>55,570,946</u>	<u>55,570,946</u>	<u>55,570,946</u>	<u>-</u>
Fund balances end of year	<u>\$ 55,570,946</u>	<u>\$ 55,570,946</u>	<u>\$ 55,295,279</u>	<u>\$ (275,667)</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 109,543	\$ 109,543
Miscellaneous	-	-	915	915
Total revenues	<u>-</u>	<u>-</u>	<u>110,458</u>	<u>110,458</u>
Expenditures				
Current:				
General-council of governments support	173,416	173,416	29,701	143,715
Regional and subregional planning	-	-	(10,359)	10,359
Major project delivery	<u>12,713,377</u>	<u>15,277,817</u>	<u>13,549,167</u>	<u>1,728,650</u>
Total expenditures	<u>12,886,793</u>	<u>15,451,233</u>	<u>13,568,509</u>	<u>1,882,724</u>
Excess (deficiency) of revenues over (under) expenditures	(12,886,793)	(15,451,233)	(13,458,051)	1,993,182
Other financing sources (uses)				
Transfers in	-	-	3,079,567	3,079,567
Transfers out	<u>-</u>	<u>(1,978)</u>	<u>(1,978)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,978)</u>	<u>3,077,589</u>	<u>3,079,567</u>
Net change in fund balances	(12,886,793)	(15,453,211)	(10,380,462)	5,072,749
Fund balances beginning of year	<u>29,726,696</u>	<u>29,726,696</u>	<u>29,726,696</u>	<u>-</u>
Fund balances end of year	<u>\$ 16,839,903</u>	<u>\$ 14,273,485</u>	<u>\$ 19,346,234</u>	<u>\$ 5,072,749</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax-Measure I	\$ 141,960,000	\$ 141,960,000	\$ 150,818,977	\$ 8,858,977
Investment earnings	-	-	805,250	805,250
Total revenues	<u>141,960,000</u>	<u>141,960,000</u>	<u>151,624,227</u>	<u>9,664,227</u>
Expenditures				
Current:				
General-council of governments support	1,420,659	1,504,233	956,031	548,202
Air quality and traveler services	1,271,247	1,251,247	879,797	371,450
Regional and subregional planning	1,796,518	5,774,495	973,502	4,800,993
Transit and passenger rail	20,598,135	11,514,488	10,954,079	560,409
Major project delivery	78,527,181	70,899,138	39,968,082	30,931,056
Fund administration and programming	78,168,853	82,805,878	56,520,834	26,285,044
Capital outlay	-	16,250	16,250	-
Total expenditures	<u>181,782,593</u>	<u>173,765,729</u>	<u>110,268,575</u>	<u>63,497,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,822,593)</u>	<u>(31,805,729)</u>	<u>41,355,652</u>	<u>73,161,381</u>
Other financing sources (uses)				
Transfers in	-	3,343,886	11,726,093	8,382,207
Transfers out	-	(9,674,604)	(9,674,600)	4
Total other financing sources (uses)	<u>-</u>	<u>(6,330,718)</u>	<u>2,051,493</u>	<u>8,382,211</u>
Net change in fund balances	<u>(39,822,593)</u>	<u>(38,136,447)</u>	<u>43,407,145</u>	<u>81,543,592</u>
Fund balances beginning of year	<u>180,549,106</u>	<u>180,549,106</u>	<u>180,549,106</u>	<u>-</u>
Fund balances end of year	<u>\$ 140,726,513</u>	<u>\$ 142,412,659</u>	<u>\$ 223,956,251</u>	<u>\$ 81,543,592</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Pension Information
June 30, 2015

Schedule of SANBAG's Proportionate Share of Net Pension Liability

SBCERA Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
SANBAG's proportion of net pension liability	0.556%	0.491%
SANBAG's proportionate share of net pension liability	9,456,951	9,749,799
SANBAG's covered-employee payroll	5,147,134	4,188,134
SANBAG's proportionate share of net pension liability as a percentage of its covered-employee payroll	183.73%	232.80%
SBCERA's fiduciary net position as a percentage of the total pension liability	71.89%	66.34%

Schedule of SANBAG's Contributions

SBCERA Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	\$ 1,464,122	\$ 1,380,637
Contributions in relation to the contractually required contributions	1,464,122	1,380,637
Contributions deficiency (excess)	\$ -	\$ -
SANBAG's covered-employee payroll contributions as a percentage of covered-employee payroll	28.45%	32.97%

Schedule of SANBAG's Proportionate Share of Net Pension Liability

PERS Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
PERS proportion of net pension liability	0.00176%	0.00176%
PERS proportionate share of net pension liability	39,108	53,435
PERS covered-employee payroll	N/A	N/A
PERS proportionate share of net pension liability as a percentage of its covered-employee payroll	N/A	N/A
PERS fiduciary net position as a percentage of the total pension liability	0.00158%	0.00180%

Schedule of PERS Contributions

PERS Pension Plan
Last 10 Fiscal Years ¹

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	\$ 2,041	\$ 1,498
Contributions in relation to the contractually required contributions	2,041	1,498
Contributions deficiency (excess)	\$ -	\$ -
SANBAG's covered-employee payroll contributions as a percentage of covered-employee payroll	N/A	N/A

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

N/A - Not applicable since there is no payroll processed for PERS

Budgetary Information

Budgetary Basis of Accounting

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

Budget Amendments

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

Administrative Budget Amendments

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

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

Board Approved Amendments

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

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

Excess of Expenditures over Appropriations

For fiscal year ended June 30, 2015, no expenditures exceeded appropriations.

Actuarially determined contribution rates

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

In February 2014, the CalPERS board adopted new actuarial assumptions. The most significant change was the inclusion of future mortality improvement. PERS actuarial methods and assumptions include entry age actuarial cost method and 30 years for remaining amortization period.



This commemorative banner was displayed at the Ribbon-Cutting Ceremony for the \$649 Million Interstate 215 Widening Project in San Bernardino. This project widened the freeway from six to ten lanes, including HOV lanes, and created access to both the east and west sides of San Bernardino.

Supplementary Information

Non-Major Governmental Funds

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

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

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

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

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue				Total Nonmajor Governmental Funds
	Low Carbon Transit Operations Program	Service Authority for Freeway Emergencies	Freeway Service Patrol	Active Transportation Program	
Assets					
Cash and investments	\$ 679,599	\$ 2,911,197	\$ 20	\$ -	\$ 3,590,816
Accrued interest receivable	-	569	-	-	569
Intergovernmental receivable	-	321,487	455,380	146	777,013
Total assets	<u>\$ 679,599</u>	<u>\$ 3,233,253</u>	<u>\$ 455,400</u>	<u>\$ 146</u>	<u>\$ 4,368,398</u>
Liabilities					
Accounts payable	\$ -	\$ 209,188	\$ 99,409	\$ 146	\$ 308,743
Accrued liabilities	-	5,203	-	-	5,203
Intergovernmental payable	-	2,685	31,998	-	34,683
Due to other funds	-	-	323,993	-	323,993
Unearned revenue	-	4	-	-	4
Total liabilities	<u>-</u>	<u>217,080</u>	<u>455,400</u>	<u>146</u>	<u>672,626</u>
Fund balances					
Restricted-traveler services	<u>679,599</u>	<u>3,016,173</u>	<u>-</u>	<u>-</u>	<u>3,695,772</u>
Total liabilities and fund balances	<u>\$ 679,599</u>	<u>\$ 3,233,253</u>	<u>\$ 455,400</u>	<u>\$ 146</u>	<u>\$ 4,368,398</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue				Total Nonmajor Governmental Funds
	Low Carbon Transit Operations Program	Service Authority for Freeway Emergencies	Freeway Service Patrol	Active Transportation Program	
Revenues					
Intergovernmental	\$ 679,599	\$ 1,810,110	\$ 1,157,633	\$ 146	\$ 3,647,488
Investment earnings	-	9,589	-	-	9,589
Total revenues	<u>679,599</u>	<u>1,819,699</u>	<u>1,157,633</u>	<u>146</u>	<u>3,657,077</u>
Expenditures					
Current:					
General-council of governments support	-	11,178	-	-	11,178
Air quality and traveler services	-	1,224,647	1,157,633	-	2,382,280
Regional and subregional planning	-	-	-	146	146
Capital outlay	-	88,080	-	-	88,080
Total expenditures	<u>-</u>	<u>1,323,905</u>	<u>1,157,633</u>	<u>146</u>	<u>2,481,684</u>
Excess (deficiency) of revenues over (under) expenditures	679,599	495,794	-	-	1,175,393
Fund balances (deficits) beginning of year	-	2,520,379	-	-	2,520,379
Fund balances (deficits) end of year	<u>\$ 679,599</u>	<u>\$ 3,016,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,695,772</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Low Carbon Transit Operations Program
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 679,599	\$ 679,599	\$ -
Expenditures				
Current-air quality and traveler services	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	679,599	679,599	-
Fund balances (deficits) beginning of year	-	-	-	-
Fund balances (deficits) end of year	<u>\$ -</u>	<u>\$ 679,599</u>	<u>\$ 679,599</u>	<u>\$ -</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Service Authority for Freeway Emergencies Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,736,781	\$ 1,756,781	\$ 1,810,110	\$ 53,329
Investment earnings	-	-	9,589	9,589
Total revenues	<u>1,736,781</u>	<u>1,756,781</u>	<u>1,819,699</u>	<u>62,918</u>
Expenditures				
Current:				
General-council of governments support	25,000	25,000	11,178	13,822
Air quality and traveler services	1,711,781	1,631,781	1,224,647	407,134
Capital outlay	-	100,000	88,080	11,920
Total expenditures	<u>1,736,781</u>	<u>1,756,781</u>	<u>1,323,905</u>	<u>432,876</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	495,794	495,794
Fund balances beginning of year	-	-	2,520,379	2,520,379
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,016,173</u>	<u>\$ 3,016,173</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
 Freeway Service Patrol Special Revenue Fund
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 1,422,231	\$ 1,422,231	\$ 1,157,633	\$ (264,598)
Expenditures				
Current-air quality and traveler services	<u>1,422,231</u>	<u>1,422,231</u>	<u>1,157,633</u>	<u>264,598</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances (deficits) beginning of year	-	-	-	-
Fund balances (deficits) end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Active Transportation Program
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 800,000	\$ 146	\$ (799,854)
Expenditures				
Current:				
Regional and subregional planning	-	800,000	146	799,854
Total expenditures	-	800,000	146	799,854
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances beginning of year	-	-	-	-
Fund balances end of year	\$ -	\$ -	\$ -	\$ -

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 6,035	\$ 6,035
Expenditures				
Debt Service:				
Principal	1,910,000	1,910,000	1,910,000	-
Interest and fiscal charges	9,672,682	8,864,400	8,862,406	1,994
Total expenditures	11,582,682	10,774,400	10,772,406	1,994
Excess (deficiency) of revenues over (under) expenditures	(11,582,682)	(10,774,400)	(10,766,371)	8,029
Other financing sources				
Transfers in	-	10,765,937	6,717,334	(4,048,603)
Total other financing sources (uses)	-	10,765,937	6,717,334	(4,048,603)
Net change in fund balances	(11,582,682)	(8,463)	(4,049,037)	(4,040,574)
Fund balances beginning of year	12,088,397	12,088,397	12,088,397	-
Fund balances end of year	\$ 505,715	\$ 12,079,934	\$ 8,039,360	\$ (4,040,574)

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 62,233,543	\$ 58,314,600	\$ 25,335,824	\$ (32,978,776)
Investment earnings	-	-	68,257	68,257
Total revenues	<u>62,233,543</u>	<u>58,314,600</u>	<u>25,404,081</u>	<u>(32,910,519)</u>
Expenditures				
Current:				
General-council of governments support	-	3,017	2,634	383
Air quality and traveler services	-	600,000	170,365	429,635
Regional and subregional planning	-	11,439,507	-	11,439,507
Transit and passenger rail	33,945,409	14,124,288	12,858,613	1,265,675
Major project delivery	94,886,303	100,904,464	52,162,712	48,741,752
Fund administration and programming	11,356,329	7,453,809	7,427,100	26,709
Capital outlay	-	374,854	70,320	304,534
Total expenditures	<u>140,188,041</u>	<u>134,899,939</u>	<u>72,691,744</u>	<u>62,208,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,954,498)</u>	<u>(76,585,339)</u>	<u>(47,287,663)</u>	<u>29,297,676</u>
Other financing sources (uses)				
Transfers in	-	2,137,457	2,137,457	-
Transfers out	-	(11,362,564)	(11,362,564)	-
Total other financing sources (uses)	<u>-</u>	<u>(9,225,107)</u>	<u>(9,225,107)</u>	<u>-</u>
Net change in fund balances	(77,954,498)	(85,810,446)	(56,512,770)	29,297,676
Fund balances beginning of year	<u>116,443,723</u>	<u>116,443,723</u>	<u>116,443,723</u>	-
Fund balances end of year	<u>\$ 38,489,225</u>	<u>\$ 30,633,277</u>	<u>\$ 59,930,953</u>	<u>\$ 29,297,676</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
1990-2010 Measure I Special Revenue Fund
June 30, 2015

	Valley Major Projects	Valley Elderly & Disabled Transit	Valley Traffic Management Environmental Enhancement
Assets			
Cash and investments	\$ 23,532,099	\$ 1,943,472	\$ 5,716,564
Accrued interest receivable	4,714	389	1,145
Total assets	<u>\$ 23,536,813</u>	<u>\$ 1,943,861</u>	<u>\$ 5,717,709</u>
Liabilities			
Accounts payable	\$ 12,173,410	\$ -	\$ 80,722
Intergovernmental payable	-	-	33,102
Total liabilities	12,173,410	-	113,824
Fund balances			
Restricted	11,363,403	1,943,861	5,603,885
Total liabilities and fund balances	<u>\$ 23,536,813</u>	<u>\$ 1,943,861</u>	<u>\$ 5,717,709</u>

<u>Victor Valley Elderly & Disabled Transit</u>	<u>Mountain Elderly & Disabled Transit</u>	<u>North Desert Elderly & Disabled Transit</u>	<u>Morongo Basin Elderly & Disabled Transit</u>	<u>Colorado River Elderly & Disabled Transit</u>	<u>Total 1990-2010 Measure I</u>
\$ 308,662	\$ 27,412	\$ 89,421	\$ 90	\$ 9,413	\$ 31,627,133
62	5	18	-	2	6,335
<u>\$ 308,724</u>	<u>\$ 27,417</u>	<u>\$ 89,439</u>	<u>\$ 90</u>	<u>\$ 9,415</u>	<u>\$ 31,633,468</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,254,132
-	-	-	-	-	33,102
-	-	-	-	-	12,287,234
<u>308,724</u>	<u>27,417</u>	<u>89,439</u>	<u>90</u>	<u>9,415</u>	<u>19,346,234</u>
<u>\$ 308,724</u>	<u>\$ 27,417</u>	<u>\$ 89,439</u>	<u>\$ 90</u>	<u>\$ 9,415</u>	<u>\$ 31,633,468</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
1990-2010 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	Valley Major Projects	Valley Elderly & Disabled Transit	Valley Traffic Management Environmental Enhancement
Revenues			
Investment earnings	\$ 80,874	\$ 6,940	\$ 20,279
Miscellaneous	915	-	-
Total Revenues	<u>81,789</u>	<u>6,940</u>	<u>20,279</u>
Expenditures			
Current:			
General-council of governments support	28,870	-	831
Regional and subregional planning ⁽¹⁾	-	-	(10,359)
Major project delivery	12,104,473	-	1,444,694
Total Expenditures	<u>12,133,343</u>	<u>-</u>	<u>1,435,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,051,554)</u>	<u>6,940</u>	<u>(1,414,887)</u>
Other financing sources (uses)			
Transfers in:			
2010-2040 Measure I Special Revenue Fund	2,649,697	-	-
Capital Projects Fund	429,870	-	-
Transfers out:			
State Highway Special Revenue Fund	(1,978)	-	-
Total other financing sources (uses)	<u>3,077,589</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(8,973,965)</u>	<u>6,940</u>	<u>(1,414,887)</u>
Fund balances beginning of year	<u>20,337,368</u>	<u>1,936,921</u>	<u>7,018,772</u>
Fund balances end of year	<u>\$ 11,363,403</u>	<u>\$ 1,943,861</u>	<u>\$ 5,603,885</u>

⁽¹⁾ Negative expenditures of \$10,359 is due to reimbursement of unused funds for Valley Traffic Management Environmental Enhancement Fund.

<u>Victor Valley Elderly & Disabled Transit</u>	<u>Mountain Elderly & Disabled Transit</u>	<u>North Desert Elderly & Disabled Transit</u>	<u>Morongo Basin Elderly & Disabled Transit</u>	<u>Colorado River Elderly & Disabled Transit</u>	<u>Total 1990-2010 Measure I</u>
\$ 1,061	\$ 94	\$ 267	\$ -	\$ 28	\$ 109,543
-	-	-	-	-	915
<u>1,061</u>	<u>94</u>	<u>267</u>	<u>-</u>	<u>28</u>	<u>110,458</u>
-	-	-	-	-	29,701
-	-	-	-	-	(10,359)
-	-	-	-	-	13,549,167
-	-	-	-	-	<u>13,568,509</u>
<u>1,061</u>	<u>94</u>	<u>267</u>	<u>-</u>	<u>28</u>	<u>(13,458,051)</u>
-	-	-	-	-	2,649,697
-	-	-	-	-	429,870
-	-	-	-	-	(1,978)
-	-	-	-	-	<u>3,077,589</u>
<u>1,061</u>	<u>94</u>	<u>267</u>	<u>-</u>	<u>28</u>	<u>(10,380,462)</u>
<u>307,663</u>	<u>27,323</u>	<u>89,172</u>	<u>90</u>	<u>9,387</u>	<u>29,726,696</u>
<u>\$ 308,724</u>	<u>\$ 27,417</u>	<u>\$ 89,439</u>	<u>\$ 90</u>	<u>\$ 9,415</u>	<u>\$ 19,346,234</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2015

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Assets				
Cash and investments	\$ 24,156,052	\$ 23,418,230	\$ 37,648,365	\$ -
Accrued interest receivable	17,002	4,691	8,573	-
Sales taxes receivable	6,602,024	2,504,216	4,553,120	4,553,120
Due from other funds	60,679,009	-	-	-
Advances to other funds	-	-	-	164,267
Total assets	<u>\$ 91,454,087</u>	<u>\$ 25,927,137</u>	<u>\$ 42,210,058</u>	<u>\$ 4,717,387</u>
Liabilities				
Accounts payable	\$ 5,252,303	\$ 193,076	\$ 70,771	\$ -
Accrued liabilities	7,772	4,360	22,590	-
Intergovernmental payable	<u>1,341,822</u>	<u>4,258,525</u>	<u>10,612,160</u>	<u>4,717,387</u>
Total liabilities	6,601,897	4,455,961	10,705,521	4,717,387
Fund balances				
Restricted	<u>84,852,190</u>	<u>21,471,176</u>	<u>31,504,537</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 91,454,087</u>	<u>\$ 25,927,137</u>	<u>\$ 42,210,058</u>	<u>\$ 4,717,387</u>

<u>Valley Metrolink/ Rail Service</u>	<u>Valley Express Bus/ Bus Rapid Transit Service</u>	<u>Valley Senior & Disabled Transit</u>	<u>Valley Transportation Management Systems</u>	<u>Victor Valley Major Local Highway</u>	<u>Victor Valley Local Street</u>
\$ 24,704,146	\$ 7,745,291	\$ 11,405,623	\$ 7,498,476	\$ 13,766,022	\$ -
4,949	1,552	2,285	1,503	2,758	-
1,821,248	455,312	1,821,248	455,312	756,866	2,058,677
-	-	-	-	-	-
-	-	-	-	-	8,256,346
<u>\$ 26,530,343</u>	<u>\$ 8,202,155</u>	<u>\$ 13,229,156</u>	<u>\$ 7,955,291</u>	<u>\$ 14,525,646</u>	<u>\$ 10,315,023</u>
\$ 112,503	\$ -	\$ -	\$ 294,346	\$ -	\$ -
2,469	-	-	19,499	-	-
-	309,471	447,732	100,270	-	10,315,023
114,972	309,471	447,732	414,115	-	10,315,023
<u>26,415,371</u>	<u>7,892,684</u>	<u>12,781,424</u>	<u>7,541,176</u>	<u>14,525,646</u>	<u>-</u>
<u>\$ 26,530,343</u>	<u>\$ 8,202,155</u>	<u>\$ 13,229,156</u>	<u>\$ 7,955,291</u>	<u>\$ 14,525,646</u>	<u>\$ 10,315,023</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2015

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development/ Traffic Management	North Desert Major Local Highway	North Desert Local Street
Assets				
Cash and investments	\$ 586,108	\$ 674,599	\$ 4,083,542	\$ -
Accrued interest receivable	117	135	818	-
Sales taxes receivable	151,373	60,549	247,410	672,954
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 737,598</u>	<u>\$ 735,283</u>	<u>\$ 4,331,770</u>	<u>\$ 672,954</u>
Liabilities				
Accounts payable	\$ -	\$ 2,161	\$ 90,912	\$ -
Accrued liabilities	-	-	-	-
Intergovernmental payable	-	613	-	672,954
Total liabilities	-	2,774	90,912	672,954
Fund balances				
Restricted	<u>737,598</u>	<u>732,509</u>	<u>4,240,858</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 737,598</u>	<u>\$ 735,283</u>	<u>\$ 4,331,770</u>	<u>\$ 672,954</u>

<u>North Desert Senior & Disabled Transit</u>	<u>North Desert Project Development/ Traffic Management</u>	<u>Colorado River Major Local Highway</u>	<u>Colorado River Local Street</u>	<u>Colorado River Senior & Disabled Transit</u>	<u>Colorado River Project Development/ Traffic Management</u>
\$ 328,563	\$ 508,436	\$ 123,146	\$ -	\$ 6,988	\$ 21,124
66	102	25	-	1	4
49,482	19,793	11,153	30,337	2,231	892
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 378,111</u>	<u>\$ 528,331</u>	<u>\$ 134,324</u>	<u>\$ 30,337</u>	<u>\$ 9,220</u>	<u>\$ 22,020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	30,337	-	-
-	-	-	30,337	-	-
378,111	528,331	134,324	-	9,220	22,020
<u>\$ 378,111</u>	<u>\$ 528,331</u>	<u>\$ 134,324</u>	<u>\$ 30,337</u>	<u>\$ 9,220</u>	<u>\$ 22,020</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
2010-2040 Measure I Special Revenue Fund
June 30, 2015

	<u>Morongo Basin Major Local Highway</u>	<u>Morongo Basin Local Street</u>	<u>Morongo Basin Senior & Disabled Transit</u>	<u>Morongo Basin Project Development/ Traffic Management</u>
Assets				
Cash and investments	\$ 1,038,321	\$ -	\$ 2,943	\$ 113,884
Accrued interest receivable	208	-	1	23
Sales taxes receivable	103,142	280,547	20,628	8,251
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 1,141,671</u>	<u>\$ 280,547</u>	<u>\$ 23,572</u>	<u>\$ 122,158</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Intergovernmental payable	<u>326,442</u>	<u>280,547</u>	<u>-</u>	<u>-</u>
Total liabilities	326,442	280,547	-	-
Fund balances				
Restricted	<u>815,229</u>	<u>-</u>	<u>23,572</u>	<u>122,158</u>
Total liabilities and fund balances	<u>\$ 1,141,671</u>	<u>\$ 280,547</u>	<u>\$ 23,572</u>	<u>\$ 122,158</u>

<u>Mountain Major Local Highway</u>	<u>Mountain Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development/ Traffic Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 1,118,163	\$ -	\$ 72,363	\$ 186,115	\$ 7,370,346	\$ 166,576,846
224	-	15	37	1,476	46,565
75,225	204,611	15,045	6,018	797,724	28,338,508
-	-	-	-	-	60,679,009
-	-	-	-	-	8,420,613
<u>\$ 1,193,612</u>	<u>\$ 204,611</u>	<u>\$ 87,423</u>	<u>\$ 192,170</u>	<u>\$ 8,169,546</u>	<u>\$ 264,061,541</u>
\$ -	\$ -	\$ -	\$ -	\$ 412,133	\$ 6,428,205
-	-	-	-	-	56,690
-	204,611	-	-	2,501	33,620,395
-	204,611	-	-	414,634	40,105,290
<u>1,193,612</u>	<u>-</u>	<u>87,423</u>	<u>192,170</u>	<u>7,754,912</u>	<u>223,956,251</u>
<u>\$ 1,193,612</u>	<u>\$ 204,611</u>	<u>\$ 87,423</u>	<u>\$ 192,170</u>	<u>\$ 8,169,546</u>	<u>\$ 264,061,541</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	Valley Freeway Projects	Valley Freeway Interchanges	Valley Major Street	Valley Local Street
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 35,084,440	\$ 13,307,891	\$ 24,196,165	\$ 24,196,165
Investment earnings	295,951	75,202	151,785	-
Total Revenues	<u>35,380,391</u>	<u>13,383,093</u>	<u>24,347,950</u>	<u>24,196,165</u>
Expenditures				
Current:				
General-council of governments support	618,200	183,403	154,428	-
Air quality and traveler services	-	-	-	-
Transportation planning and programming	-	-	-	-
Transit and passenger rail	-	-	-	-
Major project delivery	27,570,026	2,531,479	1,183,894	-
Fund administration and programming	30,381	268,852	13,083,663	24,196,165
Capital outlay	16,250	-	-	-
Total Expenditures	<u>28,234,857</u>	<u>2,983,734</u>	<u>14,421,985</u>	<u>24,196,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,145,534</u>	<u>10,399,359</u>	<u>9,925,965</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	1,154,800	24,472	-
Transfers out:				
Debt Service Fund	-	-	(2,744,875)	-
1990-2010 Measure I Special Revenue Fund	(2,649,697)	-	-	-
Capital Projects Fund	-	-	(8,222)	-
Total other financing sources (uses)	<u>(2,649,697)</u>	<u>1,154,800</u>	<u>(2,728,625)</u>	<u>-</u>
Net change in fund balances	4,495,837	11,554,159	7,197,340	-
Fund balances beginning of year	80,356,353	9,917,017	24,307,197	-
Fund balances end of year	<u>\$ 84,852,190</u>	<u>\$ 21,471,176</u>	<u>\$ 31,504,537</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$152,342,401 less 1% of \$1,523,424 for Measure I administration accounted for in the General Fund (page 22)

<u>Valley Metrolink/ Rail Service</u>	<u>Valley Express Bus/ Bus Rapid Transit Service</u>	<u>Valley Senior & Disabled Transit</u>	<u>Valley Transportation Management Systems</u>	<u>Victor Valley Major Local Highway</u>	<u>Victor Valley Local Street</u>
\$ 9,678,466	\$ 2,419,617	\$ 9,678,466	\$ 2,419,617	\$ 4,114,725	\$ 11,131,455
80,579	25,532	38,248	25,494	50,558	-
<u>9,759,045</u>	<u>2,445,149</u>	<u>9,716,714</u>	<u>2,445,111</u>	<u>4,165,283</u>	<u>11,131,455</u>
-	-	-	-	-	-
-	-	-	873,017	-	-
-	-	-	920,968	-	-
1,590,711	309,471	7,695,495	-	-	-
-	-	-	186,027	-	-
-	-	-	10,722	-	11,131,455
-	-	-	-	-	-
<u>1,590,711</u>	<u>309,471</u>	<u>7,695,495</u>	<u>1,990,734</u>	<u>-</u>	<u>11,131,455</u>
<u>8,168,334</u>	<u>2,135,678</u>	<u>2,021,219</u>	<u>454,377</u>	<u>4,165,283</u>	<u>-</u>
-	-	-	-	-	-
1,712,088	-	-	-	-	-
-	-	-	-	(1,442,905)	-
-	-	-	-	-	-
-	-	-	-	(4,322)	-
<u>1,712,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,447,227)</u>	<u>-</u>
9,880,422	2,135,678	2,021,219	454,377	2,718,056	-
16,534,949	5,757,006	10,760,205	7,086,799	11,807,590	-
<u>\$ 26,415,371</u>	<u>\$ 7,892,684</u>	<u>\$ 12,781,424</u>	<u>\$ 7,541,176</u>	<u>\$ 14,525,646</u>	<u>\$ -</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues and Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	Victor Valley Senior & Disabled Transit	Victor Valley Project Development Traffic/ Management	North Desert Major Local Highway	North Desert Local Street
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 883,541	\$ 329,178	\$ 1,227,654	\$ 3,339,218
Investment earnings	1,958	2,426	13,492	-
Total Revenues	<u>885,499</u>	<u>331,604</u>	<u>1,241,146</u>	<u>3,339,218</u>
Expenditures				
Current:				
General-council of governments support	-	-	-	-
Air quality and traveler services	-	6,780	-	-
Transportation planning and programming	-	22,866	-	-
Transit and passenger rail	759,340	28,934	-	-
Major project delivery	-	2,225	455,521	-
Fund administration and programming	-	500,000	-	3,339,218
Capital outlay	-	-	-	-
Total Expenditures	<u>759,340</u>	<u>560,805</u>	<u>455,521</u>	<u>3,339,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>126,159</u>	<u>(229,201)</u>	<u>785,625</u>	<u>-</u>
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	829,705	-
Capital Projects Fund	-	-	-	-
Transfers out:				
Debt Service Fund	-	-	-	-
1990-2010 Measure I Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	(293,615)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>536,090</u>	<u>-</u>
Net change in fund balances	126,159	(229,201)	1,321,715	-
Fund balances beginning of year	611,439	961,710	2,919,143	-
Fund balances end of year	<u>\$ 737,598</u>	<u>\$ 732,509</u>	<u>\$ 4,240,858</u>	<u>\$ -</u>

⁽¹⁾ Total sales tax-Measure I of \$152,342,401 less 1% of \$1,523,424 for Measure I administration accounted for in the General Fund (page 22)

<u>North Desert Senior & Disabled Transit</u>	<u>North Desert Project Development Traffic/Management</u>	<u>Colorado River Major Local Highway</u>	<u>Colorado River Local Street</u>	<u>Colorado River Senior & Disabled Transit</u>	<u>Colorado River Project Development Traffic/Management</u>
\$ 245,531	\$ 98,212	\$ 55,139	\$ 149,979	\$ 11,028	\$ 4,411
1,307	1,709	438	-	25	70
<u>246,838</u>	<u>99,921</u>	<u>55,577</u>	<u>149,979</u>	<u>11,053</u>	<u>4,481</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
359,120	7,691	-	-	10,250	-
-	-	-	-	-	-
-	-	86,034	149,979	-	-
-	-	-	-	-	-
<u>359,120</u>	<u>7,691</u>	<u>86,034</u>	<u>149,979</u>	<u>10,250</u>	<u>-</u>
(112,282)	92,230	(30,457)	-	803	4,481
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(112,282)</u>	<u>92,230</u>	<u>(30,457)</u>	<u>-</u>	<u>803</u>	<u>4,481</u>
490,393	436,101	164,781	-	8,417	17,539
<u>\$ 378,111</u>	<u>\$ 528,331</u>	<u>\$ 134,324</u>	<u>\$ -</u>	<u>\$ 9,220</u>	<u>\$ 22,020</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
2010-2040 Measure I Special Revenue Fund
For the Year Ended June 30, 2015

	<u>Morongo Basin Major Local Highway</u>	<u>Morongo Basin Local Street</u>	<u>Morongo Basin Senior & Disabled Transit</u>	<u>Morongo Basin Project Development Traffic/ Management</u>
Revenues				
Sales tax-Measure I ⁽¹⁾	\$ 528,336	\$ 1,437,073	\$ 105,667	\$ 42,267
Investment earnings	<u>3,635</u>	<u>-</u>	<u>11</u>	<u>391</u>
Total Revenues	<u>531,971</u>	<u>1,437,073</u>	<u>105,678</u>	<u>42,658</u>
Expenditures				
Current:				
General-council of governments support	-	-	-	-
Air quality and traveler services	-	-	-	-
Regional and subregional planning	-	-	-	29,668
Transit and passenger rail	-	-	107,509	-
Major project delivery	-	-	-	-
Fund administration and programming	1,006,156	1,437,073	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,006,156</u>	<u>1,437,073</u>	<u>107,509</u>	<u>29,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(474,185)</u>	<u>-</u>	<u>(1,831)</u>	<u>12,990</u>
Other financing sources (uses)				
Transfers in:				
Proposition 1B Fund Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Transfers out:				
Debt Service Fund	-	-	-	-
1990-2010 Measure I Special Revenue Fund	-	-	-	-
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(474,185)	-	(1,831)	12,990
Fund balances beginning of year	<u>1,289,414</u>	<u>-</u>	<u>25,403</u>	<u>109,168</u>
Fund balances end of year	<u>\$ 815,229</u>	<u>\$ -</u>	<u>\$ 23,572</u>	<u>\$ 122,158</u>

⁽¹⁾ Total sales tax-Measure I of \$152,342,401 less 1% of \$1,523,424 for Measure I administration accounted for in the General Fund (page 22)

<u>Mountain Major Major Local Highway</u>	<u>Mountain Local Local Street</u>	<u>Mountain Senior & Disabled Transit</u>	<u>Mountain Project Development Traffic/ Management</u>	<u>Cajon Pass</u>	<u>Total 2010-2040 Measure I</u>
\$ 471,006	\$ 1,281,136	\$ 94,201	\$ 37,680	\$ 4,250,713	\$ 150,818,977
3,626	-	245	622	31,946	805,250
<u>474,632</u>	<u>1,281,136</u>	<u>94,446</u>	<u>38,302</u>	<u>4,282,659</u>	<u>151,624,227</u>
-	-	-	-	-	956,031
-	-	-	-	-	879,797
-	-	-	-	-	973,502
-	-	85,558	-	-	10,954,079
-	-	-	-	8,038,910	39,968,082
-	1,281,136	-	-	-	56,520,834
-	-	-	-	-	16,250
-	<u>1,281,136</u>	<u>85,558</u>	-	<u>8,038,910</u>	<u>110,268,575</u>
<u>474,632</u>	-	<u>8,888</u>	<u>38,302</u>	<u>(3,756,251)</u>	<u>41,355,652</u>
-	-	-	-	-	829,705
-	-	-	-	8,005,028	10,896,388
-	-	-	-	(2,523,406)	(6,711,186)
-	-	-	-	-	(2,649,697)
-	-	-	-	(7,558)	(313,717)
-	-	-	-	<u>5,474,064</u>	<u>2,051,493</u>
474,632	-	8,888	38,302	1,717,813	43,407,145
718,980	-	78,535	153,868	6,037,099	180,549,106
<u>\$ 1,193,612</u>	<u>\$ -</u>	<u>\$ 87,423</u>	<u>\$ 192,170</u>	<u>\$ 7,754,912</u>	<u>\$ 223,956,251</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Combining Balance Sheet
 Debt Service Fund
 June 30, 2015

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Assets			
Cash and investments-restricted	\$ 2,025,659	\$ 6,013,701	\$ 8,039,360
Fund balances			
Restricted	\$ 2,025,659	\$ 6,013,701	\$ 8,039,360
Total liabilities and fund balances	\$ 2,025,659	\$ 6,013,701	\$ 8,039,360

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2015

	Sales Tax Revenue Bond 2012A	Sales Tax Revenue Bond 2014A	Total Debt Service
Revenues			
Investment earnings	\$ 24	\$ 6,011	\$ 6,035
Expenditures			
Debt service:			
Principal	1,910,000	-	1,910,000
Interest and fiscal charges	4,166,279	4,696,127	8,862,406
Total Expenditures	6,076,279	4,696,127	10,772,406
Excess (deficiency) of revenues over (under) expenditures	(6,076,255)	(4,690,116)	(10,766,371)
Other financing sources			
Transfers in-2010-2014 Measure I Special Revenue Fund	6,714,128	3,206	6,717,334
Total other financing sources	6,714,128	3,206	6,717,334
Net change in fund balances	637,873	(4,686,910)	(4,049,037)
Fund balances beginning of year	1,387,786	10,700,611	12,088,397
Fund balances end of year	\$ 2,025,659	\$ 6,013,701	\$ 8,039,360

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Balance Sheet
Capital Projects Fund
June 30, 2015

	Local Projects	Transit Center Project	San Gabriel Subdivision Line Project	Valley Freeway Interchange Bond	Valley Major Street Bond	Valley Metrolink/Rail Bond	Victor Valley Major Local Highway Bond	Cajon Pass Bond	Total Capital Projects
Assets									
Cash and investments	\$ -	\$ -	\$ -	\$ 1,677,154	\$ -	\$ 909,181	\$ 5,841,676	\$ -	\$ 8,428,011
Accounts receivable	7,746,429	-	-	-	-	-	-	-	7,746,429
Intergovernmental receivable	19,912,170	2,429,995	10,457	-	-	-	-	-	22,352,622
Loans receivable	30,270,993	-	-	-	7,755,000	-	-	-	38,025,993
Cash and investments-restricted	-	-	-	11,152,907	39,470,655	18,171,385	574,262	14,956,422	84,325,631
Total assets	<u>\$ 57,929,592</u>	<u>\$ 2,429,995</u>	<u>\$ 10,457</u>	<u>\$ 12,830,061</u>	<u>\$ 47,225,655</u>	<u>\$ 19,080,566</u>	<u>\$ 6,415,938</u>	<u>\$ 14,956,422</u>	<u>\$ 160,878,686</u>
Liabilities									
Accounts payable	\$ 4,423,607	\$ 463,856	\$ 8,044	\$ 1,492,143	\$ 267,462	\$ 2,931,108	\$ 128,890	\$ 806,476	\$ 10,521,586
Accrued liabilities	628	-	-	-	-	5,477	-	-	6,105
Intergovernmental payable	91,367	-	-	1,191,723	10,181,087	1,242,041	1,400,453	532,283	14,638,954
Due to other funds	13,449,237	1,966,139	2,413	-	5,912,066	-	-	9,532,309	30,862,164
Advances from other funds	8,420,613	-	-	-	-	-	-	-	8,420,613
Unearned revenue	990,490	-	-	-	-	-	-	-	990,490
Total liabilities	<u>27,375,942</u>	<u>2,429,995</u>	<u>10,457</u>	<u>2,683,866</u>	<u>16,360,615</u>	<u>4,178,626</u>	<u>1,529,343</u>	<u>10,871,068</u>	<u>65,439,912</u>
Deferred inflows of resources									
Unavailable grant and local reimbursements	35,507,821	-	-	-	-	-	-	-	35,507,821
Fund balances (deficits)									
Restricted	-	-	-	10,146,195	30,865,040	14,901,940	4,886,595	4,085,354	64,885,124
Unassigned	(4,954,171)	-	-	-	-	-	-	-	(4,954,171)
Total fund balances (deficits)	<u>(4,954,171)</u>	<u>-</u>	<u>-</u>	<u>10,146,195</u>	<u>30,865,040</u>	<u>14,901,940</u>	<u>4,886,595</u>	<u>4,085,354</u>	<u>59,930,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,929,592</u>	<u>\$ 2,429,995</u>	<u>\$ 10,457</u>	<u>\$ 12,830,061</u>	<u>\$ 47,225,655</u>	<u>\$ 19,080,566</u>	<u>\$ 6,415,938</u>	<u>\$ 14,956,422</u>	<u>\$ 160,878,686</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
For the Year Ended June 30, 2015

	Local Projects	Transit Center Project	San Gabriel Subdivision Line Project	Valley Freeway Interchanges Bond	Valley Major Street Bond	Valley Metrolink/Rail Bond	Victor Valley Major Local Highway Bond	Cajon Pass Bond	Total Capital Projects
Revenues									
Intergovernmental	\$ 21,368,676	\$ 3,956,691	\$ 10,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,335,824
Investment earnings	-	-	-	14,341	24,456	15,358	3,413	10,689	68,257
Total revenues	<u>21,368,676</u>	<u>3,956,691</u>	<u>10,457</u>	<u>14,341</u>	<u>24,456</u>	<u>15,358</u>	<u>3,413</u>	<u>10,689</u>	<u>25,404,081</u>
Expenditures									
Current:									
General-council of governments support	-	-	-	677	1,150	605	202	-	2,634
Air quality and traveler services	170,365	-	-	-	-	-	-	-	170,365
Transit and passenger rail ⁽¹⁾	(49,923)	3,886,371	10,457	-	-	9,011,708	-	-	12,858,613
Major project delivery	23,819,855	-	-	2,566,811	12,795,126	-	1,971,513	11,009,407	52,162,712
Fund administration and programming	-	-	-	-	-	-	7,427,100	-	7,427,100
Capital outlay	-	70,320	-	-	-	-	-	-	70,320
Total expenditures	<u>23,940,297</u>	<u>3,956,691</u>	<u>10,457</u>	<u>2,567,488</u>	<u>12,796,276</u>	<u>9,012,313</u>	<u>9,398,815</u>	<u>11,009,407</u>	<u>72,691,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,571,621)</u>	<u>-</u>	<u>-</u>	<u>(2,553,147)</u>	<u>(12,771,820)</u>	<u>(8,996,955)</u>	<u>(9,395,402)</u>	<u>(10,998,718)</u>	<u>(47,287,663)</u>
Other Financing Sources (Uses)									
Transfers in:									
State Highway Special Revenue Fund	1,793,581	-	-	-	-	-	-	-	1,793,581
2010-2040 Measure I Special Revenue Fund	293,615	-	-	-	8,222	-	4,322	7,558	313,717
Capital Projects Fund	-	-	-	-	30,159	-	-	-	30,159
Transfers out:									
1990-2010 Measure I Special Revenue Fund	(429,870)	-	-	-	-	-	-	-	(429,870)
2010-2040 Measure I Special Revenue Fund	-	-	-	(1,154,800)	(24,472)	(1,712,088)	-	(8,005,028)	(10,896,388)
Debt Service Fund	-	-	-	(1,149)	(1,844)	(721)	(793)	(1,640)	(6,147)
Capital Projects Fund	(30,159)	-	-	-	-	-	-	-	(30,159)
Total other financing sources (uses)	<u>1,627,167</u>	<u>-</u>	<u>-</u>	<u>(1,155,949)</u>	<u>12,065</u>	<u>(1,712,809)</u>	<u>3,529</u>	<u>(7,999,110)</u>	<u>(9,225,107)</u>
Net change in fund balances	(944,454)	-	-	(3,709,096)	(12,759,755)	(10,709,764)	(9,391,873)	(18,997,828)	(56,512,770)
Fund balances (deficits) beginning of year	(4,009,717)	-	-	13,855,291	43,624,795	25,611,704	14,278,468	23,083,182	116,443,723
Fund balances (deficits) end of year	<u>\$ (4,954,171)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,146,195</u>	<u>\$ 30,865,040</u>	<u>\$ 14,901,940</u>	<u>\$ 4,886,595</u>	<u>\$ 4,085,354</u>	<u>\$ 59,930,953</u>

⁽¹⁾ Negative expenditure is mainly due to recording of voided stale dated check for \$50,000 in Local Projects Fund.



SANBAG maintains 1,200 Call Boxes located along freeways and highways throughout San Bernardino County. From remote desert highways to freeways in busy metropolitan areas, the Call Box program provides roadside assistance to motorists. The program is funded with \$1 received from every vehicle registration in the county through the California Department of Motor Vehicles.

Statistical Section

Statistical Section

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

	<u>Page No.</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	106
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the Agency's significant local revenue source, the Measure I sales tax.	108
<i>Debt Capacity</i>	
These schedules contain information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the ability to issue additional debt in the future.	116
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.	118
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.	120

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 71,364,275	\$ 68,787,689	\$ 64,111,527	\$ 64,339,191	\$ 64,528,387	\$ 64,188,520	\$ 64,231,511	\$ 64,382,721	\$ 64,294,580	\$ 64,485,344
Restricted	518,477,643	486,271,129	297,711,179	238,348,097	514,537,080	531,138,805	474,046,214	248,688,547	248,608,924	243,704,215
Unrestricted	(224,771,477)	(215,122,515)	(62,476,583)	(20,906,687)	(290,669,405)	(340,180,203)	(236,047,637)	(44,554,894)	(77,822,795)	(113,126,372)
Total governmental activities net position	<u>\$ 365,070,441</u>	<u>\$ 339,936,303</u>	<u>\$ 299,346,123</u>	<u>\$ 281,780,601</u>	<u>\$ 288,396,062</u>	<u>\$ 255,147,122</u>	<u>\$ 302,230,088</u>	<u>\$ 268,516,374</u>	<u>\$ 235,080,709</u>	<u>\$ 195,063,187</u>



SAN BERNARDINO ASSOCIATED GOVERNMENTS
Changes in Net Position
Last Ten Fiscal Years ⁽¹⁾
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General-council of governments support	\$ 2,833,042	\$ 3,825,691	\$ 2,634,953	\$ 1,919,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Air quality and traveler services	4,182,935	5,626,177	8,720,281	16,561,711	-	-	-	-	-	-
Regional and subregional planning	1,951,391	1,810,171	1,723,173	6,027,692	-	-	-	-	-	-
Transit and passenger rail	59,376,860	39,297,811	48,249,719	32,939,430	-	-	-	-	-	-
Major project delivery	168,126,021	198,290,514	236,573,382	165,717,535	-	-	-	-	-	-
Fund administration and programming	153,722,554	137,111,875	113,211,850	142,700,712	-	-	-	-	-	-
Interest and fiscal charges	8,080,732	5,115,094	3,545,543	8,063,944	7,745,427	9,842,621	4,803,268	4,290,776	5,892,606	6,682,295
General government	-	-	-	-	21,251,548	16,457,877	23,556,849	18,323,011	24,669,999	10,232,248
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	84,839,312	120,594,813	97,602,990	132,404,153	108,324,458	113,513,444
Contributions to other governmental agencies	-	-	-	-	43,729,263	33,111,444	26,169,139	22,573,481	19,672,078	16,884,868
Professional services	-	-	-	-	59,625,947	43,945,405	35,646,622	29,739,891	27,372,002	24,791,741
Management and technical services	-	-	-	-	39,979	130,958	142,019	169,884	193,773	186,542
Highways	-	-	-	-	62,410,680	42,335,579	26,356,468	46,850,413	81,193,204	77,867,274
Total governmental activities expenses	<u>398,273,535</u>	<u>391,077,333</u>	<u>414,658,901</u>	<u>373,930,988</u>	<u>279,642,156</u>	<u>266,418,697</u>	<u>214,277,355</u>	<u>254,351,609</u>	<u>267,318,120</u>	<u>250,158,412</u>
Program revenues										
Government activities:										
Charges for services:										
General-council of governments support	591,987	612,541	393,053	782,247	-	-	-	-	-	-
General government	-	-	-	-	1,620,021	1,648,539	1,667,858	1,687,899	1,693,607	1,671,851
Operating grants and contributions	189,415,129	204,806,040	214,943,724	161,861,124	184,243,485	148,531,689	125,112,741	135,650,127	147,742,874	152,834,456
Total governmental activities program revenues	<u>190,007,116</u>	<u>205,418,581</u>	<u>215,336,777</u>	<u>162,643,371</u>	<u>185,863,506</u>	<u>150,180,228</u>	<u>126,780,599</u>	<u>137,338,026</u>	<u>149,436,481</u>	<u>154,506,307</u>
Net (expense) revenue										
Governmental activities	<u>(208,266,419)</u>	<u>(185,658,752)</u>	<u>(199,322,124)</u>	<u>(211,287,617)</u>	<u>(93,778,650)</u>	<u>(116,238,469)</u>	<u>(87,496,756)</u>	<u>(117,013,583)</u>	<u>(117,881,639)</u>	<u>(95,652,105)</u>
General revenues										
Sales tax-Measure I	152,342,401	145,407,342	138,482,732	132,276,581	118,115,639	109,393,542	115,074,064	138,461,233	145,551,852	147,027,423
Sales tax-local transportation fund	85,531,625	79,559,209	75,100,102	71,168,436	-	-	-	-	-	-
Unrestricted investment earnings	1,906,660	165,733	2,824,825	5,934,258	8,911,951	9,745,049	6,133,700	11,988,570	12,313,655	7,746,517
Gain (loss) on disposal of capital assets	-	-	-	-	-	(75,000)	2,706	(555)	33,654	228,460
Miscellaneous	1,987,011	1,116,648	479,987	903,880	-	-	-	-	-	-
Total governmental activities general revenues	<u>241,767,697</u>	<u>226,248,932</u>	<u>216,887,646</u>	<u>210,283,155</u>	<u>127,027,590</u>	<u>119,063,591</u>	<u>121,210,470</u>	<u>150,449,248</u>	<u>157,899,161</u>	<u>155,002,400</u>

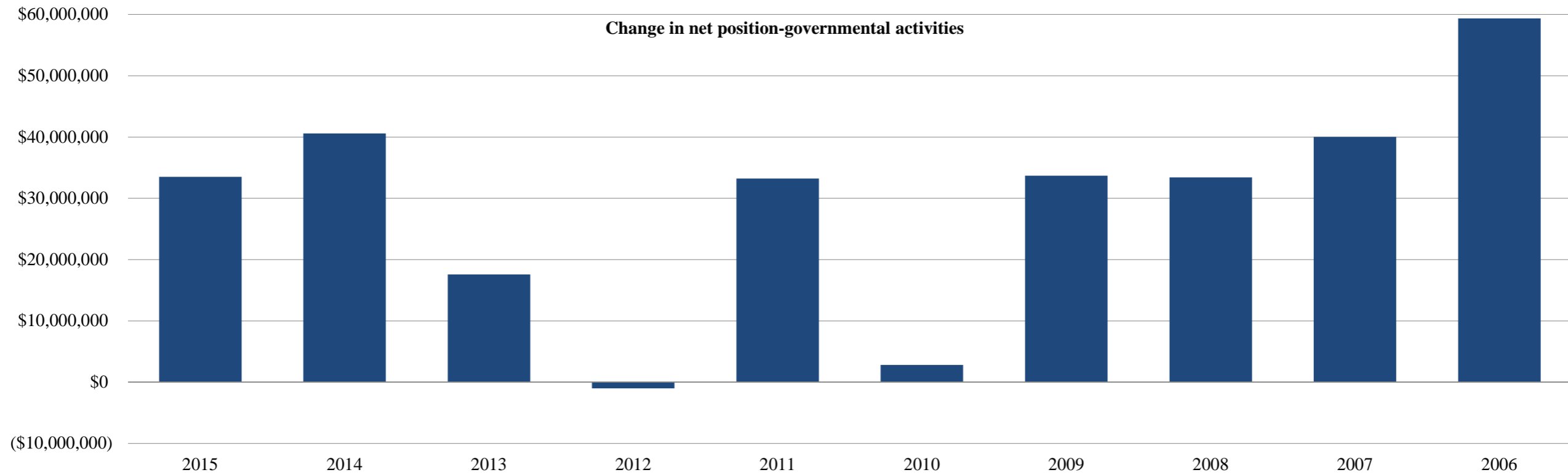
(Continued)

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Changes in Net Position
 Last Ten Fiscal Years ⁽¹⁾
 (accrual basis of accounting)

(Continued)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Change in net position										
Governmental activities	<u>\$ 33,501,278</u>	<u>\$ 40,590,180</u>	<u>\$ 17,565,522</u>	<u>\$ (1,004,462)</u>	<u>\$ 33,248,940</u>	<u>\$ 2,825,122</u>	<u>\$ 33,713,714</u>	<u>\$ 33,435,665</u>	<u>\$ 40,017,522</u>	<u>\$ 59,350,295</u>

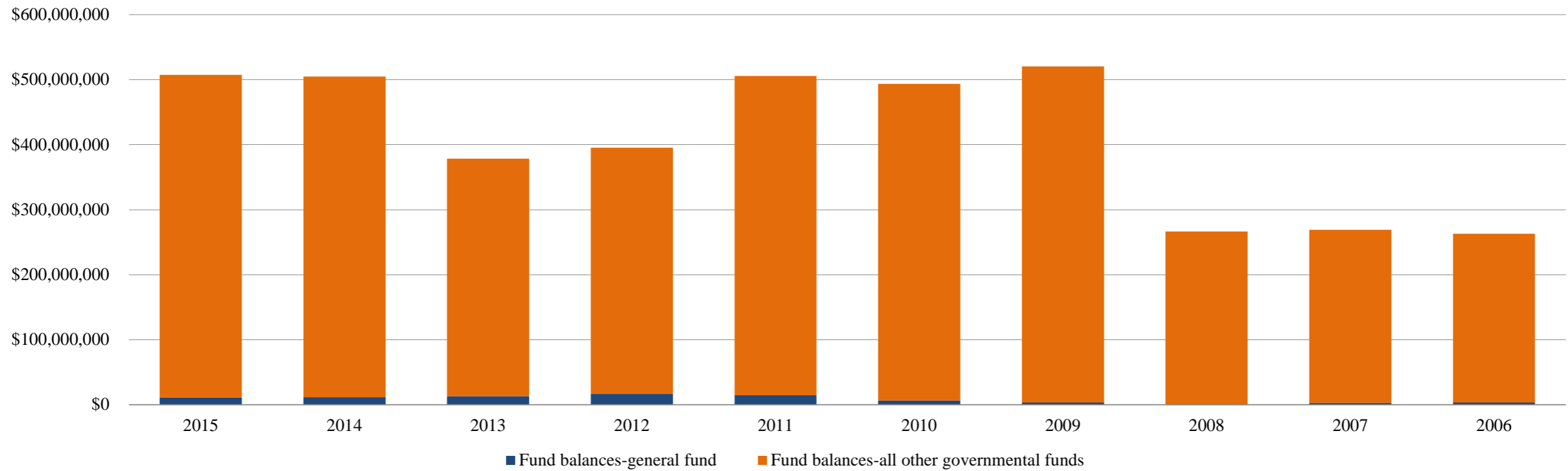
⁽¹⁾The Agency implemented new fund accounting/financial software in 2012 which provides a different classification of expenses in fiscal year 2012 in comparison to prior fiscal years. Sales tax-Local Transportation Fund revenue was reclassified as general revenue in fiscal year 2012. Previously, it was classified as program revenue-operating grants and contributions. Vehicle registration fee revenue was reclassified as program-operating grants and contributions in 2012. It was classified as program-charges for services for the years 2006-2011. Fiscal years 2006-2011 were not revised to reflect the classification changes in 2012.



SAN BERNARDINO ASSOCIATED GOVERNMENTS
Fund Balances of Governmental Funds
Last Ten Fiscal Years ⁽¹⁾
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Nonspendable	\$ 120,659	\$ 182,068	\$ 173,867	\$ 149,194	\$ 129,817	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	24,046	22,211	24,425	99,367	-	-	-	-	-	-
Assigned	11,069,579	11,283,052	12,819,740	16,380,791	14,735,595	-	-	-	-	-
Reserved	-	-	-	-	-	3,542,942	570,067	124,535	182,722	171,144
Unreserved	-	-	-	-	-	3,038,603	2,797,428	(461,007)	3,051,576	3,324,506
Total general fund	<u>\$ 11,214,284</u>	<u>\$ 11,487,331</u>	<u>\$ 13,018,032</u>	<u>\$ 16,629,352</u>	<u>\$ 14,865,412</u>	<u>\$ 6,581,545</u>	<u>\$ 3,367,495</u>	<u>\$ (336,472)</u>	<u>\$ 3,234,298</u>	<u>\$ 3,495,650</u>
All other governmental funds										
Restricted	\$ 511,144,916	\$ 508,391,977	\$ 383,102,734	\$ 386,189,494	\$ 526,372,957	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-	6,055,340	-	-	-	-	-
Unassigned	(14,693,201)	(15,058,847)	(17,524,771)	(7,482,364)	(41,584,482)	-	-	-	-	-
Reserved	-	-	-	-	-	169,513,698	134,486,549	50,260,055	29,787,116	28,666,689
Unreserved	-	-	-	-	-	317,402,754	382,415,703	216,382,442	236,246,270	230,812,426
Total all other governmental funds	<u>\$ 496,451,715</u>	<u>\$ 493,333,130</u>	<u>\$ 365,577,963</u>	<u>\$ 378,707,130</u>	<u>\$ 490,843,815</u>	<u>\$ 486,916,452</u>	<u>\$ 516,902,252</u>	<u>\$ 266,642,497</u>	<u>\$ 266,033,386</u>	<u>\$ 259,479,115</u>

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



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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Sales tax-Measure I	\$ 152,342,401	\$ 145,407,342	\$ 138,482,732	\$ 132,276,581	\$ 117,927,079	\$ 106,073,764	\$ 114,901,053	\$ 140,547,350	\$ 147,929,491	\$ 148,073,689
Sales tax-local transportation fund	85,531,625	79,559,209	75,100,102	71,168,436	64,418,871	58,681,660	62,726,230	74,557,995	78,833,385	80,291,612
Intergovernmental	143,867,243	173,396,397	193,721,364	154,551,689	73,360,500	55,419,469	41,047,131	56,399,714	63,477,270	70,083,979
Charges for services	473,282	483,490	257,204	652,873	1,560,519	1,590,158	1,632,912	1,649,657	1,659,519	1,639,975
Special assessments	118,705	129,051	135,849	129,374	-	-	-	-	-	-
Investment earnings	1,906,662	165,733	2,824,825	5,934,258	8,911,951	9,745,049	6,133,700	11,988,570	12,313,655	7,746,517
Miscellaneous	1,977,411	1,075,059	479,987	903,880	16,954,928	1,005,402	2,868,225	121,748	90,648	116,797
Other local revenue	-	-	-	-	22,331,039	19,619,658	13,758,271	1,449,777	2,823,249	2,710,654
Total revenues	<u>386,217,329</u>	<u>400,216,281</u>	<u>411,002,063</u>	<u>365,617,091</u>	<u>305,464,887</u>	<u>252,135,160</u>	<u>243,067,522</u>	<u>286,714,811</u>	<u>307,127,217</u>	<u>310,663,223</u>
Expenditures										
Current:										
General-council of governments support	2,400,945	3,479,317	2,188,545	1,880,626	-	-	-	-	-	-
Air quality and traveler services	4,191,009	5,626,177	8,720,281	16,561,711	-	-	-	-	-	-
Regional and subregional planning	1,967,660	1,810,171	1,723,173	6,027,692	-	-	-	-	-	-
Transit and passenger rail	59,395,144	39,297,811	48,249,719	32,939,430	-	-	-	-	-	-
Major project delivery	168,147,585	198,290,514	236,573,382	167,055,911	-	-	-	-	-	-
Fund administration programming	133,588,823	136,900,621	126,375,756	125,636,347	-	-	-	-	-	-
General government	-	-	-	-	8,349,139	8,478,933	8,467,664	7,626,794	7,546,356	7,099,718
Disbursements to cities, subareas, transit operators, and claimants	-	-	-	-	94,325,722	92,046,113	97,742,979	133,102,767	109,114,865	113,840,590
Contributions to other governmental agencies	-	-	-	-	43,729,263	33,111,444	26,169,139	22,573,481	19,672,078	16,884,868
Professional services	-	-	-	-	59,625,947	43,945,405	35,646,622	29,739,891	27,372,002	24,793,497
Management and technical services	-	-	-	-	39,979	130,958	142,019	169,884	193,773	186,542
Highways	-	-	-	-	62,410,680	42,335,579	26,356,468	46,850,413	81,193,204	77,972,378
Right of way	-	-	-	-	12,429,108	7,498,392	14,673,506	10,213,262	16,637,511	2,687,082
Debt Service:										
Principal	1,910,000	-	-	250,000,000	-	37,380,000	35,500,000	33,875,000	32,250,000	30,900,000
Interest and fiscal charges	8,862,406	4,421,182	3,851,087	11,461,165	11,609,500	13,579,107	4,680,164	5,161,715	6,847,733	8,370,174
Capital outlay	<u>2,908,219</u>	<u>5,001,633</u>	<u>60,607</u>	<u>73,818</u>	<u>699,319</u>	<u>350,979</u>	<u>98,159</u>	<u>363,263</u>	<u>57,576</u>	<u>111,725</u>
Total expenditures	<u>383,371,791</u>	<u>394,827,426</u>	<u>427,742,550</u>	<u>611,636,700</u>	<u>293,218,657</u>	<u>278,856,910</u>	<u>249,476,720</u>	<u>289,676,470</u>	<u>300,885,098</u>	<u>282,846,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,845,538</u>	<u>5,388,855</u>	<u>(16,740,487)</u>	<u>(246,019,609)</u>	<u>12,246,230</u>	<u>(26,721,750)</u>	<u>(6,409,198)</u>	<u>(2,961,659)</u>	<u>6,242,119</u>	<u>27,816,649</u>

(Continued)

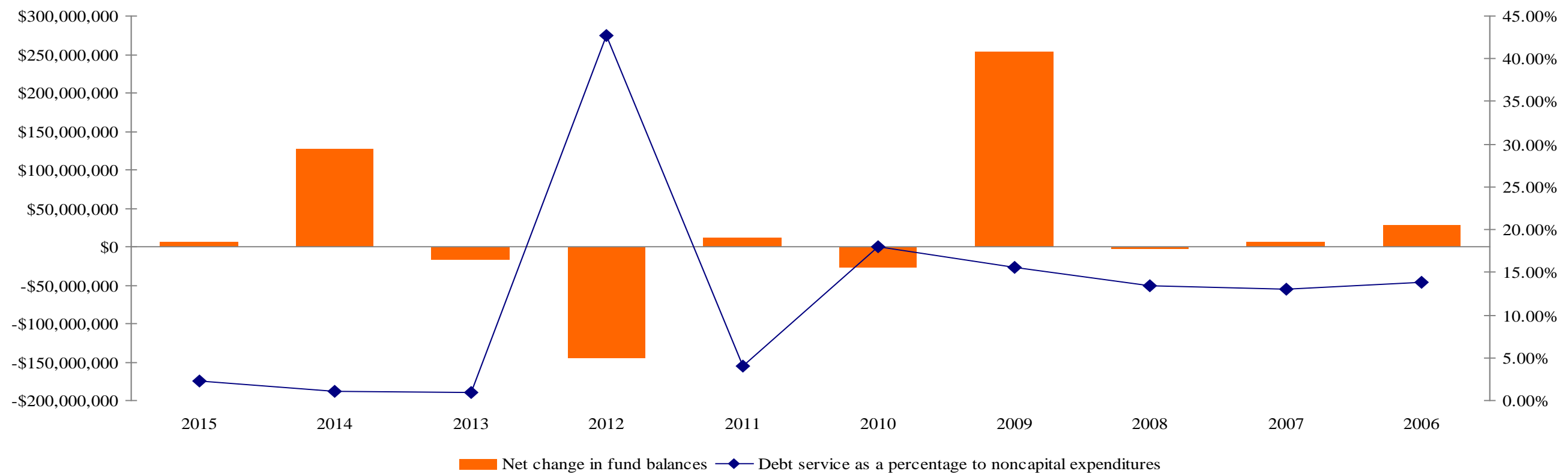
SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years ⁽¹⁾
 (modified accrual basis of accounting)

(Continued)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing Sources (Uses):										
Transfers in	43,631,095	43,369,783	44,505,326	362,696,568	20,063,400	45,295,381	54,831,428	56,019,243	54,757,528	65,873,997
Transfers out	(43,631,095)	(43,369,783)	(44,505,326)	(362,696,568)	(20,098,400)	(45,345,381)	(54,935,428)	(56,019,243)	(54,794,528)	(66,121,455)
Sales tax revenue notes issued	-	-	-	-	-	-	250,000,000	-	-	-
Premium on sales tax revenue notes issued	-	-	-	-	-	-	10,474,214	-	-	-
Sales tax revenue bonds issued	-	110,135,000	-	91,880,000	-	-	-	-	-	-
Premium on sales tax revenue bonds issued	-	10,700,611	-	9,042,588	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	2,706	-	87,800	240,315
Total other financing sources (uses)	-	120,835,611	-	100,922,588	(35,000)	(50,000)	260,372,920	-	50,800	(7,143)
Net change in fund balances	2,845,538	126,224,466	(16,740,487)	(145,097,021)	12,211,230	(26,771,750)	253,963,722	(2,961,659)	6,292,919	27,809,506
Fund balances beginning of year	504,820,461	378,595,995	395,336,482	505,709,227	493,497,997	520,269,747	266,306,025	269,267,684	262,974,765	235,165,259
Prior period and accounting change adjustments	-	-	-	34,724,276	-	-	-	-	-	-
Fund balances beginning of year as restated	504,820,461	378,595,995	395,336,482	540,433,503	493,497,997	520,269,747	266,306,025	269,267,684	262,974,765	235,165,259
Fund balances end of year	\$ 507,665,999	\$ 504,820,461	\$ 378,595,995	\$ 395,336,482	\$ 505,709,227	\$ 493,497,997	\$ 520,269,747	\$ 266,306,025	\$ 269,267,684	\$ 262,974,765
Debt service as a percentage of noncapital expenditures ⁽²⁾	2.83%	1.13%	0.90%	42.75%	3.97%	18.30%	16.11%	13.49%	13.00%	13.89%

⁽¹⁾ Other local revenue for prior years has been reclassified as either intergovernmental revenue, charges for services or special assessments in fiscal year 2012. Motor vehicle fee revenue was reclassified as intergovernmental revenue in 2012. It was classified as charges for services in prior fiscal years. The Agency implemented new fund accounting/financial software in 2012 which provides a different classification of expenditures from prior fiscal years. Fiscal years 2006-2011 were not revised to reflect the classification changes.

⁽²⁾ Debt service reflects principal and interest.

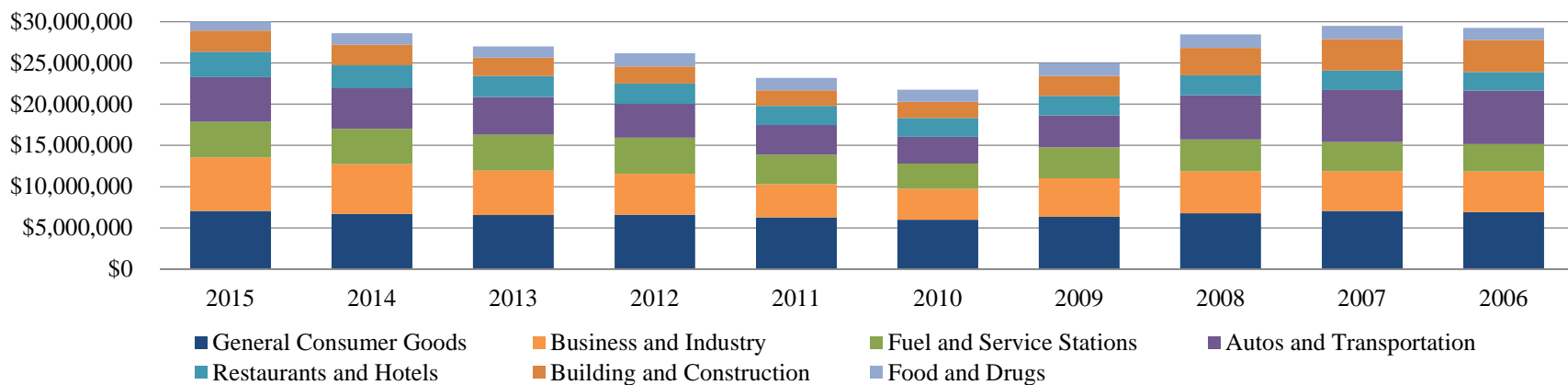


SAN BERNARDINO ASSOCIATED GOVERNMENTS
 County of San Bernardino Taxable Sales by Business Group⁽¹⁾
 Last Ten Fiscal Years
 (In Thousands)

Fiscal Year	General Consumer Goods	Business and Industry	Fuel and Service Stations	Autos and Transportation	Restaurants and Hotels	Building and Construction	Food and Drugs	Total
2015	\$ 7,051,392	\$ 6,489,782	\$ 4,325,966	\$ 5,405,745	\$ 3,062,985	\$ 2,601,797	\$ 1,478,121	\$ 30,415,788
2014	6,702,525	6,020,854	4,285,736	4,935,894	2,780,587	2,486,172	1,371,210	28,582,978
2013	6,572,565	5,365,583	4,342,153	4,572,225	2,585,174	2,202,286	1,348,689	26,988,675
2012	6,608,275	4,963,637	4,383,498	4,103,357	2,452,725	2,071,598	1,584,931	26,168,021
2011	6,289,605	4,004,305	3,587,337	3,589,798	2,320,710	1,885,248	1,493,408	23,170,410
2010	5,997,062	3,729,927	3,091,808	3,227,279	2,273,645	1,975,226	1,472,450	21,767,397
2009	6,339,494	4,666,094	3,759,132	3,878,608	2,353,009	2,422,918	1,545,334	24,964,590
2008	6,794,341	5,082,731	3,836,112	5,356,831	2,427,148	3,324,437	1,629,433	28,451,034
2007	7,075,422	4,794,905	3,531,356	6,315,114	2,354,770	3,815,013	1,622,124	29,508,704
2006	6,937,119	4,889,186	3,329,033	6,480,999	2,243,665	3,886,098	1,482,210	29,248,309

⁽¹⁾ Excludes transfers and unidentified sources.

Source: California State Board of Equalization/Hdl Companies



SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	Measure I Direct Rate ⁽¹⁾	County of San Bernardino ⁽²⁾
2015	0.50%	8.00%
2014	0.50%	8.00%
2013	0.50%	8.00%
2012	0.50%	7.75%
2011	0.50%	8.75%
2010	0.50%	8.75%
2009	0.50%	8.75%
2008	0.50%	7.75%
2007	0.50%	7.75%
2006	0.50%	7.75%

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

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

Source: California Department of Finance/Board of Equalization

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

Business Type	2015			2006		
	Taxable Sales	Rank	Percentage of Total Taxable Sales	Taxable Sales	Rank	Percentage of Total Taxable Sales
Service stations	\$ 3,699,769	1	12.16%	\$ 2,924,660	2	10.38%
New motor vehicle dealers	3,108,567	2	10.22%	3,352,793	1	11.90%
Discount department stores	2,206,143	3	7.25%	2,007,565	4	7.12%
Quick service restaurants	1,541,398	4	5.07%	1,190,012	6	4.22%
Lumber/building materials	1,328,129	5	4.37%	2,057,918	3	7.30%
Medical/biotech	1,220,000	6	4.01%	771,177	9	2.74%
Casual dining	1,020,583	7	3.35%	690,118	10	2.45%
Contractors	974,282	8	3.20%	1,844,322	5	6.54%
Light industrial printers	945,343	9	3.11%	615,036	15	2.18%
Heavy industrial	916,117	10	3.01%	600,537	17	2.13%
Family apparel	890,058	11	2.93%	466,721	19	1.66%
Used automotive dealers	825,478	12	2.71%	652,170	12	2.31%
Grocery stores-liquor	823,973	13	2.71%	690,084	11	2.45%
Office supplies/furniture	801,357	14	2.63%	782,934	8	2.78%
Electronics/appliance stores	634,975	15	2.09%	629,133	13	2.23%
Specialty stores	632,804	16	2.08%	610,844	16	2.17%
Department stores	604,216	17	1.99%	867,038	7	3.08%
Petroleum products/equipment	565,489	18	1.86%	370,753	21	1.32%
Home furnishings	540,347	19	1.78%	626,583	14	2.22%
Automotive supply stores	485,586	20	1.60%	440,533	20	1.56%
Fulfillment centers	336,670	21	1.11%			
Women's apparel	309,624	22	1.02%			
Trailers/RV's	298,836	23	0.98%	478,789	18	1.70%
Transportation/rentals	294,022	24	0.97%	272,906	24	0.97%
Electrical equipment	273,109	25	0.90%			
Energy/utilities						
Boats/motorcycles				300,157	22	1.06%
Auto repair shops				276,253	23	0.98%
Fine dining				250,404	25	0.89%
Total	<u>\$ 25,276,875</u>		<u>83.08%</u>	<u>\$ 23,769,440</u>		<u>84.34%</u>

Source: California State Board of Equalization/Hdl Companies

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Measure I Sales Tax Revenue by Program and Subarea
For the Year Ended June 30, 2015

	General Fund	Special Revenue Funds	Total
Administration			
Administration	\$ 1,523,424	\$ -	\$ 1,523,424
Valley			
Freeway projects	-	35,084,440	35,084,440
Freeway interchanges	-	13,307,891	13,307,891
Major street	-	24,196,165	24,196,165
Local street	-	24,196,165	24,196,165
Metrolink/rail service	-	9,678,466	9,678,466
Express bus/bus rapid transit service	-	2,419,617	2,419,617
Senior and disabled transit	-	9,678,466	9,678,466
Transportation management systems	-	2,419,617	2,419,617
Victor Valley			
Major local highway	-	4,114,725	4,114,725
Local street	-	11,131,455	11,131,455
Senior and disabled transit	-	883,541	883,541
Project development/traffic management	-	329,178	329,178
North Desert			
Major local highway	-	1,227,654	1,227,654
Local street	-	3,339,218	3,339,218
Senior and disabled transit	-	245,531	245,531
Project development/traffic management	-	98,212	98,212
Colorado River			
Major local highway	-	55,139	55,139
Local street	-	149,979	149,979
Senior and disabled transit	-	11,028	11,028
Project development/traffic management	-	4,411	4,411
Morongo Basin			
Major local highway	-	528,336	528,336
Local street	-	1,437,073	1,437,073
Senior and disabled transit	-	105,667	105,667
Project development/traffic management	-	42,267	42,267
Mountain			
Major local highway	-	471,006	471,006
Local street	-	1,281,136	1,281,136
Senior and disabled transit	-	94,201	94,201
Project development/traffic management	-	37,680	37,680
Cajon Pass			
Cajon Pass	-	4,250,713	4,250,713
	<u>\$ 1,523,424</u>	<u>\$ 150,818,977</u>	<u>\$ 152,342,401</u>

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Ratios of Outstanding Debt by Type

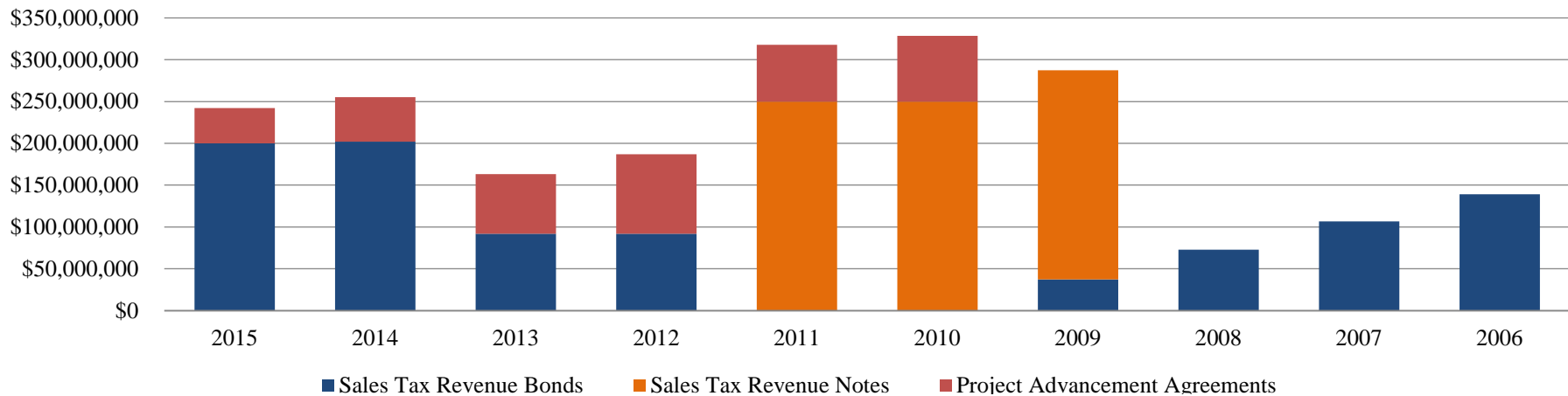
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue Bonds	Sales Tax Revenue Notes	Project Advancement Agreements ⁽¹⁾	Total	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2015	\$ 200,105,000	\$ -	\$ 42,186,696	\$ 242,291,696	NA	\$ 115.14
2014	202,015,000	-	53,267,750	255,282,750	NA	122.49
2013	91,880,000	-	71,175,791	163,055,791	0.24%	78.82
2012	91,880,000	-	95,035,323	186,915,323	0.28%	90.55
2011	-	250,000,000	67,765,408	317,765,408	0.49%	154.77
2010	-	250,000,000	78,456,788	328,456,788	0.54%	161.12
2009	37,380,000	250,000,000	-	287,380,000	0.48%	142.10
2008	72,880,000	-	-	72,880,000	0.12%	36.14
2007	106,755,000	-	-	106,755,000	0.18%	53.31
2006	139,005,000	-	-	139,005,000	0.24%	70.32

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

⁽¹⁾ Project advancement agreements debt not reported in financial statements prior to fiscal year 2010.

⁽²⁾ See Demographic and Economic Statistics on page 118.

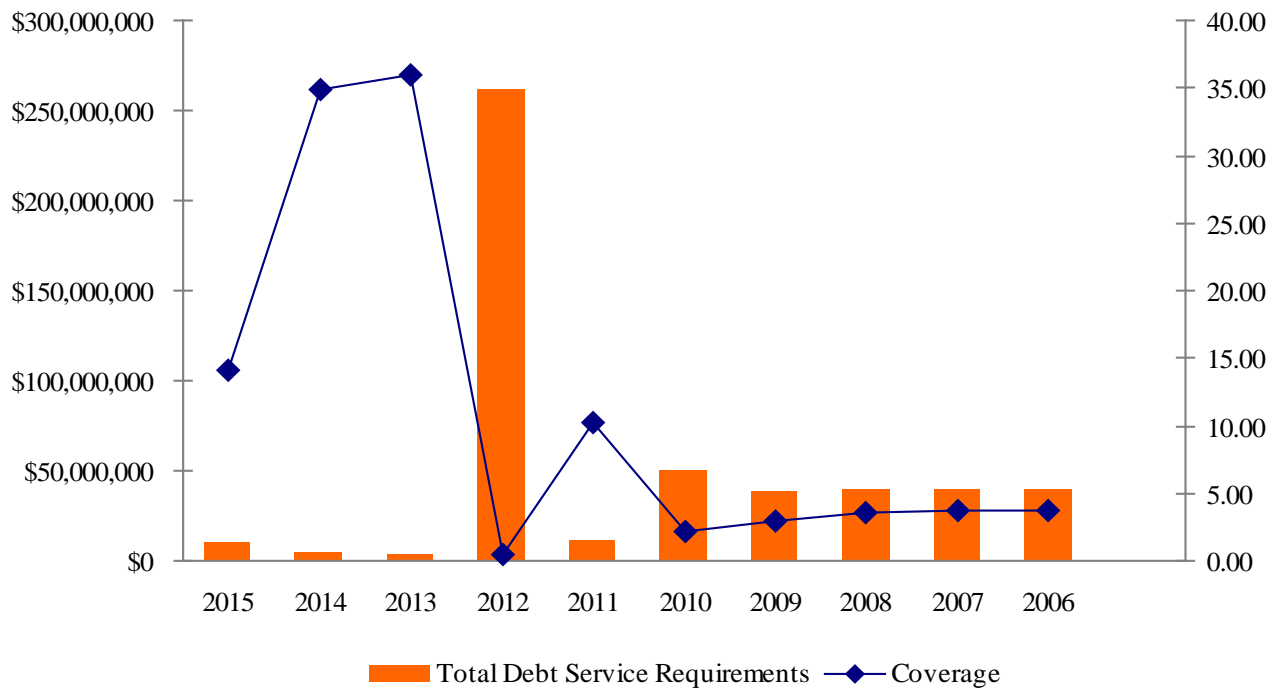


SAN BERNARDINO ASSOCIATED GOVERNMENTS
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Measure I Sales Tax Revenues ⁽¹⁾	Debt Service Requirements ⁽²⁾			Coverage
		Principal	Interest	Total	
2015	\$ 152,342,401	\$ 1,910,000	\$ 8,856,259	\$ 10,766,259	14.15
2014	145,407,342	-	4,163,338	4,163,338	34.93
2013	138,482,732	-	3,851,087	3,851,087	35.96
2012	132,276,581	250,000,000	11,461,155	261,461,155	0.51
2011	117,927,079	-	11,609,500	11,609,500	10.16
2010	106,073,764	37,380,000	12,896,543	50,276,543	2.11
2009	114,901,053	35,500,000	3,453,006	38,953,006	2.95
2008	140,547,350	33,875,000	5,146,594	39,021,594	3.60
2007	147,929,491	32,250,000	6,832,306	39,082,306	3.79
2006	148,073,689	30,900,000	8,118,156	39,018,156	3.79

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

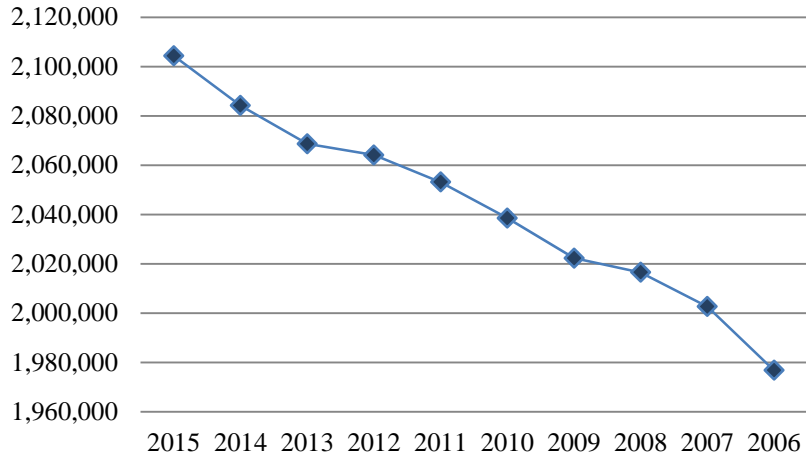
⁽²⁾ Debt service requirement for fiscal year 2012 reflects payment of Sales Tax Revenue Note, 2009A from an established escrow account relating to the issuance of the Sales Tax Revenue Bonds, 2012A.



SAN BERNARDINO ASSOCIATED GOVERNMENTS
County of San Bernardino Demographic and Economic Statistics

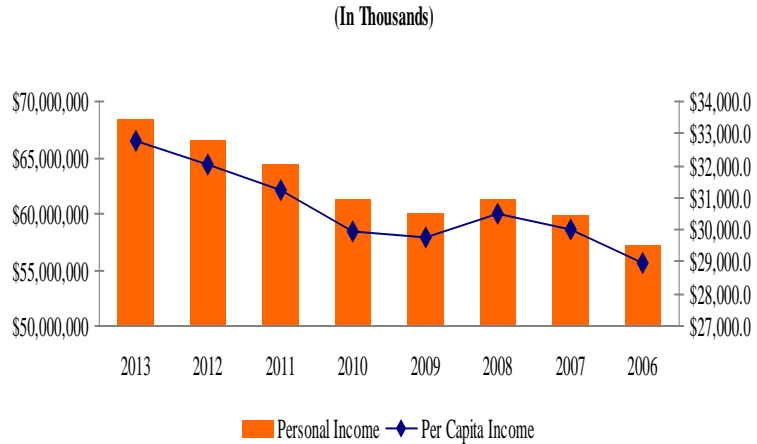
Last Ten Fiscal Years ⁽¹⁾

Year	Population
2015	2,104,291
2014	2,084,151
2013	2,068,610
2012	2,064,118
2011	2,053,155
2010	2,038,546
2009	2,022,319
2008	2,016,526
2007	2,002,651
2006	1,976,767



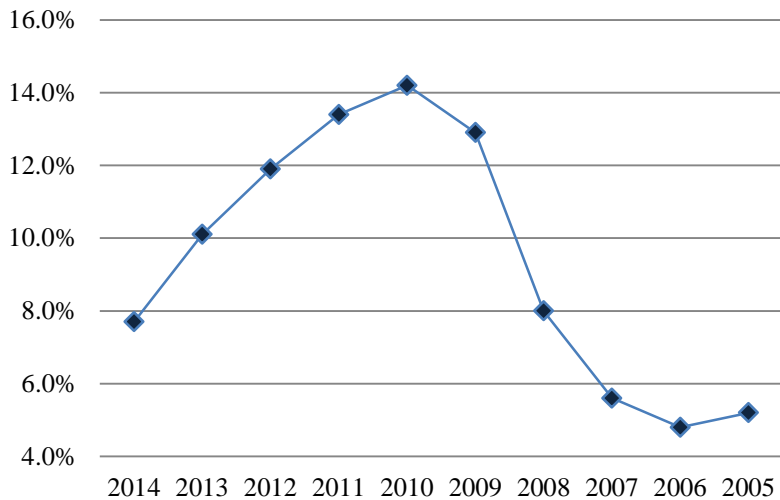
Fiscal Years 2005-2012 ⁽²⁾

Year	Personal Income (In Thousands)	Personal Per Capita Income
2013	\$ 68,387,465	\$ 32,747
2012	66,577,329	32,048
2011	64,454,103	31,241
2010	61,147,087	29,950
2009	59,991,663	29,788
2008	61,161,307	30,524
2007	59,843,375	30,039
2006	57,153,907	28,951



Last Ten Fiscal Years ⁽³⁾

Year	Unemployment Rate
2014	7.7%
2013	10.1%
2012	11.9%
2011	13.4%
2010	14.2%
2009	12.9%
2008	8.0%
2007	5.6%
2006	4.8%
2005	5.2%



⁽¹⁾ California Department of Finance. Population for fiscal year 2014 as of January 2014.

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

⁽³⁾ California Employment Development Department. Unemployment rate for fiscal year 2014 as of September 2014.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 County of San Bernardino Employment Statistics by Industry
 Fiscal Year 2014 and Nine Years Prior ⁽¹⁾

Industry Type	2014	Percentage of Total Employment	2005	Percentage of Total Employment
Agricultural services, forestry and fishing	2,100	0.30%	3,300	0.49%
Mining	900	0.13%	800	0.12%
Construction	29,100	4.19%	47,200	6.98%
Manufacturing	50,300	7.25%	68,100	10.07%
Transportation, warehousing and public utilities	65,300	9.41%	47,900	7.09%
Wholesale trade	37,200	5.36%	33,200	4.91%
Retail trade	88,000	12.69%	90,300	13.36%
Professional and business services	81,200	11.71%	78,200	11.57%
Education and health services	106,600	15.37%	74,100	10.96%
Leisure and hospitality	65,800	9.49%	55,700	8.24%
Information	5,000	0.72%	7,200	1.07%
Finance, insurance and real estate	22,400	3.23%	27,600	4.08%
Federal government-civilian	13,400	1.93%	12,300	1.82%
State government	12,500	1.80%	12,900	1.91%
Local government	92,600	13.35%	96,400	14.26%
Other services	<u>21,300</u>	<u>3.07%</u>	<u>20,800</u>	<u>3.07%</u>
Total	<u><u>693,700</u></u>	<u><u>100.00%</u></u>	<u><u>676,000</u></u>	<u><u>100.00%</u></u>

⁽¹⁾ Most current information available.

Source: California Employment Development Department.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
 Full-time Equivalent Employees by Function ⁽¹⁾
 Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General-council of governments support:										
Executive	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General counsel	2.0	2.0	2.0	1.0	-	-	-	-	-	-
Support services	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Public information	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Finance	8.5	6.5	6.5	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Legislative affairs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Management services	3.0	3.0	3.0	3.0	4.0	3.0	3.0	3.0	2.0	2.0
Air quality and traveler services	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Regional and subregional planning	5.0	5.0	4.0	4.0	9.0	9.0	9.0	8.0	6.0	6.0
Transit and passenger rail	5.0	5.0	5.0	4.0	4.0	4.0	4.0	2.0	3.0	3.0
Major project delivery	5.0	5.0	5.0	5.0	5.0	6.0	4.0	3.0	1.0	1.0
Fund administration and programming	8.0	7.0	7.0	7.0	-	-	-	-	-	-
Total full-time equivalent positions	<u>53.5</u>	<u>50.5</u>	<u>49.5</u>	<u>47.0</u>	<u>45.0</u>	<u>45.0</u>	<u>43.0</u>	<u>39.0</u>	<u>34.0</u>	<u>33.0</u>

⁽¹⁾ Authorized positions per adopted budget. Does not include contract positions for project management in major project delivery. Programming staff were reclassified from planning to fund administration in fiscal year 2012.

SAN BERNARDINO ASSOCIATED GOVERNMENTS
Operating Indicators by Function ⁽¹⁾
Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Air quality and traveler services										
Annual rideshare participants	750	997	1,213	1,373	1,416	1,370	2,557	1,422	2,158	2,086
Park and ride lots	21	19	19	19	17	18	18	15	15	14
Motorist assistance by freeway service patrol	34,669	34,141	30,347	35,894	36,366	84,564	34,370	42,750	29,286	12,226
Call boxes	1,048	1,244	1,224	1,224	1,192	1,245	1,343	1,395	1,438	1,502
Calls to 511	282,180	306,108	362,395	360,171	479,331	112,217	N/A	N/A	N/A	N/A
Visits to IE511.org	604,799	471,778	388,496	341,716	246,318	32,935	N/A	N/A	N/A	N/A
HERO program:										
Number of projects approved	5,987	4,433	-	-	-	-	-	-	-	-
Number of projects completed	5,128	3,458	-	-	-	-	-	-	-	-
Value of projects completed	\$ 94,925,696	\$ 59,481,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GWh saved	37.58	23.81	-	-	-	-	-	-	-	-
GHG reduction in tons	10,362	6,514	-	-	-	-	-	-	-	-
Transit and passenger rail										
Weekly commuter rail trips	11,078	11,159	12,044	12,325	11,523	11,700	13,162	12,493	11,979	11,857
Annual ridership on commuter rail	3,183,922	3,241,225	3,448,078	3,503,126	3,215,354	3,258,070	3,618,314	3,456,000	3,279,996	3,272,216
Transit operators	7	7	7	7	7	7	7	7	7	7
Transit projects	6	3	-	-	-	-	-	-	-	-
Passenger rail projects	5	7	-	-	-	-	-	-	-	-
Major project delivery										
Freeway projects	9	12	14	17	13	12	13	14	12	8
Freeway interchange projects	18	19	14	7	6	6	6	4	5	1
Grade separation projects	11	8	10	11	11	11	7	4	3	1
Transportation fund administration										
Project advancement agreements	24	24	24	24	24	24	19	19	18	N/A
Arterial program jurisdiction master agreements	16	16	16	16	16	N/A	N/A	N/A	N/A	N/A
Measure I Valley Major Street/Arterial allocation	\$ 8,292,988	\$ 2,297,670	\$ 4,176,710	\$ 8,400,000	\$ 6,351,000	N/A	N/A	N/A	N/A	N/A
Project advancement allocation-Valley interchange	\$ -	\$ 2,039,283	\$ 4,215,200	\$ 3,830,000	\$ 2,911,000	N/A	N/A	N/A	N/A	N/A
Project advancement allocation-Valley arterials	\$ 11,361,899	\$ 15,665,520	\$ 12,533,250	\$ 6,970,000	\$ 5,293,000	N/A	N/A	N/A	N/A	N/A
Victor Valley Major Local Highway Allocation	\$ 4,837,945	\$ 1,199,345	\$ 9,029,230	\$ 6,305,622	\$ 14,445,025	N/A	N/A	N/A	N/A	N/A
Rural Mountain/Desert Local Highway Allocation	\$ 8,770,963	\$ 713,630	\$ 1,975,000	\$ 450,000	\$ 3,553,108	N/A	N/A	N/A	N/A	N/A
Federal obligation authority redistribution received	\$ -	\$ 366,977	\$ 2,851,893	\$ 3,933,579	\$ 2,722,631	-	5,582,726	-	1,835,305	-

⁽¹⁾ Information provided by various departments.

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

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General-council of governments support										
Building-Santa Fe Depot	1	1	1	1	1	1	1	1	1	1
Sport utility vehicle	1	1	1	1	1	1	1	1	1	1
Transit and passenger rail										
Acres of commuter rail land easements	608.0	591.8	590.5	590.5	590.5	590.5	590.5	590.5	590.5	590.5
Acres of commuter rail parking land	16.9	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3