



MEETING AGENDA

TIME/DATE: **9:30 a.m. / Wednesday, January 10, 2024**

LOCATION: **BOARD ROOM
County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside**

COMMISSIONERS

Chair – Lloyd White

Vice Chair – Karen Spiegel

Second Vice Chair – Raymond Gregory

Kevin Jeffries, County of Riverside, District 1
Karen Spiegel, County of Riverside, District 2
Chuck Washington, County of Riverside, District 3
V. Manuel Perez, County of Riverside, District 4
Yxstian Gutierrez, County of Riverside, District 5
Sheri Flynn / Rick Minjares, City of Banning
Lloyd White / Julio Martinez, City of Beaumont
Joseph DeConinck / Johnny Rodriguez, City of Blythe
Linda Molina / Wendy Hewitt, City of Calimesa
Jeremy Smith / Jennifer Dain, City of Canyon Lake
Raymond Gregory / Mark Carnevale, City of Cathedral City
Steven Hernandez / Stephanie Virgen, City of Coachella
Wes Speake / Jim Steiner, City of Corona
Scott Matas / Russell Betts, City of Desert Hot Springs
Clint Lorimore / Todd Rigby, City of Eastvale
Linda Krupa / Malcolm Lilienthal, City of Hemet
Dana Reed / Ty Peabody, City of Indian Wells

Waymond Fermon / Oscar Ortiz, City of Indio
Brian Berkson / Armando Carmona, City of Jurupa Valley
Kathleen Fitzpatrick / Deborah McGarrey, City of La Quinta
Bob Magee / Natasha Johnson, City of Lake Elsinore
Bill Zimmerman / Dean Deines, City of Menifee
Ulises Cabrera / Edward Delgado, City of Moreno Valley
Cindy Warren / Ron Holliday, City of Murrieta
Berwin Hanna / Katherine Aleman, City of Norco
Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / To Be Appointed, City of Palm Springs
Michael M. Vargas / Rita Rogers, City of Perris
Meg Marker / Lynn Mallotto, City of Rancho Mirage
Chuck Conder / Patricia Lock Dawson, City of Riverside
Alonso Ledezma / Valerie Vandever, City of San Jacinto
James Stewart / Jessica Alexander, City of Temecula
Joseph Morabito / Ashlee DePhillippo, City of Wildomar
Catalino Pining, Governor's Appointee Caltrans District 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

www.rctc.org

MEETING AGENDA*

***Actions may be taken on any item listed on the agenda**

9:30 a.m.

Wednesday, January 10, 2024

Board Room

County of Riverside Administrative Center

4080 Lemon Street, First Floor, Riverside, CA

This meeting is being conducted in person as well as via teleconference. Please visit <https://rivco.org/constituent-speaking-request> to complete a speaker slip and receive further instructions to participate via teleconference. For members of the public wishing to submit written comments, please email comments to the Clerk of the Board at lmobley@rctc.org prior to January 9, 2024, and your comments will be made part of the official record of proceedings.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Commission may, either at the direction of the Chair or by majority vote of the Commission, waive this three-minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Commission may terminate public comments if such comments become repetitious. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Commission shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Commission should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. Commission members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. **ADDITIONS / REVISIONS** – *The Commission may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Commission subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Commission. If there are less than 2/3 of the Commission members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*
6. **CONSENT CALENDAR** – *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – DECEMBER 13, 2023

Page 1

6B. FISCAL YEAR 2022/23 COMMISSION AUDIT RESULTS

Page 21

Overview

This item is for the Commission to:

- 1) Receive and file the Fiscal Year 2022/23:
 - a) Annual Comprehensive Financial Report (ACFR);
 - b) Local Transportation Fund (LTF) Financial and Compliance Report;
 - c) State Transit Assistance (STA) Fund Financial and Compliance Report;
 - d) State of Good Repair (SGR) Fund Financial and Compliance Report;
 - e) Proposition 1B Rehabilitation and Security Project (Proposition 1B) Accounts Financial and Compliance Reports;
 - f) Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
 - g) Single Audit Report;
 - h) RCTC 91 Express Lanes Fund Financial Report;
 - i) 15 Express Lanes Fund Financial Report;
 - j) Debt Compliance Report;
 - k) Auditor Required Communications Report;
 - l) Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
 - m) Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives; and
 - n) Management certifications.

6C. QUARTERLY FINANCIAL STATEMENTS

Page 412

Overview

This item is for the Commission to:

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 2023.

6D. MONTHLY INVESTMENT REPORT

Page 421

Overview

This item is for the Commission to:

- 1) Receive and file the Monthly Investment Report for the month ended November 30, 2023.

6E. AGREEMENTS FOR ON-CALL MAINTENANCE AND REPAIR SERVICES FOR THE COMMUTER RAIL STATIONS AND TOLL FACILITIES

Page 424

Overview

This item is for the Commission to:

- 1) Award the following agreements to provide on-call maintenance and repair services for the commuter rail stations and toll facilities for a three-year term, with a one-year option to extend the agreement, for a total aggregate amount not to exceed \$16,850,000;
 - a) Agreement No. 24-24-034-00 to 4D Surface Management;
 - b) Agreement No. 24-24-049-00 to Joshua Grading & Excavating;
 - c) Agreement No. 24-24-050-00 to Real Estate Consulting & Services
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and
- 3) Authorize the Executive Director, or designee, to execute task orders awarded to the contractors under the terms of the agreements.

6F. RIVERSIDE COUNTY 2025 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM FINANCIAL RESOLUTION

Page 509

Overview

This item is for the Commission to:

- 1) Adopt Resolution No. 24-001, *“Resolution of the Riverside County Transportation Commission Certifying Riverside County has Resources to Fund Projects in the Federal Fiscal Years 2024/25 Through 2029/30 Transportation Improvement Program and Affirming Commitment to Implement All Projects and Phases as Applicable in the Program”*.

7. AMENDMENT TO THE METROLINK MEMORANDUM OF UNDERSTANDING FOR FISCAL YEAR 2023/24

Page 517

Overview

This item is for the Commission to:

- 1) Approve an advance of Local Transportation Funds (LTF) of \$7,365,769 for the Commission's share of preventative maintenance operating expenses for the Southern California Regional Rail Authority (SCRRA) in Fiscal Year (FY) 2023/24; and
- 2) Authorize the Executive Director to finalize and execute Memorandum of Understanding (MOU) Amendment No. 1 No. 23-25-079-01, pursuant to legal counsel review, with SCRRA regarding the advance of funds.

8. DRAFT COOPERATIVE AGREEMENT WITH THE CITY OF WILDOMAR AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS FOR THE PREPARATION OF THE BUNDY CANYON ROAD AND WILDOMAR TRAIL INTERSTATE 15 INTERCHANGES PROJECT STUDY REPORTS

Page 530

Overview

This item is for the Commission to:

- 1) Approve Cooperative Agreement No. 24-31-055-00 with the city of Wildomar and Western Riverside Council of Governments (WRCOG) for the preparation of two separate Project Study Reports (PSR's) for the Bundy Canyon Road and Wildomar Trail Interstate 15 Interchange projects (project); and
- 2) Authorize the Executive Director, pursuant to legal counsel review, to execute the agreement and future non-funding agreements and/or amendments on behalf of the Commission.

9. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 540

Overview

This item is for the Commission to:

- 1) Receive and file a state and federal legislative update.

10. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

11. EXECUTIVE DIRECTOR REPORT

12. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

13. ADJOURNMENT

The next Commission meeting is scheduled to be held on **Thursday and Friday January 25-26, 2024.**

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING MINUTES

Wednesday, December 13, 2023

1. CALL TO ORDER

The Riverside County Transportation Commission was called to order by Chair Bob Magee at 9:30 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501. For public comment visit <https://rivco.org/constituent-speaking-request> to complete a speaker slip.

2. ROLL CALL

Commissioners/Alternates Present

Mario Amancio
Brian Berkson
Chuck Conder
Ulises Cabrera
Joseph DeConinck
Waymond Fermon*
Kathleen Fitzpatrick
Raymond Gregory
Berwin Hanna
Jan Harnik
Steven Hernandez
Kevin Jeffries
Linda Krupa
Clint Lorimore
Bob Magee
Meg Marker
Scott Matas

Lisa Middleton
Linda Molina
Joseph Morabito
V. Manuel Perez*
Dana Reed
Jeremy Smith
Karen Spiegel
James Stewart
Wes Speake
Michael M. Vargas
Valerie Vandever
Cindy Warren*
Chuck Washington
Lloyd White
Bill Zimmerman

Commissioners Absent

Sheri Flynn
Yxstian Gutierrez

*Arrived after the meeting was called to order.

3. PLEDGE OF ALLEGIANCE

Vice Chair Lloyd White led the Commission in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR

**M/S/C (Gregory/Berkson) to approve the following Consent Calendar items.
Commissioner Speake recused himself on Agenda Item 6F.**

6A. APPROVAL OF MINUTES – NOVEMBER 8, 2023

6B. PROPOSED 2024 COMMISSION/COMMITTEE MEETING SCHEDULE

- 1) Adopt its 2024 Commission/Committee Meeting Schedule.

6C. MONTHLY INVESTMENT REPORT

- 1) Receive and file the Monthly Investment Report for the month ended October 31, 2023.

6D. AMENDMENT TO PROJECT AND CONSTRUCTION MANAGER SERVICES FOR THE INTERSTATE 15/STATE ROUTE 91 EXPRESS LANES CONNECTOR PROJECT

- 1) Approve Agreement No. 15-31-001-14, Amendment No. 14 to Agreement No. 15-31-001-00, with Parsons Transportation Group, Inc. (Parsons) to provide additional project and construction management (PCM) services for the Interstate 15 (I-15)/State Route 91 (SR-91) Express Lanes project (15/91 ELC) in the amount of \$2,330,533, plus a contingency of \$233,053, for an additional amount of \$2,563,586; and extend the term to June 30, 2027;
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and
- 3) Authorize the Executive Director or designee to approve contingency work up to the total not to exceed amount as required for the Project.

6E. AGREEMENT FOR JANITORIAL SERVICES FOR THE COMMUTER RAIL STATIONS AND TOLL FACILITIES

- 1) Award Agreement No. 24-24-005-00 to Ultimate Maintenance Services, Inc. to provide janitorial services for the Commuter Rail stations and toll facilities for a three-year term, and one, two-year option to extend the agreement, in the amount of \$1,057,345, plus a contingency amount of \$105,735, for a total amount not to exceed \$1,163,080;

- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and
- 3) Authorize the Executive Director, or designee, to approve the use of the contingency amount as may be required for these services.

6F. AMENDMENT NO. 4 WITH WSP USA INC., FOR PROFESSIONAL SERVICES, AND OPERATIONS AND MAINTENANCE AGREEMENT WITH CALTRANS FOR THE INTERSTATE 15 SMART FREEWAY PILOT PROJECT

- 1) Approve Agreement No. 21-31-063-04, Amendment No. 4, to Agreement No. 21-31-063-00 with WSP USA Inc., (WSP) to provide professional services for the Interstate 15 SMART Freeway Pilot Project (Project), in the amount of \$698,102 plus a contingency amount of \$69,810 for an additional amount of \$767,912, and a total amount not to exceed \$4,767,912;
- 2) Approve Agreement No. 23-31-063-00 with Caltrans for the draft operations and maintenance (O&M) of the Project;
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission;
- 4) Authorize the Executive Director, or designee, to approve contingency work as may be required for the Project; and
- 5) Authorize the Executive Director or designee, pursuant to legal counsel review, to execute non-funding amendments to the agreements on behalf of the Commission.

6G. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2023.

6H. TRAFFIC RELIEF PLAN PUBLIC ENGAGEMENT PROGRAM

- 1) Award Agreement No. 24-15-032-00 to AlphaVu for Public Engagement Program services for an eight-month term, in an amount not to exceed \$986,034; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.

6I. STATE AND FEDERAL LEGISLATIVE UPDATE

- 1) Adopt the Commission's 2024 State and Federal Legislative Platform; and
- 2) Receive and file a state and federal legislative update.

6J. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY - SEPTEMBER 2023

- 1) Receive and file the Quarterly Public Engagement Metrics Report for July - September 2023.

6K. RIVERSIDE COUNTY ZERO-EMISSION BUS ROLLOUT PLANS AND FUNDING AND IMPLEMENTATION STRATEGY

- 1) Receive and file an update on the Riverside County Zero-Emission Bus (ZEB) Rollout Plans and Funding and Implementation Strategy (Project);
- 2) Direct staff to review existing transit funding policies and continue to work with the transit operators to strategize and leverage revenue sources to support the transition to zero-emission; and
- 3) Award sole source Agreement No. 24-62-042-00 with Center for Transportation and the Environment (CTE) for ongoing plan updates and zero-emission technical assistance for a three-year term in the amount of 150,000, plus a contingency of \$15,000, for a total amount not to exceed \$165,000.

At this time, Commissioners V. Manuel Perez, Cindy Warren, and Waymond Fermon joined the meeting.

7. CITY OF DESERT HOT SPRINGS REQUEST FOR A LOAN FOR STORM DAMAGED ROAD REPAIRS PROJECT

Sergio Vidal, Chief Financial Officer, presented the city of Desert Hot Springs (City) request for a loan for storm damaged road repairs project, highlighting the following:

- Overview
 - ✓ **August 2023** – Tropical Storm Hilary hit the Coachella Valley
 - ✓ **Impact:** Extensive flood damage on Mission Creek Watershed
 - Major Arterials impacted:
 - Dillon Road
 - Little Morongo Road
 - Indian Canyon Drive
- City approach
 - ✓ **September thru October 2023** – Assessed impact of the storms and sought Federal and/or State funding to expedite reconstruction of damaged infrastructure
 - ✓ **November 2023:** Desert Hot Springs City Council approved emergency contract repairs with three contractors to perform work on the impacted arterials
 - ✓ **November 2023:** City received approval from Federal Highway Administration (FHWA) for up to \$7.5 million in funding

- Preliminary loan terms

Sergio Vidal noted that the Frank Luckino, City Manager from City of Desert Hot Springs, is also here to answer any questions.

Commissioner Scott Matas supports this item and discussed how the flood devastated their community. The Mission Creek Wash was the hardest hitting wash in Riverside County during Tropical Storm Hilary, and it devastated three main arterials at the west end. He stated they were struggling when Frank Luckino became the city manager last month on how to fund this project. He expressed appreciation as these funds will make sure this happens and the federal government will be repaying it back in one to four years. He made the motion to approve staff recommendation.

M/S/C (Matas/Hernandez) to:

- 1) Approve Agreement No. 24-31-052-00 to loan the city of Desert Hot Springs (City) 2009 Measure A funds in the amount of \$7,500,000 for Storm Damaged Road Repairs Project (Project) with the City's repayment of the loan anticipated from federal Emergency Relief (ER) Program funds; and**
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to develop, finalize and execute the agreement, on behalf of the Commission.**

8. AGREEMENT FOR PROJECT AND CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERSTATE 15 EXPRESS LANES PROJECT SOUTHERN EXTENSION

Jeff Dietzler, presented the Interstate 15 Express Lanes Project Southern Extension (ELPSE) for project and construction management (PCM) services, highlighting the following areas:

- Project scope
 - ✓ Dual Express Lanes in Median
 - ✓ Limits: Cajalco Road to State Route 74
 - ✓ \$650 Million Total Capital Cost
- Current ELPSE Project Schedule
- Interstate 15 Ad Hoc Committee Summary
 - ✓ Discussed and approved at the March 27, 2023 Interstate 15 Ad Hoc Committee
 - Initiate an Investment Grade T&R Study
 - Quantify impacts to the 15 EL toll revenue and TIFIA loan covenants
 - Support potential funding strategies for the ELPSE

- Proceed with Progressive Design-Build delivery and procurement of PCM Services
- Progressive Design-Build – ELPSE
 - ✓ Senate Bill 617 (passed 10/4/23), authorizing the use of Progressive Design-Build delivery for local agency transportation projects
 - ✓ Collaborative approach between agency and contractor
 - Early contractor input and innovation
 - Potential for both phased project delivery and phased project funding
- PCM Services Procurement
- Funding / Budget Adjustment
 - ✓ Federal Funding for PCM Services Obligated May, 2023 = \$67 million; balance of \$19.6 million with Local Funds (Measure A).
 - ✓ Fiscal Year 23/24 Budget allocated \$2 million for PCM services. Based on the negotiated scope and schedule for PCM services, a budget adjustment increase of \$3.4 million is needed in FY 23/24.

In response to Commissioner Speake's question if the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan convenance will come back to this Commission for review.

Anne Mayer stated that the Commission will be the entity making the decision whether they pursue a TIFIA loan so absolutely.

In response to Commissioner Joseph Morabito's question if these lanes will eliminate the bottleneck on I-15 south, Jeff Dietzler replied that currently the bottleneck southbound at Cajalco it goes to two tolled express lanes and a merge with three general purpose lanes. The scope of this project takes those two lanes and extends them through on down to Lake Elsinore and then taper out like it currently does in Corona.

Commissioner Morabito stated those that still live in southwest Riverside County will probably still experience that.

Chair Magee replied that Commissioner Morabito is correct as the traffic is further moving south.

Anne Mayer stated as a part of the scope of the project staff is looking to see how they will transition that south end of the project, so it is not as abrupt as the one to the north. As they have seen with many projects, they build one section of a corridor it just shifts the bottleneck somewhere else.

M/S/C (Reed/Spiegel) to:

- 1) **Award Agreement No. 24-31-004-00 with Parsons Transportation Group Inc. to provide project and construction management (PCM) Services for the Interstate 15 Express Lanes Project Southern Extension (ELPSE) for an eight-year term in the amount of \$78,702,500, plus a contingency amount of \$7,870,250, for a total amount not to exceed \$86,572,750;**
- 2) **Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission;**
- 3) **Authorize the Executive Director, or designee, to approve contingency work up to the total not to exceed amount as required for these services; and**
- 4) **Approve an increase in the Fiscal Year 2023/24 Budget from \$2,000,000 to \$5,364,161.**

9. AMENDMENT NO. 11 WITH MICHAEL BAKER INTERNATIONAL FOR THE SANTA ANA RIVER TRAIL PROJECT 2 – PHASE 6 AND ADDITIONAL CONTINGENCY

Joie Edles Yanez, Capital Projects Manager, presented the Santa Ana River Trail (SART) Project 2 – Phase 6 on the amendment to environmental and design contract, highlighting the following:

- SART background
 - RCTC has been managing the SART projects for Riverside County Regional Park and Open-Space District (RivCo Parks) since 2015
 - All costs reimbursed by RivCo Parks
 - Last remaining gaps in 110-mile trail from mountains to sea
 - Equestrian, bicyclist, pedestrian ADA accessible trail
- SART – Phase 6
 - Key Features
 - ✓ 1.65 miles of trail
 - ✓ Features two (2) bridges
 - 1 over railroad
 - 1 over Aliso Creek
 - ✓ Adjacent to Green River Golf Club
 - ✓ Construction Cost Estimate: \$26.6 million
 - ✓ Status: 90 percent Design
- SART Bridges
 - Burlington North Santa Fe (BNSF) Bridge:
 - ✓ Overhead Bridge for BNSF railroad tracks
 - ✓ Replaces existing at-grade crossing
 - ✓ Bridge is 180 ft long, 20 ft wide
 - Aliso Canyon Creek Bridge:
 - ✓ Pedestrian bridge over Aliso Canyon Creek
 - ✓ Bridge will be 180 feet long, 20 feet wide

- ✓ Anticipated users are pedestrians, cyclists, equestrians, golf course maintenance
- SART history
 - November 2017 – Contract with MBI for environmental and design
 - January 2022 – Environmental document approved
 - Early 2024 – 100 percent design submittal anticipated
 - Late 2024/Early 2025 – Construction
 - Encountered several scope changes due to coordination with various stakeholders
 - Total of 11 Amendments to MBI’s PA&ED PS&E contract
 - ✓ Amendment 7 and 11 requested additional funding
 - ✓ All other amendments were key personnel changes / utilized contingency
- Changes to scope
 - Changes in retaining walls for BNSF bridge after receiving submittal review comments from BNSF
 - Changes to foundation for Aliso Canyon Creek bridge after receiving submittal review comments from Metropolitan Water District (MWD)
 - Additional budget for increased coordination efforts to address concerns with utilities and comments from project stakeholders
 - Requesting additional \$459,647
 - RivCo Parks has concurred
- Increased contingency
 - Staff performed an independent cost estimate, reviewed historical issues resulting in increased costs and performed projections of costs to complete and is recommending an increased contingency
 - Contingency can only to be utilized when justified and authorized by Staff and RivCo Parks
 - Even with increased contingency, MBI’s total contract cost for design is at 8 percent, which is less than the standard threshold being 10 percent of the construction cost
- Fiscal impact
 - Proposition 84 Grant funds provided by the State Coastal Conservancy and secured by RivCo Parks

Commissioner James Stewart stated he is also a member of Western Riverside County Council of Governments (WRCOG) and WRCOG is looking to form a vehicle miles traveled (VMT) mitigation bank and asked if the Commission has looked into using projects like this as opportunities for cities and regional commissions like this who want to do projects to be able to contribute to in order to mitigate their VMTs.

Anne Mayer replied yes and stated they are working collaboratively with WRCOG staff as they are developing a potential VMT mitigation bank. Staff has discussed items like trails and pedestrian facilities Riverside Transit Agency (RTA) has also been engaged in the

conversation about trying to fold transit in more specifically for the Commission it is related to things like commuter bus service, and RCTC is also looking at putting land into conservation as a VMT mitigation.

Commissioner Stewart replied that it would be great to leverage these and get them paid for by other people.

M/S/C (Spiegel/Harnik) to:

- 1) Approve Agreement No. 17-67-027-11, Amendment No. 11 to Agreement No. 17-67-027-00, with Michael Baker International (MBI) for additional scope of services, as part of planned construction of the Santa Ana River Trail Project (SART) 2 through Green River Golf Course (Project) in the amount of \$222,980, plus a contingency amount of \$236,667, for an additional amount of \$459,647, and a total contract amount not to exceed \$2,609,259;**
- 2) Authorize the Executive Director or designee to approve contingency work as may be required for the Project; and**
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement on behalf of the Commission.**

10. SENATE BILL 125 FORMULA-BASED FUNDING FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM AND ZERO EMISSION TRANSIT CAPITAL PROGRAM

Lorelle Moe-Luna, Multimodal Services Director, presented the SB 125 Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) update, highlighting the following areas:

- Background
 - 2023 State Budget trailer bills: one-time formula funding
 - ✓ \$4 billion of general fund to TIRCP over 2 years
 - ✓ \$910 million of cap-and-trade funds and \$190 million from the Public Transportation Act to ZETCP over 4 years
 - Administered by CalSTA
- SB 125 Program objectives
 - Reduce greenhouse gas emissions
 - Expand and improve transit service to increase ridership
 - Integrate the rail service of the state's various rail operations
 - Improve transit safety
- SB 125 process
 - CalSTA established program guidelines
 - Eligible projects
 - ✓ Transit/rail operations and capital

- ✓ Grade separations and rail crossing improvements
- All funding distributed to RTPAs such as RCTC for allocation
- Submit recommendations to CalSTA by Dec 31, 2023
- Recommendations based on RCTC goals, plans, and priorities
- SB 125 RCTC available funding
- A list of the Zero Emission and Transit Capital Projects
- A map of the Transit Projects
- A list of Passenger Rail Project Development
- A map of the Rail Projects
- Distribution of funds
- Distribution of funds by subregion

M/S/C (Gregory/Smith) to:

- 1) Approve the funding recommendations in Attachment 1 for the Senate Bill 125 (SB 125) Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) for Fiscal Year 2023/24;**
- 2) Direct staff to prepare and execute funding agreements with the project sponsors to outline the project schedule and local funding commitments;**
- 3) Authorize the Executive Director to execute the funding agreements with the project sponsors, pursuant to legal counsel review;**
- 4) Approve an amendment to the FY 2023/24 budget to receive the first-year allocations of TIRCP and ZETCP formula funds in the amounts of \$123,382,700 and \$14,828,290, respectively; and**
- 5) Approve a FY 2023/24 budget adjustment of \$791,214 for expenses related to the TIRCP and ZETCP formula funds.**

11. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS CORRECTIVE ACTION FOR FEDERAL FORMULA FUNDS

Jillian Guizado, Planning and Programming Director, presented the Southern California Association of Governments (SCAG) corrective action for federal formula funds update, highlighting the following areas:

- Introduction
- The SCAG region
- Available funds - Surface Transportation Block Grant (STBG) and Congestion Mitigation Air Quality (CMAQ)
- Recommendation levels as approved by RCTC Budget and Implementation (B&I) Committee
- Second Criteria for the highly recommended level that would give Coachella Valley the opportunity to achieve the maximum points

- RCTC process – Step 1: Intake Form; Step 2: Full nomination application; Step 3: Forward nominations to SCAG
- SCAG evaluation criteria
- Schedule highlights
- Not a lot to go around

Chair Magee noted that Commissioner V. Manuel Perez provided a letter to Anne Mayer on December 12 and copies were distributed to the Commissioners at the dais.

Erica Felci, representing CVAG, reiterated the message provided to the Commissioners as Attachment 3 in the agenda packet and a letter from CVAG's Executive Director Tom Kirk. The first ask is about this first call for projects and the language Jillian Guizado outlined to include the LTCAP project from the CVAG TPPS into the highly recommended category. Last week the California Transportation Commission (CTC) awarded \$50 million for the Indian Canyon Project in the Coachella Valley (CV) and are looking to leverage that as part of the highly recommended. CVAG's second ask is CVAG has a formal commitment from RCTC to work together to amend these procedures for future rounds. They need rules to share equitable access to fair competition and the rules are not written to favor a project and any future rules need to be in line with the MOU all the agencies agreed with. She then discussed how a few years ago at a CTC meeting they lost almost \$125 million for CV Link over just four points.

Commissioner V. Manuel Perez expressed appreciation for a thorough report and to CVAG, Erica Felci, and the team for their efforts in trying to ensure moving forward with projects in Riverside County; the issue of equity is front and center. He is requesting an amendment to include the TPPS projects and there be future discussions to ensure collaboration continues. He does not see any type of entity throughout the state of California that looks like this Commission, works like this Commission, gets the job done like this Commission, and the reason for that is they have managed to overcome the challenges they have had in the past and ultimately, they win. He asked staff to respond to that or to the CVAG letter sent on December 4, 2023, or to his letter, or to his colleague's questions that may be coming up as well.

Anne Mayer expressed appreciation to Commissioner Perez for highlighting the relationships in Riverside County and how much they have been able to accomplish over her 18 years as the RCTC Executive Director; noting she takes great pride into those relationships and accomplishments. This program was approved by SCAG this summer as a limited call for projects of only \$275 million. She assured that the next call for projects will be different; it will likely have the performance criteria SCAG is using to measure projects. They are pleased SCAG allowed the regional transportation planning agencies to be engaged and have the chance to prioritize projects within their county. The discussions between RCTC staff and CVAG staff have also rounded the conversation about the challenges from an RCTC staff standpoint with moving the TPPS program in its entirety to the highly recommended category. If the Commission wants to move the TPPS projects

into the highly recommended, staff suggests moving the Western County Transportation Uniform Mitigation Fee (TUMF) program into the highly recommended. She discussed the issues if RCTC is not prioritizing projects within their county and how this Commission has to set up criteria. RCTC's past practice demonstrates how sincere staff is with this as they have always looked at equity throughout the county and geographic balance. She referred to Agenda Item 10 on the agenda and the percentage that went to benefit the CV which has been demonstrated over again. Staff asked CVAG staff what they want to put in the highly recommended category and RCTC staff put in what they asked for and Indian Canyon will be a highly competitive project.

Chair Magee requested to display slide 6 that includes the project list.

Commissioner Steven Hernandez expressed appreciation to RCTC staff and Anne Mayer because they are trying to get the Commission some money and score well. The ask is two-fold; one they look at Indian Canyon Project to put into the highly recommended and second is to come back and look at a process that they would not include the whole TPPS program. He requested they work with the CV to come up with a formula or come up with the best projects that will score well. He stated change is hard but from an equity and a fairness standpoint that the next round staff will allow them locally to submit a project that will compete.

Anne Mayer replied other counties are not using programmatic categories; they are not giving a general any project in any plan, which is basically what the Commission is saying any project in the TPPS, any project in Western County TUMF, any project in the Measure A 10-Year Delivery Plan is eligible. Other counties are using performance measures to screen projects related to greenhouse gas reduction and VMT reduction. She concurred that other counties are allowing any project to compete but are screening by using performance measures and next time that is probably the way this Commission will need to do it. There are key priority projects throughout the County that have been designated as priorities by their communities, RCTC, or CVAG that need money and one of staff's original suggestions is they include as highly recommended projects that already have federal funding that need cost increases. The other issue is the MOU between RCTC and CVAG as these programs are no longer about formulas there are no more formulas. She hears the concerns about fair share but if the Commission starts adopting formulas within the county the Commission would be in violation of federal guidance.

Commissioner Matas concurred with the Commissioners comments and supports RCTC staff in what they are saying. As the CVAG Chair this year and he has been on this Commission for 15 years has always trusted RCTC staff and CVAG staff on coming together with a plan and believes the Commissioners concurred this model needs to change. He is committed that he and the CVAG Executive Director will come up with a plan for a priority of projects in CV on the TPPS plan and clarified with Anne Mayer that it needs to qualify with federal funding to be competitive for these types of projects. He supports Commissioner Perez's comments as the TPPS would be important to move up to the

highly recommended, but it would need to be fair with WRCOG. He concurred with the current recommendations, but he does want to see the model change.

Commissioner Speake expressed appreciation for getting into so much detail and understands the CV Commissioners' concerns and concurred that everyone should have an opportunity to compete. However, he concurred with Anne Mayer as they need to make sure they put the best projects in front and this Commission has worked well together to try to cross these lines, as arbitrary as they are sometimes. He suggested the Commission go forward with the best opportunity to capture as much as possible from their state partners and for the Commission to move forward with Anne Mayer's plan.

Commissioner Harnik expressed appreciation for all the hard work on this and for making it much easier to absorb. She represents SCAG and they take tremendous pride in taking any policy or planning effort to build it from the ground up. She expressed appreciation that SCAG did a good job with this by making sure their CTCs have a voice in how this works. There has been discussion the Indian Canyon project has become highly recommended because it would qualify. It is a community that gets isolated and Indian Canyon is one more example of that occurring. In talking about the TPPS program they have come up with a solution with the Indian Canyon project but they need to make sure the Commission has an amendment going forward that CVAG, RCTC, and WRCOG will work together to come up with a procedure that guarantees the highest level social economic equity geographic equity to put forth their best projects and they know that through the Traffic Relief Plan there are projects throughout this county that need to be built. She suggested they need to amend this motion to state they will get together to work out a policy procedure that benefits everybody throughout the County.

Commissioner Perez expressed appreciation for the points being made and concurred this is going to require their staffs to get together to discuss short term, mid-term and long-term solutions and what the process is going to look like in ensuring success for everyone. He understands and accepts that amendment and asked unless folks in the city of Desert Hot Springs or in the west valley do not think their Indian Canyon project should be a part of this first phase as he felt it should be. He wanted that to be considered as another piece of this amendment and thanked Commissioner Gregory for the work he did at the B&I Committee meeting in identifying the difference to have this type of conversation that needed to be had.

Commissioner Waymond Fermon concurred with the Commissioners' comments and stated he was five minutes late because it took him two hours to get to downtown Riverside from Indio. That speaks to the growth in the future and for the Commissioners in the valley to be competitive moving forward with these funds although some of the other projects in Western Riverside County are important as well. With growth comes more cars, traffic, gridlock, and they are getting there in the valley, and he supports those amendments and performance measures moving forward. As Commissioner Perez noted they have to pivot equitably as well because it is not just down in the CV it is folks in Blythe

and in Mecca and Thermal. The challenges that city of Desert Hot Springs faced during the storms they also faced on the I-10 corridor, and they cannot afford for that to happen again. He appreciates the collaborative approach this Commission, staff, and Anne Mayer have shown in the past and they hope moving forward they continue collaborating to put the best projects forward.

Commissioner Clint Lorimore expressed appreciation for the discussion on this item; it is critical they weigh in as a Commission and they need to prioritize because it is only \$33 million. In looking at some of the previous items put forward today this is a very small amount in comparison, so they need to be very strategic in what they put forward. There has been this change from the federal government in their rules related to these dollars and it is unfortunate, but this is the first call for projects. Riverside County is a very big county geographically as well population-wise, but when talking about equity they are 2.5 million people as a county and in the CV there is 500,000 people approximately. If they are being equitable to population then it should be in Western Riverside County but there is a need to continue to work together and put forward something that is strategic as a recommendation to SCAG.

Commissioner Gregory clarified they were not asking to downgrade the projects originally recommended, they were asking if they have other projects in the County that will score highly. The discussion that occurred at B&I Committee meeting was not to add in all the projects that anybody had proposed in the County and appreciated the compromise that has been put forward. He stated if the Commission has a limited number of high-quality projects, they should allow them to move forward regardless of what region of the County they are from. He sees the compromise that was proposed that is on the screen now and understands as this has already been expressed this is a formula that will be revisited with all the affected stakeholders. He then moved to adopt the recommendation that is on the screen which includes the CVAG compromise.

Commissioner Middleton concurred with Commissioner Gregory's comments and seconded the motion.

In response to Commissioner Spiegel's clarification all TPPS projects, not just the Indian Canyon project was added after the B&I Committee meeting understanding they do have a limit of \$33 million of that pie, Anne Mayer replied no, they no longer have a fair share. If they go on past shares, it is usually about 12 percent so Jillian Guizado was trying to frame for the Commissioners what a likely target might be, but they could get zero or they could get \$200 million. If CV Rail was at a point where it would be eligible it would go up against any project anywhere in the six counties, but they do not have a share that is guaranteed. This is a very small call for projects the next call for projects that SCAG has will be over \$1 billion and clarified with Jillian Guizado. Jillian Guizado replied if congress authorizes it will be over \$1 billion.

Anne Mayer clarified the amount for the next call for projects could be over \$1 billion and it is staff's intent they need to start ramping up now to set up their internal county structure to go after that money as competitively as possible.

In response to Commissioner Spiegel's clarification that they have now put all CVAG TPPS in, Jillian Guizado replied yes, they are under the 40 points which is under the recommended category. In response to Commissioner Spiegel's question if it is just Indian Canyon project under the 50 points, Jillian Guizado replied yes.

Anne Mayer clarified every member agency of RCTC, every transit agency, and every tribal partner within the County can submit any project they want to this process. This is not limiting which projects can be submitted it is merely allocating specific points to highly recommended, recommended, and contingency list projects. The top category has two categories; one in Western County and one in the CV and there is one project in the CV that would be in that category and in Western County there is one project that is in the delivery plan Groups 1 and 2 category. Both Western County and the CV will likely have one project submitted that gets those 50 points.

Commissioner Perez clarified he heard from his colleagues they want to go with staff recommendation, which he concurred and that it includes the Indian Canyon project and second it includes there are conversations moving forward between CVAG, RCTC, and WRCOG to make it happen in the future so they can all win. Anne Mayer replied yes to both. Commissioner Perez stated he supports the amended recommendation.

Commissioner Harnik clarified regarding the recommendation they are taking the Indian Canyon project and she thanked everyone for their thoughts and patience on this. She reiterated they heard what they may get if congress decides to, and they know what happens with budgets there are no guarantees. She clarified when they are saying they are going to support the recommendation she does not see in it where it directs RCTC and CVAG staff to work together to evaluate the program and revise the procedures for future cycles and requested to have that as an amendment to the motion.

Anne Mayer replied those specific words are not in the staff recommendation in the staff report they do indicate they would recommend changing the process for the next round and historically they have always collaborated on setting up these processes.

Commissioner Harnik stated she knows they have always worked together throughout the County, and they see that in the great projects that have been developed. She would like to nonetheless offer this amendment and asked if it is acceptable.

Commissioner Gregory replied as the maker of the motion would accept that except, he would ask it to be RCTC work with all stakeholders in determining the next round.

Anne Mayer clarified that is always what they do and expressed appreciation to have that as part of the motion.

Commissioner Chuck Washington expressed appreciation to Commissioner Gregory for his last comments and stated in the interest of fairness in looking at regions sometimes they get bogged down with the titles and labels on groups.

Chair Magee clarified they have an amended motion and a second, the amendment is to direct staff to work with all affected member agencies moving forward.

M/S/C (Gregory/Middleton) to:

- 1) Approve the RCTC Procedures for the Southern California Association of Governments (SCAG) 2024 Call for Project Nominations (nomination procedures);**
- 2) Authorize the Executive Director to submit to SCAG the project nomination list based on the nomination procedures;**
- 3) Approve Agreement No. 24-66-041-00, a Memorandum of Understanding (MOU) with SCAG;**
- 4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and**
- 5) Direct staff to work with all affected member agencies moving forward.**

12. ELECTION OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION OFFICERS

Chair Magee opened the nominations for the election of officers for 2024 for Chair, Vice Chair, and Second Vice Chair and stated they can open this up for individual nominations or make a block motion for all three officer positions.

Commissioner Molina nominated Commissioner Lloyd White for Chair, Commissioner Karen Spiegel for Vice Chair, and Commissioner Brian Berkson for Second Vice Chair.

Chair Magee clarified Commissioner White for Chair, Commissioner Spiegel for Vice Chair, and Commissioner Berkson for Second Vice Chair.

Commissioner Reed made a substitute motion and nominated Commissioner White for Chair, Commissioner Spiegel for Vice Chair, and Commissioner Gregory for Second Vice Chair.

Commissioner Harnik seconded the motion.

Commissioner Krupa seconded Commissioner Molina's motion. No other nominations were received.

Chair Magee clarified there are two competing nominations and referred to Lisa Mobley, Director of Administrative Services/Clerk of the Board to announce how to move forward.

Lisa Mobley replied the Commission's Administrative Code states if there are two nominations, she would do a roll call vote and the Commissioners would cast their vote for either of the nominees.

Commissioner Spiegel discussed how the Commissioners have been trying to rotate and allow east and west to be represented. She suggested Commissioner Gregory would be a perfect addition and explained every other year a supervisor had to be chair and as a city council member at the time, she felt it should not be that way and it did get changed. Now it is the Supervisor, east, and west is how they try it does not always happen but that is what their goal is.

Vice Chair White stated that often the city of Beaumont and the Pass Area in general is placed in the western county and they have lots of common interests in the eastern county, so he takes issue with that as Beaumont is in the middle and they have issues on both sides. He concurred with Commissioner Spiegel and will be supporting Commissioner Gregory for Second Vice Chair.

Commissioner Washington suggested instead of relying on their recollections they should adopt a policy that outlines exactly what they are going to vote for and who is entitled. He has a busy year coming up as Chair for the Board of Supervisors and thoroughly enjoys the work he does for the County and appreciates RCTC, and the Commissioners. He has not decided who he is going to vote for.

Anne Mayer stated Commissioner Spiegel mentioned when RCTC changed its Administrative Code, which is the Administrative Code that governs this organization the only requirement in the Administrative Code is that there has to be one city representative and one supervisor so those are the two criteria they as a commission follow. Since that Administrative Code has been adopted it has always been consistent with that and the taking turns back and forth between the eastern county and the western county is an informal practice that sometimes it is followed.

In response to Commissioner Conder's clarification regarding both motions, Lisa Mobley replied that the nominees for Second Vice Chair are Raymond Gregory and Brian Berkson, the nominee for Chair is Lloyd White for Vice Chair it is Karen Spiegel.

Lisa Mobley stated she will call their name to register a yay or a nay for the nominees and then indicate either Berkson or Gregory for second vice chair. After the votes were tallied, Lisa Mobley announced there were 11 votes for Commissioner Berkson and 20 votes for Commissioner Gregory for Second Vice Chair.

Chair Magee closed the nominations. Lloyd White was elected as the Commission's Chair, Karen Spiegel as Vice Chair, and Raymond Gregory as Second Vice Chair for 2024.

13. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION

There were no items pulled from the Consent Calendar.

14. EXECUTIVE DIRECTOR'S REPORT

Anne Mayer announced:

- She has always admired this Commission's ability to have difficult conversations and make difficult decisions but do so with the best interest of the region and that is very much appreciated as their staff.
- At the CTC meeting on December 6-7, 2023, there was an item on the agenda for San Bernardino County Transportation Authority's (SBCTA) I-15 NEXT Project; it was a \$202 million allocation of State Transportation Improvement Program funding local program funding and Trade Corridor Enhancement Program funding that project had been approved by the CTC to be funded out of all those programs and the vote for the allocation of funding to that project failed. SBCTA is ready to go to construction on a critical infrastructure project and the reason cited were VMT induced travel demand, a highway project should not be going forward in any state program, and RCTC will work with their partners at SBCTA to offer any support they can. This will be reheard at the end of January 2024 in Modesto so staff will keep everyone posted. This is the first significant demonstration that several CTC Commissioners could decide to vote no on something that has been programmed in an approved program.
- She is very privileged to announce that the Executive Committee executed a contract with their next Executive Director Aaron Hake effective on May 2, 2024, and congratulated him. She thanked the Executive Committee for their wise decision and is grateful to Aaron Hake as he is going to be a terrific leader leading RCTC into the next generation.

15. COMMISSIONER COMMENTS

- 15A.** Commissioner Jeffries stated regarding Anne Mayer's comment about the CTC no longer representing transportation it suddenly makes former Supervisor Jeff Stone's idea of a split of state of California look reasonable.
- 15B.** Commissioner Spiegel asked Anne Mayer if there is value if the Commissioners and the other counties write letters of support.

Anne Mayer replied absolutely, they have already coordinated with SBCTA, and they want to follow their lead. Aaron Hake and Ray Wolfe, SBCTA Executive

Director, met with Senator Richard Roth on December 12; Senator Roth is engaging as part of this is in Riverside County. Those conversations have already started, and letters will be appropriate it is also possible there could be some people going to Modesto to testify in person, and the CTC Commission meeting is on the same day as the Commission Annual Workshop. The CTC takes testimony remotely there will be a coordinated effort and it will involve many organizations and entities in Riverside County both from letter writing and reaching out to representatives so stay tuned.

Commissioner Spiegel wished everyone Happy Hanukkah, Merry Christmas, and a good New Year.

- 15C.** Commissioner Speake referred to Anne Mayer's comments about the CTC and stated he met Chair Lee Ann Eager and Commissioner Hilary Norton at the 91/15 Express Lanes Connector Ribbon Cutting and thanked them for being there and for considering approval of a project on the I-15 that Caltrans put up and he thanked Catalino Pining Governor's Appointee Caltrans District 8. He watched online when the SBCTA project was denied and suggested they go back and listen to the arguments that are put forward on why projects the Commissioners would have considered five years ago at this level to be approved are now being scrutinized. He thanked Commissioner Spiegel for asking about the opportunity to write support letters because if it does not happen this will be a change in what the Commission does and what they decide.
- 15D.** Commissioner Molina expressed appreciation to her colleagues for the discussion on these important issues as it has been a learning experience. She congratulated Commissioner Gregory as both candidates are excellent and are fortunate to have them both on this Commission. She wished everyone a safe holiday season.
- 15E.** Commissioner Conder thanked Anne Mayer and all her staff that worked so hard to get the 91/15 Connector for the express lanes done, great celebration for it and another project that was done in time and within budget.
- 15F.** Vice Chair White thanked Anne Mayer, Aaron Hake, and the rest of the RCTC staff who showed up for a workshop last week with their community it was a great opportunity for the members of the community to speak out regarding the Traffic Relief Plan and suggested to set up a visit with Anne Mayer to go to their community.

16. CLOSED SESSION

16A. CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION

Pursuant to Government Code Section 54956.9 (d)(1)

Case No(s). CVRI2205120

There were no announcements from the Closed Session.

Chair Magee wished everyone a blessed Holiday Season.

17. ADJOURNMENT

There being no further business for consideration by the Riverside County Transportation Commission, Chair Magee adjourned the meeting at 11:33 a.m. The next Commission meeting is scheduled to be held at 9:30 a.m. on Wednesday, January 10, 2024.

Respectfully submitted,



Lisa Mobley
Administrative Services Director /
Clerk of the Board

AGENDA ITEM 6B

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Audit Ad Hoc Committee Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Fiscal Year 2022/23 Commission Audit Results

AUDIT AD HOC COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Fiscal Year 2022/23:
 - a. Annual Comprehensive Financial Report (ACFR);
 - b. Local Transportation Fund (LTF) Financial and Compliance Report;
 - c. State Transit Assistance (STA) Fund Financial and Compliance Report;
 - d. State of Good Repair (SGR) Fund Financial and Compliance Report;
 - e. Proposition 1B Rehabilitation and Security Project (Proposition 1B) Accounts Financial and Compliance Reports;
 - f. Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
 - g. Single Audit Report;
 - h. RCTC 91 Express Lanes Fund Financial Report;
 - i. 15 Express Lanes Fund Financial Report;
 - j. Debt Compliance Report;
 - k. Auditor Required Communications Report;
 - l. Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
 - m. Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives; and
 - n. Management certifications.

BACKGROUND INFORMATION:

In March 2020, the Commission approved an agreement with Eide Bailly LLP (Eide Bailly) to perform annual audits and agreed-upon-procedures for the following Commission financial statements and related programs:

Audits - ACFR; RCTC 91 Express Lanes; 15 Express Lanes; Federal Awards (Single Audit)
Financial and compliance audits - LTF, STA, SGR, Proposition 1B, and LCTOP

Agreed upon procedures (AUP) - Annual Appropriations Limit Calculation; CAP incentives; Compliance with commercial paper debt covenants.

The audits, compliance and agreed-upon procedures for the fiscal year ended June 30, 2023, have been completed, and Eide Bailly issued all reports.

The Commission's ACFR or annual financial statements consists primarily of three sections: introductory, financial, and statistical. While the introductory and statistical sections were not audited by Eide Bailly, the financial section included basic financial statements which auditing procedures were performed by Eide Bailly. The Commission received an unmodified opinion or clean opinion on its basic financial statements from Eide Bailly, which is the highest form of assurance. Limited procedures were performed related to the required supplementary information, including Management's Discussion and Analysis section; such information was not audited. The other supplementary information was subject to the auditing procedures applied in the audit of the basic financial statements, and, in the opinion of the auditors, it is fairly stated in relation to the basic financial statements.

The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. Management's Discussion and Analysis section provides a narrative overview and analysis of the Commission's financial activities for the fiscal year. Financial highlights and significant matters of the basic financial statements include:

- Net position of approximately \$1,188.5 million at June 30, 2023, compared to approximately \$948.8 million at June 30, 2022, reflects a net increase of approximately \$239.7 million from governmental and business-type activities. This increase is largely due to funding contributions received for a highway connector project and continued robust economic activity in the County highlighted by strong Measure A and Transportation Development Act (TDA) taxes.
- The net increase in net position consists of approximately \$269.2 million from governmental activities offset by a deficit of (\$29.5) million from business-type activities. The deficit within the business-type activities is largely associated with projected expenditures for the 15/91 Express Lanes Connector project funded with accumulated 91 Express Lanes surplus revenues. Increases in governmental activities is due to higher than anticipated investment income, sales and Transportation Development Act taxes, along with capital grant contributions from the State for the 15/91 Express Lanes Connector project.
- Governmental fund balances of approximately \$1,271.2 million at June 30, 2023, compared to approximately \$1,104.6 million at June 30, 2022, represent an increase of approximately \$166.6 million from the prior year.

The audit reports related to the separately issued financial statements of the LTF, STA, SGR, Proposition 1B, and LCTOP also reflect unmodified opinions from Eide Bailly. These financial statements are required to be issued separately under the TDA and the provisions for Proposition 1B and LCTOP; however, the LTF, STA, and SGR financial position and operations are included in the fund financial statements in the ACFR. The Proposition 1B and LCTOP financial position are part of the Measure A Western County Commuter Rail special revenue fund. These reports noted no matters considered to be a material weakness in internal control and no instances of noncompliance.

The FY 2022/23 Single Audit Report includes the reports on compliance and internal control over financial reporting and over federal awards. These reports noted no matters considered to be a material weakness in internal control and no instances of noncompliance.

The RCTC 91 Express Lanes Financial Report consists of the Independent Auditors' Report, Management's Discussion and Analysis, and Financial Statements, including Notes to Financial Statements. Financial highlights include a net deficit of approximately (\$333.2) million, which consisted of:

- Net investment (deficit) in capital assets of approximately (\$381.3) million reflecting toll-supported debt in excess of capital assets; and
- Restricted net position of approximately \$48.1 million for toll operations in accordance with debt indentures and agreements.

The deficit in net investment in capital assets will be reduced by future toll revenues for the payment of outstanding toll debt obligations.

The 15 Express Lanes Financial Report consists of the Independent Auditors' Report, Management's Discussion and Analysis, and Financial Statements, including Notes to Financial Statements. Financial highlights include a net position of approximately \$262.7 million, which consisted of:

- Net investment in capital assets of approximately \$204.5 million reflecting capital assets in excess of toll-supported debt; and
- Restricted net position of approximately \$58.2 million for toll operations in accordance with debt indentures and agreements.

As a result of the establishment of the commercial paper program in March 2005, the bank reimbursement agreement requires a report from the auditor regarding compliance with certain covenants. The report issued by Eide Bailly indicated that nothing came to the auditor's attention that caused the auditors to believe the Commission failed to comply with these covenants.

The Appropriations Limit Calculations and CAP reports are based on specific procedures agreed to by the Commission. For the Appropriations Limit Calculation and CAP, the auditors noted no exceptions or findings related to the procedures performed.

A management letter usually includes recommendations for improvements and operational efficiencies related to internal control and other matters noted during the audit. Eide Bailly did not identify a significant deficiency, or a material weakness related to internal control. However, it did provide a comment/observation related to an agreement established within the RCTC financial system. Specifically, the Finance department will work with Program staff to ensure accurate and detailed information is communicated within internal documents including but not limited to funding agreements.

As required by American Institute of Certified Public Accountants Auditing Standards Board Statement No. 114, *The Auditor's Communications with Those Charged with Governance*, the Commission's auditor is required to make certain annual communications to the Commission's Audit Ad Hoc Committee, or its equivalent, regarding the audit of the Commission's financial statements following the completion of the audit. Eide Bailly completed the annual audit for FY 2022/23 in October 2023. The report to the Audit Ad Hoc Committee from the auditor contains the required communications about the audit.

As part of the development of the Commission's Accountability Program, both the Executive Director and Department Directors have completed certifications relating to financial reporting and operational disclosures.

Attachments:

- 1) 2023 Annual Comprehensive Financial Report
- 2) 2023 Local Transportation Fund Financial and Compliance Report
- 3) 2023 State Transit Assistance Fund Financial and Compliance Report
- 4) 2023 State of Good Repair Fund Financial and Compliance Report
- 5) 2023 Proposition 1B Rehabilitation and Security Project Accounts Financial and Compliance Reports
- 6) 2023 Low Carbon Transit Operations Program Account Financial and Compliance Reports
- 7) 2023 Single Audit Report
- 8) 2023 RCTC 91 Express Lanes Fund Financial Report
- 9) 2023 15 Express Lanes Fund Financial Report
- 10) 2023 Commercial Paper Compliance Report
- 11) 2023 Management Letter
- 12) 2023 Reports to the Audit Ad Hoc Committee (Financial Statements Audit and Single Audit)
- 13) 2023 Agreed-Upon Procedures Report related to the Appropriations Limit Calculation
- 14) 2023 Agreed-Upon Procedures Report related to the Commuter Assistance Program incentives
- 15) 2023 Executive Director and Chief Financial Officer Certification
- 16) 2023 Director's Certification
- 17) Auditor's Presentation to the Audit Ad Hoc Committee



71/91 Interchange



Freeway Service Patrol



Downtown Riverside Station



15/91 Express Lanes Connector



FISCAL YEAR ENDED
JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Riverside County Transportation Commission
Riverside County, California



Specialized Transit



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

Submitted by:

Sergio Vidal
Chief Financial Officer



15/91 Express Lanes Connector

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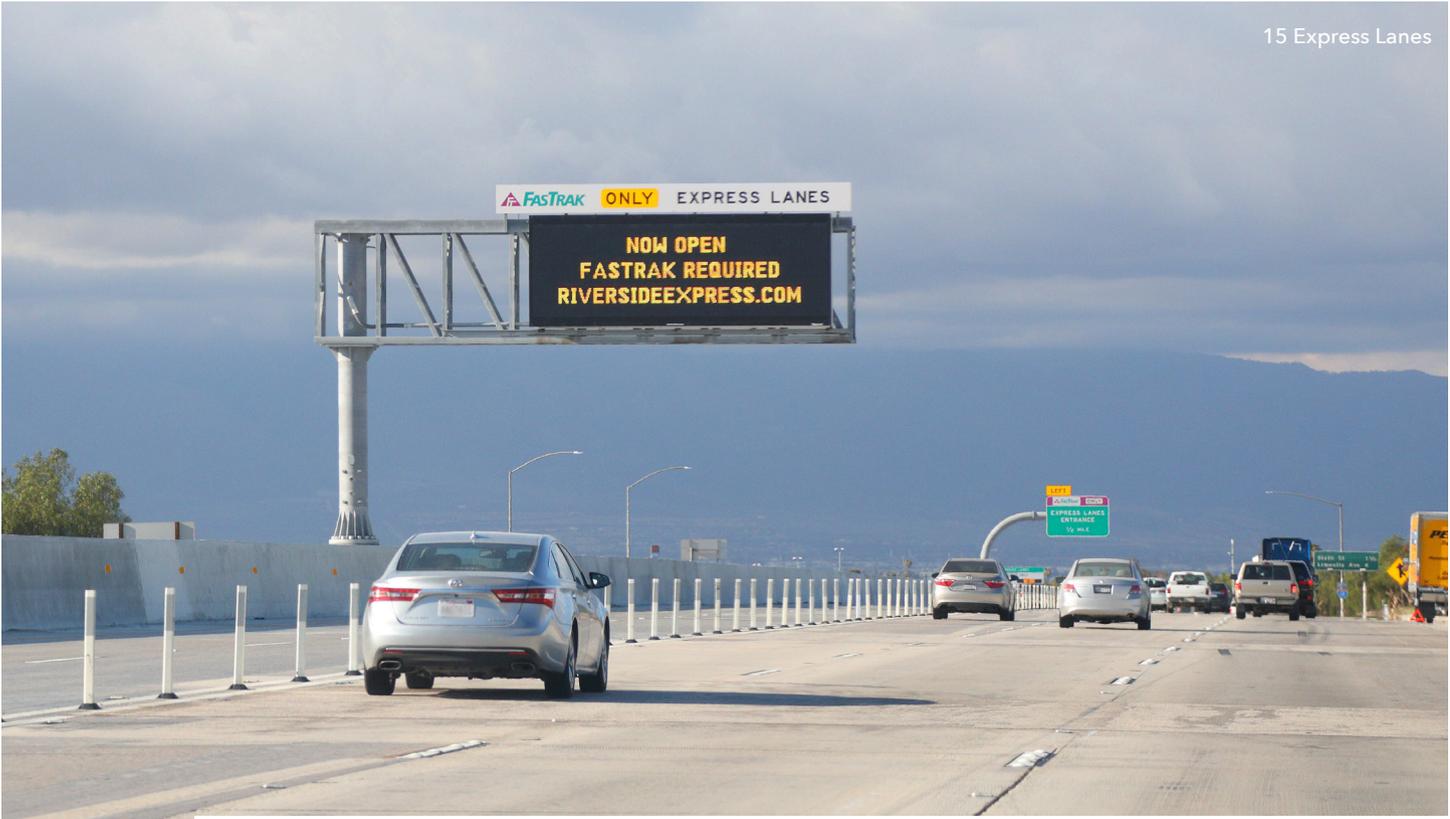
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Introductory Section



October 31, 2023

To the Riverside County Transportation Commission Commissioners
and Citizens of the County of Riverside:

Letter of Transmittal

State law requires that the Riverside County Transportation Commission (Commission or RCTC) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (Annual Report) of the Commission for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon the Commission's comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP has issued an unmodified opinion on the Commission's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

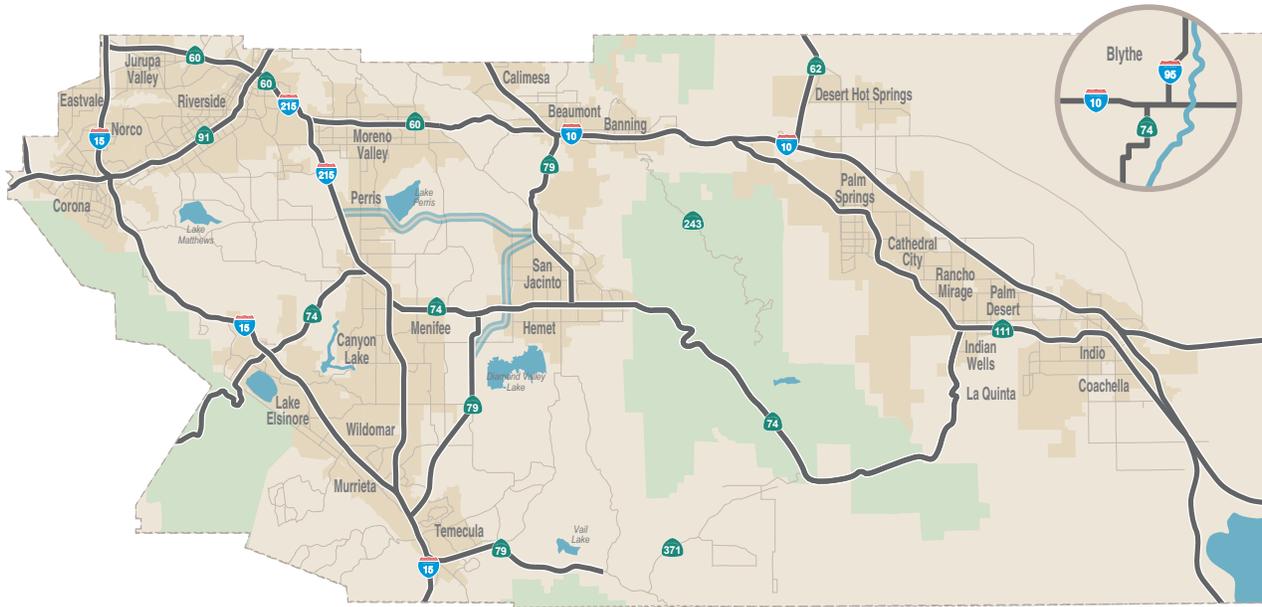
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of RCTC's Governance and Responsibilities

State law established the Commission in 1976 to oversee the funding and coordination of all public transportation services within the county of Riverside (County). The Commission's mission is to assume a leadership role in improving mobility in Riverside County and to maximize the cost effectiveness of transportation dollars in the County. The governing body is the Board of Commissioners (Board), which consists of all five members of the County Board of Supervisors, one elected official from each of the County's 28 cities, and one non-voting member appointed by the Governor. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transportation operators and agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, non-motorized travel (bicycle and pedestrian), and other transportation activities. The Commission has developed two express lanes projects; the RCTC 91 Express Lanes opened in March 2017, and the 15 Express Lanes opened in April 2021.

The Commission also serves as the tax authority and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a half-cent sales tax to fund transportation improvements. Originally approved in 1988 (1989 Measure A), Riverside County's voters in 2002 approved a 30-year extension of Measure A commencing July 1, 2009 through June 30, 2039 (2009 Measure A).

The Commission is also legally responsible for allocating Transportation Development Act (TDA) funds, the major source of funds for transit in the County. The TDA provides two major sources of funding: Local Transportation Fund (LTF), which is derived from a one-quarter cent state sales tax, and State Transit Assistance, which is derived from the statewide sales tax on gasoline and diesel fuel.



Additionally, as the Service Authority for Freeway Emergencies (SAFE), the Commission provides motorist aid services designed to enhance safety and traffic flow. These services include emergency call boxes along rural highways and the Freeway Service Patrol (FSP), a roving tow truck service to assist motorists with disabled vehicles on the main highways of the County during peak rush hour traffic periods. The motorist aid program also includes the operation of the Inland Empire 511 (IE511) system which provides comprehensive real time traveler information for freeways, bus and rail transit, and rideshare services. All services are provided at no charge to motorists and are funded through a \$1 surcharge on vehicle registrations; FSP also receives state allocations. The Commission is financially accountable for SAFE, a legally separate entity that is blended within the Commission's financial statements.

Finally, the Commission has been designated as the Congestion Management Agency (CMA) for the County. As the CMA, the Commission coordinates with local jurisdictions in the establishment of congestion mitigation procedures for the County's roadway system.

The Commission is required to adopt a budget prior to the beginning of each fiscal year. The annual budget, which includes all funds, serves as the foundation for the Commission's financial planning and control regarding staffing, operations, and capital plans. The budget is prepared by fund (financial responsibility unit), department, and function. Management has the discretion to transfer budgeted amounts within the financial responsibility unit according to function. During the fiscal year, all budget amendments requiring Board approval are presented to the Board for consideration and adoption.

Local Economy

Riverside county has demonstrated resiliency with unemployment nearing pre-pandemic levels of 5% and revenues continuing its upward trajectory. County local revenues including sales taxes and mitigation fees such as Transportation Uniform Mitigation Fees (TUMF) have outperformed budgetary expectations. Specifically, sales taxes have reached a new high due largely to increased e-commerce sales, higher than anticipated fuel prices, and a lower unemployment rate due to job increases in the logistics sector. As consumer behavior shifted from purchasing at brick-mortar locations to online, the County has experienced both more demand for its workforce within the logistics sector increasing the purchasing power of residents and in turn robust sales tax performance.

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego) including housing that was (and remains) more available and affordable, lower commercial real estate lease and purchase costs, and land available for development at lesser costs. Riverside County's

economy has thrived, reflecting those specific competitive advantages over its neighboring counties, largely as a result of the County's continuing ability to draw jobs, residents, and affordable housing away from the Los Angeles, Orange, and San Diego county areas. As a result, the County's employment and commercial base has become more diversified, and the County's share of the regional economy has increased. It is anticipated housing prices within the County will remain strong, however property values may not experience robust increases on a year over year basis due to current market conditions such as higher interest rates.

For the Commission, formidable ongoing challenges remain in terms of providing needed infrastructure enhancements to support a population that has increased annually approximately one percent (1%) in the last ten (10) years and an economy that continues to outgrow the capacity of its existing infrastructure specifically within the logistics sector.

Long-term Financial Planning

Proactive financial planning is a critical element for the success of the Commission as it builds for the future. Continually reviewing projected revenues, and expenditures, to actual amounts ensures that the Commission's expectations are realistic, and goals are achievable. Limited resources, especially at the state and federal level, can be directed to projects of regional significance or with additional funding project priorities can be expanded to address unfunded project requirements or developing needs.

Local funding, and specifically the Commission's voter-approved sales tax program (Measure A), will continue to serve as RCTC's most significant source of funding. The program funds highway, street and road, public transit, and rail projects and new transportation corridors throughout the County. The program is established in a way to ensure funding for every geographic region within the County including the Palo Verde Valley, Coachella Valley, and more heavily populated area of Western Riverside County. Measure A revenues of approximately \$287 million exceeded the Commission's approved revised projection for FY 2022/23. For FY 2023/24, the Commission is cautiously optimistic for the future and thus continues projecting conservative assumptions in the upcoming fiscal year.

At the state level, transportation funding is a source of continuing debate regarding future priorities. Sustainability and vehicle mitigation has become a statewide priority and will likely impact the direction of funding for many years. The State of California has established predictable funding streams such as gas tax, a cap-and-trade program from emissions trading, and encouragement of market-based approaches such as implementation of express lanes and toll facilities.

Along with more predictable state funding, State of California has also approved transportation policy measures discouraging the expansion of highway capacity in favor of an added focus on public transit and active transportation. This policy direction will likely impact the Commission's ability in delivering highway projects due to added costs from new mitigation requirements.

Federal funding remains an important revenue source for various initiatives led by the Commission. Specifically, the Commission remains active in monitoring funding opportunities provided by the federal government including the Infrastructure Investment and Jobs Act or (IIJA).

Tolling is another important local funding source for the Commission, and it has largely recovered from the impacts resulting from the pandemic. Tolling on both 15 and 91 Express lanes surpassed forecasted expectations related to revenue while operating expenditures continue to be under-budget. During the upcoming fiscal year, RCTC will continue to monitor traffic patterns to ensure both facilities maintain consistent revenue patterns.

In looking to future funding decisions, providing, and ensuring equity to all will be an increasingly important priority and responsibility. Riverside County is home to a wide array of communities with differing needs. RCTC will place a special emphasis on education, public outreach, and policy direction with equity in mind to serve the entire county, including disadvantaged communities that need targeted transportation investments to serve the public and to grow and thrive.

Capital Project Delivery and Implementation—Critical Workers Delivering Needed Infrastructure

The Capital Project Development and Delivery Department is responsible for major highway and rail capital projects from initial environmental study through preliminary engineering, final design, right of way acquisition, and construction.

The Commission is operating during an unprecedented era of transportation investment in Riverside County. The results can be seen with numerous projects under construction, increasingly popular and successful transit service, and promises of more on the way soon. There are also several notable completed projects - providing tangible examples of the Commission completing promises that were made to voters who approved Measure A such as the recent completion of the SR-60 truck lanes, continued improvements within the SR-91 Corridor and investments to the County's rail network and facilities. The Commission has developed a track record of success, which is taking shape throughout the County as evidenced in the following project types.

Progress Continues

The Commission continues to advance projects to meet both the short-term and long-term needs of County residents. Similar investments and resulting job creation can be seen throughout the County as seen in the recently completed highway and rail projects:

Regional Arterial Projects: The Commission recently awarded approximately \$130 million in regional arterial projects funded by both TUMF and Measure A. The award was distributed to areas within Western Riverside County for various street widening projects and local arterial extensions.

Placentia Interchange to link I-215 and future Mid County Parkway: Construction work began in mid-2020 on the very first component of the Mid County Parkway (MCP), a new 16 mile east-west corridor between the cities of San Jacinto and Perris. This \$42 million project adds a new freeway interchange at Placentia Avenue that will link to the MCP and improve a segment of Placentia Avenue in the city of Perris. MCP project has expanded to include continued Right-of-Way purchases and begin design work for the 3rd phase of the project.

Smart Freeways: Another project on I-15 is the Smart Freeways project within the City of Temecula. The project includes ramp metering to ensure a consistent flow of vehicular traffic enters the freeway. The pilot project is in its preliminary phase during the upcoming budget year.

15/91 Express Lanes Connector: Construction began in early 2021 to build a new direct connection between the RCTC 91 Express Lanes and the 15 Express Lanes. With the design-build contract awarded in March 2020, the design-builder has advanced to construction activities. The new connection will be provided from the eastbound 91 Express Lanes to the northbound 15 Express Lanes and from the southbound 15 Express Lanes to the westbound 91 Express Lanes. Estimated completion for this project late calendar year 2023.

71/91 Interchange: The Commission began work in early 2023 for a new connector between the eastbound SR-91 and northbound SR-71 in the city of Corona. This approximate \$134 million project has environmental clearance and is anticipated to be completed in 2025.

Commuter Rail Improvements: The Commission continues to invest in rail infrastructure within the County, exemplified by the Moreno Valley/March Field (MV/MF) Station upgrade. The MV/MF project is slated to add an additional platform, rehabilitate, and replace an existing second track along with adding a new signal system. The project is expected to be completed in 2024 with an estimated total project cost of \$40 million.

Another exciting rail improvement is the Perris Valley Line project which will replace the second track and add a new traffic signal system. Project cost is estimated to be \$30 million with a completion date of 2025.

Projects for Future Construction

I-15 Express Lanes Southern Extension: Environmental work is already under way to extend the 15 Express Lanes an additional 14.5 miles to the city of Lake Elsinore. A series of public scoping meetings were held in 2020 as part of the comprehensive environmental review process.

79 Realignment: Another large effort affecting the Hemet and San Jacinto communities is the realignment of SR-79. This 2009 Measure A project is undergoing early project development partially funded through the TUMF program and federal earmarks. An environmental document was approved in January 2017 to allow the realignment of SR-79 between Domenigoni Parkway, south of SR-74, and Gilman Springs Road, north of San Jacinto. The project will realign the highway to provide a more direct route within the San Jacinto Valley. Current work on this project includes acquisition of right of way needed for mitigation and to protect cultural sites.



Active Transportation: Non-motorized transportation options are becoming an increasingly important part of California's transportation infrastructure, and the Commission has taken a leadership role in assisting local areas by funding and advocating for projects vying for state funding. The Commission is also heading up project development for the Santa Ana River Trail - a multiuse facility that will provide a bike, pedestrian, and equestrian trail to link San Bernardino, Riverside and Orange Counties for cyclists, pedestrians and equestrians.

Toll Connections with Neighboring Counties: RCTC has been successful in establishing a productive relationship with the Orange County Transportation Authority (OCTA) regarding the operation of the 91 Express Lanes. During the recently completed fiscal year, RCTC also entered into an agreement with San Bernardino County Transportation Authority (SBCTA) in assigning 2.2 lanes miles of the existing I-15 Toll Facility. The assignment to SBCTA will not occur until the project nears completion during calendar year 2026.

Furthermore, the Commission is currently working on another direct connection project between the 241 Toll Road operated by the Transportation Corridor Agencies (TCA) and the 91 Express Lanes. Operational issues for this future facility are currently being addressed among the following agencies: TCA, OCTA, Caltrans, and RCTC.

TUMF Links Growth with Infrastructure

In the Coachella Valley, a TUMF program was established shortly after the passage of the 1989 Measure A. The program requires developers to pay a fee on new development to fund arterial improvements. Cities are required to participate in the program or forfeit Measure A local dollars to Coachella Valley Association of Governments, which oversees the arterial program and has been successful in funding a number of important arterial and freeway interchange projects.

With the passage of the 2009 Measure A, a TUMF program with participation requirements similar to that in the Coachella Valley is also in place in Western County and administered by the Western Riverside Council of Governments. TUMF funds received by the Commission are split evenly between new corridors, including the MCP, and regional arterials, including local projects and the SR-79 realignment project. As noted above, the Commission recently awarded approximately \$50.0 million to local areas with funding for their regional arterial programs. The funding reflects the partnership and investment within the County.

Rail Development, Operations and Support

As one of five funding partners in the Southern California Regional Rail Authority, which operates the Metrolink commuter rail service, the Commission is engaged in a continual exercise of consensus building with its partners to provide effective regional service. The network consists of eight lines serving six counties, including the new ARROW service. The system typically carried an average of slightly more than 40,000 passengers each weekday prior to COVID-19, however ridership dropped and is slowly recovering.

The Commission owns and operates nine stations served by the three Metrolink lines operating through the County, including four stations along the Perris Valley Line that commenced carrying passengers in June 2016. The Riverside Downtown Operations Control Center provides monitoring of closed-circuit televisions at the stations as well as facilities for train crews. Below is a summary of the commuter rail services provided in Riverside County:

- *Riverside Line*: Originates in the Riverside–Downtown station and stops at the Jurupa Valley–Pedley station before proceeding through Ontario, Pomona, Industry, and Montebello to Los Angeles Union Station. Average daily ridership on the Riverside Line during fiscal year 2022-23 was 1,001.
- *Inland Empire Orange County (IEOC) Line*: Begins in nearby San Bernardino with stops at the Riverside–Downtown, Riverside–La Sierra, Corona–North Main, and Corona–West stations before entering Orange County with stops in Anaheim Canyon, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel/Mission Viejo, San Juan Capistrano, San Clemente, and Oceanside. When initiated in 1995, this service was described as the first suburb-to-suburb commuter rail service in the nation. Average daily ridership on the IEOC Line during fiscal year 2022-23 was 1,824. This line also provides weekend service.
- *91/Perris Valley Line*: Provides service from Perris to Los Angeles with stops in Perris–South, Perris–Downtown, Moreno Valley/March Field, Riverside–Hunter Park/UCR, Riverside–La Sierra, Corona–North Main, Corona–West, Fullerton, Buena Park, Norwalk, and Commerce before terminating at Union Station. Average daily ridership on the 91/Perris Valley Line during fiscal year 2022-23 was 1,585. This line also provides weekend service.

Coachella Valley–San Geronio Pass Rail Service

The Commission, in coordination with Caltrans and the Federal Railroad Administration, is working to bring passenger rail service as an alternate mode of travel across Southern California, connecting desert communities and attractions with Los Angeles County, Orange County, and the Inland Empire. The program proposes operating two to five daily roundtrips between Los Angeles Union Station and Indio or Coachella, with morning and evening departures from each end. Passenger service is expected to take about 3 hours and 15 minutes, which is comparable to trips made by cars on congested highways connecting these communities, such as I-5, SR-91, and I-10.

In July 2022 the Commission certified the Final Tier 1/Program Level Environmental Impact Report. Certification of the environmental report was a significant milestone for this project. The Commission has now focused its efforts in engaging local and federal rail officials to determine funding for the construction phase for this rail project. The eventual implementation of this service will provide another important link between the Coachella Valley and Western Riverside County along with the rest of Southern California.

Commuter / Motorist Services

Acting in its capacity as the regional transportation planning agency (RTPA) for Riverside County, the Commission provides a variety of commuter services to increase mobility, safety, and air quality throughout the region.

Commuter Assistance: As the RTPA, the Commission applies Measure A funds to administer the Commuter Assistance Program to ease congestion, maximize the efficiency of its transportation investments, and reduce vehicle miles traveled and emissions from single occupant vehicle trips with the following programs and services:

Ride matching and Information Services: The Commission, in partnership with the SBCTA provides commuters and employer partners in the region with access to rideshare resources (IECommuter.org) and information to assist with finding ride matches for car/vanpool arrangements or transit options and to participate in incentives. A call center (866-RIDESHARE) is also available during business hours for commuters or employers who need more personal support.

Rideshare Incentives: The most popular commuter incentive continues to be the \$5 per day Rideshare Incentives, a short-term incentive that offers \$5 per day for each day commuters use an alternate

mode of transportation in a three-month period (up to a max of \$125). Long-term commuter ride sharers and teleworking employees are recognized and rewarded for their continuing commitment to use alternate modes of transportation to and from work with access opportunities to win monthly prizes for reported rideshare and telework activity through monthly Rideshare Spotlight and Telework Spotlight programs.

Vanpool Subsidies: The Commission provides ongoing subsidies to eligible vanpools commuting to employer worksites in Western County through its VanClub program. In FY 2022-23, VanClub supported an average of 37 vans per month resulting in the reduction of more than an estimated 58,000 trips, 2.3 million miles, and 855 tons of emissions throughout the region. A recovery toward pre-pandemic vanpools levels (80 vanpools) continued to be a challenge throughout the fiscal year; however, the program will be ready to continue as more workers return to various work sites.

Guaranteed Ride Home: Through the Commission's rideshare program, IE Commuter, a Guaranteed Ride Home (GRH) service is available to ridesharing commuters of employer partners. Should they experience an emergency and need to get home, they are reimbursed the cost of a Lyft/Uber or other transportation network company ride, rental car, taxi, or transit option used to get home. GRH also covers when an employee may miss his/her ride due to unexpected overtime. Eligible participants may claim up to two emergency rides home per year.

Park & Rides: Working in partnership with Caltrans, the Commission leases excess parking from business and civic institutional partners to facilitate ridesharing and to expand the system's park and ride capacity. There are more than 3,000 park and ride spaces available in Riverside County.

Motorist Assistance: As the SAFE, the Commission also administers the Motorist Assistance Program to provide the following services designed to promote mobility and safety for motorists traveling through Riverside County:

Freeway Service Patrol: The FSP program is a special team of 22 tow trucks roving along 11 beats on portions of SR-60, SR-91, I-15, and I-215 within the County during peak, weekday commuter hours to assist drivers when their vehicles break down or experience other mechanical problems. The purpose of the FSP is to clear debris and remove disabled vehicles from the freeway as quickly as possible to help keep freeway traffic moving during rush hour periods. Another effort augments existing FSP service with additional tow trucks in construction areas as another means of construction-related congestion mitigation. The Riverside County SAFE and the State fund the FSP. During FY 2022-23, the FSP provided approximately 51,600 assists. This includes incremental FSP weekend service, funded by the South Coast Air Quality Management District's Mobile Source Air Pollution Reduction and Review Committee, on segments of SR-91 and SR-60.

Call Boxes: In cooperation with the California Highway Patrol and Caltrans, the Commission assists motorists who experience accidents, mechanical breakdowns, or other unforeseen problems by providing access to cellular call boxes with enhanced reception along the County's major highways. In response to the proliferation and continued growth of cell phone usage and declining demand and use of call boxes, the Commission approved a substantial reduction to the call box system in 2017 and 2019. A cost-effective backbone of 136 call box units will remain in place and serve more than 346 centerline miles of highways. The call box program is funded by Riverside County SAFE revenue, an annual \$1 surcharge added to vehicle registrations. In FY 2022-23, call box operators answered approximately 782 calls from motorists.

Traveler Information: To further promote mobility, the Commission in collaboration with Southern California partners (LA Metro, OCTA, SBCTA, and VCTC), provides motorists with access to real-time freeway travel information and incident information on Southern California highways through its SoCal 511 Traveler Information system. SoCal 511 is designed to promote mobility by fostering more informed travel decisions to avoid congestion and is available via the telephone by dialing 511 from any landline or cell phone within Riverside County, online at www.Go511.com, or the Go511

mobile app. SoCal 511 is funded with Riverside County SAFE funds. In FY 2022-23, SoCal 511 serviced 901,233 web visits across SoCal 511 partner regions and 72,689 phone calls within the Inland Empire.

Specialized Transit

The Commission has maintained a long-term commitment to assist residents with specialized transit needs. Through its Specialized Transit Program, the Commission has provided millions of dollars to public and nonprofit transit operators that provide special transit services to improve the mobility of seniors, persons with disabilities and persons with low incomes. Along with traditional dial-a-ride services, the Commission supports innovative programs providing transit assistance in hard-to-serve rural areas or for riders having very special transit needs. With funding from this program, individuals can travel to work independently, shop at the neighborhood grocery stores, visit a doctor, and much more.



The Commission develops a Public Transit-Human Services Coordinated Plan every four years. This plan assists the Commission in identifying service gaps, additional qualifying populations, and underserved areas of Riverside County in need of transit services. The Commission updated this plan in January 2021. To address some of these transit service needs identified in the Public Transit-Human Services Coordinated Plan, a portion of the Measure A sales tax in Western Riverside County is set aside for a Specialized Transit Call for Projects. This Specialized Transit Call for Projects is held every three years and provides funding awards for public and nonprofit transit operators. During fiscal year 2022/23, public and nonprofit transit operators provided over 170,000 one-way trips.

In addition to funding and planning, the Commission updated its bylaws and membership requirements for its TDA-required Social Services Transportation Advisory Council during fiscal year 2022/23. The Citizens and Specialized Transit Advisory Committee (CSTAC) consists of 13 members of the public and two Consolidated Transportation Service Agency members, which were appointed by the Commission in March 2020 with terms and bylaws updated in April 2021. The CSTAC meets bimonthly and provides Commission staff additional insight into specialized transit needs throughout the County.

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 the Commission for its Annual Report for the fiscal year ended June 30, 2023. This was the 30th consecutive year the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Report 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.

The Annual Report each year is a collaborative effort by Commission staff and its independent auditors. The undersigned are grateful to all staff for their willingness to expend the effort necessary to ensure the financial information contained herein is informative and completed within established deadlines. Special thanks must be extended to the Finance staff, program management and staff, and Commission's auditors for the time, effort, and commitment so vital for the final completion of the Annual Report.

In closing, without the leadership and the support of the Board, preparation of this report would not have been possible, particularly the dedication, professional judgement, and prudence by the Finance department, led by the Deputy Director of Finance. Its prudent management must be credited for the strength of the Commission's fiscal condition, and its vision ensures that the Riverside County Transportation Commission will be on the move planning for and building a better future for Riverside County residents and commuters.

Very truly yours,



ANNE MAYER
Executive Director



SERGIO VIDAL
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Riverside County Transportation Commission
California**

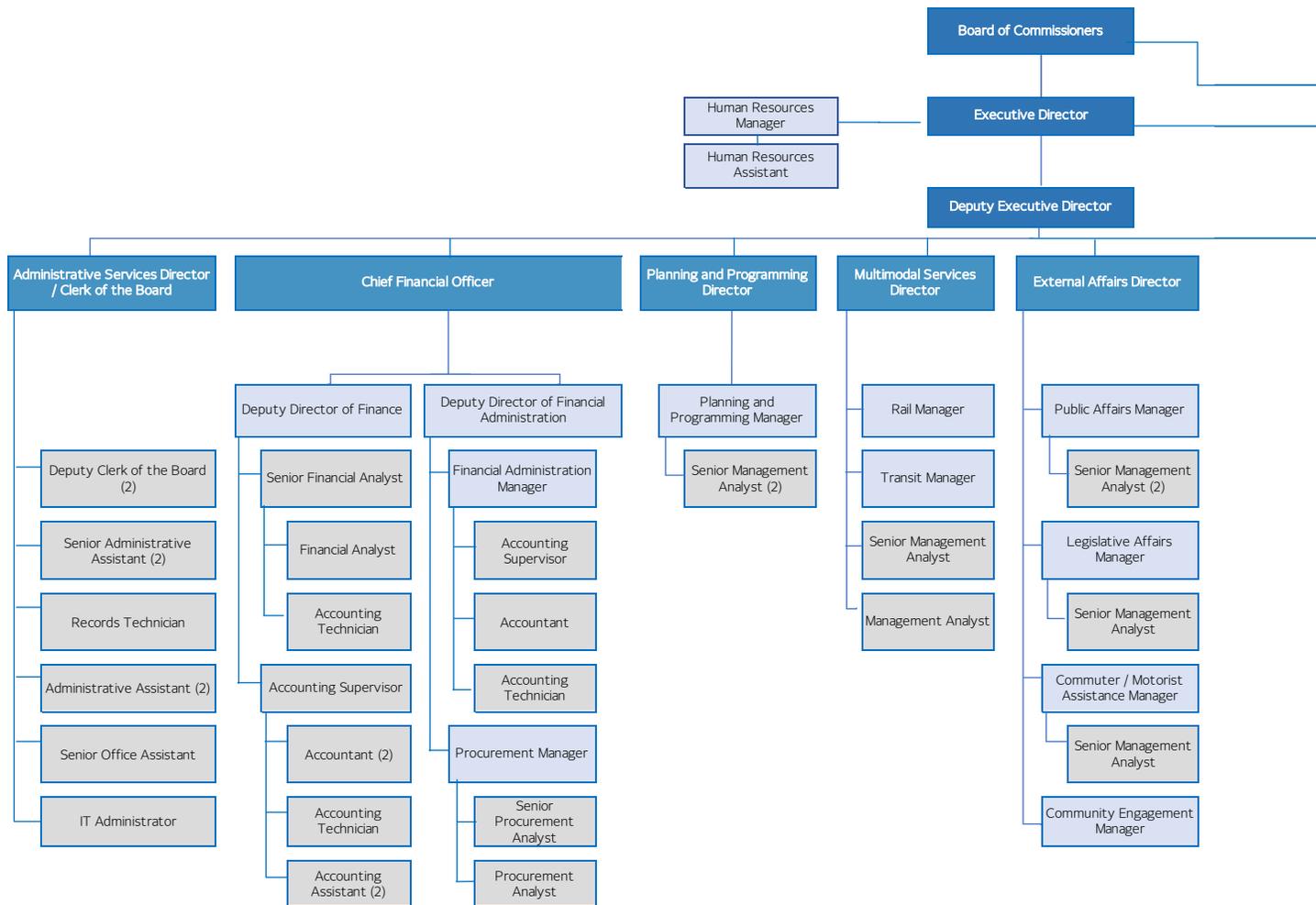
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

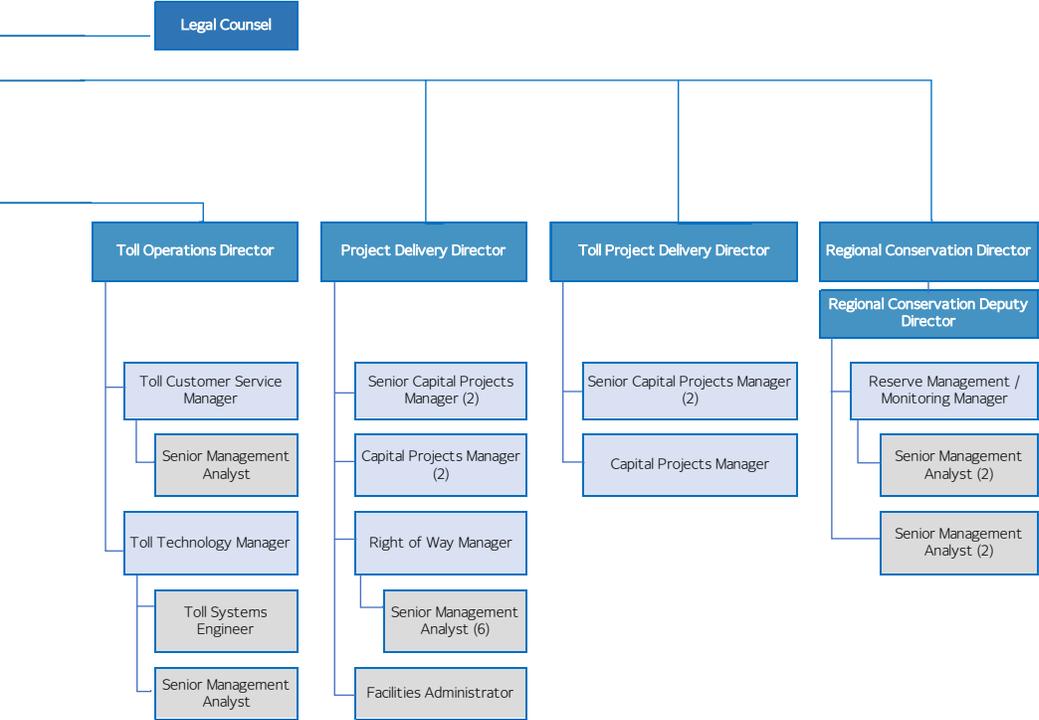


Executive Director/CEO

Riverside County Transportation Commission Organization Chart



Riverside County Transportation Commission Organization Chart



**Riverside County Transportation Commission
List of Principal Officials**

BOARD OF COMMISSIONERS		
Name	Title	Agency
Kevin Jeffries	Member	County of Riverside, District 1
Karen Spiegel	2nd Vice Chair (Commission)	County of Riverside, District 2
Chuck Washington	Member	County of Riverside, District 3
V. Manuel Perez	Member	County of Riverside, District 4
Yxstian Gutierrez	Member	County of Riverside, District 5
Sheri Flyn	Member	City of Banning
Lloyd White	Vice Chair (Commission)	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Linda Molina	Vice Chair (Budget and Implementation)	City of Calimesa
Jeremy Smith	Chair (Budget and Implementation Committee)	City of Canyon Lake
Raymond Gregory	Member	City of Cathedral City
Steven Hernandez	Member	City of Coachella
Wes Speake	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Corona
Scott Matas	Member	City of Desert Hot Springs
Clint Lorimore	Member	City of Eastvale
Linda Krupa	Member	City of Hemet
Dana Reed	Member	City of Indian Wells
Waymond Fermon	Member	City of Indio
Brian Berkson	Chair (Western Riverside County Programs and Projects Committee)	City of Jurupa Valley
Kathleen Fitzpatrick	Member	City of La Quinta
Bob Magee	Chair (Commission)	City of Lake Elsinore
Bill Zimmerman	Member	City of Menifee
Ulises Cabrera	Member	City of Moreno Valley
Cindy Warren	Member	City of Murrieta
Katherine Aleman	Member	City of Norco
Jan Harnik	Member	City of Palm Desert
Lisa Middleton	Member	City of Palm Springs
Michael M. Vargas	Vice Chair (Toll Policy and Operations Committee)	City of Perris
Meg Marker	Member	City of Rancho Mirage
Chuck Conder	Member	City of Riverside
Alonso Ledezma	Member	City of San Jacinto
James Stewart	Member	City of Temecula
Joseph Morabito	Chair (Toll Policy and Operations Committee)	City of Wildomar
Catalino Pining	Governor's Appointee	Caltrans, District 8

MANAGEMENT STAFF

Anne Mayer, Executive Director
Aaron Hake, Deputy Executive Director
Jennifer Crosson, Toll Operations Director
Erik Galloway, Project Delivery Director
Jillian Guizado, Planning and Programming Director
Aaron Gabbe, Regional Conservation Deputy Executive Director
David Knudsen, External Affairs Director
Lorelle Moe-Luna, Multimodal Services Director
David Thomas, Toll Project Delivery Director
Lisa Mobley, Administrative Services Director/Clerk of the Board
Sergio Vidal, Chief Financial Officer



Riverside-Downtown Station



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

Financial Section



Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 14 to the financial statements, the Commission has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of proportionate share of net pension liability/(asset), schedule of pension contributions, schedule of changes in the net OPEB liability/(asset) and related ratios, and the schedule of OPEB contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, and schedule of uses of debt proceeds and fund balances are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, and schedule of uses of debt proceeds and fund balances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

The signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

Riverside County Transportation Commission
Management's Discussion and Analysis
Year Ended June 30, 2023

As management of the Riverside County Transportation Commission (Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the Commission's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-ix and the Commission's financial statements which begin on page 23.

Financial Highlights

- Total net position of the Commission was \$1,188,488,943 and consisted of net investment in capital assets of \$306,568,725; restricted other post-employment benefits net position of \$2,227,000, and restricted net position of \$1,392,072,851; and unrestricted net position (deficit) of (\$510,152,633).
- The governmental activities unrestricted net deficit results primarily from the recording of the debt issued for Measure A highway, local streets and roads, and regional arterial projects. As title to substantially most of those assets vests with the State of California (State) Department of Transportation (Caltrans) or local jurisdictions, there is no asset corresponding to the liability. Accordingly, the Commission does not have sufficient current resources on hand to cover current and long-term liabilities; however, future Measure A sales taxes are pledged to cover Measure A debt service payments when made.
- Total net position increased by \$239,673,908 during fiscal year (FY) 2022/23. An increase in net position from governmental activities of \$269,238,074 was primarily due to increases in capital grants and contributions due to funding received for a connector project in the City of Corona, continued strong economic activity within the County resulting in higher Measure A and TDA sales taxes. The increase is offset by higher expenditures and lower operating grants and contributions due to exhausting of pandemic relief funds. An increase in net position deficit from business-type activities of \$29,564,166 resulted from toll revenue increases, offset by increases in required repair and rehabilitation expenses for the 91 Express Lanes and transfers of 91 Express Lanes surplus funding for the 15/91 Express Lanes Connector project from the 91 Express Lanes.
- Total capital assets, net of accumulated depreciation and amortization, were \$1,351,213,184 at June 30, 2023, representing an increase of \$59,359,792 or 5%, from June 30, 2022. The increase in capital assets was primarily related to an increase in land for the SR-91 project, construction in progress on the 15/91 Express Lanes Connector and I-15 Express Lanes Southern Extension projects, including rail station improvements.
- The long-term obligations decreased of \$33,017,312, or 2% and is related to principal payments on the sales tax revenue bonds and amortization of sales tax revenue bonds premium; offset by the compounded and accreted interest on the TIFIA loans. Additionally, deferred inflows of resources show a decrease of \$3,517,944, or 37% and is related to lower leases, pension and other post-employment benefits (OPEB).
- The Commission's governmental funds reported combined ending fund balances of \$1,271,162,231, an increase of \$166,516,025 compared to FY 2021/22 primarily due to increases in sales taxes, intergovernmental revenues for reimbursement of projects costs, investment income, and transfers in, offset by a net increase in program expenditures. Approximately 57% of the governmental fund balances represent amounts available for the Measure A program, including debt service and funding from the issuance of debt, and the TUMF program.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Commission's basic financial statements, which are comprised of three components consisting of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Commission's net position changed during the 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 for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report the functions of the Commission that are principally supported by sales taxes and intergovernmental revenues, or governmental activities, from other functions that are intended to recover all or a significant portion of its costs through user fees and charges, or business-type activities. The governmental activities of the Commission include general government, the Measure A program, CETAP, commuter assistance, regional arterials, commuter rail, transit and specialized transportation services, planning and programming, regional conservation, bicycle and pedestrian facilities projects, and motorist assistance services. Measure A program services are divided within the three regions of Riverside County (County), namely Western County, Coachella Valley, and Palo Verde Valley. The business-type activities of the Commission include toll road operations.

The government-wide financial statements include only the Commission and its blended component unit. The government-wide financial statements can be found on pages 24-25 of this report.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and 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.

Since 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. As a result, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and related statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the related statement of revenues, expenditures and changes in fund balances for the Commission's major governmental funds comprised of the General fund, Measure A

Western County, Measure A Coachella Valley, TUMF, Local Transportation Fund (LTF), State Transit Assistance, and SB 132 Special Revenue funds, Commercial Paper and Bonds Capital Projects funds, and Debt Service fund. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section.

The Commission adopts an annual appropriated budget for the General fund, Special Revenue funds, Capital Projects funds, and the Debt Service fund. Budgetary comparison schedules have been provided for the General fund and major Special Revenue funds as required supplementary information and for the nonmajor Special Revenue funds and the Capital Projects and Debt Service funds as other supplementary information to demonstrate compliance with these budgets.

The governmental fund financial statements, including the reconciliation between the fund financial statements and the government-wide financial statements, can be found on pages 22-33 of this report.

The proprietary fund consists of two enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for its toll road operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate financial information of the RCTC 91 Express Lanes and 15 Express Lanes, which are major enterprise funds of the Commission.

The proprietary fund financial statements can be found on pages 34-37 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-83 of this report.

Other Information

Other information is in addition to the basic financial statements and accompanying notes to the financial statements. This report also presents certain required supplementary information concerning the Commission's budgetary results for the General fund and major Special Revenue funds as well as the schedules of proportionate share of net pension liability, pension contributions, changes in the net other post-employment benefits (OPEB) asset and related ratios, and OPEB contributions. Required supplementary information can be found on pages 86-95 of this report.

Other supplementary information is presented immediately following the required supplementary information. Other supplementary information includes the combining statements referred to earlier relating to nonmajor governmental funds; budgetary results for the nonmajor Special Revenue funds, all Capital Projects funds, and the Debt Service fund; schedules of expenditures for local streets and roads and expenditures for transit and specialized transportation; and schedule of uses of debt proceeds and fund balances. This other supplementary information can be found on pages 99-112 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2023, the Commission's assets, including deferred outflows of resources, exceeded liabilities, and deferred outflow of inflows, by \$1,188,488,943, a \$239,673,908 increase from June 30, 2022. Our analysis below focuses on the net position and changes in net position of the Commission's governmental and business-type activities.

Net Position

Approximately 27%, compared to 26% in FY 2021/22, of the Commission's net position reflects its net investment in capital assets (i.e., intangibles consisting of toll facility franchise; construction in progress; land and improvements; toll infrastructure; buildings; construction and rail operating easements; rail stations; rail tracks; building and office improvements; development in progress; transponders; and office furniture, equipment, and vehicles), less any related outstanding debt used to acquire those assets, primarily related to land and tolled express lane projects. The Commission uses these capital assets to provide transportation services to the residents and business community of the County. Although the Commission's investments in capital assets is reported net of related debt, the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For business-type activities, the related debt for the RCTC 91 Express Lanes exceeded the capital assets, net of accumulated depreciation and amortization, as a portion of the debt financed highway improvements on SR-91 for which title vests with Caltrans. The increase is related to construction in progress for the 15/91 Express Lanes Connector and I-15 Express Lanes Southern Extension projects, including rail station improvements, and the purchase of land, offset by the payment of debt.

The most significant portion of the Commission's net position represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities represents the majority of the total governmental activities net position at June 30, 2023. Restricted net position from governmental activities increased by \$155,267,179, as a result of the increased sales tax and capital contributions, including investment income and transfers in, offset by a net increase in program expenses. Restricted net position deficit from business-type activities decreased \$23,762,657 primarily as a result of net revenues from operations, offset by increased repair and rehabilitation project costs on the 91 Express Lanes, higher than anticipated roll revenues, and continued transfer of surplus funding for the 15/91 Express Lanes Connector project.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position from governmental activities deficit was reduced from a \$540,884,718 at June 30, 2022 to \$510,152,633 at June 30, 2023. The governmental activities deficit results primarily from the impact of recording of the Commission's long-term debt, consisting of bonds issued for Measure A highway, local street and road, and regional arterial projects. While a significant portion of the debt has been incurred to build these projects which are capital assets, upon completion most projects except for express lanes projects are transferred to Caltrans or the local jurisdiction. Accordingly, projects other than express lanes are not assets of the Commission that offset the long-term debt in the statement of net position. Upon completion, express lanes projects and related debt are transferred to business-type activities.



The following is condensed financial data related to net position at June 30, 2023 and June 30, 2022:

Net Position	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$1,355,891,955	\$1,234,626,680	\$ 226,456,593	\$242,917,535	\$1,582,348,548	\$1,477,544,215
Capital assets not being depreciated	504,689,862	425,407,610	25,725,838	16,864,711	530,415,700	442,272,321
Capital assets, net of depreciation and amortization	240,059,671	251,238,636	580,737,813	597,217,318	820,797,484	848,455,954
Total assets	2,100,641,488	1,911,272,926	832,920,244	856,999,564	2,933,561,732	2,768,272,490
Deferred outflows of resources	38,837,345	42,331,367	15,546,499	16,053,065	54,383,844	58,384,432
Total assets and deferred outflows of resources	2,139,478,833	1,953,604,293	848,466,743	873,052,629	2,987,945,576	2,826,656,922
Long-term obligations	795,541,492	835,313,388	902,311,767	895,557,183	1,697,853,259	1,730,870,571
Other liabilities	79,610,619	119,963,133	15,891,978	17,389,461	95,502,597	137,352,594
Total liabilities	875,152,111	955,276,521	918,203,745	912,946,644	1,793,355,856	1,868,223,165
Deferred inflows of resources	5,403,507	8,642,631	697,270	976,090	6,100,777	9,618,721
Total liabilities and deferred inflows of resources	880,555,618	963,919,152	918,901,015	913,922,734	1,799,456,633	1,877,841,886
Net position:						
Net investment in capital assets	483,304,687	415,495,777	(176,735,962)	(171,314,772)	306,568,725	244,181,005
Restricted	1,285,771,161	1,115,074,082	106,301,690	130,444,666	1,392,072,851	1,245,518,748
Unrestricted (deficit)	(510,152,633)	(540,884,718)	-	-	(510,152,633)	(540,884,718)
Net position at end of year	\$1,258,923,215	\$ 989,685,141	\$ (70,434,272)	\$ (40,870,106)	\$1,188,488,943	\$ 948,815,035

Changes in Net Position

The Commission's total program and general revenues were \$872,004,711, while the total cost of all programs was \$632,330,803. Total revenues increased by 9%, and the total cost of all programs increased by 19%. Those who directly benefited from the programs or other governments that subsidized certain programs with grants and contributions paid approximately 56% of the costs of the Commission's programs in FY 2022/23, compared to 66% of the costs in FY 2021/22. Sales taxes ultimately financed a significant portion of the programs' net costs.

Governmental and business-type activities increased the Commission's net position by \$239,673,908 and condensed financial data related to the change in net position is presented in the table below. Key elements of this increase, are as follows:

- Charges for services increased by \$10,249,966, or 10%, due to slightly increased traffic volumes, including changes in toll rates on the RCTC 91 Express Lanes and 15 Express Lanes;
- Operating grants and contributions decreased by \$98,098,702, or 55%, primarily due to state reimbursements related to commuter rail operations, planning and programming, and freeway service patrol due to exhausting pandemic relief funds;
- Capital grants and contributions increased by \$86,389,822, or 120%, primarily due to federal and state reimbursements related to the project funding for 71/91 Connector, Mid County Parkway, and smart freeway projects;
- Measure A sales tax revenues increased by \$7,258,180, or 3%. This increase is primarily as a result of online sales, including sales from a diversified economic base in Riverside County;
- Transportation Development Act (TDA) sales taxes increased by \$17,208,847, or 10%, primarily as a result of increased economic activity, including sales from a diversified economic base in Riverside County;

- Unrestricted investment earnings increased \$49,135,935, or 277% due to unrealized gains in the portfolio compared to unrealized losses in FY 2021/22;
- Other miscellaneous revenues decreased \$96,774, or 4%, due primarily to the sale of rail and highway properties in the previous fiscal year;

Changes in Net Position	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 314,643	\$ 392,868	\$ 112,707,067	\$ 102,378,876	\$ 113,021,710	\$ 102,771,744
Operating grants and contributions	81,558,262	179,656,964	-	-	81,558,262	179,656,964
Capital grants and contributions	158,239,283	71,849,461	-	-	158,239,283	71,849,461
General revenues:						
Measure A sales taxes	287,428,762	280,170,582	-	-	287,428,762	280,170,582
TDA sales taxes	197,891,127	180,682,280	-	-	197,891,127	180,682,280
Unrestricted investment earnings (loss)	25,402,156	(14,295,090)	5,985,986	(3,452,703)	31,388,142	(17,747,793)
Other miscellaneous revenue	2,477,425	2,574,199	-	-	2,477,425	2,574,199
Total revenues	753,311,658	701,031,264	118,693,053	98,926,173	872,004,711	799,957,437
Expenses						
General government	3,381,001	(2,868,799)	-	-	3,381,001	(2,868,799)
Bicycle and pedestrian facilities	2,578,177	1,587,819	-	-	2,578,177	1,587,819
CETAP	1,046,199	5,181,055	-	-	1,046,199	5,181,055
Commuter assistance	4,187,763	3,229,524	-	-	4,187,763	3,229,524
Commuter rail	58,899,642	34,291,250	-	-	58,899,642	34,291,250
Highways	177,171,636	159,525,490	-	-	177,171,636	159,525,490
Local streets and roads	87,229,315	85,183,610	-	-	87,229,315	85,183,610
Motorist assistance	4,606,991	4,322,295	-	-	4,606,991	4,322,295
Planning and programming	8,099,856	4,774,012	-	-	8,099,856	4,774,012
Regional arterials	8,157,544	24,258,688	-	-	8,157,544	24,258,688
Regional conservation	10,243,763	1,492,799	-	-	10,243,763	1,492,799
Toll operations	-	-	102,562,700	96,696,426	102,562,700	96,696,426
Transit and specialized transportation	134,722,572	85,415,249	-	-	134,722,572	85,415,249
Interest expense	29,443,644	30,512,904	-	-	29,443,644	30,512,904
Total expenses	529,768,103	436,905,896	102,562,700	96,696,426	632,330,803	533,602,322
Excess (deficiency) of revenues over (under) expenses	223,543,555	264,125,368	16,130,353	2,229,747	239,673,908	266,355,115
Transfers	45,694,519	(11,165,147)	(45,694,519)	11,165,147	-	-
Increase (decrease) in net position	269,238,074	252,960,221	(29,564,166)	13,394,894	239,673,908	266,355,115
Net position at beginning of year	989,685,141	736,724,920	(40,870,106)	(54,265,000)	948,815,035	682,459,920
Net position at end of year	\$1,258,923,215	\$ 989,685,141	\$ (70,434,272)	\$ (40,870,106)	\$1,188,488,943	\$ 948,815,035

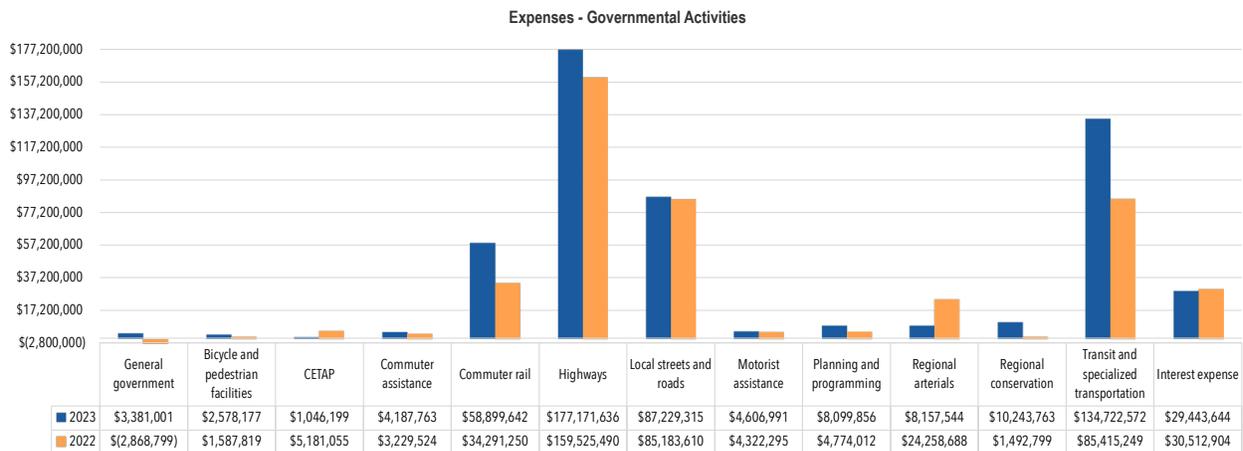
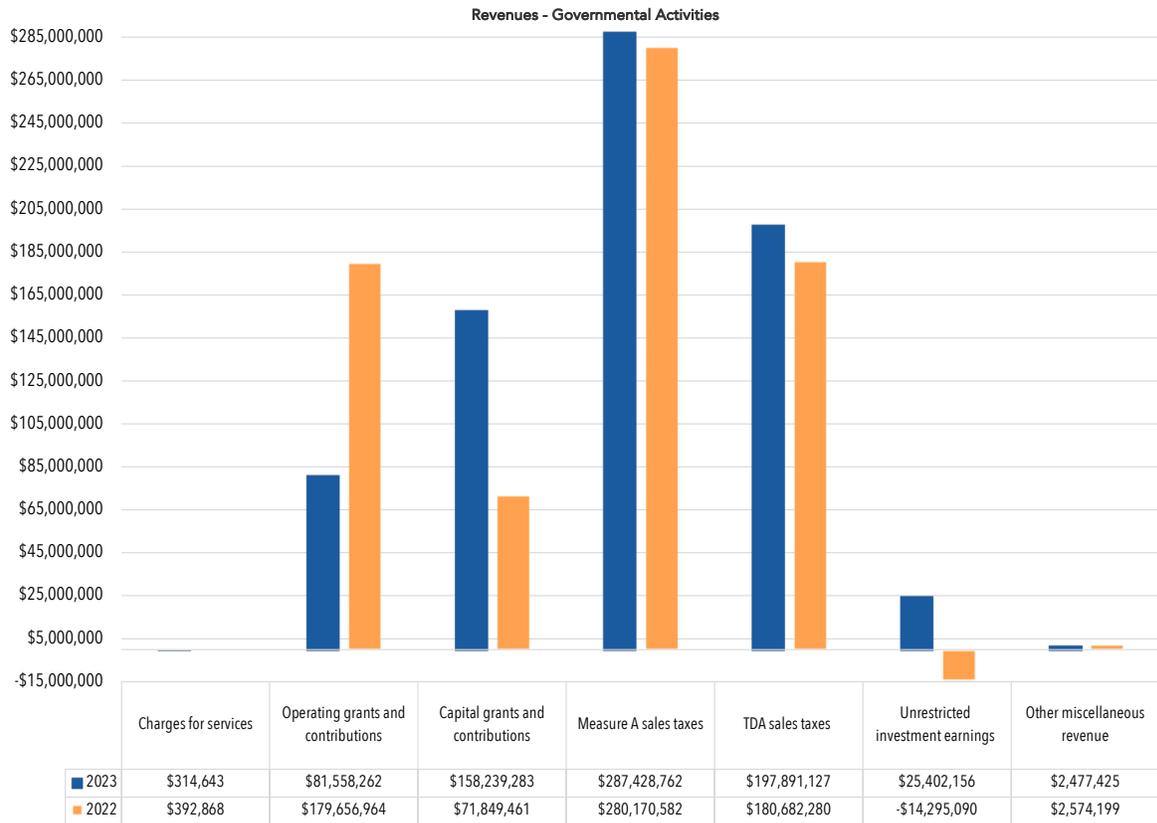
- General government expenses increased by \$6,249,800, or 218%, primarily due to the recognition of the pension actuarial liability compared to a pension actuarial asset in FY 2021/22 and is recognized as a deferred outflow of pension contributions;
- Bicycle and pedestrian facilities expenses increased by \$990,358, or 62%, due to an increase in claims submitted for approved projects;
- CETAP expenses decreased \$4,134,856, or 80%, due to Mid County Parkway project funding in the previous fiscal year;
- Commuter assistance expenses increased \$958,239, or 30%, primarily due to an increase in program management services;
- Commuter rail expenses increased by \$24,608,392 or 72%, as a result increased operating

contributions to the Southern California Regional Rail Authority (SCRRA) due to COVID-19 impacts and availability of federal COVID-19 relief funds to SCRRA;

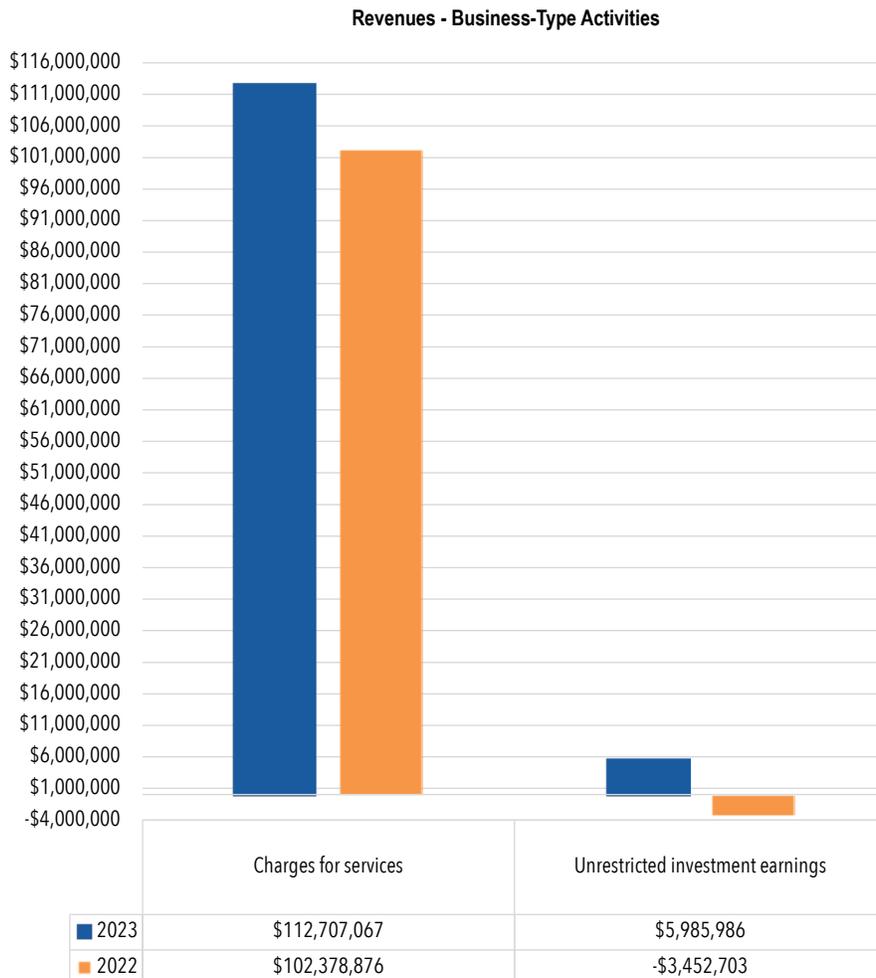
- Highway expenses increased by \$17,646,146, or 11%, due primarily to right of way activities on the SR-91 project;
- Local streets and roads expenses increased by \$2,045,705 or 2%, because of an increase in the overall Measure A sales tax revenue have a corresponding allocation increase to the local jurisdictions;
- Motorist assistance expenses increased by \$284,696, or 7%, due primarily to reduced freeway service patrol activities;
- Planning and programming expenses increased by \$3,325,844, or 70%, due to LTF planning allocations and various next generation express lanes and transit-oriented communities strategic plan development studies;
- Regional arterial expenses decreased by \$16,101,144 or 66%, as a result of a net decrease in reimbursements to local jurisdictions for approved regional arterial projects;
- Regional conservation expenses increased by \$8,750,964, or 586%, primarily due to the recognition of the pension actuarial liability that is recognized as a deferred outflow of pension and OPEB contributions, along with professional services, right of way support costs, and reimbursement for administrative cost allocations;
- Toll operations expenses increased by \$5,866,274, or 6%, due primarily to the required repair and rehabilitation activities on the 91 Express Lanes;
- Transit and specialized transportation expenses increased by \$49,307,323, or 58%, due to an increase in bus transit operating and capital claims in Western County and Coachella Valley geographic areas resulting from the availability of federal COVID-19 relief funds for transit operators in the previous year;
- Interest expense related to governmental activities decreased by \$1,069,260, or 4%, primarily as a result of the net impacts of the current year's interest payments, amortization of the loss on refunding bonds, and amortization of sales tax bond premiums; and
- Internal transfers increased \$56,859,666, or 509%, due to the surplus funding on the 15/91 Express Lanes Connector project from the 91 Express Lanes enterprise fund. Surplus funding is generated from prior year toll revenues. The 15/91 Express Lanes Connector project will be completed during FY 2023/24.



The graphs below present the program and general revenues by source and program expenses for the Commission’s governmental activities for the fiscal years ended June 30, 2023 and June 30, 2022:



The graphs below present the program and general revenues by source and program expenses for the Commission’s business-type activities for the fiscal years ended June 30, 2023 and June 30, 2022:



Financial Analysis of the Commission's Funds

Governmental Funds

The focus of the Commission's governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements.

As of June 30, 2023, the Commission's governmental funds reported combined ending fund balances of \$1,271,162,231, an increase of \$166,516,025 compared to FY 2021/22. Less than 1%, or \$1,877,579, is nonspendable fund balance related to prepaid amounts; \$2,568,283 is assigned fund balance for general government administration activities; and an unassigned deficit of \$3,392 is related to a deficit fund balance in the Nonmajor governmental fund. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- \$9,475,739 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- \$70,900,091 of TUMF funds for new CETAP corridors in Western County;
- \$22,565,325 for Western County commuter assistance activities such as expansion of park-and-ride facilities and other projects and programs that encourage commuters to use alternative modes of transportation under the 2009 Measure A program;
- \$81,104,176 in TDA, Measure A, and Proposition 1B funds for commuter rail operations and capital projects and \$2,257,390 in TDA and Proposition 1B funds for the Coachella Valley/San Geronio Pass rail corridor;
- \$11,871,675 in 2009 Measure A funds available to pay sales tax revenue bonds debt service over the next year;
- \$363,128,931 for highway, economic development, and new corridor projects related to the 1989 Measure A and 2009 Measure A programs;
- \$13,328,700 in state funds for motorist assistance services;
- \$8,631,578 of TDA funds and \$28,174 intergovernmental funds for planning and programming activities;
- \$102,340,390 and \$77,370,646 for regional arterial projects in Western County related to the 2009 Measure A and TUMF programs, respectively;
- \$20,022,394 of Measure A funds for transit and specialized transportation in the Western County and \$1,773,181 for specialized transportation in the Coachella Valley; and
- \$481,921,371 in TDA funds available to the commuter rail and bus transit operations and capital in the County, including state of good repair.



The following table presents the changes in fund balances for the governmental funds by fund category for the fiscal years ended June 30, 2023 and 2022:

	Fund Balances		% Change
	Year Ended June 30		
	2023	2022	
General fund	\$ 37,100,151	\$ 35,788,510	4%
Special Revenue major funds:			
Measure A Western County	438,154,128	379,440,191	15%
Measure A Coachella Valley	96,210,303	84,343,540	14%
Transportation Uniform Mitigation Fee	148,270,737	119,352,193	24%
Local Transportation Fund	336,576,925	276,854,895	22%
State Transit Assistance	142,158,549	131,655,414	8%
SB 132	1,003,665	(385,823)	360%
Capital Projects major funds:			
Commercial Paper	13,392,732	15,043,286	-11%
Bonds	18,149,828	25,576,707	-29%
Debt Service fund	11,871,675	11,067,296	7%
Nonmajor governmental funds	28,273,538	25,909,997	9%
Total	\$1,271,162,231	\$1,104,646,206	

Key elements for the changes in fund balances are as follows:

- The 4% increase in the General fund resulted from increased commuter rail TDA funds transfers, offset by the increase in commuter rail, planning and programming, and transit and specialized transportation program expenditures;
- The 15% increase in the Measure A Western County Special Revenue fund was attributed to excess 2009 Measure A revenues and interest income, offset by increased commuter assistance, commuter rail, local streets and roads, regional arterials, and transit and specialized transportation expenditures;
- The 14% increase in the Measure A Coachella Valley Special Revenue fund was attributed to excess 2009 Measure A revenues over expenditures for Coachella Valley highway, local streets and roads, and regional arterial projects;
- The 24% increase in the TUMF Special Revenue fund was attributable to excess TUMF revenues over CETAP and regional arterial expenditures;
- The 22% and 8% increase in the Local Transportation Fund and State Transit Assistance, respectively, resulted from the excess of sales tax revenues over claims of allocations for transit operations and capital projects and for bicycle and pedestrian facility projects;
- The 360% increase in the SB 132 fund resulted from reimbursement of project costs related to the 15/91 Express Lanes Connector project;
- The 11% decrease in the Commercial Paper Capital Projects fund was attributed to the use of excess funds for the repayment of debt service;
- The 29% decrease in the Bonds Capital Projects fund was attributed to transfers out to the Measure A Western County Special Revenue fund and 15 Express Lanes Enterprise fund for reimbursement of project costs;
- The 7% increase in the Debt Service fund was attributable to an increase in; and
- The 9% increase in nonmajor governmental funds resulted primarily from the excess of State of Good Repairs revenues over claims of allocations for transit operations and capital projects and excess Freeway Service Patrol funding over program expenditures.

Proprietary Fund

The Commission's proprietary fund provides the same type of information found in the government-wide financial statements. The net position of the proprietary fund totaled a deficit of \$70,434,272 at June 30, 2023. The deficit is related to the RCTC 91 Express Lanes toll-supported debt in excess of capital and intangible assets.

General Fund Budgetary Highlights

The \$2,419,800 increase in General Fund expenditure appropriations between the original budget and the final amended budget for the General fund was related to the following changes:

- \$812,400 decrease to general government for various operations support services;
- \$884,500 decrease to the commuter rail program;
- \$3,258,200 increase to the planning and programming program;
- \$1,900 increase to transit and specialized transportation professional costs;
- \$836,600 increase to lease and subscription IT debt service costs; and
- \$20,000 increase to capital outlay.

During the year, General fund revenues were lower than budgetary estimates by \$16,694,427; expenditures were less than budgetary estimates by \$30,940,103. General fund budgetary variances between the final amended budget and actual amounts are as follows:

General Fund Budgetary Variances	Year Ended June 30, 2023			
	Original Budget	Final Amended Budget	Actual	% Variance
Revenues				
Intergovernmental	\$ 22,610,600	\$ 22,610,600	\$ 5,225,498	\$ (17,385,102)
Investment income	36,400	36,400	725,357	688,957
Other	-	-	1,718	1,718
Total revenues	22,647,000	22,647,000	5,952,573	(16,694,427)
Expenditures				
Current				
General government	12,406,600	11,594,200	-	11,594,200
Commuter rail	44,997,700	44,113,200	30,738,018	13,375,182
Planning and programming	2,740,800	5,999,000	3,972,025	2,026,975
Transit and specialized transportation	1,590,100	1,592,000	911,442	680,558
Debt service	-	836,600	836,270	330
Capital outlay	3,343,900	3,363,900	101,042	3,262,858
Total expenditures	65,079,100	67,498,900	36,558,797	30,940,103
Other financing sources (uses)				
Transfers in	44,979,600	44,979,600	31,925,738	(13,053,862)
Transfers out	(2,990,800)	(2,990,800)	(7,873)	2,982,927
Total other financing sources (uses)	\$ 41,988,800	\$ 41,988,800	\$ 31,917,865	\$ (10,070,935)

Significant budgetary variances between the final amended budget and actual amounts are as follows:

- \$17,385,102 negative variance for intergovernmental revenues primarily related to lower eligible intergovernmental reimbursements due to lower commuter rail expenditures;
- \$688,957 positive variance for investment income includes higher investment yields and unrealized gains;
- \$1,718 positive variance for other revenues related to commuter rail offender fees;
- \$11,594,200 positive variance for general government expenditures related to the administrative cost allocations process;
- \$13,375,182 positive variance for commuter rail expenditures related to lower Metrolink operations costs due to the availability of federal relief funds to SCRRRA and delay in various rail capital projects;
- \$2,026,975 positive variance for planning and programming expenditures related to lower professional services, special studies, planning allocations, and other expenditures such as staff support;
- \$680,558 positive variance for transit and specialized transportation expenditures related to lower professional services, special studies, and other expenditures such as staff support;
- \$330 positive variance for debt service expenditures related to the GASB Statement No. 87 *Leases* and GASB Statement No. 96 *Subscriptions*;
- \$3,262,858 positive variance for capital outlay expenditures related to implementation of replacement of finance enterprise resource planning system and rail station improvements;
- \$13,053,862 negative variance for transfers in related to the administrative cost allocations process and lower commuter rail activities than anticipated; and
- \$2,982,927 positive variance for transfers out related to the administrative cost allocations process that affected commuter rail, planning and programming, and transit and specialized transportation activities.

Capital Assets

As of June 30, 2023, the Commission had \$1,351,213,184, net of accumulated depreciation and amortization, invested in a broad range of capital assets including development and construction in progress and easements; land and land improvements; construction rail operating easements, stations, and tracks; buildings; toll infrastructure; transponders; toll facility franchise; office improvements, furniture, equipment, and vehicles; and leased and subscription IT assets. The total increase in the Commission's total capital assets, net for FY 2022/23 was 5% and primarily attributable to construction in progress for the 15/91 Express Lanes Connector project and right of way acquisition for the SR-91 project.

Major capital asset additions during 2023 included construction in progress for the 15/91 Express Lanes Connector project, rail station improvements, right of way acquisition, and construction easements on various projects. Capital assets includes the implementation of GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscriptions*, reflecting the right to use assets for land, buildings, equipment, and subscription IT.

The table below is a comparative summary of the Commission's capital assets, net of accumulated depreciation:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets not being depreciated:						
Land and land improvements	\$ 179,033,069	\$ 170,015,793	\$ 19,237,061	\$ 11,990,286	\$ 198,270,130	\$ 182,006,079
Construction easements	4,202,495	4,202,495	259,657	259,657	4,462,152	4,462,152
Rail operating easements	63,846,199	63,846,199	-	-	63,846,199	63,846,199
Construction in progress	256,932,495	186,511,029	6,229,120	4,614,768	263,161,615	191,125,797
Development in progress	675,604	832,094	-	-	675,604	832,094
Total capital assets not being depreciated	504,689,862	425,407,610	25,725,838	16,864,711	530,415,700	442,272,321
Capital assets being depreciated and amortized, net of accumulated depreciation and amortization:						
Rail stations	116,671,691	122,988,654	-	-	116,671,691	122,988,654
Rail tracks	118,701,546	123,881,250	-	-	118,701,546	123,881,250
Temporary construction easements	368,352	740,774	-	-	368,352	740,774
Buildings and building improvements	-	-	5,167,778	6,027,357	5,167,778	6,027,357
Toll infrastructure	-	-	17,231,726	22,851,446	17,231,726	22,851,446
Transponders	-	-	-	9,888	-	9,888
Toll facility franchise	-	-	558,282,209	568,238,032	558,282,209	568,238,032
Office improvements, furniture, equipment, and vehicles	737,440	300,587	56,100	90,595	793,540	391,182
Total capital assets, net of accumulated depreciation and amortization	236,479,029	247,911,265	580,737,813	597,217,318	817,216,842	845,128,583
Intangible right to use leased assets, net of accumulated amortization						
Land	8,401	16,803	-	-	8,401	16,803
Buildings	2,636,321	3,246,658	-	-	2,636,321	3,246,658
Equipment	33,795	63,910	-	-	33,795	63,910
Total intangible right to use leased assets, net of accumulated amortization	2,678,517	3,327,371	-	-	2,678,517	3,327,371
Intangible right to use subscription IT assets, net of accumulated amortization	902,125	1,125,117	-	-	902,125	1,125,117
Total capital assets	\$ 744,749,533	\$ 677,771,363	\$ 606,463,651	\$ 614,082,029	\$ 1,351,213,184	\$ 1,291,853,392

On March 20, 2017, the 91 Project was substantially completed and the RCTC 91 Express Lanes opened to motorists. In connection with a toll facilities agreement with Caltrans, or service concession agreement, the Commission may collect tolls and operate and maintain a toll facility on SR-91 from the Orange/Riverside County line to I-15 for 50 years from opening. On April 10, 2021, the I-15 Express Lanes project was substantially completed and the 15 Express Lanes opened to motorists; the 15 Express Lanes began tolling on April 14, 2021. In connection with a toll facilities agreement with Caltrans, or service concession agreement, the Commission may collect tolls and operate and maintain a toll facility on I-15 between Cajalco Road in Corona and SR-60 in Jurupa Valley for 50 years from opening and commencement of tolling.

More detailed information about the Commission's capital assets is presented in Note 5 to the financial statements.

Debt Administration

As of June 30, 2023, the Commission had \$1,690,797,309 outstanding in sales tax and toll revenue bonds, including a TIFIA loan as follows:

Sales tax revenue bonds	\$ 788,875,246
Toll revenue bonds	734,891,709
TIFIA loan	<u>167,030,354</u>
Total outstanding sales tax and toll revenue bonds	<u>\$ 1,690,797,309</u>

The total debt decreased from the \$1,726,159,056 outstanding as of June 30, 2022 primarily due to the following:

	Balance June 30, 2022	Additions	Reduction	Balance June 30, 2023
Governmental activities				
Sales tax revenue bonds	\$ 747,320,000	\$ -	\$ (31,405,000)	\$ 715,915,000
Sales tax bonds premium	83,418,739	-	(10,458,493)	72,960,246
Business-type activities				
Toll revenue bonds	678,665,952	4,394,620	-	683,060,572
Toll revenue bonds premium	54,368,512	-	(2,537,375)	51,831,137
TIFIA loan	<u>162,385,853</u>	<u>4,644,501</u>	-	<u>167,030,354</u>
Total outstanding sales tax and toll revenue bonds	<u>\$ 1,726,159,056</u>	<u>\$9,039,121</u>	<u>\$44,400,868</u>	<u>\$ 1,690,797,309</u>

- Sales tax revenue bonds was reduced by \$41,863,493 due to reductions resulting from principal payments in the amount of \$31,405,000 and premium amortization of \$10,458,493; and
- Toll revenue bonds increased \$4,394,620 due to the accretion of the 2013 Toll Revenue Bonds and premium amortization of \$2,537,375; and
- TIFIA loan increased \$4,644,501 due to compounded interest.

The Commission's sales tax revenue bonds received ratings of "AA+" from S&P Global Ratings (S&P), "Aa2" from Moody's Investors Service (Moody's), and "AA+" from Fitch Ratings (Fitch), and the toll revenue bonds related to the 91 Project received ratings of "A" and "BBB+" from S&P and Fitch, respectively. The TIFIA loan related to the I-15 Express Lanes project received ratings of "BBB" from Kroll Bond Rating Agency and "BBB-" from Fitch.

In March 2005 the Commission established a commercial paper program, currently authorized at \$60,000,000 to provide advance funding for 2009 Measure A capital projects. The commercial paper notes are rated "A1+" by S&P and "P1" by Moody's. As of June 30, 2023, the Commission had \$0 in commercial paper notes outstanding.

As of June 30, 2023, outstanding debt for the Commission is \$715,915,000, which is \$259,085,000 under the debt limit of \$975,000,000 required by the 2009 Measure A ordinance. The Commission had authorized the issuance of toll revenue bonds, for the 91 Project not to exceed \$900,000,000, which is in excess of the total outstanding debt of \$683,060,572. In March 2020, the Commission authorized the sale and issuance of not to exceed \$725 million of toll revenue refunding bonds and prepaid the TIFIA loan in October 2021. The Commission also authorized the issuance of a TIFIA loan, for the I-15 Express Lanes project not to exceed \$165,000,000, which is in excess of the total outstanding debt of \$167,030,354 due to annual compounded interest. TIFIA loans provided federal funding up to \$152,214,260 for the I-15 Express Lanes project on a senior lien basis.

Additional information on the Commission's long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Other Factors

During its March 2023 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2023/24 Budget. These principles have been incorporated in goals of the Commission and will continue to be updated annually in response to the ever-changing social, political, and economic environment. The principles are a business planning tool designed to assist the Commission in implementing its strategic goals and objectives and lays the foundation for future financial planning for the annual budget process.

The Commission adopted the FY 2023/24 annual budget on June 14, 2023. Approximately 53% of the \$983,490,200 balanced budget is related to capital project expenditures, including:

- \$4,258,700 for completion of right of way acquisition, construction, and design-build activities related to the 91 Project consisting of tolled express and general-purpose lanes and interchange improvements, including the eastbound lane to McKinley Avenue;
- \$8,516,200 for repair and rehabilitation of the 91 Express Lanes;
- \$1,350,000 for repair and rehabilitation of the 15 Express Lanes;
- \$3,385,600 for construction and engineering activities related to the 91 Corridor Operations project (COP), including the eastbound COP;
- \$1,378,300 for engineering, construction, design-build, and right of way activities related to the I-15 Express Lanes projects;
- \$38,389,000 for construction, design-build, and right of way activities related to the 15/91 Express Lanes Connector project;
- \$13,439,000 for engineering related to the I-15 Express Lanes-Southern Extension project;
- \$4,999,500 for engineering and construction related to the I-15 Corridor Operations project, including the interim project;
- \$448,700 for right of way support services, engineering, and construction related to the I-15/Railroad Canyon Interchange project;
- \$66,221,900 for engineering, right of way activities, and construction related to the 71/91 Connector project;
- \$19,642,400 for right of way activities and construction related to the Western County SB 132 projects for which the Commission is not the lead agency;
- \$6,756,700 engineering and right of way activities related to the Santa Ana River Trail Extension projects for which the Commission is the lead agency for the Riverside County Regional Park and Open Space District;
- \$1,205,300 for engineering and right of way for the I-10/Highland Springs interchange;
- \$1,147,500 for engineering, construction and right of way related to the SR-60 Truck Lanes project;
- \$16,180,000 of engineering and construction related to the smart freeways project;
- \$193,544,800 for various Western County Measure A and TUMF regional arterial projects;
- \$33,694,700 for engineering, construction, and right of way acquisition/support services for the Mid County Parkway projects; and
- \$29,112,800 for engineering, construction, and right of way activities for various rail station upgrades.

Distributions to the local jurisdictions for local streets and roads are budgeted at \$84,545,100. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate \$252,272,300. Debt service costs are \$91,416,200, or 9% of the budget.

While capital and operating grants and contributions continue to be an important source of funding for Commission capital projects, they only represent 27% of total revenues as of June 30, 2023. General revenues along with charges for services represent the majority of revenues at 73%. Specifically, the increase in this revenue source is reflected in higher than anticipated sales tax and strong management of the Commission's express lanes via the receipt of higher than projected toll revenues. While the transportation needs for the

County continue to remain high, the Commission is poised to leverage its recent strong financial performance to meet its debt covenants and deliver on the projects outlined in the Measure A ordinance.

The Commission continues to study alternative financing alternatives such as tolled express lane facilities and federal financing programs to support the delivery of 2009 Measure A projects.

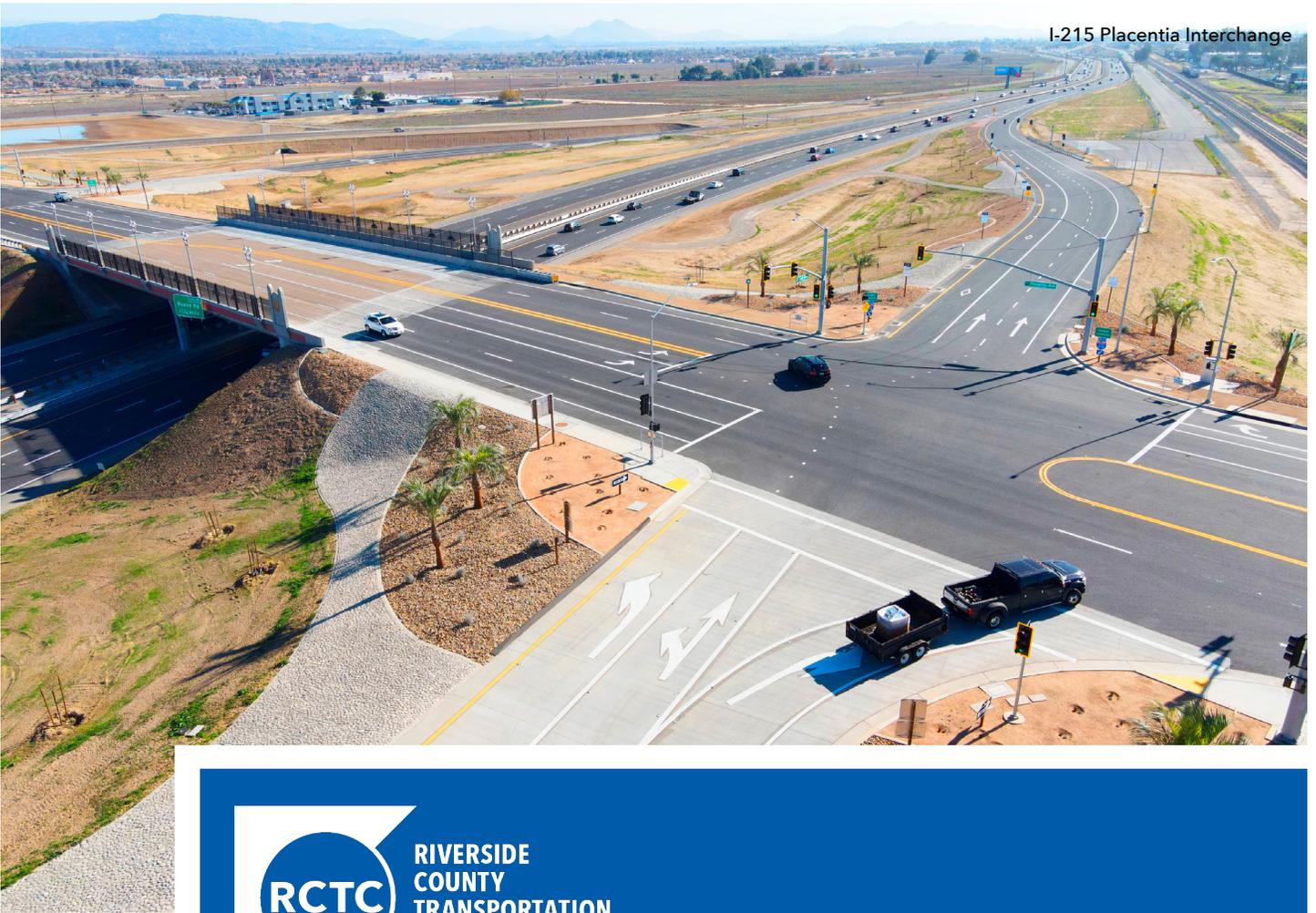
Contacting the Commission's Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at the Riverside County Transportation Commission, 4080 Lemon Street, 3rd Floor, P.O. Box 12008, Riverside, California 92502-2208.



Freeway Service Patrol





Basic Financial Statements

Riverside County Transportation Commission
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 1,084,916,744	\$ 78,320,067	\$ 1,163,236,811
Receivables:			
Accounts	173,002,080	5,580,248	178,582,328
Violations	-	33,668	33,668
Advances to other governments	15,469,941	-	15,469,941
Interest	17,994,598	1,552,938	19,547,536
Leases	2,321,702	291,175	2,612,877
Internal balances	33,358,175	(33,358,175)	-
Due from other governments	234,345	-	234,345
Prepaid expenses and other assets	1,877,579	280,668	2,158,247
Restricted cash and investments	26,094,316	173,673,879	199,768,195
Net other post-employment benefits assets	622,475	82,125	704,600
Capital assets not being depreciated	504,689,862	25,725,838	530,415,700
Capital assets, net of accumulated depreciation and amortization	236,479,029	580,737,813	817,216,842
Intangible right to use lease asset, net of amortization	2,678,517	-	2,678,517
Intangible right to use subscription IT asset, net of amortization	902,125	-	902,125
Total assets	2,100,641,488	832,920,244	2,933,561,732
Deferred outflows of resources			
Loss on refunding of bonds	28,912,798	14,237,108	43,149,906
Pension related	8,112,517	1,070,321	9,182,838
Other post-employment benefits related	1,812,030	239,070	2,051,100
Total deferred outflows of resources	38,837,345	15,546,499	54,383,844
Total assets and deferred outflows of resources	2,139,478,833	848,466,743	2,987,945,576
Liabilities			
Accounts payable	71,762,407	11,642,456	83,404,863
Interest payable	3,079,003	3,550,248	6,629,251
Other liabilities	4,769,209	699,274	5,468,483
Long-term liabilities:			
Due within one year - bonds, leases, subscriptions, and compensated absences	43,013,742	2,642,026	45,655,768
Due in more than one year			
Net pension liabilities	1,650,549	217,764	1,868,313
Bonds, loans, leases, and compensated absences	750,877,201	899,451,977	1,650,329,178
Total liabilities	875,152,111	918,203,745	1,793,355,856
Deferred inflows of resources			
Pension related	2,681,898	353,835	3,035,733
Leases	2,254,532	281,812	2,536,344
Other post-employment benefits related	467,077	61,623	528,700
Total deferred inflows of resources	5,403,507	697,270	6,100,777
Total liabilities and deferred inflows of resources	880,555,618	918,901,015	1,799,456,633
Net position			
Net investment (deficit) in capital assets	483,304,687	(176,735,962)	306,568,725
Restricted for:			
Other post-employment benefits	1,967,428	259,572	2,227,000
Bicycle and pedestrian facilities	9,475,739	-	9,475,739
CETAP	70,900,091	-	70,900,091
Commuter assistance	22,566,548	-	22,566,548
Commuter rail	83,456,024	-	83,456,024
Debt service	11,871,675	-	11,871,675
Highways	380,100,982	-	380,100,982
Motorist assistance	13,341,945	-	13,341,945
Express lanes	-	106,042,118	106,042,118
Planning and programming	8,661,106	-	8,661,106
Regional arterials	179,711,036	-	179,711,036
Regional conservation	1,030	-	1,030
Transit and specialized transportation	503,717,557	-	503,717,557
Unrestricted (deficit)	(510,152,633)	-	(510,152,633)
Total net position	\$ 1,258,923,215	\$ (70,434,272)	\$ 1,188,488,943

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating Grants	Capital Grants	Governmental	Business-type	Total
		Services	and Contributions	and Contributions	Activities	Activities	
Primary Government							
Governmental Activities:							
General government	\$ 3,381,001	\$ 15	\$ -	\$ -	\$ (3,380,986)	\$ -	\$ (3,380,986)
Bicycle and pedestrian facilities	2,578,177	-	-	-	(2,578,177)	-	(2,578,177)
CETAP	1,046,199	-	16,507,426	-	15,461,227	-	15,461,227
Commuter assistance	4,187,763	-	4,278,521	-	90,758	-	90,758
Commuter rail	58,899,642	314,628	4,506,768	11,649,788	(42,428,458)	-	(42,428,458)
Highways	177,171,636	-	6,666,681	145,905,043	(24,599,912)	-	(24,599,912)
Local streets and roads	87,229,315	-	-	-	(87,229,315)	-	(87,229,315)
Motorist assistance	4,606,991	-	5,163,782	-	556,791	-	556,791
Planning and programming	8,099,856	-	2,978,987	-	(5,120,869)	-	(5,120,869)
Regional arterials	8,157,544	-	17,225,315	684,452	9,752,223	-	9,752,223
Regional conservation	10,243,763	-	8,474,565	-	(1,769,198)	-	(1,769,198)
Transit and specialized transportation	134,722,572	-	15,756,217	-	(118,966,355)	-	(118,966,355)
Interest expense	29,443,644	-	-	-	(29,443,644)	-	(29,443,644)
Total governmental activities	<u>529,768,103</u>	<u>314,643</u>	<u>81,558,262</u>	<u>158,239,283</u>	<u>(289,655,915)</u>	<u>-</u>	<u>(289,655,915)</u>
Business-type Activities:							
RTC 91 Express lanes	73,232,775	73,335,918	-	-	-	103,143	103,143
15 Express Lanes	29,329,925	39,371,149	-	-	-	10,041,224	10,041,224
Total Business-type activities	<u>102,562,700</u>	<u>112,707,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,144,367</u>	<u>10,144,367</u>
Total Primary Government	<u>\$ 632,330,803</u>	<u>\$ 113,021,710</u>	<u>\$ 81,558,262</u>	<u>\$ 158,239,283</u>	<u>(289,655,915)</u>	<u>10,144,367</u>	<u>(279,511,548)</u>
General Revenues:							
Measure A sales taxes					287,428,762	-	287,428,762
Transportation Development Act sales taxes					197,891,127	-	197,891,127
Unrestricted investment earnings					25,402,156	5,985,986	31,388,142
Other miscellaneous revenue					2,477,425	-	2,477,425
Transfers					45,694,519	(45,694,519)	-
Total general revenues and transfers					<u>558,893,989</u>	<u>(39,708,533)</u>	<u>519,185,456</u>
Change in net position					269,238,074	(29,564,166)	239,673,908
Net position (deficit) at beginning of year					989,685,141	(40,870,106)	948,815,035
Net position (deficit) at end of year					<u>\$ 1,258,923,215</u>	<u>\$ (70,434,272)</u>	<u>\$ 1,188,488,943</u>

See notes to basic financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds

June 30, 2023

	Major Funds						
	Special Revenue						SB 132
	General	Measure A	Measure A	Transportation	Local	State	
		Western County	Coachella Valley	Uniform Mitigation Fee	Transportation Fund	Transit Assistance	
Assets							
Cash and investments	\$ 12,016,655	\$ 369,783,953	\$ 96,845,437	\$ 139,921,289	\$ 301,716,823	\$ 132,737,758	\$ -
Receivables							
Accounts	7,165,495	93,848,197	9,782,995	10,465,104	32,272,361	9,675,159	3,843,106
Advances	-	-	-	-	-	-	-
Interest	427,409	6,223,895	1,459,588	2,111,831	4,459,925	1,994,314	733,822
Leases	-	2,104,852	-	216,850	-	-	-
Due from other funds	21,075,415	893,021	140,418	38,955	-	-	23,292,170
Advances to other funds	-	11,727,273	-	-	-	-	-
Prepaid expenditures and other assets	541,973	1,334,576	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
Total assets	\$ 41,226,947	\$ 485,915,767	\$ 108,228,438	\$ 152,754,029	\$ 338,449,109	\$ 144,407,231	\$ 27,869,098
Liabilities, deferred inflows of resources, and fund balances							
Liabilities							
Accounts payable	\$ 3,735,107	\$ 38,385,782	\$ 11,408,939	\$ 3,714,179	\$ 1,255,284	\$ 1,496,198	\$ 9,719,125
Advances payable	-	-	-	-	-	-	-
Due to other funds	7,872	1,394,342	609,196	560,510	616,900	752,484	17,146,308
Other liabilities	383,817	1,333,795	-	-	-	-	-
Total liabilities	4,126,796	41,113,919	12,018,135	4,274,689	1,872,184	2,248,682	26,865,433
Deferred inflows of resources							
Leases	-	2,045,929	-	208,603	-	-	-
Unavailable revenues	-	4,601,791	-	-	-	-	-
Total deferred inflows of resources	-	6,647,720	-	208,603	-	-	-
Fund balances							
Nonspendable							
Prepaid amounts	541,973	1,334,576	-	-	-	-	-
Restricted for							
Bicycle and pedestrian facilities	-	-	-	-	9,475,739	-	-
CETAP	-	-	-	70,900,091	-	-	-
Commuter assistance	-	22,565,325	-	-	-	-	-
Commuter rail	25,358,317	55,745,859	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Highways	-	236,145,584	94,437,122	-	-	-	1,003,665
Motorist assistance	-	-	-	-	-	-	-
Planning and programming	8,631,578	-	-	-	-	-	-
Regional arterials	-	102,340,390	-	77,370,646	-	-	-
Transit and specialized transportation	-	20,022,394	1,773,181	-	327,101,186	142,158,549	-
Assigned							
General government	2,568,283	-	-	-	-	-	-
Unassigned							
	-	-	-	-	-	-	-
Total fund balances	37,100,151	438,154,128	96,210,303	148,270,737	336,576,925	142,158,549	1,003,665
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,226,947	\$ 485,915,767	\$ 108,228,438	\$ 152,754,029	\$ 338,449,109	\$ 144,407,231	\$ 27,869,098

See notes to basic financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds, Continued

June 30, 2023

	Major Funds				
	Capital Projects			Other Nonmajor Governmental Funds	Total
	Commercial Paper	Bonds	Debt Service		
Assets					
Cash and investments	\$ 425,254	\$ 66,504	\$ 4,544,533	\$ 26,858,538	\$ 1,084,916,744
Receivables					
Accounts	-	-	-	5,949,663	173,002,080
Advances	13,360,187	2,109,754	-	-	15,469,941
Interest	26,673	43,674	82,751	430,716	17,994,598
Leases	-	-	-	-	2,321,702
Due from other funds	434,145	67,894	-	283,330	46,225,348
Advances to other funds	-	-	-	-	11,727,273
Prepaid expenditures and other assets	-	-	-	1,030	1,877,579
Restricted cash and investments	-	18,709,507	7,384,809	-	26,094,316
Total assets	\$ 14,246,259	\$ 20,997,333	\$ 12,012,093	\$ 33,523,277	\$ 1,379,629,581
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,047,793	\$ 71,762,407
Advances payable	-	2,727,273	-	-	2,727,273
Due to other funds	-	-	140,418	639,143	21,867,173
Other liabilities	853,527	120,232	-	2,549,558	5,240,929
Total liabilities	853,527	2,847,505	140,418	5,236,494	101,597,782
Deferred inflows of resources					
Leases	-	-	-	-	2,254,532
Unavailable revenues	-	-	-	13,245	4,615,036
Total deferred inflows of resources	-	-	-	13,245	6,869,568
Fund balances					
Nonspendable					
Prepaid amounts	-	-	-	1,030	1,877,579
Restricted for					
Bicycle and pedestrian facilities	-	-	-	-	9,475,739
CETAP	-	-	-	-	70,900,091
Commuter assistance	-	-	-	-	22,565,325
Commuter rail	-	-	-	2,257,390	83,361,566
Debt service	-	-	11,871,675	-	11,871,675
Highways	13,392,732	18,149,828	-	-	363,128,931
Motorist assistance	-	-	-	13,328,700	13,328,700
Planning and programming	-	-	-	28,174	8,659,752
Regional arterials	-	-	-	-	179,711,036
Transit and specialized transportation	-	-	-	12,661,636	503,716,946
Assigned					
General government	-	-	-	-	2,568,283
Unassigned					
	-	-	-	(3,392)	(3,392)
Total fund balances	13,392,732	18,149,828	11,871,675	28,273,538	1,271,162,231
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,246,259	\$ 20,997,333	\$ 12,012,093	\$ 33,523,277	\$ 1,379,629,581

See notes to basic financial statements



Riverside County Transportation Commission
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - Governmental funds page 27	\$ 1,271,162,231
Amounts reported for governmental activities in the statement of net position page 24 are different because:	
Amounts due from other governments are not an available resource and therefore, are not reported in the funds.	234,345
Deferred outflows of pension resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	8,112,517
Deferred inflows of pension resources are not due and payable in the current period and, therefore, are not reported in the funds.	(2,681,898)
Deferred outflows of other post-employment benefits resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,812,030
Deferred inflows of other post-employment benefits resources are not due and payable in the current period and, therefore, are not reported in the funds.	(467,077)
Capital and right to use leased and subscriptions assets, less related accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported in the funds.	744,749,533
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,086,756
Interest payable on long-term debt outstanding is not due and payable in the current period and therefore is not reported in the funds.	(3,079,003)
Net other post-employment asset is not reported in the funds.	622,475
Net pension liabilities are not reported in the funds.	(1,650,549)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Compensated absences	(1,302,661)
Intangible right to use lease and subscription IT assets	(3,713,036)
Sales tax bonds payable	(715,915,000)
Loss on refunding of sales tax bonds	28,912,798
Premium on sales tax revenue bonds payable	(72,960,246)
Net adjustment	(764,978,145)
Net position of governmental activities page 24	<u><u>\$ 1,258,923,215</u></u>

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Major Funds						
	Special Revenue						SB 132
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	State Transit Assistance	
Revenues							
Salestaxes	\$ -	\$ 230,590,476	\$ 55,658,839	\$ -	\$ 156,282,435	\$ 37,244,079	\$ -
Transportation Uniform Mitigation Fee	-	-	-	34,416,894	-	-	-
Intergovernmental	5,225,498	61,730,536	-	-	15,438,482	-	99,942,971
Investment income	725,357	7,059,918	1,958,771	2,860,762	5,616,669	2,874,905	1,003,838
Other	1,718	3,530,551	-	22,916	-	5,125	963,200
Total revenues	5,952,573	302,911,481	57,617,610	37,300,572	177,337,586	40,124,109	101,910,009
Expenditures							
Current:							
General government	-	336,045	-	-	12,000	-	-
Bicycle and pedestrian facilities	-	-	-	-	2,578,177	-	-
CETAP	-	-	-	1,011,752	-	-	-
Commuter assistance	-	4,030,094	-	-	-	-	-
Commuter rail	30,738,018	19,310,998	-	-	-	-	-
Highways	-	85,048,360	15,327,959	-	-	-	154,469,677
Local streets and roads	-	66,569,274	19,480,594	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-
Planning and programming	3,972,025	-	-	-	1,415,000	-	-
Regional arterials	-	4,626,056	-	3,466,066	-	-	-
Regional conservation	-	-	-	-	-	-	-
Transit and specialized transportation	911,442	7,100,026	11,082,712	-	85,870,179	25,904,190	-
Total programs	35,621,485	187,020,853	45,891,265	4,477,818	89,875,356	25,904,190	154,469,677
Debt service:							
Principal	787,736	22,361	-	-	-	-	-
Interest	48,534	559	-	-	-	-	-
Total debt service	836,270	22,920	-	-	-	-	-
Capital outlay	101,042	4,763,984	-	-	-	-	-
Total expenditures	36,558,797	191,807,757	45,891,265	4,477,818	89,875,356	25,904,190	154,469,677
Excess (deficiency) of revenues over (under) expenditures	(30,606,224)	111,103,724	11,726,345	32,822,754	87,462,230	14,219,919	(52,559,668)
Other financing sources (uses):							
Transfers in	31,925,738	15,103,584	140,418	70,362	-	-	53,949,156
Transfers out	(7,873)	(67,493,371)	-	(3,974,572)	(27,740,200)	(3,716,784)	-
Total other financing sources (uses)	31,917,865	(52,389,787)	140,418	(3,904,210)	(27,740,200)	(3,716,784)	53,949,156
Net change in fund balances	1,311,641	58,713,937	11,866,763	28,918,544	59,722,030	10,503,135	1,389,488
Fund balances at beginning of year	35,788,510	379,440,191	84,343,540	119,352,193	276,854,895	131,655,414	(385,823)
Fund balances at end of year	\$ 37,100,151	\$ 438,154,128	\$ 96,210,303	\$ 148,270,737	\$ 336,576,925	\$ 142,158,549	\$ 1,003,665

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Major Funds				Total
	Capital Projects		Debt Service	Other Nonmajor Governmental Funds	
	Commercial Paper	Bonds			
Revenues					
Salestaxes	\$ -	\$ -	\$ -	\$ 5,544,060	\$ 485,319,889
Transportation Uniform Mitigation Fee	-	-	-	-	34,416,894
Intergovernmental	-	-	2,812,132	15,873,944	201,023,563
Investment income	971,537	805,556	973,150	619,793	25,470,256
Other	-	-	-	-	4,523,510
Total revenues	971,537	805,556	3,785,282	22,037,797	750,754,112
Expenditures					
Current:					
General government	-	-	-	-	348,045
Bicycle and pedestrian facilities	-	-	-	-	2,578,177
CETAP	-	-	-	-	1,011,752
Commuter assistance	-	-	-	-	4,030,094
Commuter rail	-	-	-	283,331	50,332,347
Highways	-	-	-	-	254,845,996
Local streets and roads	-	-	-	1,179,447	87,229,315
Motorist assistance	-	-	-	4,507,515	4,507,515
Planning and programming	-	-	-	1,901,795	7,288,820
Regional arterials	-	-	-	-	8,092,122
Regional conservation	-	-	-	8,476,417	8,476,417
Transit and specialized transportation	-	-	-	3,554,081	134,422,630
Total programs	-	-	-	19,902,586	563,163,230
Debt service:					
Principal	-	-	31,405,000	-	32,215,097
Interest	-	-	38,150,288	-	38,199,381
Total debt service	-	-	69,555,288	-	70,414,478
Capital outlay	-	-	-	-	4,865,026
Total expenditures	-	-	69,555,288	19,902,586	638,442,734
Excess (deficiency) of revenues over (under) expenditures	971,537	805,556	(65,770,006)	2,135,211	112,311,378
Other financing sources (uses):					
Transfers in	-	-	69,526,935	3,083,330	173,799,523
Transfers out	(2,622,091)	(8,232,435)	(2,952,550)	(2,855,000)	(119,594,876)
Total other financing sources (uses)	(2,622,091)	(8,232,435)	66,574,385	228,330	54,204,647
Net change in fund balances	(1,650,554)	(7,426,879)	804,379	2,363,541	166,516,025
Fund balances at beginning of year	15,043,286	25,576,707	11,067,296	25,909,997	1,104,646,206
Fund balances at end of year	\$ 13,392,732	\$ 18,149,828	\$ 11,871,675	\$ 28,273,538	\$ 1,271,162,231

See notes to basic financial statements



15/91 Express Lanes Connector

Riverside County Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

Net change in fund balances - Total governmental funds page 31 \$ 166,516,025

Amounts reported for governmental activities in the statement of activities page 25 are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over its estimated useful lives and reported as depreciation expense. The adjustment combines the net changes of the following amounts:

Capital outlay	89,320,442
Depreciation expense	(12,960,297)
Net adjustments	76,360,145
Intangible right to use leased assets amortization	(648,854)
Intangible right to use subscription IT assets amortization	(222,992)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,557,549

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 adjustment combines the net changes of the following amounts:

Principal payments for sales tax revenue refunding bonds	11,430,000
Principal payment for sales tax revenue bonds	19,975,000
Amortization of sales tax revenue bonds premium	10,458,493
Amortization of loss on 2017B Refunding Bonds	(1,807,050)
Change in accrued interest	104,295
Principal payment for intangible right to use lease assets	599,606
Principal payment for intangible right to use subscription IT assets	210,491
Net pension liability	(7,378,304)
Pension change in deferred outflows of resources	(1,792,060)
Pension change in deferred inflows of resources	1,320,485
Net other post-employment benefits asset	(1,703,701)
Other post-employment benefits change in deferred outflows of resources	822,174
Other post-employment benefits change in deferred inflows of resources	1,072,929
Net adjustments	33,312,358

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 governmental funds. The adjustment combines the net changes of the compensated absences. (126,028)

The effect of contributions and transfers between the Governmental and Business-type activities.

Contribution of capital and intangible assets	(8,510,129)
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Change in net position of governmental activities page 25 **\$ 269,238,074**

See notes to basic financial statements

Riverside County Transportation Commission

Statement of Net Position

Proprietary Fund

June 30, 2023

	Business-Type Activities		
	RCTC 91 Express Lanes Enterprise Fund	15 Express Lanes Enterprise Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 74,321,586	\$ 3,998,481	\$ 78,320,067
Receivables			
Accounts	2,500,377	3,079,871	5,580,248
Interest	1,448,791	104,147	1,552,938
Lease	-	45,948	45,948
Violations	33,668	-	33,668
Due from Enterprise funds	-	9,364	9,364
Prepaid expenses	137,697	142,971	280,668
Total current assets	78,442,119	7,380,782	85,822,901
Noncurrent assets:			
Restricted cash and investments	94,326,728	79,347,151	173,673,879
Lease receivable	-	245,227	245,227
Other post-employment benefits assets	54,302	27,823	82,125
Capital assets, net:			
Nondepreciable	25,114,083	611,755	25,725,838
Depreciable and amortizable	224,618,462	356,119,351	580,737,813
Total noncurrent assets	344,113,575	436,351,307	780,464,882
Total assets	422,555,694	443,732,089	866,287,783
Deferred outflows of resources			
Pension benefits	707,709	362,612	1,070,321
Other post-employment benefits	158,076	80,994	239,070
Refunding bonds	14,237,108	-	14,237,108
Total deferred outflows of resources	15,102,893	443,606	15,546,499
Total assets and deferred outflows of resources	437,658,587	444,175,695	881,834,282
Liabilities			
Current liabilities:			
Accounts payable	9,276,311	2,366,145	11,642,456
Interest payable	1,852,837	1,697,411	3,550,248
Due to Commission funds	24,247,520	110,655	24,358,175
Due to Enterprise funds	9,364	-	9,364
Other liabilities	536	698,738	699,274
Compensated absences liability	69,199	35,452	104,651
Bonds payable - due in less than one year	2,537,375	-	2,537,375
Total current liabilities	37,993,142	4,908,401	42,901,543
Noncurrent liabilities:			
Net pension liabilities	143,988	73,776	217,764
Compensated absences liability	44,493	22,795	67,288
Advance from other Commission fund	-	9,000,000	9,000,000
Bonds payable - due in more than one year	732,354,334	167,030,355	899,384,689
Total noncurrent liabilities	732,542,815	176,126,926	908,669,741
Total liabilities	770,535,957	181,035,327	951,571,284
Deferred inflows of resources			
Pension benefits	233,960	119,875	353,835
Other post-employment benefits	40,746	20,877	61,623
Lease revenues	-	281,812	281,812
Total deferred inflows of resources	274,706	422,564	697,270
Total liabilities and deferred inflows of resources	770,810,663	181,457,891	952,268,554
Net position			
Net investment (deficit) in capital assets	(381,252,809)	204,516,847	(176,735,962)
Restricted for other post-employment benefits	171,632	87,940	259,572
Restricted for toll operations	47,929,101	58,113,017	106,042,118
Total net position (deficit)	\$ (333,152,076)	\$ 262,717,804	\$ (70,434,272)

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-Type Activities		
	RCTC 91 Express Lanes Enterprise Fund	15 Express Lanes Enterprise Fund	Total
Operating revenues			
Tolls, penalties, and fees	\$ 73,335,918	\$ 39,371,149	\$ 112,707,067
Operating expenses			
Management and operational services	11,153,921	9,729,858	20,883,779
Administrative overhead	1,759,600	337,800	2,097,400
Other operating expenses	26,681,088	191,108	26,872,196
Professional services	1,159,216	466,264	1,625,480
General and administrative expenses	1,592,122	896,386	2,488,508
Depreciation and amortization	6,271,563	12,652,913	18,924,476
Total operating expenses	48,617,510	24,274,329	72,891,839
Operating income	24,718,408	15,096,820	39,815,228
No operating revenues (expenses)			
Investment earnings (loss)	4,391,910	1,594,076	5,985,986
Interest expense	(24,612,767)	(5,055,596)	(29,668,363)
Capital expenses	(2,498)	-	(2,498)
Total nonoperating revenues (expenses)	(20,223,355)	(3,461,520)	(23,684,875)
Income before contributions and transfers	4,495,053	11,635,300	16,130,353
Contributions from other governmental funds	7,246,775	1,263,354	8,510,129
Transfers in from other governmental funds	-	177,116	177,116
Transfers in from other Enterprise funds	43	-	43
Transfers to other Enterprise funds	-	(43)	(43)
Transfers to other governmental funds	(54,381,764)	-	(54,381,764)
Total contributions and transfers	(47,134,946)	1,440,427	(45,694,519)
Change in net position	(42,639,893)	13,075,727	(29,564,166)
Net position (deficit) at beginning of year	(290,512,183)	249,642,077	(40,870,106)
Net position (deficit) at end of year	\$ (333,152,076)	\$ 262,717,804	\$ (70,434,272)

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	RCTC 91 Express Lanes Enterprise Fund	15 Express Lanes Enterprise Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 69,746,783	\$ 35,225,381	\$ 104,972,164
Payments to vendors	(34,870,474)	(3,994,037)	(38,864,511)
Payments to employees	(1,077,086)	(556,301)	(1,633,387)
Payments for RCTC interfund services used	(1,099,448)	(331,600)	(1,431,048)
Reimbursements received for lease costs	-	50,040	50,040
Net cash provided by operating activities	<u>32,699,775</u>	<u>30,393,483</u>	<u>63,093,258</u>
Cash flows from noncapital financing activities			
Transfers of surplus funds to governmental activities	(30,669,088)	-	(30,669,088)
Transfers from governmental activities for operations and maintenance	-	335,158	335,158
Net cash used for noncapital financing activities	<u>(30,669,088)</u>	<u>335,158</u>	<u>(30,333,930)</u>
Cash flows from capital and related financing activities			
Interest paid on long-term debt	(22,201,017)	-	(22,201,017)
Acquisition of capital assets	(2,739,025)	-	(2,739,025)
Payment for acquisition of capital asset	-	(3,966)	(3,966)
Net cash used for capital and related financing activities	<u>(24,940,042)</u>	<u>(3,966)</u>	<u>(24,944,008)</u>
Cash flows from investing activities			
Interest	3,075,499	1,385,014	4,460,513
Net cash provided by investing activities	<u>3,075,499</u>	<u>1,385,014</u>	<u>4,460,513</u>
Net increase in cash and cash equivalents	(19,833,856)	32,109,689	12,275,833
Cash and cash equivalents at beginning of year	190,032,778	51,315,666	241,348,444
Cash and cash equivalents at end of year	<u>\$ 170,198,922</u>	<u>\$ 83,425,355</u>	<u>\$ 253,624,277</u>
Reconciliation of cash and cash equivalents to statement of net position			
Cash and investments	\$ 74,321,586	\$ 3,998,481	\$ 78,320,067
Add: fair value adjustment	1,550,608	79,723	1,630,331
	<u>75,872,194</u>	<u>4,078,204</u>	<u>79,950,398</u>
Restricted cash and investments	94,326,728	79,347,151	173,673,879
Total cash and cash equivalents	<u>\$ 170,198,922</u>	<u>\$ 83,425,355</u>	<u>\$ 253,624,277</u>

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Cash Flows, Continued
Proprietary Fund
For the Year Ended June 30, 2023

	RCTC 91 Express Lanes Enterprise Fund	15 Express Lanes Enterprise Fund	Total
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income	\$ 24,718,408	\$ 15,096,820	\$ 39,815,228
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation and amortization expense	6,271,563	12,652,913	18,924,476
(Increase) Decrease in violations receivables	10,198	-	10,198
(Increase) Decrease in other receivables, net	(75,839)	2,823,119	2,747,280
(Increase) Decrease in prepaid assets	20,096	50,400	70,496
Increase (Decrease) in pension and other post-employment benefits liabilities, net of deferred items	472,182	330,306	802,488
Increase (Decrease) in lease receivable, net of deferred items	-	(9,216)	(9,216)
Increase (Decrease) in accounts payable	(1,387,424)	(885,541)	(2,272,965)
Increase (Decrease) in due to other funds	95,042	9,221	104,263
Increase (Decrease) in compensated absences liability	28,314	6,758	35,072
Increase (Decrease) in other liabilities	-	318,703	318,703
Total adjustments	<u>7,981,367</u>	<u>15,296,663</u>	<u>23,278,030</u>
Net cash provided by operating activities	<u>\$ 32,699,775</u>	<u>\$ 30,393,483</u>	<u>\$ 63,093,258</u>
 Noncash capital, financing and investing activities			
Amortization of bond premium	\$ 2,537,375	\$ -	\$ 2,537,375
Amortization of loss on bond refunding	(547,581)	-	(547,581)
Accreted and compounded interest long-term debt	4,394,620	4,644,502	9,039,122
Compounded interest on advance from other Commission funds	-	400,253	400,253
Net increase (decrease) in the fair value of investments	169,727	(79,723)	90,004
Contribution of capital and intangible assets from governmental activities	7,246,775	1,263,354	8,510,129
Transfer in of accrued investment income from other Commission funds	-	177,116	177,116

See notes to basic financial statements

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Riverside County Transportation Commission (Commission) was formed in 1976 under Division 12 (commencing with Section 130000) of the California Public Utilities Code (PUC). The Commission is a special district governed by a 34 member board of commissioners (Board) consisting of one representative from each city in the county, all five county supervisors, and one nonvoting state representative.

The Commission provides short-range transportation planning and programming for Riverside County (County), which includes the administration of the Local Transportation Fund (LTF) and the State Transit Assistance (STA) programs created under the Transportation Development Act (TDA) by the State of California (State). The LTF is administered by the Commission on behalf of the County. The purpose of this program is to allocate funds for public transportation needs, local streets and roads, bicycle and pedestrian facilities, and multimodal transportation terminals. The STA program allocates funds for public transportation purposes to those geographic areas with special public transportation needs, which cannot be met otherwise.

On November 8, 1988, the Commission was empowered by the voters of the County, under Ordinance No. 88-1 (1989 Measure A), to collect a one-half of one percent sales tax for the purpose of improving the transportation system of the County. Measure A was enacted, in part, pursuant to the provisions of Division 25 (commencing with Section 240000) of the California Public Utilities Code and Section 7252.22 of the Revenue and Taxation Code. On November 12, 2002 Riverside County's voters approved a 30-year renewal of Measure A under Ordinance No. 02 001 (2009 Measure A). The voter action ensured the replacement of the 1989 Measure A program when it expired in 2009 with a new 30-year program that continues funding transportation improvements until June 2039.

In connection with the 2009 Measure A program, the County and cities in the Western County area implemented a Transportation Uniform Mitigation Fee (TUMF) program to fund a regional arterial system to handle the traffic demands in the Western Riverside County (Western County) area as a result of future development. Under the 2009 Measure A program, the Commission shall receive the first \$400 million of TUMF revenues to fund the regional arterial projects and new Community Environmental Transportation Acceptability Process (CETAP) corridors included in the 2009 Measure A Transportation Improvement Plan. Under the Memorandum of Understanding (MOU), the majority of net revenues are allocated in equal amounts to the Commission for regional arterial projects and to Western Riverside Council of Governments (WRCOG) for local arterial projects; a small percentage is allocated for public transit. In September 2008, the Commission approved an amendment to the MOU whereby the \$400 million cap was lifted and the Commission will continue to receive its share of TUMF revenues indefinitely.

In August 2008, the State amended the Commission's authority under the PUC to include authorization to set, levy and collect tolls, user fees, or other similar charges, payable for use of the toll lanes and other facilities on the portion of State Highway Route 91 (SR-91) between the Orange County and Riverside County line to the west and Interstate 15 (I-15) to the east and to issue bonds or other obligations payable from the proceeds of such tolls and other revenues that are pledged. In March 2017, the Commission achieved substantial completion of the SR-91 corridor improvement project (91 Project) and opened the RCTC 91 Express Lanes.

In September 2008, the State amended the Commission's authority under the State's Streets and Highways Code (Sections 149.7 through 149.8) to include authorization to set, levy and collect tolls, user fees, or other similar charges, payable for use of high-occupancy toll lanes and other facilities in the I-15 corridor in Riverside County and to issue bonds or other obligations payable from the proceeds of such tolls and other revenues that are pledged. The Commission commenced the design-build phase of the I-15 Express Lanes project in 2017; in April 2021, the Commission achieved substantial completion of the I-15 Express Lanes project and opened the 15 Express Lanes.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

Accounting principles generally accepted in the United States require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The basic financial statements include all funds of the Commission including those of the Service Authority for Freeway Emergencies (SAFE), a component unit, for which the Commission is considered financially accountable. SAFE was created under Chapter 14 (commencing with Section 2550) of Division 3 of the California Streets and Highways Code and Sections 2421.5 and 9250.1 of the Vehicle Code. SAFE receives monies from fees levied on registered vehicles to be used to implement and maintain an emergency motorist aid system, as specified, on portions of the California Freeway and Expressway System in the County. The governing body of SAFE is substantially identical to that of the Commission, and management of the Commission has operational responsibility for SAFE. SAFE is presented as a special revenue fund. Separate financial statements are not issued for SAFE.

During the year ended June 30, 2023, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligation* became effective but did not have an impact to these financial statements.

During the year ended June 30, 2023, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* became effective but did not have an impact to these financial statements.

During the year ended June 30, 2023, the Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

During the year ended June 30, 2023 GASB Statement No. 99, *Omnibus 2022 (The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 30, 2022, and all reporting periods thereafter.)* became effective but did not have an impact to these financial statements.

There are many other governmental agencies, including the County of Riverside, providing services within the area served by the Commission. These other governmental agencies have independently elected governing boards and consequently are not under the direction of the Commission. Financial information for these agencies is not included in the accompanying financial statements.

Basis of presentation: The Commission's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide statements: The statement of net position and the statement of activities report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in consolidation. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on charges and fees for services.

The statement of activities demonstrates the degree to which the program 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

of a particular function. Taxes and other internally dedicated resources, which are properly not included among program revenues, are reported instead as general revenues.

Fund financial statements: The fund financial statements provide information about the Commission's governmental and proprietary funds; the Commission has no fiduciary funds. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. The Commission has categorized the Commercial Paper, Bonds Capital Projects fund and Debt Service fund as major funds for public interest reasons. The Commission believes that these judgmentally determined major funds are particularly important to the financial statement users. All remaining governmental funds not reported as major funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the Commission and accounts for financial resources not required to be accounted for in another fund.

Measure A Western County Special Revenue Fund: This fund accounts for the revenues from sales taxes which are restricted to expenditures for 1989 Measure A and 2009 Measure A Western County programs.

Measure A Coachella Valley Special Revenue Fund: This fund accounts for the revenues from sales taxes which are restricted to expenditures for 2009 Measure A Coachella Valley programs.

Transportation Uniform Mitigation Fee Special Revenue Fund: This fund accounts for TUMF revenues, which are restricted to expenditures for Western County regional arterial and CETAP projects.

Local Transportation Fund: This special revenue fund accounts for the one-quarter percent of the state sales tax collected within the County under TDA for planning and programming, bicycle and pedestrian facilities, and transit operations including the Commission's commuter rail operations.

State Transit Assistance Special Revenue Fund: This fund is used to account for revenues from sales taxes on diesel fuel restricted for transit projects.

SB 132 Special Revenue Fund: This fund is used to account for program revenues allocated by the State for the Riverside County Transportation Efficiency Corridor. The program comprises five projects in northwest Riverside County.

Commercial Paper Capital Projects Fund: This fund records proceeds from the issuance of commercial paper notes and the use of these proceeds for capital projects included in the 2009 Measure A.

Bonds Capital Projects Fund: This fund records proceeds from the issuance of sales tax and toll revenue bonds and the use of these proceeds for capital projects included in the 2009 Measure A.

Debt Service Fund: This fund accounts for the resources accumulated and payments made for principal and interest on the sales tax and toll revenue bonds.

The Commission reports the following major proprietary fund:

RCTC 91 Express Lanes Enterprise fund: This fund accounts for toll and non-toll revenues earned on the RCTC 91 Express Lanes that extend on SR-91 from the Riverside/Orange County line to I-15. These revenues are restricted to pay operations and maintenance costs, repair and rehabilitation costs, debt service, and other in accordance with the toll bond indenture.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

15 Express Lanes Enterprise fund: This fund accounts for toll and non-toll revenues earned on the 15 Express Lanes. The 15-mile stretch includes two lanes in each direction of the center median along I-15 corridor between Cajalco Road in Corona and SR-60 in Jurupa Valley. These revenues are restricted to pay operations and maintenance costs, repair and rehabilitation costs, debt service, and other in accordance with the toll bond indenture.

Measurement focus and basis of accounting: The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenues are recognized when customers utilize the toll road facility and payment is collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt as well as compensated absences, leases, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual include sales taxes collected and held by the State at year-end on behalf of the Commission, TUMF, intergovernmental revenues when all applicable eligibility requirements have been met, interest revenue, and vehicle registration user fees, and charges for services.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary funds principal and ongoing operations. The principal operating revenues of the Commission's proprietary fund are charges for services. Operating expenses for the proprietary fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations that the Commission anticipates to collect consist of uncollected violation tolls and penalties. Unpaid violations of the RCTC 91 Express Lanes and 15 Express Lanes in the amounts of \$65,411,641 and \$29,275,372, respectively, as of June 30, 2023 are not recognized as revenue until payment is received. Unpaid violations will remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with an investment policy adopted initially by the Board in September 1995, and most recently amended in December 2022. The investment policy complies with, or is more restrictive than, applicable state statutes. This investment policy requires the Commission's investment program to meet three criteria in the order of their importance: safety, liquidity, and return on investments. Investments of bond and commercial paper proceeds as permitted by the applicable debt documents are maintained by U.S. Bank, as trustee or custodial bank, and the earnings for each bond and commercial paper issue are accounted for separately. Cash from other Commission revenue sources is commingled for investment purposes, with investment earnings allocated to the different funds based on average monthly dollar balances in the funds.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

The Commission's investment policy is summarized in the table below; investments held by bond trustees are governed by the provisions of the Commission's bond indentures. Other investments permitted by the California Government Code (Code) are permitted but only with prior Board authorization; securities that could result in zero interest accrual if held to maturity are ineligible.

Authorized Investment Type	Maximum Effective Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
United States (U.S.) Treasury obligations	5 years	None	None	Not applicable
Federal agency securities	5 years	None	None	Not applicable
State/Municipal obligations	5 years	25%	10%	A1/A+
Mortgage and asset-backed securities	5 years	10%	10%	A3/A-/A-
Repurchase agreements	30 days	None	10%	A
U.S. corporate debt	5 years	25%	10%	A1/A+
Commercial paper notes	270 days	25%	10%	A
Banker's acceptances	180 days	40%	30%	Not applicable
Money market mutual funds	Not applicable	20%	10%	Not applicable
Riverside County Pooled Investment Fund (RCPIF)	Not applicable	None	Set by RCPIF	Not applicable
Local Agency Investment Fund (LAIF)	Not applicable	N/A	Set by LAIF	Not applicable
Negotiable certificates of deposit	1 year	30%	10%	P-1/A-1/F-1
Federally insured certificates of deposit	1 year	20%	10%	Not applicable
Collateralized certificates of deposit	1 year	15%	10%	Not applicable
Time deposits	5 years	None	10%	Not applicable

Oversight of the RCPIF is conducted by the County Treasury Oversight Committee. All investments, except for those related to bond reserve funds, are subject to a maximum maturity of five years unless specific direction to exceed the limit is given by the Board. LTF moneys are legally required to be deposited in the RCPIF.

The RCPIF is carried at fair value, or the value of each participating dollar as provided by the RCPIF and LAIF, respectively. The fair value of the Commission's position in the RCPIF and LAIF is the same as the value of the pool shares. The pooled funds are not subject to Level 1, 2, or 3 of the fair value hierarchy prescribed by GASB Statement No. 72, *Fair Value Measurement and Application*. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price.

Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Commission's deposits with the bank in accordance with the Code.

Cash and cash equivalents: For the purposes of the statement of cash flows, the Commission considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, commercial paper, money market funds, certificates of deposit, and the share of RCPIF represent cash and cash equivalents for cash flow purposes.

Accounts receivable: Accounts receivable consist primarily of Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration on all taxable sales within the County of Riverside, California through June 30, 2023.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

Interfund transactions: During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due from/to other funds; internal financing balances are reported as advances to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances".

Prepaid expenditures/expenses and other assets: Certain payments to vendors and condemnation payments with the State, which are related primarily to the 91 Project, reflect costs applicable to future accounting periods and are recorded as prepaid expenditures/expenses using the consumption method in both the government-wide and fund financial statements.

Restricted investments held by trustee: Restricted investments held by trustee represent unexpended bond proceeds, interest earnings thereon, and capitalized interest and reserve amounts for bonds. Under the related bond resolutions and indentures, any remaining bond proceeds are restricted for the use of future construction improvements to the respective projects, for debt service, or for reserve requirements in accordance with applicable debt covenants.

Capital assets: Capital assets consisting of land and land improvements; construction in progress; construction and rail easements; buildings; rail stations; rail tracks; office improvements; office furniture, equipment, and vehicles; development in progress; toll infrastructure; right to use assets; intangible assets, including a toll facility franchise; and transponders are reported in applicable governmental or business-type activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of three years and are primarily included within the function of current expenditures in the governmental fund financial statements. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Highway construction and certain purchases of right of way property, for which title vests with the California Department of Transportation (Caltrans), are included in highway program expenditures. Infrastructure consisting primarily of highway construction and right of way acquisition is generally not recorded as a capital asset, because the Commission does not have title to such assets or rights of way. However, costs related to the development of tolled express lanes are recorded as land and land improvements and construction in progress. 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.

Rail stations, rail tracks, temporary construction easements, buildings, office improvements, furniture and equipment, vehicles, toll infrastructure, intangible assets, and transponders are depreciated and amortized using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life
Rail stations	10 to 30 years
Rail tracks	30 years
Temporary construction easements	1 to 3 years
Buildings	10 to 20 years
Office improvements	7 to 10 years
Furniture and equipment	3 to 5 years
Vehicles	5 years
Toll facility franchise	50 years
Toll infrastructure	5 to 10 years
Transponders	5 years

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

Project costs that have been incurred for the tolled express lanes projects, consisting of the 91 Project and the I-15 Express Lanes project, and are expected to remain the Commission's assets, are capitalized upon completion as intangible assets that will be amortized over the life of the toll facility franchise with Caltrans. These capitalizable costs have been accumulated in the capital assets as land and land improvements and construction in progress. The costs of the tolled express lanes projects that are not capitalized are expensed as incurred based on management's estimation which is generally based upon the allocation of Measure A and other funding sources, including toll-supported debt. As of June 30, 2023, the estimated project costs incurred but not capitalized related to the 91 Project is primarily right of way, or approximately \$113.5 million. All costs related to the I-15 Express Lanes project are considered capitalizable.

The intangible right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into place. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the Commission's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies based on individual subscription IT arrangements.

In May 2012 the Commission entered into a toll facility agreement with Caltrans and obtained authority to toll the SR-91 from the Orange/Riverside County line to I-15. The Commission's 91 Project included the RCTC 91 Express Lanes, which opened on March 20, 2017. The toll facility is amortized over the remaining life of the toll facility agreement through March 2067.

In September 2016 the Commission entered into a toll facility agreement with Caltrans and obtained authority to toll the I-15 from Cajalco Road in Corona to SR-60 in Jurupa Valley. The Commission's I-15 Express Lanes Project included the 15 Express Lanes, which opened to motorists on April 10, 2021 and commenced tolling on April 14, 2021. The toll facility is amortized over the remaining life of the toll facility agreement through April 2071.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the Commission's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Commission.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

Subscription liabilities represent the Commission's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the Commission.

Compensated absences: Vacation hours accumulated and not taken at year-end is reported as a long-term liability in the government-wide and proprietary fund financial statements. Sick leave is recorded as an expenditure or expense when taken by the employee. Employees with continuous five years of service have the option of being paid for sick leave accumulated in excess of 240 hours at a rate of 50% (i.e., one hour's pay for every two hours in excess of 240). Any sick leave in excess of 240 hours is accrued at fiscal year-end, and a liability is reported in the government-wide and proprietary fund financial statements. Sick leave that is due and payable at year-end is reported as an expenditure and a fund liability of the General fund.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment Benefits Other Than Pensions: For purposes of measuring the net other post-employment benefits (OPEB) asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Risk management: The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; and errors or omissions. The Commission protects itself against such losses by a balanced program of risk retention, risk transfers, and the purchase of commercial insurance. Loss exposures retained by the Commission are treated as normal expenditures and include any loss contingency not covered by the Commission's purchased insurance policies. Construction projects and rail properties are protected through a combination of commercial insurance, insurance required of Commission consultants, and a self-insurance fund established by the Southern California Regional Rail Authority (SCRRA). The RCTC 91 Express Lanes and 15 Express Lanes Enterprise funds have purchased commercial property insurance, including business interruption, earthquake and flood coverage related to the RCTC 91 Express Lanes and 15 Express Lanes.

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources, or expenditure, until then. The Commission has the following items – loss on refunding of bonds, net differences between projected and actual pension earnings, pension contributions subsequent to measurement date, differences between expected and actual pension experiences, the proportionate share of pension contributions, pension changes in Commission's proportion, changes in OPEB assumptions, differences between projected and actual OPEB earnings, and OPEB contributions subsequent to measurement date – which qualify for

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

reporting in this category in the applicable column for governmental and business-type activities on the statement of net position.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources, or revenue, until then. The Commission has the following items: leases, difference between projected and actual earnings on pension plan investments, the proportionate share of pension contributions, pension changes in Commission's proportion, changes in OPEB assumptions, differences between expected and actual OPEB experiences, and net differences between projected and actual earnings on OPEB plan investments which qualify for reporting in this category in the applicable governmental and business-type activities on the statement of net position. At the fund level, the Commission has deferred inflows of resources related to interest earned but not available.

Fund equity: In the fund financial statements, the governmental funds report fund balances in various categories based on the nature of any limitations requiring the use of the resources for specific purposes:

Nonspendable fund balances cannot be spent, because they are in nonspendable form such as prepaid expenditures and leases or are required to be maintained intact.

Restricted fund balances are restricted for specific purposes by third parties or enabling legislation.

Committed fund balances include amounts that can be used only for specific purposes determined by adoption of a resolution of the Board. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balances comprise amounts intended to be used by the Commission for specific purposes but are not restricted or committed. The Board delegates the authority to assign amounts to be used for specific purposes to the Chief Financial Officer. Assignments generally only exist temporarily; an additional action does not have to be taken for the removal of an assignment.

Unassigned fund balance is residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. In all other governmental funds, it is the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for an incurred expenditure, it is the Commission's policy to spend restricted resources first and then unrestricted resources, as necessary. When unrestricted resources are available for an incurred expenditure, it is the Commission's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts. In June 2012, the Commission adopted a resolution to establish a policy on reporting and classifying fund balance in the General fund.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued

Net position (deficit): In the government-wide and proprietary fund financial statements, net position (deficit) represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows and is classified into three categories:

Net investment (deficit) in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.

Restricted–net position represents restricted assets less liabilities and deferred inflows of resources related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants), contributions, or laws and regulations of other governments or constraints imposed by law through constitutional provisions or through enabling legislation.

Unrestricted–(deficit) represents the amount of unrestricted resources that will need to be provided for in future periods.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted–net position resources first and then unrestricted–net position resources, as they are needed.

Administration expenditures: The Commission’s staff and resources are used in the performance of its responsibilities relating to the activities of the Commission and its component unit. Accordingly, the Commission allocates salaries and benefits to each applicable fund on the basis of actual hours spent by activity, and other indirect overhead is allocated based on a systematic basis. Administrative salaries and benefits, net of administrative cost allocations of \$2,281,983 allocated to Measure A in 2023 were less than 1% of revenues and in compliance with the law.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 2. Cash and Investments

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

	Unrestricted			Restricted			Total
	Cash	Investments	Total	Cash	Investments	Total	
Cash in bank	\$ 10,225,348	\$ -	\$ 10,225,348	\$ 849,310	\$ -	\$ 849,310	\$ 11,074,658
Petty cash	1,018	-	1,018	-	-	-	1,018
RCPIF	-	1,098,685,466	1,098,685,466	-	-	-	1,098,685,466
Operations pooled investments	-	54,324,979	54,324,979	-	-	-	54,324,979
Investments with fiscal agents	-	-	-	-	198,918,885	198,918,885	198,918,885
Total cash and investments	\$ 10,226,366	\$ 1,153,010,445	\$ 1,163,236,811	\$ 849,310	\$ 198,918,885	\$ 199,768,195	\$ 1,363,005,006

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 2. Cash and Investments, Continued

Total cash and investments are reported in the following funds:

Unrestricted cash and investments	
Governmental funds	\$ 1,084,916,744
Enterprise fund	<u>78,320,067</u>
Subtotal	1,163,236,811
Restricted cash and investments	
Governmental funds	26,094,316
Enterprise fund	<u>173,673,879</u>
Subtotal	199,768,195
Total cash and investments	<u>\$ 1,363,005,006</u>

Restricted cash and investments at June 30, 2023 represent investments held by bond trustees for project costs and debt service and for cash held by a bank for the 15 Express Lanes toll customer deposits.

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

The following is a summary of the fair value hierarchy of the fair value of investments of the Commission as of June 30, 2023:

Investments by fair value level:	June 30, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
U.S. Treasury obligations	\$ 57,542,493	\$ 57,542,493	\$ -
Mortgage and asset-backed securities	29,798,575	-	29,798,575
Corporate notes	25,366,595	-	25,366,595
Money market mutual funds	110,907,960	110,907,960	-
U.S. agency securities	19,335,718	-	19,335,718
Municipal bonds	7,929,353	-	7,929,353
Commercial paper notes	2,363,170	-	<u>2,363,170</u>
Total investments measured at fair value		<u>\$ 168,450,453</u>	<u>\$ 84,793,411</u>
Investments not subject to fair value hierarchy:			
RCPIF	<u>1,098,685,466</u>		
Total investments	<u>\$ 1,351,929,330</u>		

Investments classified in Level 1 of the value hierarchy, valued at \$168,450,453 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$29,798,575, corporate notes totaling \$25,366,595, U.S. agency securities totaling \$19,335,718, municipal bonds totaling \$7,929,353, and commercial paper totaling \$2,363,170 in 2023, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 2. Cash and Investments, Continued

maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2023, the Commission had the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Year)
Unrestricted:					
RCPIF	\$ 1,098,685,466	\$ 1,121,656,807	0.210% - 6.000%	6/30/23 - 6/30/28	1.300
Operations pooled investments:					
Corporate notes	12,514,597	12,844,593	0.426% - 6.148%	8/11/23 - 3/15/28	2.287
Money market mutual funds	437,122	437,126	4.934%	N/A	20 days or 0.055
Mortgage and asset-backed securities	740,095	458,466	2.912% - 5.446%	7/25/23 - 1/25/26	2.077
Municipal bonds	3,421,297	3,549,775	0.479% - 4.434%	8/1/23 - 5/1/26	1.512
U.S. agency securities	6,563,176	6,711,556	0.479% - 5.631%	7/8/24 - 5/1/26	1.814
U.S. Treasury obligations	30,648,692	31,478,556	0.128% - 4.649%	1/15/24 - 7/31/27	2.180
Total unrestricted investments	<u>\$ 1,153,010,445</u>	<u>\$ 1,177,136,879</u>			
			Unrestricted investment portfolio weighted average		1.604
Restricted:					
Commercial paper notes	2,363,170	2,350,442	5.477% - 5.653%	7/3/23 - 10/16/23	0.091
Corporate notes	12,851,998	13,022,768	0.350% - 6.226%	10/26/23 - 10/15/27	1.453
Money market mutual funds	110,470,838	110,470,838	4.556% - 4.706%	N/A	20 days or 0.055
Mortgage and asset-backed securities	29,058,480	30,301,341	0.983% - 6.020%	7/25/23 - 9/16/55	6.163
Municipal bonds	4,508,056	4,522,326	0.654% - 5.419%	7/1/23 - 10/1/48	5.615
U.S. agency securities	12,772,542	12,926,791	0.305% - 5.757%	7/11/23 - 11/16/28	1.371
U.S. Treasury obligations	26,893,801	27,185,849	0.126% - 5.379%	7/18/23 - 8/15/30	1.006
Total restricted investments	<u>\$ 198,918,885</u>	<u>\$ 200,780,355</u>			
			Restricted investment portfolio weighted average		2.251

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

As of June 30, 2023, mortgage and asset-backed securities totaled \$29,798,575. The underlying assets are consumer receivables that include credit cards, auto/equipment, and home loans. The securities have a fixed interest rate and are rated AAA/Aaa by at least two of the three nationally recognized statistical rating organizations.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. In accordance with the Commission's investment policy, restricted investments are invested in accordance with the maturity provisions of the specific bond indenture, which may extend beyond five years.

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 (e.g., broker-dealer) 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 Commission's investment policy requires that a third-party bank trust department hold all securities owned by the Commission. All trades are settled on a delivery versus payment basis through the Commission's safekeeping agent.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 2. Cash and Investments, Continued

The Commission has deposits with a bank balance of \$5,750,327 with financial institutions; bank balances over \$5,000,000 are swept daily into a money market fund. Of the bank balance, up to \$250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of \$250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Credit risk: The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2023; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

Investments	Moody's	S&P	% of Portfolio
RCPIF	Aaa-bf	NR	81.27%
Commercial paper notes			
Various	P-1	NR	0.02%
Various	P-2	A-2	0.15%
Corporate			
Notes	A1	A	0.16%
Notes	A1	A-	0.25%
Notes	A1	A+	0.10%
Notes	A1	AA	0.02%
Notes	A1	AA-	0.00%
Notes	A1	BBB+	0.10%
Notes	A2	A	0.09%
Notes	A2	A-	0.10%
Notes	A2	A+	0.11%
Notes	A2	BBB+	0.06%
Notes	A3	A	0.12%
Notes	A3	A-	0.04%
Notes	Aa2	AA	0.06%
Notes	Aa2	AA-	0.03%
Notes	AA3	A+	0.02%
Notes	AA3	AA-	0.06%
Notes	AAA	AA+	0.05%
Notes	AAA	AAA	0.08%
Notes	AAA	NR	0.12%
Notes	BAA1	BBB+	0.01%
Notes	NR	AAA	0.24%
Notes	NR	P-1	0.00%
Notes	NR	A-1+	0.01%
Notes	NR	A	0.04%
Money market mutual funds			
Funds	AAA	AAA	8.20%
Mortgage and asset-backed securities			
Securities	AA+	NR	0.01%
Securities	AAA	AA+	0.02%
Securities	AAA	AA+u	0.05%
Securities	AAA	AAA	0.02%
Securities	AAA	NR	0.05%
Securities	NR	AA+	1.98%
Securities	NR	AAA	0.07%

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 2. Cash and Investments, Continued

Investments	Moody's	S&P	% of Portfolio
Municipal bonds			
California State University	Aa2	AA-	0.01%
City of Corona	NR	AA+	0.01%
County of Riverside	NR	AA-	0.02%
County of San Diego Regional Airport Authority	A2	NR	0.03%
County of Santa Clara	NR	AAA	0.02%
Florida Housing Corporation	AAA	NR	0.04%
Forsyth County, Georgia School District	AAA	AAA	0.04%
Golden State Tobacco Securitization Corporation	AA3	A+	0.02%
Los Altos California School District Taxable GO	NR	AA+	0.03%
Los Angeles Municipal Improvement Corporation	NR	AA-	0.02%
Metropolitan Water District	NR	A-1	0.02%
Port Authority New York and New Jersey	AA3	AA-	0.05%
San Bernardino Community College District	AA1	AA	0.01%
Solano Community College District	Aa2	AA	0.02%
State of Connecticut	AA3	AA-	0.02%
State of Connecticut	AA3	AA-	0.01%
State of Massachusetts	AA1	NR	0.03%
State of New York Mortgage Agency	VMIG1	NR	0.01%
State of New York State Dormitory Authority	NR	AA+	0.03%
State of New York Thruway	A1	A	0.01%
State of Texas	VMIG1	A-1+	0.01%
State of Washington Port	A1	AA-	0.02%
State of Wisconsin	Aa2	NR	0.02%
State of Wisconsin Housing Economic Development Authority	VMIG1	A-1	0.06%
University of Texas	VMIG1	A-1+	0.01%
University of Washington	AAA	AA+	0.02%
U.S. agency notes			
Notes	AAA	AA+	1.33%
Notes	AAA	NR	0.08%
Notes	NR	A-1+	0.02%
U.S. Treasuries			
Treasury	NR	NR	4.26%
Total			100.00%

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-U.S. Government or non-federal agency issuer. As of June 30, 2023, the Commission did not have investments in any one issuer that represent more than 5% of the Commission's total investments.

Note 3. Advances

The Commission approved interest-bearing advances, which may be funded by debt proceeds, to the Coachella Valley Association of Governments (CVAG) in the amount of \$43,300,000. CVAG pledged its share of 2009 Measure A highway and regional road revenue allocations in accordance with repayment terms specified in each agreement for actual advances. Repayment amounts are withheld from revenue allocations on a monthly basis. The final maturities of the CVAG advances are due on or before September 1, 2029. Interest rates range from .910% to 7.307%, excluding the portion of cash subsidy payments (as discussed in Note 6) that may be received by CVAG to reduce its repayment obligations.

The outstanding interest-bearing advances, including capitalized interest of \$471,720, as of June 30, 2023 were \$15,469,941.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 4. Lease Receivable

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

On 6/23/2015, the Commission entered into a 60-month lease as lessor for the use of 6001 Pedley Road, Jurupa Valley, Ca. An initial lease receivable was recorded in the amount of \$391,784. As of 6/30/2023, the value of the lease receivable is \$353,963. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.2610%. The value of the deferred inflow of resources as of 6/30/2023 was \$336,434, and the Commission recognized lease revenue of \$28,160 during the fiscal year. The lessee has three extension option(s), each for 60 months.

On 10/10/2016, the Commission entered into a 240-month lease as lessor for the use of real property adjacent to the SR-91. An initial lease receivable was recorded in the amount of \$306,635. As of 6/30/2023, the value of the lease receivable is \$271,629. The lessee is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 2.3460%. The value of the deferred inflow of resources as of 6/30/2023 was \$266,200, and the Commission recognized lease revenue of \$20,218 during the fiscal year. The lessee has two extension option(s), each for 60 months.

On 10/31/2016, the Commission entered into a 60-month lease as lessor for the use of 2550 Cajalco Road, Corona, Ca. An initial lease receivable in the amount of \$437,708. As of 6/30/2023, the value of the lease receivable is \$400,447. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.4320%. The value of the deferred inflow of resources as of 6/30/2023 was \$380,260, and the Commission recognized lease revenue of \$29,209 during the fiscal year. The lessee has three extension option(s), each for 60 months.

On 10/31/2017, the Commission entered into a 60-month lease as lessor for the use of the San Jacinto Branch Line right of way. An initial lease receivable was recorded in the amount of \$3,925. As of 6/30/2023, the value of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$3,933. The lease has an interest rate of 0.6240%. The value of the deferred inflow of resources as of 6/30/2023 was \$0, and the Commission recognized lease revenue of \$785 during the fiscal year.

On 8/3/2015, the Commission entered into a 120-month lease as lessor for the use of 202 North State Street, Hemet, Ca. An initial lease receivable was recorded in the amount of \$10,083. As of 6/30/2023, the value of the lease receivable is \$5,047. The lessee is required to make annual fixed payments of \$2,568. The lease has an interest rate of 1.1690%. The value of the deferred inflow of resources as of 6/30/2023 was \$5,151, and the Commission recognized lease revenue of \$2,466 during the fiscal year.

On 12/20/2021, the Commission entered into a 419-month lease as lessor for the use of real property adjacent to the SR-60/SR-91/I-215 Interchange. An initial lease receivable was recorded in the amount of \$1,106,235. As of 6/30/2023, the value of the lease receivable is \$1,073,766. The lessee is required to make monthly fixed payments of \$4,167. The lease has an interest rate of 2.8600%. The value of the deferred inflow of resources as of 6/30/2023 was \$1,057,743, and the Commission recognized lease revenue of \$31,682 during the fiscal year. The lessee has one extension option for 168 months

On 7/13/2015, the Commission entered into a 240-month lease as lessor for real property adjacent to I-215, north of Orange Avenue, Perris, Ca. An initial lease receivable was recorded in the amount of \$242,894. As

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 4. Lease Receivable, Continued

of 6/30/2023, the value of the lease receivable is \$216,850. The lessee is required to make monthly fixed payments of \$1,500. The lease has an interest rate of 2.2610%. The value of the deferred inflow of resources as of 6/30/2022 was \$208,744, and the Commission recognized lease revenue of \$17,145 during the fiscal year.

In accordance with the standard, the principal and interest expected to maturity for governmental activities is as follows:

Year ending June 30	Principal	Interest	Total
2024	\$ 93,917	\$ 58,774	\$ 152,691
2025	97,650	56,475	154,125
2026	101,788	54,056	155,844
2027	106,665	51,519	158,184
2028	111,207	48,872	160,079
2029-2033	630,247	200,630	830,877
2034-2038	467,699	124,080	591,779
2039-2043	159,010	91,025	250,035
2044-2048	183,423	66,612	250,035
2049-2053	211,585	38,450	250,035
2054-2058	158,511	7,879	166,390
Total lease receivable	<u>\$ 2,321,702</u>	<u>\$ 798,372</u>	<u>\$ 3,120,074</u>

On November 1, 2019, the 15 Express Lanes fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the Orange County Transportation Authority. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2023, the value of the lease receivable is \$291,175. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,812 and the Fund recognized lease revenue of \$49,011.

In accordance with the standard, the principal and interest expected to maturity for business-type activities is as follows:

Year ending June 30	Principal	Interest	Total
2024	\$ 45,948	\$ 4,843	\$ 50,791
2025	47,975	4,018	51,993
2026	50,038	3,157	53,195
2027	51,989	2,259	54,248
2028	53,669	1,330	54,999
2029-2032	41,556	368	41,925
Total lease receivable	<u>\$ 291,175</u>	<u>\$ 15,975</u>	<u>\$ 307,151</u>

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 5. Capital Assets

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

Governmental activities	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land and land improvements	\$ 170,015,793	\$ 16,264,051	\$ -	\$ (7,246,775)	\$ 179,033,069
Construction in progress	186,511,029	71,979,056	(294,236)	(1,263,354)	256,932,495
Rail operating easements	63,846,199	-	-	-	63,846,199
Construction easements	4,202,495	-	-	-	4,202,495
Development in progress	832,094	333,313	(489,803)	-	675,604
Total capital assets not being depreciated	425,407,610	88,576,420	(784,039)	(8,510,129)	504,689,862
Capital assets being depreciated:					
Rail stations	210,564,283	868,337	-	-	211,432,620
Rail tracks	154,791,511	-	-	-	154,791,511
Construction easements	1,921,470	-	-	-	1,921,470
Office improvements	536,982	-	-	-	536,982
Office furniture, equipment and vehicles	2,008,581	659,724	-	-	2,668,305
Total capital assets being depreciated	369,822,827	1,528,061	-	-	371,350,888
Less accumulated depreciation for:					
Rail stations	(87,575,629)	(7,185,300)	-	-	(94,760,929)
Rail tracks	(30,910,261)	(5,179,704)	-	-	(36,089,965)
Construction easements	(1,180,696)	(372,422)	-	-	(1,553,118)
Office improvements	(288,620)	(64,406)	-	-	(353,026)
Office furniture, equipment and vehicles	(1,956,356)	(158,465)	-	-	(2,114,821)
Total accumulated depreciation	(121,911,562)	(12,960,297)	-	-	(134,871,859)
Total capital assets being depreciated, net	247,911,265	(11,432,236)	-	-	236,479,029
Intangible right to use lease assets:					
Land	25,205	-	-	-	25,205
Building	3,856,996	-	-	-	3,856,996
Equipment	94,026	-	-	-	94,026
Total intangible right to use lease assets	3,976,227	-	-	-	3,976,227
Less accumulated amortization for:					
Land	(8,402)	(8,402)	-	-	(16,804)
Building	(610,338)	(610,337)	-	-	(1,220,675)
Equipment	(30,116)	(30,115)	-	-	(60,231)
Total accumulated amortization	(648,856)	(648,854)	-	-	(1,297,710)
Total intangible right to use lease assets, net	3,327,371	(648,854)	-	-	2,678,517
Total intangible right to use subscription IT assets	1,125,117	-	-	-	1,125,117
Less total accumulated amortization	-	(222,992)	-	-	(222,992)
Total intangible right to use subscription IT assets, net	1,125,117	(222,992)	-	-	902,125
Governmental activities capital assets, net	\$ 677,771,363	\$ 76,272,338	\$ (784,039)	\$ (8,510,129)	\$ 744,749,533

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 5. Capital Assets, Continued

Business-type activities	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land and land improvements	\$ 11,990,286	\$ -	\$ -	\$ 7,246,775	\$ 19,237,061
Construction easements	259,657	-	-	-	259,657
Construction in progress	4,614,768	1,614,352	-	-	6,229,120
Total capital assets not being depreciated	<u>16,864,711</u>	<u>1,614,352</u>	<u>-</u>	<u>7,246,775</u>	<u>25,725,838</u>
Capital assets being depreciated and amortized:					
Toll infrastructure	54,213,315	1,124,674	(860,110)	-	54,477,879
Transponders	453,818	-	-	-	453,818
Buildings	7,615,825	-	-	-	7,615,825
Equipment, furniture, and fixtures	181,010	7,932	-	-	188,942
Toll facility franchise	602,925,531	860,110	-	1,263,354	605,048,995
Total capital assets being depreciated and amortized	<u>665,389,499</u>	<u>1,992,716</u>	<u>(860,110)</u>	<u>1,263,354</u>	<u>667,785,459</u>
Less accumulated depreciation and amortization for:					
Toll infrastructure	(31,361,869)	(5,884,284)	-	-	(37,246,153)
Transponders	(443,930)	(9,888)	-	-	(453,818)
Buildings	(1,588,468)	(859,579)	-	-	(2,448,047)
Equipment, furniture, and fixtures	(90,415)	(42,427)	-	-	(132,842)
Toll facility franchise	(34,687,499)	(12,079,287)	-	-	(46,766,786)
Total accumulated depreciation and amortization	<u>(68,172,181)</u>	<u>(18,875,465)</u>	<u>-</u>	<u>-</u>	<u>(87,047,646)</u>
Total capital assets being depreciated and amortized, net	<u>597,217,318</u>	<u>(16,882,749)</u>	<u>(860,110)</u>	<u>1,263,354</u>	<u>580,737,813</u>
Business-type activities capital assets, net	<u>\$ 614,082,029</u>	<u>\$ (15,268,397)</u>	<u>\$ (860,110)</u>	<u>\$ 8,510,129</u>	<u>\$ 606,463,651</u>

On May 14, 2012, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the SR-91 from Orange/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. On September 29, 2016, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the I-15 from Cajalco Road to SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations. The agreements also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the RCTC 91 Express Lanes and 15 Express Lanes.

Depreciation and amortization expense was charged to functions/programs of the Commission's governmental and business-type activities during the year ended June 30, 2023 as follows:

Governmental activities:	
General government	\$ 880,994
Commuter assistance	8,402
Commuter rail	12,373,654
Highway	389,188
Planning and programming	179,905
Total depreciation expense - governmental activities	<u>\$ 13,832,143</u>
Business-type activities:	
RCTC 91 Express Lanes	\$ 1,200,539
Toll facility franchise	5,022,013
15 Express Lanes	5,595,639
Toll facility franchise	7,057,274
Total depreciation and amortization expense - business-type activities	<u>\$ 18,875,465</u>

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 5. Capital Assets, Continued

The Commission has recorded intangible right to use assets. The assets are a right to use leased land, buildings, and equipment, including subscription IT. The related lease and subscription IT is discussed in the long-term obligations section. The right to use lease and subscription IT assets are amortized on a straight-line basis over the terms of the related lease agreement.

Note 6. Interfund Transactions

Due from/to other funds: The total due from other funds and due to other funds of \$46,225,348. The composition of balances related to due from other funds and due to other funds at June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Nonmajor Governmental funds	\$ 184,930	Fringe benefits allocation
General fund	Nonmajor Governmental funds	13	Project costs allocations
General fund	Nonmajor Governmental funds	454,200	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	98,500	Administrative cost allocation
General fund	Measure A Western County Special Revenue fund	1,201,700	Administrative cost allocation
General fund	Measure A Western County Special Revenue fund	10	Project costs allocations
General fund	Measure A Coachella Valley Special Revenue fund	107,100	Administrative cost allocation
General fund	RCTC 91 Express Lanes Enterprise fund	459,400	Administrative cost allocation
General fund	15 Express Lanes Enterprise fund	78,200	Administrative cost allocation
General fund	Local Transportation Fund	616,900	Administrative cost allocation
General fund	State Transit Assistance fund	433,454	Rail operation costs allocations
General fund	State Transit Assistance fund	35,700	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	9,469	Fringe benefits allocation
General fund	Measure A Western County Special Revenue fund	153,677	Fringe benefits allocation
General fund	Measure A Coachella Valley Special Revenue fund	57	Fringe benefits allocation
General fund	SB 132 fund	16,261	Fringe benefits allocation
General fund	RCTC 91 Express Lanes Enterprise fund	63,342	Fringe benefits allocation
General fund	15 Express Lanes Enterprise fund	32,455	Fringe benefits allocation
General fund	SB 132 fund	17,130,047	Cash deficit
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	452,541	Highway project costs allocations
Measure A Western County Special Revenue fund	General fund	7,872	Highway project costs allocations
Measure A Western County Special Revenue fund	RCTC 91 Express Lanes Enterprise fund	432,608	Toll project costs allocations
Measure A Coachella Valley Special Revenue fund	Debt Service fund	140,418	Advance loan payment adjustment
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	38,955	Regional arterial project costs allocations
SB 132 Special Revenue fund	RCTC 91 Express Lanes Enterprise fund	23,292,170	Toll project costs allocations
Commercial Paper Capital Projects fund	Measure A Coachella Valley Special Revenue fund	434,145	Advance loan payment adjustment
Bonds Capital Projects fund	Measure A Coachella Valley Special Revenue fund	67,894	Advance loan payment adjustment
Nonmajor Governmental funds	State Transit Assistance fund	283,330	Rail project costs allocations
Total due from/to other funds		\$ 46,225,348	

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 6. Interfund Transactions, Continued

Advances to/from other funds: The Measure A Western County Special Revenue fund advanced \$9,000,000 to the Bonds Capital Projects fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Upon opening of the 15 Express Lanes in April 2021, the TIFIA debt service reserve funded to date and the related advance due to the Measure A Western County Special Revenue fund recorded in the Bonds Capital Projects fund were transferred to the 15 Express Lanes Enterprise fund. Capitalized interest on the advance as of June 30, 2023 was \$1,402,677. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date. Additionally, the Measure A Western County Special Revenue fund has advanced \$2,727,273 to the Bonds Capital Projects fund in the event that the 15 Express Lanes does not have sufficient funds to meet the annual TIFIA debt service reserve.

Moreno Valley-March Field



Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 6. Interfund Transactions, Continued

Interfund transfers: During 2023, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
General fund	Measure A Western County Special Revenue fund	\$ 7,873	Highway project costs allocations
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	70,362	Highway project costs allocations
Measure A Western County Special Revenue fund	Debt Service fund	66,494,789	Debt service funding related to highway projects for Western County and to advance agreements for Western County jurisdictions
Measure A Western County Special Revenue fund	General fund	752,084	Rail operation costs allocations
Measure A Western County Special Revenue fund	15 Express Lanes Enterprise fund	176,135	Accumulated interest earned on reserve fund
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	3,974,572	Highway project costs allocations
Local Transportation Fund	General fund	27,740,200	Administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs allocations
State Transit Assistance fund	Nonmajor Governmental funds	283,330	Coachella Valley commuter rail costs allocations
State Transit Assistance fund	General fund	3,433,454	Rail operation costs allocations
Commercial Paper fund	Debt Service fund	2,622,091	Debt service funding related to highway projects for Western County
Bonds Capital Projects fund	Measure A Western County Special Revenue fund	7,821,399	Highway project costs allocations
Bonds Capital Projects fund	15 Express Lanes Enterprise fund	981	Accumulated interest earned on TIFIA debt service reserve
Bonds Capital Projects fund	Debt Service fund	410,055	Debt service funding related to highway projects for Western County
Debt Service fund	Measure A Western County Special Revenue fund	2,812,132	Cash subsidies available after debt service payment
Debt Service fund	Measure A Coachella Valley Special Revenue fund	140,418	Share of cash subsidy related to CVAG advance agreement
Nonmajor Governmental funds	Measure A Western County Special Revenue fund	55,000	Commuter assistance costs allocations
Nonmajor Governmental funds	Nonmajor Governmental funds	2,800,000	Call box program augmentation of freeway service patrol operations
RCTC 91 Express Lanes Enterprise fund	Measure A Western County Special Revenue fund	432,608	Surplus funds used for the 91 Corridor Operations project
RCTC 91 Express Lanes Enterprise fund	SB 132 Special Revenue fund	53,949,156	Surplus funds used for the 15/91 Express Lanes Connector project
Total transfers		<u>\$ 173,976,639</u>	

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 6. Interfund Transactions, Continued

In connection with the substantial completion of the 15 Express Lanes project in April 2021 and the commencement of toll operations on the 15 Express Lanes, the Commission contributed \$1,263,354 of capital and intangible costs from the governmental activities to the 15 Express Lanes and in connection with the 91 Express Lanes, the Commission contributed \$7,246,775 of land from the governmental activities to the 91 Express Lanes.

Note 7. Long-term Obligations

The following is a summary of the changes in long-term obligations for the year ended June 30, 2023:

Governmental activities	Balance June 30, 2022	Additions / Accretion	Reductions	Balance June 30, 2023	Due Within One Year
Sales tax revenue bonds:					
2010 Bonds	\$ 112,370,000	\$ -	\$ -	\$ 112,370,000	\$ -
2013 Bonds	14,695,000	-	(14,695,000)	-	-
2016 Refunding Bonds	47,245,000	-	(6,005,000)	41,240,000	6,305,000
2017 Bonds, series A	135,980,000	-	(5,280,000)	130,700,000	5,540,000
2017 Refunding Bonds, series B	392,730,000	-	-	392,730,000	15,045,000
2018 Refunding Bonds	44,300,000	-	(5,425,000)	38,875,000	5,745,000
Total bonds payable	747,320,000	-	(31,405,000)	715,915,000	32,635,000
Sales tax revenue bonds premium	83,418,739	-	(10,458,493)	72,960,246	8,758,189
Total bonds payable, net	830,738,739	-	(41,863,493)	788,875,246	41,393,189
Lease liability	3,398,016	-	(599,606)	2,798,410	617,681
Subscription IT liability	1,125,117	-	(210,491)	914,626	210,002
Compensated absences liability	1,176,633	851,765	(725,737)	1,302,661	792,870
Total long-term obligations	\$ 836,438,505	\$ 851,765	\$ (43,399,327)	\$ 793,890,943	\$ 43,013,742

Business-type activities	Balance June 30, 2022	Additions / Accretion	Reductions	Balance June 30, 2023	Due Within One Year
Toll revenue bonds:					
2013 Bonds, Series B	\$ 63,606,952	\$ 4,394,620	\$ -	\$ 68,001,572	\$ -
2021 Bonds, Series A, B, C	615,059,000	-	-	615,059,000	-
Toll revenue bonds premium	54,368,512	-	(2,537,375)	51,831,137	2,537,375
Total bonds payable, net	733,034,464	4,394,620	(2,537,375)	734,891,709	2,537,375
TIFIA loan	162,385,853	4,644,501	-	167,030,355	-
Compensated absences liability	136,867	237,035	(201,963)	171,939	104,651
Total long-term obligations	\$ 895,557,184	\$ 9,276,156	\$ (2,739,338)	\$ 902,094,003	\$ 2,642,026

The Commission has pledged a portion of future sales tax revenues through maturities of the bonds to repay \$715,915,000 in outstanding sales tax revenue bonds payable issued in November 2010 (2010 Bonds), September 2016 (2016 Refunding Bonds), July 2017 (2017A Sales Tax Bonds), December 2017 (2017B Refunding Bonds), and March 2018 (2018 Refunding Bonds) outstanding at June 30, 2023 plus related interest. The bonds are payable solely from the 2009 Measure A sales tax revenues on a senior and subordinate lien basis, respectively. Annual principal and interest payments on the bonds, are expected to require 24% of 2009 Measure A revenues. For the current year, interest paid on the bonds was \$38,150,288. Cash subsidies of \$2,812,132 related to the bonds were received from the U.S. Treasury during the current year and were recorded as intergovernmental revenues.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue CIBs, pay the purchase price of the 2013 Toll Revenue CIBs accepted tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue CABs maturing in the years 2022 through 2025 and 2027 through 2029. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds.

The Commission executed a TIFIA loan agreement for up to \$152,214,260 in July 2017 as a senior toll revenue bond on the trust estate, which consists primarily of toll revenues and account revenues less operating and maintenance expenses of the 15 Express Lanes. The 15 Express Lanes opened to motorists on April 10, 2021, and tolling commenced on April 14, 2021. The amount outstanding under the TIFIA loan at June 30, 2023 is \$152,214,260, and compounded interest of \$14,816,095.

Sales tax revenue bonds payable: Under the provisions of the 2009 Measure A, as amended by Measure K approved by the voters in November 2010, the Commission has the authority to issue bonds subject to a bond debt limitation of \$975,000,000. The following is a summary of bonds issued and secured by 2009 Measure A revenues that are outstanding at June 30, 2023:

2010 Sales Tax Revenue Bonds (Limited Tax Bonds), Series B (Taxable Build America Bonds):	Outstanding
In November 2010, the Commission issued sales tax revenue bonds consisting of the \$37,630,000 Series A (2010A Bonds) and \$112,370,000 Series B (2010B Bonds), for a total issuance of \$150,000,000 (collectively, the 2010 Bonds). For the Series B Build America Bonds (BABs), \$44,800,000 was designated as recovery zone economic development bonds (RZEDBs). A portion of the 2010 Bonds was used to retire \$103,284,000 of the outstanding commercial paper notes with the remaining proceeds used to fund 2009 Measure A Western County and Coachella Valley capital projects and pay costs of issuance for the 2010 Bonds. In December 2017, the 2010A Bonds were refunded. The remaining 2010B Bonds mature in annual installments ranging from \$530,000 to \$17,980,000 on various dates from June 1, 2032 to June 1, 2039 at an interest rate of 6.807%. The Commission expects, but is not guaranteed, to receive a cash subsidy from the U.S. Treasury equal to 35% of the interest payable on the BABs or 45% of the interest payable on the 2010B Bonds additionally designated as RZEDBs.	<u>\$ 112,370,000</u>

During 2023 the cash subsidy related to the 2010 Bonds that was received from the U.S. Treasury was approximately \$2,812,132, or \$169,968 less than the amount anticipated. The subsidy reduction resulted from federal sequestration cuts of 5.7% for federal fiscal year ending September 30, 2023. The federal sequestration cuts may continue for an unknown duration.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

In accordance with the bond maturity schedule, and assuming no subsidy reduction, the approximate annual debt service requirements to maturity for the 2010B Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total	Subsidy	Total, net
2024	\$ -	\$ 7,649,000	\$ 7,649,000	\$ (2,982,100)	\$ 4,666,900
2025	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2026	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2027	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2028	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2029-2033	14,540,000	38,209,100	52,749,100	(14,897,900)	37,851,200
2034-2038	79,850,000	22,887,500	102,737,500	(9,470,800)	93,266,700
2039	17,980,000	1,224,100	19,204,100	(551,100)	18,653,000
	<u>\$ 112,370,000</u>	<u>\$ 100,565,700</u>	<u>\$ 212,935,700</u>	<u>\$ (39,830,300)</u>	<u>\$ 173,105,400</u>

2013 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt): **Outstanding**

In October 2016, the Commission issued sales tax revenue bonds of \$76,140,000. A portion of the 2016 Refunding Bonds was used to refund all of the outstanding Series A bonds issues in 2009, retire all of the outstanding commercial paper notes, finance a termination payment in connection with an interest rate swap agreement and pay costs of issuance. The outstanding 2016 Refunding Bonds mature in annual installments ranging from \$6,305,000 to \$7,305,000 on various dates from June 1, 2024 through June 1, 2029 at interest rates ranging from 2.00% to 5.00%.

\$ 41,240,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2016 Refunding Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 6,305,000	\$ 1,148,300	\$ 7,453,300
2025	6,620,000	833,100	7,453,100
2026	6,820,000	634,500	7,454,500
2027	7,025,000	429,900	7,454,900
2028	7,165,000	289,400	7,454,400
2029	7,305,000	146,100	7,451,100
	<u>\$ 41,240,000</u>	<u>\$ 3,481,300</u>	<u>\$ 44,721,300</u>

2017 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt): **Outstanding**

In July 2017, the Commission issued sales tax revenue bonds of \$158,760,000 at a premium of \$28,931,909 to fund a portion of the I-15 Express Lanes project and complete the 91 Project. The outstanding 2017A Bonds mature in annual installments ranging from \$5,540,000 to \$11,440,000 on various dates from June 1, 2024 to June 1, 2039 at interest rates ranging from 3.00% to 5.00%.

\$ 130,700,000

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2017A Sales Tax Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 5,540,000	\$ 6,472,600	\$ 12,012,600
2025	5,820,000	6,195,600	12,015,600
2026	6,110,000	5,904,600	12,014,600
2027	6,415,000	5,599,100	12,014,100
2028	6,735,000	5,278,300	12,013,300
2029-2033	39,050,000	21,022,800	60,072,800
2034-2038	49,590,000	10,477,100	60,067,100
2039	11,440,000	571,900	12,011,900
	<u>\$ 130,700,000</u>	<u>\$ 61,522,000</u>	<u>\$ 192,222,000</u>

In connection with the issuance of the 2017A Sales Tax Bonds, the Commission provided for the establishment of an I-15 Trust Fund for deposits of sales tax revenues as required by the toll indenture for the I-15 Express Lanes project.

2017 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series B (Tax-exempt):	Outstanding
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In December 2017, the Commission issued sales tax revenue bonds of \$392,730,000 at a premium of \$80,058,109 to refund all of the outstanding 2010A Bonds and refund a portion of the 2013 Sales Tax Bonds. The 2017B Refunding Bonds mature in annual installments ranging from \$15,045,000 to \$35,045,000 on various dates from June 1, 2024 to June 1, 2039 at interest rates ranging from 4.00% to 5.00%.

\$ 392,730,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2017B Refunding Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 15,045,000	\$ 19,366,300	\$ 34,411,300
2025	15,800,000	18,614,100	34,414,100
2026	16,590,000	17,824,100	34,414,100
2027	17,415,000	16,994,600	34,409,600
2028	18,290,000	16,123,800	34,413,800
2029-2033	143,745,000	62,225,000	205,970,000
2034-2038	134,865,000	27,783,300	162,648,300
2039	30,980,000	1,549,100	32,529,100
	<u>\$ 392,730,000</u>	<u>\$ 180,480,300</u>	<u>\$ 573,210,300</u>

The refunding was undertaken to advance refund all of the outstanding 2010A Bonds and the callable portion of the outstanding 2013 Sales Tax Bonds in the amounts of \$37,630,000 and \$372,445,000, respectively, and reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$41,742,900. This amount is reflected as a deferred outflow of resources and amortized over the life of the old debt, which is the same as the 2017B Refunding Bonds obligation. At June 30, 2023, the unamortized deferred amount on refunding was approximately \$28,912,800.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

2018 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A (Tax-exempt):	Outstanding
In April 2018, the Commission issued sales tax revenue bonds of \$64,285,000 at a premium of \$10,723,789 to refund all of the outstanding Series B and Series C bonds issued in 2009 and finance a termination payment in connection with an interest rate swap agreement with Bank of America. The refunding was undertaken to eliminate certain risks associated with managing the Commission’s variable rate debt. The outstanding 2018 Refunding Bonds mature in annual installments ranging from \$5,745,000 to \$7,290,000 on various dates from June 1, 2024 through June 1, 2029 at interest rates ranging from 4.00% to 5.00%.	<u>\$ 38,875,000</u>

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2018 Refunding Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 5,745,000	\$ 1,943,800	\$ 7,688,800
2025	5,970,000	1,656,500	7,626,500
2026	6,295,000	1,358,000	7,653,000
2027	6,620,000	1,043,200	7,663,200
2028	6,955,000	712,300	7,667,300
2029	7,290,000	364,400	7,654,400
	\$ 38,875,000	\$ 7,078,200	\$ 45,953,200

Toll revenue bonds payable: In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue capital interest bonds (CIBs), pay the purchase price of the 2013 Toll Revenue CIBs accepted for tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue capital appreciation bonds (CABs) maturing in the years 2022 through 2025 and 2027 through 2029. The amount outstanding on the 2013 Toll Revenue CABs at June 30, 2023 is \$20,347,880. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

2013 Toll Revenue Bonds, Series B (Capital Appreciation Obligation):	Outstanding
<p>In July 2013, the Commission issued \$52,829,602 principal amount of serial CABs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay costs of issuance. In October 2021, the Commission refunded a portion of the 2013 Series B Senior Bonds. The CABs will not pay current interest as interest will be compounded commencing December 2021 semiannually and paid at maturity. Therefore, the CABs will increase in value, or accrete, by the accumulation of such compounded interest from its initial principal amount to the maturity value in installments ranging from \$4,580,000 to \$34,220,000 on various dates from June 1, 2025 through June 1, 2043. Interest rates and yield to maturity range from 3.00% to 4.00%. During 2023, the accretion amount was \$4,394,621; the aggregate accretion through June 30, 2023 is \$7,018,372.</p>	<p><u>\$ 68,001,572</u></p>

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2013 Toll Bonds CABs payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 4,699,700	\$ 4,699,700
2025	3,696,600	5,025,700	8,722,300
2026	3,681,000	5,095,100	8,776,100
2027	3,312,500	5,145,400	8,457,900
2028	4,179,600	5,203,100	9,382,700
2029-2033	21,580,500	24,823,300	46,403,800
2034-2038	3,451,400	20,572,400	24,023,800
2039-2043	21,081,600	22,538,700	43,620,300
	\$ 60,983,200	\$ 93,103,400	\$ 154,086,600

2021 Toll Revenue Refunding Bonds, Series A:	Outstanding
<p>In October 2021, the Commission issued \$88,735,000 principal amount to (i) refund a portion of the Commission's outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (current interest obligations), (ii) fund capitalized interest with respect to the 2021 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which secured the 2021 Series A Senior Bonds and the 2013 Series B Senior Bonds), and (iv) pay certain costs of issuance of the 2021 Series A Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series A mature in annual installments ranging from \$2,305,000 to \$27,750,000 on various dates from June 1, 2030 to June 1, 2041 at interest rates from 2.477% to 3.335%.</p>	<p><u>\$ 88,735,000</u></p>

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 2,725,300	\$ 2,725,300
2025	-	2,725,300	2,725,300
2026	-	2,725,300	2,725,300
2027	-	2,725,300	2,725,300
2028	-	2,725,300	2,725,300
2029-2033	12,415,000	13,071,200	25,486,200
2034-2038	61,715,000	6,795,900	68,510,900
2039-2041	14,605,000	1,461,500	16,066,500
	\$ 88,735,000	\$ 34,955,100	\$ 123,690,100

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series B-1: Outstanding

In October 2021, the Commission issued \$437,895,000 principal amount at a premium of \$46,512,600 to (i) refund and prepay a portion of the Commission's outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement, (ii) pay the purchase price of 2013 Series A Senior Bonds accepted for tender for cash, (iii) make a deposit to the 2021 Series B Senior Bonds Reserve Account, and (iv) pay certain costs of issuance of the 2021 Series B Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-1 mature in annual installments ranging from \$5,010,000 to \$65,105,000 on various dates from June 1, 2037 to June 1, 2049 at interest rates from 3.000 to 4.000%.

\$ 437,895,000

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 16,065,800	\$ 16,065,800
2025	-	16,065,800	16,065,800
2026	-	16,065,800	16,065,800
2027	-	16,065,900	16,065,900
2028	-	16,065,900	16,065,900
2029-2033	-	80,329,200	80,329,200
2034-2038	66,740,000	79,076,600	145,816,600
2039-2043	134,480,000	53,619,200	188,099,200
2044-2048	200,760,000	25,800,200	226,560,200
2049	35,915,000	1,077,700	36,992,700
	<u>\$ 437,895,000</u>	<u>\$ 320,232,100</u>	<u>\$ 758,127,100</u>

2021 Toll Revenue Refunding Bonds, Series B-2: Outstanding

In October 2021, the Commission issued \$12,734,000 principal amount together with the 2021 Series B-1 Senior Bonds, the 2021 Series B Senior Bonds exchanged for the 2013 Series A Senior Bonds accepted a tender for exchange. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-2 mature in annual installments ranging from \$1,894,000 to \$5,420,000 on various dates from June 1, 2044 to June 1, 2048 at an interest rates of 3.000%.

\$ 12,734,000

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 382,000	\$ 382,000
2025	-	382,000	382,000
2026	-	382,000	382,000
2027	-	382,000	382,000
2028	-	382,000	382,000
2029-2033	-	1,910,100	1,910,100
2034-2038	-	1,910,100	1,910,100
2039-2043	-	1,910,100	1,910,100
2044-2048	12,734,000	1,520,300	14,254,300
	<u>\$ 12,734,000</u>	<u>\$ 9,160,600</u>	<u>\$ 21,894,600</u>

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series C:	Outstanding
<p>In October 2021, the Commission issued \$75,695,000 principal amount at a premium of \$9,455,800, to (i) refund and prepay the remaining portion of the Commission's outstanding TIFIA Obligations and (ii) pay certain costs of issuance of the 2021 Series C Second Lien Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series C mature in annual installments ranging from \$17,585,000, to \$58,110,000 on various dates from June 1, 2046 to June 1, 2047 at an interest rate of 4.000%.</p>	<p><u>\$ 75,695,000</u></p>

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 3,027,800	\$ 3,027,800
2025	-	3,027,800	3,027,800
2026	-	3,027,800	3,027,800
2027	-	3,027,800	3,027,800
2028	-	3,027,800	3,027,800
2029-2033	-	15,139,000	15,139,000
2034-2038	-	15,139,000	15,139,000
2039-2043	-	15,139,000	15,139,000
2044-2047	75,695,000	9,786,800	85,481,800
	<u>\$ 75,695,000</u>	<u>\$ 70,342,800</u>	<u>\$ 146,037,800</u>

2017 TIFIA Loan Agreement - I-15 Express Lanes:	Outstanding
<p>In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds will finance a portion of the costs for the I-15 Express Lanes project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on June 1, 2025, which is five years after substantial completion of the I-15 Express Lanes project, through June 1, 2055. The interest rate of the TIFIA loan is 2.84%. During 2023, \$0 was drawn on the TIFIA loan and \$4,644,501 in interest was compounded for a total compounded interest of \$14,816,095.</p>	<p><u>\$ 167,030,355</u></p>

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes project indenture. In accordance with the projected TIFIA loan maturity schedule, the annual debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

Year ending June 30	Mandatory		Total
	Principal	Interest	
2026	\$ -	\$ 5,018,900	\$ 5,018,900
2027	-	5,018,900	5,018,900
2028	-	5,025,800	5,025,800
2029-2033	4,017,700	24,942,900	28,960,600
2034-2038	17,483,200	23,762,300	41,245,500
2039-2043	21,475,000	20,852,900	42,327,900
2044-2048	40,678,500	17,012,300	57,690,800
2049-2053	64,144,700	9,709,600	73,854,300
2054-2055	28,922,600	1,291,600	30,214,200
Total	176,721,700	\$ 112,635,200	\$ 289,356,900
Future compounded interest	(9,691,345)		
Total TIFIA loan	\$ 167,030,355		

Pursuant to the I-15 Express Lanes project toll indenture, the Commission is required to establish the following reserve accounts to support the 15 Express Lanes:

- A \$16.5 million ramp-up reserve was funded prior to substantial completion and commencement of express lanes operations. The balance at June 30, 2023 is approximately \$15.5 million and reflects a \$1 million withdrawal in accordance with the indenture and is not required to be replenished;
- An \$18 million TIFIA loan reserve from an advance of Measure A sales tax revenues up to \$3 million per year from 2019 through 2024 to the extent that 15 Express Lanes revenues are not sufficient to fund the TIFIA loan reserve. Through FY 2020/21 \$9 million was funded by Measure A Sales Tax revenue and \$6 million was funded by 15 Express Lanes toll revenues for a total of \$15 million funded through FY 2022/23. The balance as of June 30, 2023 is approximately \$15.4 million; and
- Up to a \$38.5 million backstop loan from Measure A sales tax revenues of up to \$3.85 million per year to the extent 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest. Funding for this account is scheduled to begin in FY 2024/25.

The Commission has funded \$9,000,000 required for the TIFIA loan reserve with an advance of Measure A sales tax revenues. The loan is included in advances from the Measure A Western County Special Revenue fund to the 15 Express Lanes Enterprise fund.

Commercial paper notes payable: In February 2005, the Commission authorized the issuance of tax-exempt commercial paper notes in an amount not to exceed \$200,000,000 for the primary purpose of financing right of way and mitigation land acquisition and project development costs of capital projects under the 2009 Measure A. The Commission reduced the authorization to \$60,000,000 in September 2013. As of June 30, 2023, \$0 was outstanding in commercial paper notes.

The source of revenue to repay the commercial paper notes and any subsequent long-term debt refinancing is the 2009 Measure A sales tax. Interest is payable on the respective maturity dates of the commercial paper notes, which is up to 270 days from the date of issuance. The maximum allowable interest rate on the commercial paper notes is 12%.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

As a requirement for the issuance of the commercial paper notes, the Commission entered into a \$60,750,000 irrevocable direct draw letter of credit and reimbursement agreement with State Street Bank and Trust Company (State Street) as credit and liquidity support for the commercial paper notes through October 2025. The commitment fees paid to State Street were \$258,694 in 2023.

Funds are drawn under the letter of credit to pay debt service on the commercial paper notes, and the Commission is required to reimburse the bank for such drawings. Amounts drawn on the letter of credit and not reimbursed within 30 days are not due until five years after the date of such draw. Accordingly, the commercial paper notes are classified as long-term liabilities in the Commission's government-wide financial statements. There were no unreimbursed draws by the Commission on the remaining letter of credit during the year ended June 30, 2023, nor were there any amounts outstanding under the remaining letter of credit agreement at June 30, 2023.

The Commission's commercial paper program functions similar to bond anticipation notes for reporting purposes, as the commercial paper notes are issued and retired with long-term debt issuances. Commercial paper notes are classified as long-term debt as long as the Commission's letter of credit facility extends at least one year past its fiscal year end; otherwise, the commercial paper notes are classified as a fund liability.

Arbitrage rebate: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds and commercial paper notes after August 31, 1986. In general, arbitrage regulations deal with the investment of all tax-exempt bond and commercial paper note proceeds at an interest yield greater than the interest yield paid to bondholders or noteholders. Failure to follow the arbitrage regulations could result in all interest paid to bondholders or noteholders retroactively rendered taxable. In accordance with the arbitrage regulations, if excess earnings were calculated, 90% of the amount calculated would be due to the Internal Revenue Service at the end of each five-year period. The remaining 10% would be recorded as a liability and paid after all bonds had been redeemed. During the current year, the Commission performed calculations of excess investment earnings on all bond and commercial paper financings. There was no arbitrage liability at June 30, 2023.

Lease Liability: For the year ended June 30, 2023, the financial statements include GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use and underlying asset. Under this statement, a lessor is required to recognize a lease liability and an intangible right to use lease asset. The discount rate is based on the entity's incremental borrowing rate.

On 6/20/2011, the Commission entered into a 48-month lease for the use of Pedley Metrolink Station dark fiber. An initial lease liability was recorded in the amount of \$56,267. As of 06/30/2023, the value of the lease liability is \$28,452. The Commission is required to make monthly fixed payments of \$1,200. The lease has an interest rate of 1.1690%. The value of the right to use asset as of 06/30/2023 is \$56,267 with accumulated amortization of \$28,134.

On 11/8/2018, Commission entered into a 28-month lease for the use of Canon copiers. An initial lease liability was recorded in the amount of \$37,758. As of 06/30/2023, the value of the lease liability is \$6,555. The Commission is required to make monthly fixed payments of \$1,313. The lease has an interest rate of 0.7510%. The value of the right to use asset as of 06/30/2023 is \$37,758 with accumulated amortization of \$32,097.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 7. Long-term Obligations, Continued

On 3/27/2018, the Commission entered into a 75-month lease for the use of 4080 Lemon Street, 3rd Floor. An initial lease liability was recorded in the amount of \$3,856,996. As of 06/30/2023, the value of the lease liability is \$2,754,936. The Commission is required to make monthly fixed payments of \$48,220. The lease has an interest rate of 1.5130%. The value of the right to use asset as is 06/30/2023 of \$3,856,996 with accumulated amortization of \$1,220,676.

On 07/01/2021, the Commission entered into a 36-month lease for the use of Automobile Parking - Park & Ride. An initial lease liability was recorded in the amount of \$25,205. As of 06/30/2023, the value of the lease liability is \$8,467. The Commission is required to make quarterly fixed payments of \$2,130. The lease has an interest rate of 1.0030%. The value of the right to use asset as of 06/30/2023 is \$25,205 with accumulated amortization of \$16,803.

In accordance with the standard, the principal and interest expected to maturity for governmental activities is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 617,681	\$ 37,966	\$ 655,646
2025	630,706	28,638	659,344
2026	645,270	19,022	664,292
2027	675,167	9,053	684,221
2028	229,586	724	230,310
Total lease liability	\$ 2,798,410	\$ 95,403	\$ 2,893,813

Subscription Liability: For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The discount rate is based on the entity's incremental borrowing rate.

On 03/18/2021, the Commission entered into a 69-month subscription for the use of Cloud Based Data Base System. An initial subscription liability was recorded in the amount of \$296,843. As of 06/30/2023, the value of the subscription liability is \$256,619. The Commission is required to make annual fixed payments of \$62,400. The subscription has an interest rate of 2.4440%. The value of the right to use asset as of 06/30/2023 is \$296,843 with accumulated amortization of \$51,625. The Commission has 2 extension option(s), each for 24 months.

On 04/27/2022, the Commission entered into a 58-month subscription for the use of Questica Budget Software. An initial subscription liability was recorded in the amount of \$828,274. As of 06/30/2023, the value of the subscription liability is \$658,007. The Commission is required to make annual fixed payments of \$172,535. The subscription has an interest rate of 2.8360%. The value of the right to use asset as of 06/30/2023 is \$828,274 with accumulated amortization of \$171,367.

Year Ending June 30	Principal	Interest	Total
2024	\$ 210,002	\$ 24,933	\$ 234,935
2025	204,218	19,197	223,415
2026	215,005	13,586	228,591
2027	231,049	7,673	238,722
2028	54,352	1,328	55,680
Total subscription liability	\$ 914,626	\$ 66,717	\$ 981,343

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 8. Net Position and Fund Balances

Net position: Net investment in capital assets of \$306,568,725, as reported on the statement of net position, represents capital assets, net of accumulated depreciation and amortization, of \$1,351,213,184 less the related debt of \$1,044,644,459. The related debt includes the portion of the sales tax revenue and toll revenue bonds that was used for the development of tolled express lane capital assets. The deficit in business-type activities will be reduced by future toll revenues for the payment of outstanding toll obligations.

Net Investment in Capital Assets	Governmental Activities	Business-Type Activities	Total
Capital assets, net	\$ 744,749,533	\$ 606,463,651	\$ 1,351,213,184
Less: related debt	(261,444,846)	(783,199,613)	(1,044,644,459)
Total	<u>\$ 483,304,687</u>	<u>\$ (176,735,962)</u>	<u>\$ 306,568,725</u>

Additionally, the statement of net position reports \$1,392,072,851 of restricted net position, of which \$587,911,389 is restricted by enabling legislation with the remaining balance reported as an unrestricted deficit of \$510,152,633.

Fund balances:

Governmental Funds:

Measure A: Measure A sales tax revenues are allocated to the three defined geographic areas of Riverside County, consisting of Western County, Coachella Valley, and Palo Verde Valley in proportion to the funds generated within those areas. Revenues must then be allocated to the programs of the geographic areas according to percentages as defined by the Measure A ordinance and are legally restricted for applicable program expenditures. Bond and commercial paper note proceeds are allocated to the geographic areas based on the estimated uses. Accordingly, the related fund balances are classified as follows:

Highways: Funds are to be used for project costs including engineering, right of way acquisitions, and construction of the Western County highways and Coachella Valley highways and regional arterials. Funds for new corridors are to be used for environmental clearance, right of way acquisition, and construction of four new Western County transportation corridors identified through CETAP. In order to attract commercial and industrial development and jobs in the Western County, funds are expended to create an infrastructure improvement bank to improve and construct interchanges, provide public transit linkages or stations, and make other improvements to the transportation system. Funds are also provided to support bond financing costs. These program funds are intended to supplement existing federal, state, and local resources. Coachella Valley highway and regional arterial funds are matched by TUMF revenues generated in the Coachella Valley. Accordingly, funds for highways, Coachella Valley regional arterials, new corridors, economic development, and bond financing are reflected as restricted for these specific purposes as stipulated by the 1989 Measure A and 2009 Measure A.

Commuter rail: Funds for rail operations and to match federal funds for capital are restricted as stipulated by the 2009 Measure A Western County public transit program. Certain state revenues are restricted for the planning and development of the new Coachella Valley/San Gorgonio Pass corridor rail service.

Regional arterials: Funds for regional arterials are used to implement the planned Western County regional arterial system, as defined by WRCOG.

Local streets and roads: Funds to be expended by local jurisdictions for the construction, repair, and maintenance of local streets and roads are reflected as restricted as stipulated by the 2009 Measure A. The County and local cities are required to supplement those expenditures with other previously dedicated

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 8. Net Position and Fund Balances, Continued

revenue sources to maintain road improvements. Monies are disbursed to the jurisdictions which comply with the requirements to maintain the same level of funding for streets and roads as existed prior to the passage of the 2009 Measure A and participate in TUMF (as applicable in the Western County and Coachella Valley areas) and the MSHCP in Western County and which annually submit a five-year capital improvement plan.

Commuter assistance and transit: Funds for public transit are used to promote and subsidize commuter assistance programs such as ridesharing and telecommuting and specialized transportation to guarantee reduced transit fares, expand existing transit services, and implement new transit services for seniors and persons with disabilities. These funds are restricted as stipulated by the 2009 Measure A. Funds for intercity bus services in Western County and bus replacement and more frequent service in the Coachella Valley are restricted as stipulated by the 2009 Measure A.

Debt service: Certain bond proceeds that have been used to make required sinking fund payments in the Debt Service fund as required by the bond agreements are classified as restricted. Amounts held by the trustee equal to the maximum annual debt service are recorded in the Debt Service fund as restricted.



Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 8. Net Position and Fund Balances, Continued

Transportation Development Act: Restricted fund balance for the LTF represents the apportionments related to transit programs by geographic area, bicycle and pedestrian facilities, and planning and programming services and unapportioned revenues. Restricted fund balance for the STA and State of Good Repair represents the apportionments for transit by geographic area. The TDA restrictions at June 30, 2023 are as follows:

	Local Transportation Fund	State Transit Assistance	State of Good Repair	Total
Bicycle and pedestrian facilities	\$ 9,475,739	\$ -	\$ -	\$ 9,475,739
Transit and specialized transportation				
Western County:				
Bus transit:				
City of Banning	19,286	6,189,762	45,722	6,254,770
City of Beaumont	100,000	6,699,391	175,671	6,975,062
City of Corona	-	1,270,193	407,250	1,677,443
City of Riverside	-	156,676	399,357	556,033
Riverside Transit Agency	2,421,098	28,951,416	2,997,849	34,370,363
Apportioned and unallocated	204,909,783	32,664,850	2,315,082	239,889,715
Commuter rail:				
Commission	-	9,536,494	964,074	10,500,568
Apportioned and unallocated	44,335,755	37,564,845	1,054,969	82,955,569
Total Western County	251,785,922	123,033,627	8,359,974	383,179,523
Coachella Valley:				
Bus Transit				
SunLine Transit Agency	1,233,219	14,302,932	3,233,355	18,769,506
Apportioned and unallocated	46,517,910	3,470,750	911,576	50,900,236
Commuter rail:				
Commission	-	235,927	-	235,927
Apportioned and unallocated	-	381,133	-	381,133
Total Coachella Valley	47,751,129	18,390,742	4,144,931	70,286,802
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	526,5433	96,731	623,274
Apportioned and unallocated for transit	3,127,104	207,637	60,000	3,394,741
Total Palo Verde Valley	3,127,104	734,180	156,731	4,018,015
Unapportioned funds	24,437,031	-	-	24,437,031
Total transit and specialized transportation	\$ 336,576,925	\$ 142,158,549	\$ 12,661,636	\$ 491,397,110

Commuter rail: Restricted fund balances in the General fund and a nonmajor governmental fund represent TDA monies to be used for commuter rail operations and capital.

Transportation Uniform Mitigation Fee: TUMF revenues to be received by the Commission are to be used for new CETAP corridors and the regional arterial system in Western County and are restricted as follows:

CETAP: Funds for the development of new transportation corridors are used to provide congestion relief and mobility within the County and between the County and its neighboring Orange and San Bernardino counties. Funds will be matched by revenues of \$370 million generated from the 2009 Measure A.

Regional arterials: Funds for regional arterials are used to implement the planned Western County regional arterial system. Funds will be matched by revenues of \$300 million generated from the 2009 Measure A.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 8. Net Position and Fund Balances, Continued

Prepaid amounts: Prepaid amounts are reported as nonspendable fund balance as they are in nonspendable form.

Motorist assistance: Funds in the Service Authority for Freeway Emergencies and Freeway Service Patrol Special Revenue funds are reported as nonmajor governmental funds of \$4,700,897 and \$8,627,803, respectively, to assist motorists on County roads are restricted as stipulated by the State.

General government: Funds allocated by Measure A, TUMF, LTF, motorist assistance, STA, Coachella Valley Rail, and SB 132 programs to the General Fund have been assigned by the Commission for general government administration.

Unassigned: The Regional Conservation Nonmajor fund reported a negative unassigned fund balance of \$3,392. The Commission anticipates future reimbursements from the Western Riverside County Regional Conversation Authority will reduce the negative fund balance.

Proprietary Funds:

RCTC 91 Express Lanes: Restricted net position for toll operations consists of net toll revenues from toll operations in the RCTC 91 Express Lanes Enterprise fund in accordance with the toll bond indenture.

15 Express Lanes: Restricted net position for toll operations consist of net toll revenues from toll operations in the 15 Express Lanes Enterprise fund in accordance with the toll bond indenture.

Note 9. Commitments and Contingencies

Real property and project agreements: The Commission has entered into other agreements in the ordinary course of business with companies and other governmental agencies for the acquisition of real property as well as the engineering and construction of certain highway and commuter rail projects. These agreements, which are significant, are funded with available and future revenues and debt proceeds.

Litigation: Certain claims involving disputed construction costs and property acquisition costs, including goodwill claims, have arisen in the ordinary course of business. Additionally, the Commission is a defendant in 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 the Commission.

The Commission is party to an ongoing litigation which if settled, would be material to the governmental activity's enterprise fund. Due to the nature of the litigation, outlays, if any, would be recorded as a capital asset in the fiscal year paid.

Note 10. Joint Agreements

Joint ventures: The Commission is one of five members of the SCRRA, an independent joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority (OCTA), the San Bernardino Associated Governments, and the Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for its pro rata share of rail lines servicing the County. The Commission expended \$26,339,318 and \$3,340,844 during 2023 for its share of Metrolink operating and capital costs, respectively. As of June 30, 2023, cumulative capital contributions were \$67,066,253. Other funds for

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 10. Joint Agreements, Continued

rail service are contributed to the SCRRA by the State from state rail bonds on behalf of the Commission. Separate financial statements are prepared by and available from the SCRRA, which is located at 900 Wilshire Boulevard, Suite 1500, Los Angeles, California 90017.

In May 2013 the Commission became a full voting member of the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor Agency with the intent to have greater involvement in regional rail issues because of its legal ownership rights regarding passenger rail service between Fullerton and Los Angeles. The LOSSAN Rail Corridor Agency is a locally governed joint powers authority comprised of 13 agencies created to oversee the intercity passenger rail service in the travel corridor between San Diego and San Luis Obispo County. The Commission’s share of administration costs is subject to future negotiations; however, during 2023 the Commission contributed \$0 for administration efforts.

In May 2017, the Commission became a member of the California Vanpool Authority (CalVans) to share resources and provide public vanpool transportation options for the traveling public. CalVans is a joint powers authority comprised of 12 agencies created to operate vanpool services within the territories of the member agencies. The Commission did not expend any funds during 2023 for CalVans.

RCTC 91 Express Lanes cooperative agreements: The RCTC 91 Express Lanes are jointly operated with the existing OCTA 91 Express Lanes and collectively referred to as the 91 Express Lanes.

Under the Orange-Riverside Cooperative Agreement, which was entered into in December 2011, the Commission and OCTA agreed on the use of the same initial toll operator, cost and revenue sharing, toll policies, business rules, interoperability of technology, and marketing activities as well as OCTA review of design plans and construction activities for the 91 Project.

In May 2013 the Commission entered into a three-party agreement with OCTA and the third-party toll operator, for the operations of the 91 Express Lanes. This ensures a streamlined and consistent intercounty travel for motorists on the OCTA 91 Express Lanes in Orange County and RCTC 91 Express Lanes in Riverside County. The third-party toll operator provides operating services in the annual amount of \$6,087,538 plus inflation for five initial years with two extension options, subject to Board of Commissioners approval. The third-party toll operator is responsible for the day-to-day operations of the toll facility; another contractor is responsible for maintaining the roadside toll collection system under a separate agreement with the Commission. The three-party agreement expired on March 6, 2022 and was amended March 7, 2022 for an initial five-year term, with two 36 month options, not to exceed 13 years.

In November 2019, the Commission awarded an agreement to the third-party operator to develop and install a new back-office system and to provide express lane operator services, including the back office and customer services center. The agreement is a three-party contract including OCTA. The contract has a five-year term beginning upon completion and implementation of the new back-office system, plus two 3-year options, to operate both the OCTA and RCTC 91 Express Lanes. The operating term began on March 7, 2022 with the conversion to the new back-office system.

I-15 Corridor Freight and Express Lanes Project: The Commission and San Bernardino County Transportation Agency (SBCTA) entered into a Cooperative Agreement (Agreement) on May 24, 2023, formalizing the coordination of the toll facilities between Riverside and San Bernadino counties; collectively referred to as the I-15 Corridor Freight and Express Lanes project or I-15 Next. Specifically, the Agreement requires the Commission to assign approximately 2.2 miles of its existing RCTC 15 Toll Lanes to SBCTA in exchange for annual toll revenue payments payable by SBCTA.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 10. Joint Agreements, Continued

The assignment is made by the Commission to SBCTA in preparation for planning and constructing a toll facility within the median of I-15. Construction by SBCTA is anticipated to begin during calendar year 2024 with an estimated completion date of summer 2026.

As of June 30, 2023, no impacts have been incurred by the existing RCTC 15 Express Lanes as a result of entering into this Agreement. However, SBCTA will reimburse RCTC 15 Express Lanes for any impacts during construction phase of the project. Furthermore, assignment of the RCTC 15 Express Lanes will not occur until sixty (60) days prior to project completion estimated to occur during calendar year 2026.

Management services agreement: The Commission and RCA entered into an Implementation and Management Services Agreement effective January 1, 2021. Under the agreement, the Commission shall administer, coordinate, and supervise the activities of the RCA as set forth in the RCA Joint Exercise of Powers Agreement and shall act for RCA in accomplishing its purposes. The RCA oversees and administers the Multiple Species Habitat Conservation Plan (MSHCP), one of America's most ambitious environmental efforts, in support of its member agencies. The MSHCP is a comprehensive, multi-jurisdictional habitat conservation plan focusing on the permanent conservation of 500,000 acres and the protection of 146 covered species, including 33 that are currently listed as threatened or endangered. RCA reimbursed the Commission \$8,474,565 during the year ended June 30, 2023 in connection with the management services provided under this agreement.

Note 11. Employees' Pension Plans

General Information about the CalPERS Pension Plan: The Commission contracts with CalPERS to provide its employees retirement as well as death and retirement disability benefits, which are paid by the CalPERS under a cost sharing multiple-employer plan. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be obtained from its executive office located at 400 P Street, Sacramento, California 95814, or by visiting the CalPERS website at www.calpers.ca.gov. All permanent Commission employees are eligible to participate in the Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by CalPERS. Benefit provisions under the Plan are established by State statute and Commission resolution.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Employees hired prior to January 1, 2013 and attaining the age of 55 with five years of credited California service (service) are eligible for normal retirement and are entitled to a monthly benefit of 2.7% of their final compensation for each year of service. Final compensation is defined as the highest annual salary earned. Retirement may begin at age 50 with a reduced benefit rate. The plan also credits employees for unused sick leave. Employees hired on or after January 1, 2013 who are not "classic" members and attaining the age of 62 with five years of credited service are eligible for normal retirement and are entitled to a monthly benefit of 2% of their three-year final compensation for each year of service. Retirement may begin at age 52 with a reduced benefit rate. Upon separation from the plan prior to retirement, members' accumulated contributions are refundable with interest credited through the date of separation. All members are eligible for non-duty disability benefits after 10 years of service. The pre-retirement death benefit is one of the following: the 1957 Survivor Benefit - level 3 or the Optional Settlement 2W Death Benefit. The post-retirement death benefit is one of the following: lump sum or survivor allowance. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 11. Employees' Pension Plans, Continued

The Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.00%	8.00%
Required Commission contribution rates	16.21%	8.03%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates 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 rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

Miscellaneous	
Contributions - Commission	\$ 1,304,460
Contributions - Employee	765,820

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2023, the Commission reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

Proportionate Share of Net Pension Liability	
Miscellaneous	\$ 1,868,313

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 is as follows:

Miscellaneous	
Proportion - June 30, 2022	(0.33677%)
Proportion - June 30, 2023	0.03993%
Change - Increase (Decrease)	<u>0.37670%</u>

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 11. Employees' Pension Plans, Continued

For the year ended June 30, 2023, the Commission recognized pension expense of \$10,009,626. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,304,460	\$ -
Differences between actual and expected experiences	37,519	25,129
Changes in assumptions	191,448	-
Differences between contributions and the proportionate share of contributions	1,768,361	1,371,708
Changes in Commission's proportion	5,538,825	1,638,896
Net differences between projected and actual earnings on plan investments	342,225	-
Total	<u>\$ 9,182,838</u>	<u>\$ 3,035,733</u>

The \$1,304,460 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2024	\$ 1,838,248
2025	1,672,534
2026	1,122,546
2027	209,317
	<u>\$ 4,842,645</u>

Actuarial Methods and Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Miscellaneous	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	6.90% net of pension plan investment and administrative expenses, includes inflation
Mortality	Derived using CalPERS' membership data for all funds

The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. Further details of the experience study can be found on the CalPERS website.

Changes in Actuarial Assumptions - For the measurement period ended June 30, 2022, the discount rate was reduced from 7.15% to 6.90%, the inflation rate was reduced from 2.50% to 2.30%, and the investment rate of return was reduced from 7.15% to 6.90%.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 11. Employees' Pension Plans, Continued

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return - In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (generic) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10 (1,2)
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)
Total	<u>100%</u>	

(1) An expected inflation rate of 2.3% used for this period.

(2) Figures are based on the 2021/22 Asset Liability Management study

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the Commission's collective net pension liability/(asset) for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's collective net pension asset would be if it were calculated using a discount rate that is 1% below or 1% higher than the current rate:

Miscellaneous	
1% Decrease	5.90%
Net Pension Liability	\$8,454,933
Current Discount Rate	6.90%
Net Pension Liability	\$1,868,313
1% Increase	7.90%
Net Pension Asset	(\$3,550,841)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 11. Employees' Pension Plans, Continued

Payable to the Pension Plan - At June 30, 2023, the Commission reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

401(a) plan: The Commission offers its employees a 401(a) single employer defined contribution plan referred to as the Money Purchase Plan & Trust (Plan), which covers all permanent full-time employees. Employees are fully vested in the Plan after five years. The Plan, which is administered by the International City/County Management Association (ICMA), requires the Commission to make a contribution of 7.5% of the employees' earnings for the Plan year. Fiduciary responsibility and reporting of the Plan assets rests with ICMA. The Commission has the authority to amend the contribution requirements. Total payroll for covered employees for the current year was \$9,934,449. The Commission's contributions to the Plan were \$727,420 for the year ended June 30, 2023.

Note 12. Post-employment Benefits Other Than Pensions (OPEB)

Plan description - The Commission's OPEB plan through the CERBT, is an agent multiple-employer defined benefit plan for eligible retirees and their dependents. CERBT issues a publicly available financial report that can be obtained from its executive office or its website.

Benefits provided - The Commission provides post-employment health benefits for eligible retirees and their dependents at retirement. For employees hired on or after January 1, 2007, retirees must have a minimum of 10 years of PERS service and no less than five years of Commission service in order to receive post-employment health benefits in accordance with PERS as per Government Code Section 22893. For employees hired prior to January 1, 2007, retirees are not required to meet the eligibility criteria and may receive post-employment health benefits at the monthly health benefit rate paid for active employees, which was \$1,500 at June 30, 2023. The Commission's contributions toward premiums for retiree health insurance are coordinated with Medicare and other benefits provided by federal and state law, when available, to the extent it reduces the cost of insurance premiums.

Employees covered by benefit terms at June 30, 2023 are as follows:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefits	3
Active employees	71
Total	105

Contributions - The contribution requirements of plan members are established and may be amended by the Commission. The Commission has adopted a policy to fund 100% of the actuarially determined amount. For the year ended June 30, 2023, the Commission's average contribution rate was 10.8% of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Asset - The Commission's net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 12. Post-employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions	June 30, 2022 Measurement Date
Inflation	2.75% per annum
Discount rate	5.25% per annum
Salary increases	3.00% aggregate
Investment rate of return	5.25%
Healthcare cost trend rates	Non-Medicare: 7.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare: 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076 and later years

Mortality rates are based on projected fully generational with Scale MP-2020.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 years +) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Asset Class	Target Allocation Strategy 2	Expected Real Rate of Return
Global equity	34%	4.56%
Fixed income	41%	1.56%
TIPS	5%	(0.08%)
Commodities	3%	1.22%
REITs	17%	4.06%
Assumed long-term rate of inflation		2.75%
Expected long-term net rate of return		5.25%

Changes in Actuarial Assumptions - For the measurement period ended June 30, 2022, the discount rate was reduced from 7.15% to 6.90%, the inflation rate was reduced from 2.50% to 2.30%, and the investment rate of return was reduced from 7.15% to 6.90%.

Discount rate - The discount rate to measure the total OPEB asset was 5.25%. The projection of cash flows used to determine the discount rate assumed that contributions from the Commission will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 12. Post-employment Benefits Other Than Pensions (OPEB), Continued

Changes in the Net OPEB Liability (Asset) – The changes in the net OPEB liability (asset) from the measurement date of June 30, 2021 to June 30, 2022 are as follows:

	Increase (Decrease)		
	Total OPEB Liability (Asset)	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2021 (measurement date)	\$ 8,738,200	\$ 11,335,200	\$ (2,597,000)
Changes for the year:			
Service cost	641,500	-	641,500
Interest	482,900	-	482,900
Assumption changes	150,300	-	150,300
Contributions – employer	-	884,100	(884,100)
Experience	-	-	-
Net investment income	-	(1,500,000)	1,500,000
Benefit payments	(366,400)	(366,400)	-
Administrative expense	-	(1,800)	1,800
Net changes	908,300	(984,100)	1,892,400
Balances at June 30, 2022 (measurement date)	\$9,646,500	\$ 10,351,100	\$ (704,600)

Sensitivity of the net OPEB liability to changes in the discount rate – The following table presents the Commission’s net OPEB liability (asset), as well as what the Commission’s net OPEB liability would be if it were calculated using a discount rate that is 1% below or 1% higher than the current discount rate:

Changes in the Discount Rate	
1% Decrease	4.25%
Net OPEB Liability	\$724,500
Current Discount Rate	5.25%
Net OPEB Asset	(\$704,600)
1% Increase	6.25%
Net OPEB Asset	(\$1,865,300)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates – The following table presents the net OPEB liability (asset) as well as what the Commission’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% below or 1% higher than the current healthcare cost trend rates:

Changes in the Healthcare Cost Trend Rate	
1% Decrease	1% Decrease
Net OPEB Asset	(\$2,085,300)
Current Healthcare Trend Rate	Current Trend
Net OPEB Asset	(\$704,600)
1% Increase	1% Increase
Net OPEB Liability	\$1,029,700

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CERBT financial reports at <https://www.calpers.ca.gov/page/employers/benefit-programs/cerbt>.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

Note 12. Post-employment Benefits Other Than Pensions (OPEB), Continued

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2022, the Commission recognized OPEB expense/(income) of \$717,400. At June 30, 2023 the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 961,600	\$ -
Changes in assumptions	181,600	88,900
Differences between actual and expected experiences	-	439,800
Net differences between projected and actual earnings on plan investments	907,900	-
Total	<u>\$ 2,051,100</u>	<u>\$ 528,700</u>

The \$961,600 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2024	\$ 71,700
2025	96,900
2026	88,000
2027	368,300
2028	(38,400)
Thereafter	<u>(25,700)</u>
	<u>\$ 560,800</u>

Payable to the OPEB Plan – At June 30, 2023 the Commission reported a payable of \$0 for the outstanding amount of contributions to CERBT required for the year ended June 30, 2023.

Note 13. Measure A Conformance Requirements

Measure A requires that the sales taxes collected may only be used for transportation purposes including administration and the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways, and public transit systems and for related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right of way acquisition.

Note 14. Adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements

As of July 1, 2022, the Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes that a subscription IT arrangement results in a right to use subscription IT asset – an intangible asset, and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of subscription IT arrangements. The Statement required recognition of certain subscription IT assets and liabilities for subscription IT that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, the Commission recognized a right to use subscription IT asset and subscription IT liability of \$1,125,117 and \$1,125,117, respectively within governmental activities as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 5 and 7.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2023

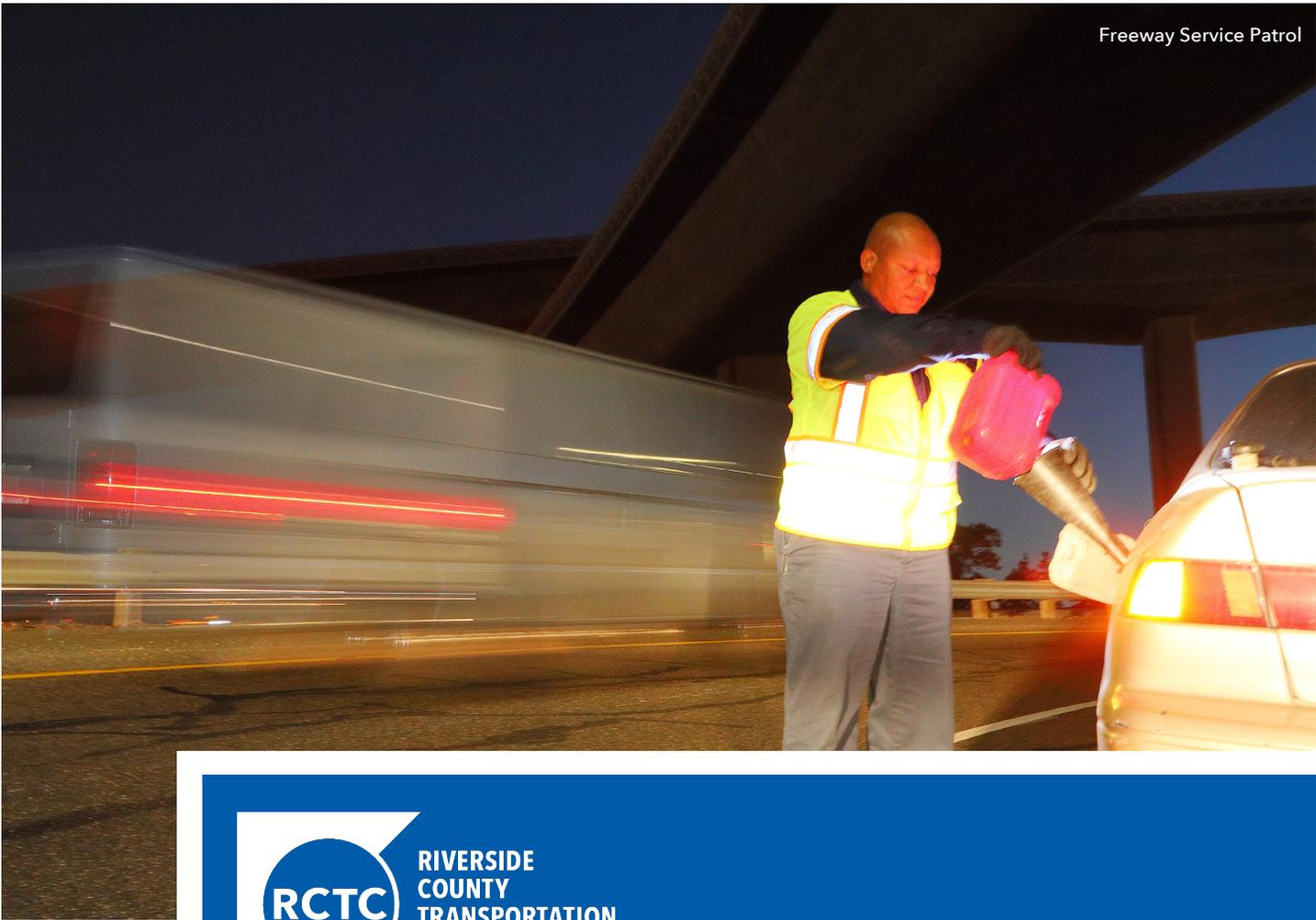
Note 15. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2023 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 99, *Omnibus 2022* (The requirements related to financial guarantees and the classification and reporting derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter).
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023; and
- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023







Required Supplementary Information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2023

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 22,610,600	\$ 22,610,600	\$ 5,225,498	\$ (17,385,102)
Investment income(loss)	36,400	36,400	725,357	688,957
Other	-	-	1,718	1,718
Total revenues	<u>22,647,000</u>	<u>22,647,000</u>	<u>5,952,573</u>	<u>(16,694,427)</u>
Expenditures				
Current:				
General government	12,406,600	11,594,200	-	11,594,200
Commuter rail	44,997,700	44,113,200	30,738,018	13,375,182
Planning and programming	2,740,800	5,999,000	3,972,025	2,026,975
Transit and specialized transportation	1,590,100	1,592,000	911,442	680,558
Total programs	<u>61,735,200</u>	<u>63,298,400</u>	<u>35,621,485</u>	<u>27,676,915</u>
Debt service:				
Principal	-	788,000	787,736	264
Interest	-	48,600	48,534	66
Total debt service	<u>-</u>	<u>836,600</u>	<u>836,270</u>	<u>330</u>
Capital outlay	3,343,900	3,363,900	101,042	3,262,858
Total expenditures	<u>65,079,100</u>	<u>67,498,900</u>	<u>36,558,797</u>	<u>30,940,103</u>
Excess (deficiency) of revenues over (under) expenditures	(42,432,100)	(44,851,900)	(30,606,224)	14,245,676
Other financing sources (uses)				
Transfers in	44,979,600	44,979,600	31,925,738	(13,053,862)
Transfers out	(2,990,800)	(2,990,800)	(7,873)	2,982,927
Total other financing sources (uses)	<u>41,988,800</u>	<u>41,988,800</u>	<u>31,917,865</u>	<u>(10,070,935)</u>
Net change in fund balances	<u>\$ (443,300)</u>	<u>\$ (2,863,100)</u>	1,311,641	<u>\$ 4,174,741</u>
Fund balances at beginning of year			35,788,510	
Fund balances at end of year			<u>\$ 37,100,151</u>	

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds

Year Ended June 30, 2023

	Measure A Western County				Measure A Coachella Valley			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ 204,086,000	\$ 220,619,000	\$ 230,590,476	\$ 9,971,476	\$ 49,894,000	\$ 53,252,000	\$ 55,658,839	\$ 2,406,839
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	119,201,300	120,007,500	61,730,536	(58,276,964)	67,300	67,300	-	(67,300)
Investment income(loss)	349,700	349,700	7,059,918	6,710,218	-	-	1,958,771	1,958,771
Other	589,000	589,000	3,530,551	2,941,551	-	-	-	-
Total revenues	324,226,000	341,565,200	302,911,481	(38,653,719)	49,961,300	53,319,300	57,617,610	4,298,310
Expenditures								
Current:								
General government	565,900	565,900	336,045	229,855	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	-	-	-	-	-	-	-
Commuter assistance	4,385,400	4,362,700	4,030,094	332,606	-	-	-	-
Commuter rail	29,061,400	29,511,300	19,310,998	10,200,302	-	-	-	-
Highways	139,812,900	134,825,300	85,048,360	49,776,940	30,009,400	30,985,700	15,327,959	15,657,741
Local streets and roads	58,774,300	66,386,700	66,569,274	(182,574)	17,250,300	19,298,000	19,480,594	(182,594)
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	24,494,300	24,183,300	4,626,056	19,557,244	-	-	-	-
Transit and specialized transportation	8,422,500	8,426,300	7,100,026	1,326,274	10,900,000	10,900,000	11,082,712	(182,712)
Total programs	265,516,700	268,261,500	187,020,853	81,240,647	58,159,700	61,183,700	45,891,265	15,292,435
Debt service:								
Principal	-	22,400	22,361	39	-	-	-	-
Interest	-	600	559	41	-	-	-	-
Total debt service	-	23,000	22,920	80	-	-	-	-
Capital outlay	2,848,500	6,586,400	4,763,984	1,822,416	-	-	-	-
Total expenditures	268,365,200	274,870,900	191,807,757	83,063,143	58,159,700	61,183,700	45,891,265	15,292,435
Excess (deficiency) of revenues over (under) expenditures	55,860,800	66,694,300	111,103,724	44,409,424	(8,198,400)	(7,864,400)	11,726,345	19,590,745
Other financing sources (uses)								
Transfers in	30,799,100	31,899,100	15,103,584	(16,795,516)	-	-	140,418	140,418
Transfers out	(93,595,200)	(93,595,200)	(67,493,371)	26,101,829	(428,100)	(428,100)	-	428,100
Total other financing sources (uses)	(62,796,100)	(61,696,100)	(52,389,787)	9,306,313	(428,100)	(428,100)	140,418	568,518
Net change in fund balances	\$ (6,935,300)	\$ 4,998,200	58,713,937	\$ 53,715,737	\$ (8,626,500)	\$ (8,292,500)	11,866,763	\$ 20,159,263
Fund balances at beginning of year			379,440,191				84,343,540	
Fund balances at end of year			<u>\$ 438,154,128</u>				<u>\$ 96,210,303</u>	

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds, Continued

Year Ended June 30, 2023

	Transportation Uniform Mitigation Fee				Local Transportation Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 130,000,000	\$ 150,000,000	\$ 156,282,435	\$ 6,282,435
Transportation Uniform Mitigation Fee	31,000,000	31,000,000	34,416,894	3,416,894	-	-	-	-
Intergovernmental	359,600	359,600	-	(359,600)	240,100	240,100	15,438,482	15,198,382
Investment income(loss)	107,600	107,600	2,860,762	2,753,162	-	-	5,616,669	5,616,669
Other	18,000	18,000	22,916	4,916	-	-	-	-
Total revenues	31,485,200	31,485,200	37,300,572	5,815,372	130,240,100	150,240,100	177,337,586	27,097,486
Expenditures								
Current:								
General government	-	-	-	-	12,000	12,000	12,000	-
Bicycle and pedestrian facilities	-	-	-	-	1,600,000	1,600,000	2,578,177	(978,177)
CETAP	3,854,700	4,207,600	1,011,752	3,195,848	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	1,415,000	1,415,000	1,415,000	-
Regional arterials	18,392,300	15,383,400	3,466,066	11,917,334	-	-	-	-
Transit and specialized transportation	-	-	-	-	101,613,000	102,053,000	85,870,179	16,182,821
Total programs	22,247,000	19,591,000	4,477,818	15,113,182	104,640,000	105,080,000	89,875,356	15,204,644
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-
Capital outlay								
Total expenditures	22,247,000	19,591,000	4,477,818	15,113,182	104,640,000	105,080,000	89,875,356	15,204,644
Excess (deficiency) of revenues over (under) expenditures	9,238,200	11,894,200	32,822,754	20,928,554	25,600,100	45,160,100	87,462,230	42,302,130
Other financing sources (uses)								
Transfers in	273,600	273,600	70,362	(203,238)	-	-	-	-
Transfers out	(29,180,100)	(29,180,100)	(3,974,572)	25,205,528	(26,313,800)	(28,072,800)	(27,740,200)	332,600
Total other financing sources (uses)	(28,906,500)	(28,906,500)	(3,904,210)	25,002,290	(26,313,800)	(28,072,800)	(27,740,200)	332,600
Net change in fund balances	\$ (19,668,300)	\$ (17,012,300)	28,918,544	\$ 45,930,844	\$ (713,700)	\$ 17,087,300	59,722,030	\$ 42,634,730
Fund balances at beginning of year			119,352,193				276,854,895	
Fund balances at end of year			<u>\$ 148,270,737</u>				<u>\$ 336,576,925</u>	

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds, Continued

Year Ended June 30, 2023

	State Transit Assistance				SB 132			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ 26,585,600	\$ 26,585,600	\$ 37,244,079	\$ 10,658,479	\$ -	\$ -	\$ -	\$ -
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	84,486,900	84,486,900	99,942,971	15,456,071
Investment income(loss)	120,100	120,100	2,874,905	2,754,805	-	-	1,003,838	1,003,838
Other	-	-	5,125	5,125	-	-	963,200	963,200
Total revenues	26,705,700	26,705,700	40,124,109	13,418,409	84,486,900	84,486,900	101,910,009	17,423,109
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	-	-	-	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	182,000,300	172,300,300	154,469,677	17,830,623
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	-	-	-	-	-
Transit and specialized transportation	36,736,100	36,736,100	25,904,190	10,831,910	-	-	-	-
Total programs	36,736,100	36,736,100	25,904,190	10,831,910	182,000,300	172,300,300	154,469,677	17,830,623
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	36,736,100	36,736,100	25,904,190	10,831,910	182,000,300	172,300,300	154,469,677	17,830,623
Excess (deficiency) of revenues over (under) expenditures	(10,030,400)	(10,030,400)	14,219,919	24,250,319	(97,513,400)	(87,813,400)	(52,559,668)	35,253,732
Other financing sources (uses)								
Transfers in	-	-	-	-	97,513,400	97,513,400	53,949,156	(43,564,244)
Transfers out	(4,033,900)	(5,133,900)	(3,716,784)	1,417,116	-	-	-	-
Total other financing sources (uses)	(4,033,900)	(5,133,900)	(3,716,784)	1,417,116	97,513,400	97,513,400	53,949,156	(43,564,244)
Net change in fund balances	\$ (14,064,300)	\$ (15,164,300)	10,503,135	\$ 25,667,435	\$ -	\$ 9,700,000	1,389,488	\$ (8,310,512)
Fund balances at beginning of year			131,655,414				(385,823)	
Fund balances at end of year			<u>\$ 142,158,549</u>				<u>\$ 1,003,665</u>	

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years¹
June 30, 2023

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015 ¹
Measurement Date	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability/(asset)	0.03993%	-0.11824%	0.00482%	0.08706%	0.08656%	0.08794%	0.08829%	0.09176%	0.08559%
Proportionate share of the net pension liability/(asset)	\$ 1,868,313	\$ (6,394,605)	\$ 524,003	\$ 8,921,123	\$ 8,340,905	\$ 8,721,456	\$ 7,639,639	\$ 6,298,052	\$ 5,325,565
Covered payroll (measurement year)	\$ 9,301,613	\$ 7,470,675	\$ 6,327,777	\$ 5,870,876	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151	\$ 4,792,270	\$ 4,316,567
Proportionate share of the net pension liability/(asset) as percentage of covered payroll	20.09%	-85.60%	8.28%	151.96%	147.54%	157.52%	144.49%	131.42%	123.38%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	84.58%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	78.21%

See notes to required supplementary information

¹ Fiscal year 2015 was the first year of implementation. Represents most recent data available.

Riverside County Transportation Commission

Schedule of Pension Contributions

Last Ten Fiscal Years¹

June 30, 2023

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015 ¹
Contractually required contribution (actuarially determined)	\$ -	\$ - ²	\$1,525,557	\$ 1,675,734	\$ 1,507,484	\$1,321,564	\$ 1,222,802	\$ 1,101,641	\$1,044,018
Contributions in relation to the actuarially determined contributions	(1,304,460)	(1,203,364)	(925,486)	(10,221,550) ²	(1,443,593)	(1,308,877)	(1,238,891)	(1,132,393)	(1,125,317)
Contribution deficiency (excess)	<u>\$(1,304,460)</u>	<u>\$ (1,203,364)</u>	<u>\$ 600,071</u>	<u>\$(8,545,816)</u>	<u>\$ 63,891</u>	<u>\$ 12,687</u>	<u>\$ (16,089)</u>	<u>\$ (30,752)</u>	<u>\$ (81,299)</u>
Covered payroll	\$ 9,934,449	\$ 9,301,613	\$7,470,675	\$ 6,327,777	\$ 5,870,876	\$5,653,205	\$ 5,536,781	\$ 5,287,151	\$4,792,270
Contributions as a percentage of covered payroll	13.13%	12.94%	12.39%	161.53%	24.59%	23.15%	22.38%	21.42%	23.48%
Valuation date	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14	6/30/13	6/30/12
Actuarial cost method	Entry age normal cost method								
Amortizations method	Level of percentage of payroll								
Remaining amortization period	20 years as of valuation date								
Asset valuation method	15 year smoothed market								
Inflation	2.30%								
Projected salary increases	Varies by entry age and service								
Discount rate	6.90% (net of administrative expenses)								
Retirement age	55 years								
Mortality	Derived using CalPERS membership data for all funds								

See notes to required supplementary information

¹ Fiscal year 2015 was the first year of implementation. Represents most recent data available.

² In FY 2019/20 the Commission paid off the California Public Employees' Retirement System net pension liability of \$8.1 million, resulting in \$0 required actuarially determined contribution beginning in FY 2021/22.

Riverside County Transportation Commission

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

Last Ten Fiscal Years¹

June 30, 2023

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017 ¹
Measurement date	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability (asset)							
Service cost	\$ 641,500	\$ 421,100	\$ 408,900	\$ 477,000	\$ 463,000	\$ 449,000	\$ 437,000
Interest	482,900	496,000	470,500	462,000	416,000	377,000	338,000
Changes of benefit terms	150,300	-	-	80,000	74,000	-	-
Differences between expected and actual experience	-	(388,000)	-	(338,000)	-	-	-
Changes of assumptions	-	161,400	(148,300)	137,000	-	-	-
Benefit payments	(366,400)	(315,700)	(282,700)	(229,000)	(192,000)	(172,000)	(155,000)
Net change in total OPEB liability (asset)	908,300	374,800	448,400	589,000	761,000	654,000	620,000
Beginning total OPEB liability (asset)	8,738,200	8,363,400	7,915,000	7,326,000	6,565,000	5,911,000	5,291,000
Ending total OPEB liability (asset)	<u>\$ 9,646,500</u>	<u>\$ 8,738,200</u>	<u>\$ 8,363,400</u>	<u>\$ 7,915,000</u>	<u>\$ 7,326,000</u>	<u>\$ 6,565,000</u>	<u>\$ 5,911,000</u>
Plan fiduciary net position							
Employer contributions	\$ 884,100	\$ 728,300	\$ 448,000	\$ 778,000	\$ 725,000	\$ 666,000	\$ 634,000
Net investment income	(1,500,000)	1,825,700	452,700	577,000	522,000	597,000	86,000
Benefit payments	(366,400)	(315,700)	(282,700)	(229,000)	(192,000)	(172,000)	(155,000)
Administrative expense	(1,800)	(5,700)	(5,400)	(2,000)	(12,000)	(3,000)	(2,000)
Net change in plan fiduciary net position	(984,100)	2,232,600	612,600	1,124,000	1,043,000	1,088,000	563,000
Beginning fiduciary net position	11,335,200	9,102,600	8,490,000	7,366,000	6,323,000	5,235,000	4,672,000
Ending fiduciary net position	<u>\$ 10,351,100</u>	<u>\$ 11,335,200</u>	<u>\$ 9,102,600</u>	<u>\$ 8,490,000</u>	<u>\$ 7,366,000</u>	<u>\$ 6,323,000</u>	<u>\$ 5,235,000</u>
Ending net OPEB liability (asset)	<u>\$ (704,600)</u>	<u>\$ (2,597,000)</u>	<u>\$ (739,200)</u>	<u>\$ (575,000)</u>	<u>\$ (40,000)</u>	<u>\$ 242,000</u>	<u>\$ 676,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	107.30%	129.72%	108.84%	107.26%	100.55%	96.31%	88.56%
Covered payroll (measurement year)	\$ 9,301,613	\$ 7,470,675	\$ 6,327,777	\$ 5,870,876	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151
Net OPEB liability (asset) as a percentage of covered payroll	-7.58%	-34.76%	-11.68%	-9.79%	-0.71%	4.37%	12.79%

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation. Represents most recent data available.

Riverside County Transportation Commission

Schedule of OPEB Contributions

Last Ten Fiscal Years¹

June 30, 2023

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017 ¹
Actuarially determined contribution	\$ 533,000	\$ 517,000	\$ 412,000	\$ 399,000	\$ 549,000	\$ 533,000	\$ 494,000
Contributions in relation to the actuarially determined contribution	961,600	884,100	728,300	448,000	778,000	725,000	666,000
Contribution deficiency(excess)	<u>\$ (428,600)</u>	<u>\$ (367,100)</u>	<u>\$ (316,300)</u>	<u>\$ (49,000)</u>	<u>\$ (229,000)</u>	<u>\$ (192,000)</u>	<u>\$ (172,000)</u>
Covered payroll	\$9,934,449	\$9,301,613	\$7,470,675	\$6,327,777	\$5,870,876	\$5,653,205	\$5,536,781
Contributions as a percentage of covered-employee payroll	9.68%	9.50%	9.75%	7.08%	13.25%	12.82%	12.03%

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal - level percentage of payroll
Amortization method	Level percentage of payroll
Amortization period	Ten years
Asset valuation method	Investment gains and losses spread over five-year rolling period
Discount rate	5.25%
Inflation	2.75%
Healthcare cost trend rates	Non-Medicare: 7.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare: 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Salary increases	3.00% aggregate
Investment rate of return	5.25%
Retirement age	Classic employees: 50 - 55 Public Employees' Pension Reform Act: 52 - 62
Mortality	Mortality projected fully generational with Scale MP-2020

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation. Represents most recent data available.



Riverside County Transportation Commission
Notes to Required Supplementary Information
June 30, 2023

Budgetary Data

In February of each year, department heads begin the process of compiling budget data for the upcoming fiscal year. Budget numbers along with supporting documentation are provided to the Chief Financial Officer by March 15. That budget data is compiled and presented to the Executive Director for review and approval and is submitted to the Budget and Implementation Committee at its April meeting. After review by the Budget and Implementation Committee, the proposed budget is scheduled for preliminary review and comment as well as public hearing at the Commission's May meeting. The final budget for the new fiscal year is then adopted by motion of the Board of Commissioners (Board) no later than June 15 of the current year. This appropriated budget covers substantially all Commission expenditures by financial responsibility unit [e.g., General fund and Measure A (for each of the three county areas), Local Transportation Fund, and Transportation Uniform Mitigation Fee special revenue funds] by fund. All appropriated amounts are as originally adopted or as amended by the Commission. Unexpended appropriations lapse at year-end. All budgets are adopted on a basis consistent with generally accepted accounting principles.

As adopted by the Board, expenditure activities of the funds with adopted budgets are controlled at the budgetary unit, which is the financial responsibility level, for each function (i.e., administration, programs, intergovernmental distributions, and capital outlay). These functions provide the legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount). Management has the discretion to transfer the budgeted amounts within the financial responsibility unit according to function. Supplemental budget appropriations were necessary during the year.

Pension Plan

Schedule of Proportionate Share of Net Pension Liability - The schedule provides the proportion (percentage) of the collective net pension liability (asset), proportionate share (amount) of the collective net pension liability (asset), the Commission's covered payroll, proportionate share (amount) of the collective net pension liability (asset) as a percentage of Commission's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability (asset).

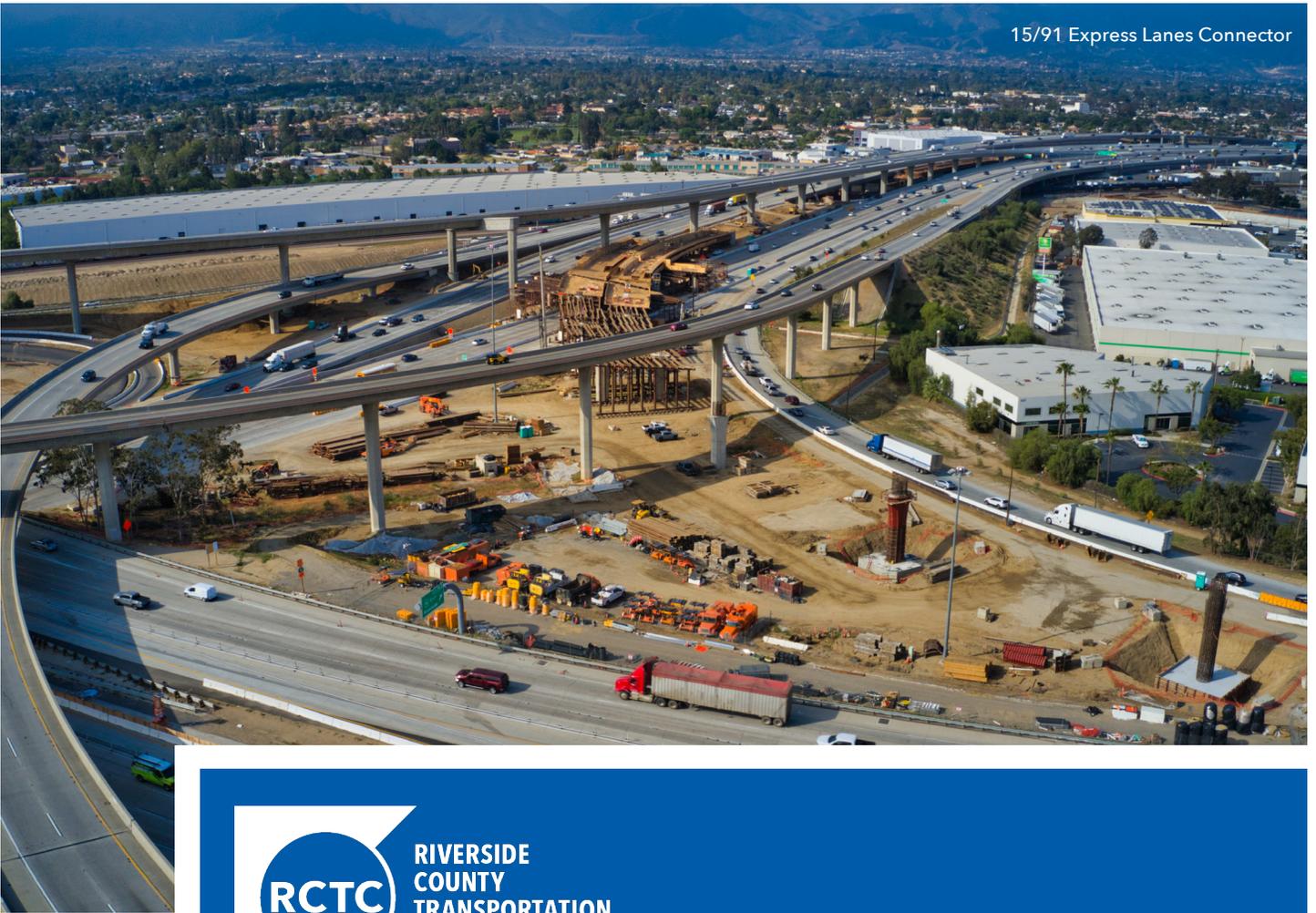
Schedule of Pension Contributions - The schedule provides the Commission's actuarially determined contributions to the pension plan, the Commission's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

Postemployment Benefits Other Than Pensions

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios - The schedule provides the schedule of changes in the net OPEB liability (asset), the plan fiduciary net position as a percentage of the total OPEB liability (asset), the Commission's covered payroll, and the net OPEB liability (asset) as a percentage of covered payroll.

Schedule of OPEB Contributions - The schedule provides the Commission's actuarially determined contributions to the OPEB plan, the Commission's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.





Other Supplementary Information



Riverside County Transportation Commission
Nonmajor Governmental Funds Description

Special Revenue Funds

Measure A Palo Verde Valley: This fund is used to account for the revenues from sales taxes which are restricted to expenditures for Palo Verde Valley programs and activities.

Freeway Service Patrol: This fund is used to record the revenues received from state funds for the purpose of implementing a freeway service patrol for motorists.

Service Authority for Freeway Emergencies: This fund is used to record the revenues received from Department of Motor Vehicle user registration fees for the purpose of implementing an emergency call box system for motorists.

State of Good Repair: This fund is used to account for revenues from sales taxes on gasoline and vehicle fee revenues restricted for transit projects.

Coachella Valley Rail: This fund is used to account for revenues from state funds for the planning and development of the new Coachella Valley/San Gorgonio Pass corridor rail service.

Other Agency Projects: This fund is used to account for revenues from the Riverside County Regional Park and Open Space District for the interagency cooperative planning and development of projects in the County.

Regional Conservation: This fund is used to account for revenues related to management and oversight services provided to the RCA.

Riverside County Transportation Commission
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State of Good Repair
Assets				
Cash and investments	\$ -	\$ 7,062,278	\$ 4,275,088	\$ 11,746,919
Receivables:				
Accounts	207,308	1,948,875	388,564	1,041,273
Interest	-	89,854	93,490	190,250
Due from other funds	-	-	-	-
Prepaid expenditures and other assets	-	-	-	-
Total assets	\$ 207,308	\$ 9,101,007	\$ 4,757,142	\$ 12,978,442
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 193,808	\$ 398,484	\$ 49,889	\$ 281,106
Due to other funds	13,500	61,475	6,356	35,700
Other liabilities	-	-	-	-
Total liabilities	207,308	459,959	56,245	316,806
Deferred inflows of resources				
Unavailable revenues	-	13,245	-	-
Total deferred inflows of resources	-	13,245	-	-
Fund balances:				
Nonspendable-prepaid amounts	-	-	-	-
Restricted for:				
Commuter rail	-	-	-	-
Motorist assistance	-	8,627,803	4,700,897	-
Planning and programming	-	-	-	-
Transit and specialized transportation	-	-	-	12,661,636
Unassigned:	-	-	-	-
Total fund balances	-	8,627,803	4,700,897	12,661,636
Total liabilities and fund balances	\$ 207,308	\$ 9,101,007	\$ 4,757,142	\$ 12,978,442

Riverside County Transportation Commission
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2023

	Special Revenue			
	Coachella Valley Rail	Other Agency Projects	Regional Conservation	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 1,955,980	\$ 509,422	\$ 1,308,851	\$ 26,858,538
Receivables:				
Accounts	-	810,000	1,553,643	5,949,663
Interest	32,565	8,974	15,583	430,716
Due from other funds	283,330	-	-	283,330
Prepaid expenditures and other assets	-	-	1,030	1,030
Total assets	\$ 2,271,875	\$ 1,328,396	\$ 2,879,107	\$ 33,523,277
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 9,077	\$ 470,437	\$ 644,992	\$ 2,047,793
Due to other funds	5,408	5,844	510,860	639,143
Other liabilities	-	823,941	1,725,617	2,549,558
Total liabilities	14,485	1,300,222	2,881,469	5,236,494
Deferred inflows of resources				
Unavailable revenues	-	-	-	13,245
Total deferred inflows of resources	-	-	-	13,245
Fund balances:				
Nonspendable-prepaid amounts	-	-	1,030	1,030
Restricted for:				
Commuter rail	2,257,390	-	-	2,257,390
Motorist assistance	-	-	-	13,328,700
Planning and programming	-	28,174	-	28,174
Transit and specialized transportation	-	-	-	12,661,636
Unassigned:	-	-	(3,392)	(3,392)
Total fund balances	2,257,390	28,174	(2,362)	28,273,538
Total liabilities and fund balances	\$ 2,271,875	\$ 1,328,396	\$ 2,879,107	\$ 33,523,277

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue			
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State of Good Repair
Revenues				
Sales taxes	\$ 1,179,447	\$ -	\$ -	\$ 4,364,613
Intergovernmental	-	2,999,818	2,185,474	312,610
Investment income(loss)	-	117,409	161,071	264,047
Total revenues	1,179,447	3,117,227	2,346,545	4,941,270
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	1,179,447	-	-	-
Motorist assistance	-	4,233,896	273,619	-
Planning and programming	-	-	-	-
Regional conservation	-	-	-	-
Transit and specialized transportation	-	-	-	3,554,081
Total expenditures	1,179,447	4,233,896	273,619	3,554,081
Excess (deficiency) of revenues over (under) expenditures	-	(1,116,669)	2,072,926	1,387,189
Other financing sources (uses):				
Transfers in	-	2,800,000	-	-
Transfers out	-	-	(2,855,000)	-
Total other financing sources (uses)	-	2,800,000	(2,855,000)	-
Net change in fund balances	-	1,683,331	(782,074)	1,387,189
Fund balances at beginning of year	-	6,944,472	5,482,971	11,274,447
Fund balances at end of year	\$ -	\$ 8,627,803	\$ 4,700,897	\$ 12,661,636

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and Changes in Fund
Nonmajor Governmental Funds, Continued
Year Ended June 30, 2023

	<u>Special Revenue</u>			
	Coachella Valley Rail	Other Agency Projects	Regional Conservation	Total Nonmajor Governmental Funds
Revenues				
Sales taxes	\$ -	\$ -	\$ -	\$ 5,544,060
Intergovernmental	-	1,901,477	8,474,565	15,873,944
Investment income(loss)	57,047	16,796	3,423	619,793
Total revenues	<u>57,047</u>	<u>1,918,273</u>	<u>8,477,988</u>	<u>22,037,797</u>
Expenditures				
Current:				
Commuterrail	283,331	-	-	283,331
Local streets and roads	-	-	-	1,179,447
Motorist assistance	-	-	-	4,507,515
Planning and programming	-	1,901,795	-	1,901,795
Regional conservation	-	-	8,476,417	8,476,417
Transit and specialized transportation	-	-	-	3,554,081
Total expenditures	<u>283,331</u>	<u>1,901,795</u>	<u>8,476,417</u>	<u>19,902,586</u>
Excess (deficiency) of revenues over (under) expenditures	(226,284)	16,478	1,571	2,135,211
Other financing sources (uses):				
Transfers in	283,330	-	-	3,083,330
Transfers out	-	-	-	(2,855,000)
Total other financing sources (uses)	<u>283,330</u>	<u>-</u>	<u>-</u>	<u>228,330</u>
Net change in fund balances	57,046	16,478	1,571	2,363,541
Fund balances at beginning of year	2,200,344	11,696	(3,933)	25,909,997
Fund balances at end of year	<u>\$ 2,257,390</u>	<u>\$ 28,174</u>	<u>\$ (2,362)</u>	<u>\$ 28,273,538</u>

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual–Nonmajor Special Revenue Funds

Year Ended June 30, 2023

	Measure A Palo Verde Valley				Freeway Service Patrol			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ 1,220,000	\$ 1,129,000	\$ 1,179,447	\$ 50,447	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,200,000	3,200,000	2,999,818	(200,182)
Investment income(loss)	-	-	-	-	6,200	6,200	117,409	111,209
Total revenues	1,220,000	1,129,000	1,179,447	50,447	3,206,200	3,206,200	3,117,227	(88,973)
Expenditures								
Current:								
Commuter rail	-	-	-	-	-	-	-	-
Local streets and roads	1,077,300	1,136,400	1,179,447	(43,047)	-	-	-	-
Motorist assistance	-	-	-	-	5,692,400	5,706,900	4,233,896	1,473,004
Planning and programming	-	-	-	-	-	-	-	-
Regional conservation	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total programs	1,077,300	1,136,400	1,179,447	(43,047)	5,692,400	5,706,900	4,233,896	1,473,004
Excess (deficiency) of revenues over (under) expenditures	142,700	(7,400)	-	7,400	(2,486,200)	(2,500,700)	(1,116,669)	1,384,031
Other financing sources (uses)								
Transfers in	-	-	-	-	2,800,000	2,800,000	2,800,000	-
Transfers out	(142,700)	(142,700)	-	142,700	(217,900)	(217,900)	-	217,900
Total other financing sources (uses)	1,220,000	(142,700)	-	142,700	2,582,100	2,582,100	2,800,000	217,900
Net change in fund balances	\$ 1,362,700	\$ (150,100)	-	\$ 150,100	\$ 95,900	\$ 81,400	1,683,331	\$ 1,601,931
Fund balances at beginning of year							6,944,472	
Fund balances at end of year			\$ -				\$ 8,627,803	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Nonmajor Special Revenue Funds, Continued

Year Ended June 30, 2023

	Service Authority for Freeway Emergencies				State of Good Repair			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,379,000	\$ 4,379,000	\$ 4,364,613	\$ (14,387)
Intergovernmental	2,100,000	2,100,000	2,185,474	85,474	372,200	372,200	312,610	(59,590)
Investment income(loss)	3,500	3,500	161,071	157,571	12,000	12,000	264,047	252,047
Total revenues	2,103,500	2,103,500	2,346,545	243,045	4,763,200	4,763,200	4,941,270	178,070
Expenditures								
Current:								
Commuter rail	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	412,300	410,900	273,619	137,281	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-
Regional conservation	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	5,029,200	5,029,200	3,554,081	1,475,119
Total programs	412,300	410,900	273,619	137,281	5,029,200	5,029,200	3,554,081	1,475,119
Excess (deficiency) of revenues over (under) expenditures	1,691,200	1,692,600	2,072,926	380,326	(266,000)	(266,000)	1,387,189	1,653,189
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(3,214,300)	(3,214,300)	(2,855,000)	359,300	(142,700)	(142,700)	-	142,700
Total other financing sources (uses)	(3,214,300)	(3,214,300)	(2,855,000)	359,300	(142,700)	(142,700)	-	142,700
Net change in fund balances	\$ (1,523,100)	\$ (1,521,700)	(782,074)	\$ 739,626	\$ (408,700)	\$ (408,700)	1,387,189	\$ 1,795,889
Fund balances at beginning of year			5,482,971				11,274,447	
Fund balances at end of year			\$ 4,700,897				\$ 12,661,636	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Nonmajor Special Revenue Funds, Continued

Year Ended June 30, 2023

	Coachella Valley Rail				Other Agency Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,370,800	2,370,800	1,901,477	(469,323)
Investment income(loss)	900	900	57,047	56,147	-	-	16,796	16,796
Total revenues	900	900	57,047	56,147	2,370,800	2,370,800	1,918,273	(452,527)
Expenditures								
Current:								
Commuter rail	499,600	499,600	283,331	216,269	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	2,370,800	2,720,800	1,901,795	819,005
Regional conservation	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total programs	499,600	499,600	283,331	216,269	2,370,800	2,720,800	1,901,795	819,005
Excess (deficiency) of revenues over (under) expenditures	(498,700)	(498,700)	(226,284)	272,416	-	(350,000)	16,478	366,478
Other financing sources (uses)								
Transfers in	441,200	441,200	283,330	(157,870)	-	-	-	-
Transfers out	(85,300)	(85,300)	-	85,300	-	-	-	-
Total other financing sources (uses)	355,900	355,900	283,330	(72,570)	-	-	-	-
Net change in fund balances	<u>\$ (142,800)</u>	<u>\$ (142,800)</u>	57,046	<u>\$ 199,846</u>	<u>\$ -</u>	<u>\$ (350,000)</u>	16,478	<u>\$ 366,478</u>
Fund balances at beginning of year			2,200,344				11,696	
Fund balances at end of year			<u>\$ 2,257,390</u>				<u>\$ 28,174</u>	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual–Nonmajor Special Revenue Funds, Continued
Year Ended June 30, 2023

	Regional Conservation			Variance with
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
Revenues				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,353,700	9,194,500	8,474,565	(719,935)
Investment income(loss)	-	-	3,423	3,423
Total revenues	<u>10,353,700</u>	<u>9,194,500</u>	<u>8,477,988</u>	<u>(716,512)</u>
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	-	-	-	-
Motorist assistance	-	-	-	-
Planning and programming	-	-	-	-
Regional conservation	10,799,100	9,641,700	8,476,417	1,165,283
Transit and specialized transportation	-	-	-	-
Total programs	<u>10,799,100</u>	<u>9,641,700</u>	<u>8,476,417</u>	<u>1,165,283</u>
Excess (deficiency) of revenues over (under) expenditures	(445,400)	(447,200)	1,571	448,771
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,869,400)	(1,869,400)	-	1,869,400
Total other financing sources (uses)	<u>(1,869,400)</u>	<u>(1,869,400)</u>	<u>-</u>	<u>1,869,400</u>
Net change in fund balances	<u>\$ (2,314,800)</u>	<u>\$ (2,316,600)</u>	1,571	<u>\$ 2,318,171</u>
Fund balances at beginning of year			(3,933)	
Fund balances at end of year			<u>\$ (2,362)</u>	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Capital Projects Funds
Year Ended June 30, 2023

Capital Projects Funds

	Commercial Paper				Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income(loss)	17,800	17,800	971,537	953,737	23,900	23,900	805,556	781,656
Other	-	-	-	-	-	-	-	-
Total revenues	17,800	17,800	971,537	953,737	23,900	23,900	805,556	781,656
Expenditures								
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	17,800	17,800	971,537	953,737	23,900	23,900	805,556	781,656
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(2,622,091)	(2,622,091)	(3,036,900)	(3,036,900)	(8,232,435)	(5,195,535)
Total other financing sources (uses)	-	-	(2,622,091)	(2,622,091)	(3,036,900)	(3,036,900)	(8,232,435)	(5,195,535)
Net change in fund balances	\$ 17,800	\$ 17,800	(1,650,554)	\$ (1,668,354)	\$ (3,013,000)	\$ (3,013,000)	(7,426,879)	\$ (4,413,879)
Fund balances at beginning of year			15,043,286				25,576,707	
Fund balances at end of year			<u>\$ 13,392,732</u>				<u>\$ 18,149,828</u>	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Debt Service Fund

Year Ended June 30, 2023

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 2,812,100	\$ 2,812,100	\$ 2,812,132	\$ 32
Investment income(loss)	11,500	11,500	973,150	961,650
Other	-	-	-	-
Total revenues	<u>2,823,600</u>	<u>2,823,600</u>	<u>3,785,282</u>	<u>961,682</u>
Expenditures				
Debt service:				
Principal	31,405,000	31,405,000	31,405,000	-
Interest	38,150,300	38,150,300	38,150,288	12
Total expenditures	<u>69,555,300</u>	<u>69,555,300</u>	<u>69,555,288</u>	<u>12</u>
Excess (deficiency) of revenues over (under) expenditures	(66,731,700)	(66,731,700)	(65,770,006)	961,694
Other financing sources (uses)				
Transfers in	69,555,300	69,555,300	69,526,935	(28,365)
Transfers out	(2,812,100)	(2,812,100)	(2,952,550)	(140,450)
Total other financing sources (uses)	<u>66,743,200</u>	<u>66,743,200</u>	<u>66,574,385</u>	<u>(168,815)</u>
Net change in fund balances	<u>\$ 11,500</u>	<u>\$ 11,500</u>	804,379	<u>\$ 792,879</u>
Fund balances at beginning of year			11,067,296	
Fund balances at end of year			<u>\$ 11,871,675</u>	

Riverside County Transportation Commission
Schedule of Expenditures for Local Streets and Roads
by Geographic Area - All Special Revenue Funds
Year Ended June 30, 2023

Western County:	
City of Banning	\$ 914,578
City of Beaumont	764,669
City of Calimesa	323,492
City of Canyon Lake	294,400
City of Corona	5,769,916
City of Eastvale	3,417,628
City of Hemet	2,901,824
City of Jurupa Valley	3,463,400
City of Lake Elsinore	2,378,785
City of Menifee	3,119,910
City of Moreno Valley	6,639,058
City of Murrieta	3,740,275
City of Norco	1,002,380
City of Perris	2,958,085
City of Riverside	11,110,303
City of San Jacinto	1,540,966
City of Temecula	4,517,458
City of Wildomar	1,026,180
Riverside County	9,356,364
WRCOG (60% share of city of Beaumont)	1,147,004
Other	182,600
	<u>66,569,274</u>
Coachella Valley:	
City of Cathedral City	2,101,271
City of Coachella	827,136
City of Desert Hot Springs	734,443
City of Indian Wells	296,540
City of Indio	2,652,397
City of La Quinta	2,036,267
City of Palm Desert	3,562,513
City of Palm Springs	3,274,168
City of Rancho Mirage	1,216,269
Riverside County	2,596,990
Other	182,600
	<u>19,480,594</u>
Palo Verde Valley:	
City of Blythe	880,063
Riverside County	256,284
Other	43,100
	<u>1,179,447</u>
Total local streets and roads expenditures	<u>\$ 87,229,315</u>

Riverside County Transportation Commission

Schedule of Expenditures for Transit and Specialized Transportation
by Geographic Area and Source - All Special Revenue Funds

Year Ended June 30, 2023

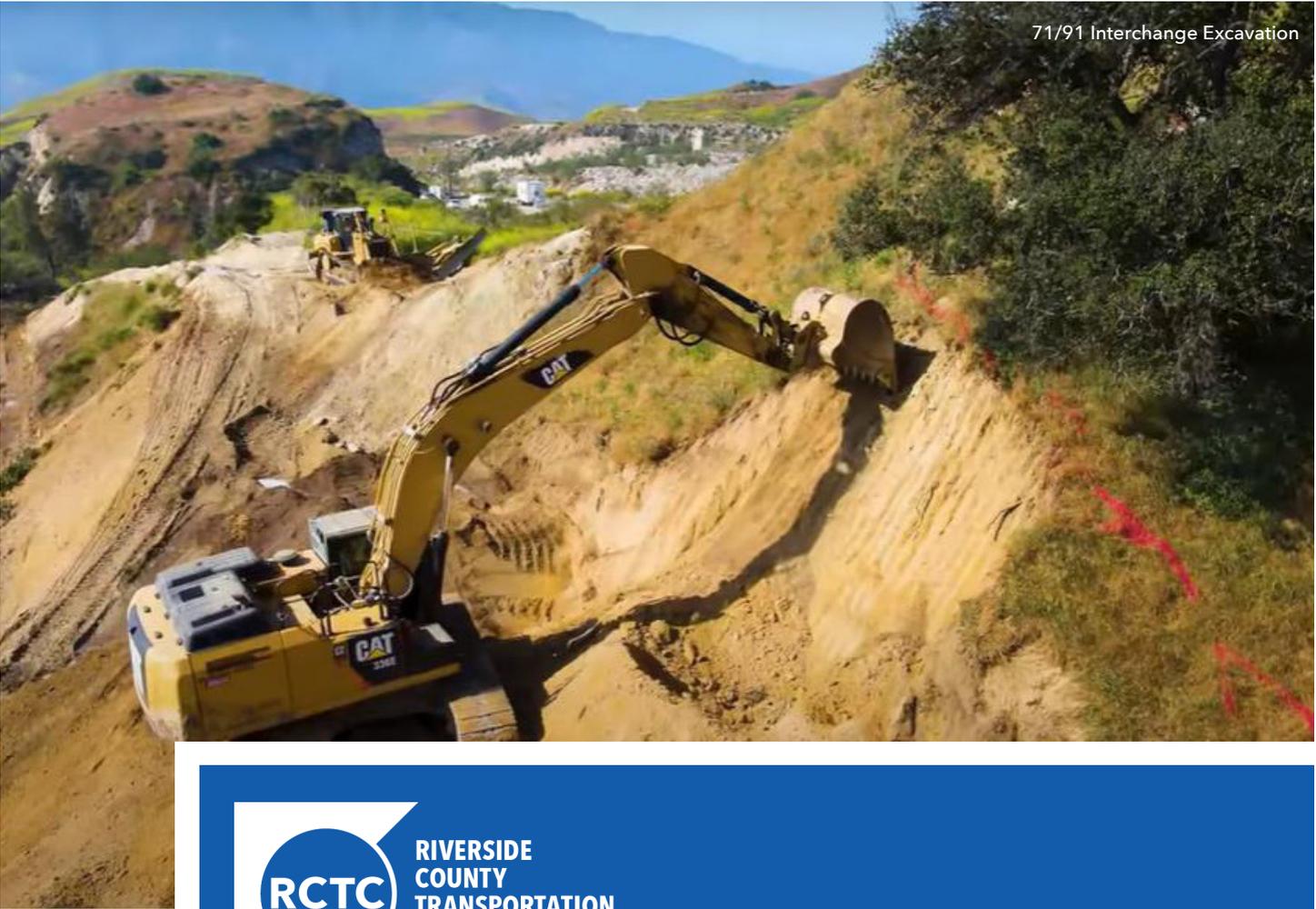
	Sales Taxes				Total
	Measure A	Local Transportation Fund	State Transit Assistance	State of Good Repair	
Western County:					
Boys and Girls Club of Menifee Valley	\$ 127,223	\$ -	\$ -	\$ -	\$ 127,223
Boys and Girls Club of Southwest County	151,463	-	-	-	151,463
Care-A-Van	263,927	-	-	-	263,927
Care Connexus	230,589	-	-	-	230,589
City of Banning	-	1,866,500	114,516	24,903	2,005,919
City of Beaumont	140,000	2,449,617	473,828	60,000	3,123,445
City of Corona	-	1,456,060	(574)	25,880	1,481,366
City of Menifee	2,500	-	-	-	2,500
City of Norco	90,293	-	-	-	90,293
City of Riverside	-	4,797,327	206,685	5,091	5,009,103
Exceed	127,197	-	-	-	127,197
Friends of Moreno Valley Center, Inc	123,636	-	-	-	123,636
Forest Folk	55,942	-	-	-	55,942
Independent Living Partnership	374,309	-	-	-	374,309
Michelle's Place	10,052	-	-	-	10,052
Operation Safehouse	37,826	-	-	-	37,826
Riverside University Health Systems	720,780	-	-	-	720,780
Riverside Transit Agency	4,000,000	49,796,652	23,710,608	2,895,554	80,402,814
United States Veterans Initiative	51,126	-	-	-	51,126
Voices for Children	141,618	-	-	-	141,618
Other	451,545	182,600	153,534	426,909	1,214,588
	7,100,026	60,548,756	24,658,597	3,438,337	95,745,716
Coachella Valley:					
SunLine Transit Agency	10,900,000	24,585,854	1,219,985	102,929	36,808,768
Other	182,712	-	-	-	182,712
	11,082,712	24,585,854	1,219,985	102,929	36,991,480
Palo Verde Valley:					
Palo Verde Valley Transit Agency	-	735,569	25,608	12,815	773,992
	-	735,569	25,608	12,815	773,992
Total transit and specialized transportation expenditures	\$ 18,182,738	\$ 85,870,179	\$ 25,904,190	\$ 3,554,081	\$ 133,511,188

Riverside County Transportation Commission

Schedule of Uses of Debt Proceeds and Fund Balances

Year Ended June 30, 2023

	<u>Capital Projects</u>		
	<u>Commercial Paper Notes</u>	<u>Sales Tax Revenue Bonds</u>	<u>Total</u>
	<u>I-15 Express Lanes, advance agreements, and other</u>	<u>I-15 Express Lanes, 91 Project, advance agreements, and other</u>	
Revenues			
Investment income	\$ 971,537	\$ 805,556	\$ 1,777,093
Total revenues	<u>971,537</u>	<u>805,556</u>	<u>1,777,093</u>
Other financing sources (uses)			
Transfers out			
Debt service offset	(2,622,091)	(410,055)	(3,032,146)
Accumulated interest earned on TIFIA debt service reserve	-	(981)	(981)
Requisitions to reimburse Commission funds			
Salaries and benefits	-	(49,489)	(49,489)
Professional services	-	(163,063)	(163,063)
Support services	-	(23,265)	(23,265)
Program operations	-	(73,882)	(73,882)
Construction	-	(6,963,249)	(6,963,249)
Design-build	-	(548,451)	(548,451)
Total other financing sources (uses)	<u>(2,622,091)</u>	<u>(8,232,435)</u>	<u>(10,854,526)</u>
Net change in fund balance	(1,650,554)	(7,426,879)	(9,077,433)
Fund balances at beginning of year	15,043,286	25,576,707	40,619,993
Fund balances at end of year	<u>\$ 13,392,732</u>	<u>\$ 18,149,828</u>	<u>\$ 31,542,560</u>



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

Statistical Section

STATISTICAL SECTION

Riverside County Transportation Commission Statistical Section Overview

This part of the Riverside County Transportation Commission's annual comprehensive 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 Commission's overall financial health.

Financial Trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. The schedules include:

- Net Position By Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity: These schedules contain information to help the reader assess the government's most significant local revenue source, the Measure A sales tax. These schedules include:

- Sources of County of Riverside Taxable Sales by Business Type
- Direct and Overlapping Sales Tax Rates
- Principal Taxable Sales Generation by City
- Measure A Sales Tax Revenues by Program and Geographic Area
- Measure A Sales Tax by Economic Category

Debt Capacity: These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. These schedules include:

- Pledged Revenue Coverage
- Ratios of Outstanding Debt by Type
- Computation of Legal Debt Margin

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. These schedules include:

- Demographic and Economic Statistics for the County of Riverside
- Employment Statistics by Industry for the County of Riverside

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. These schedules include:

- Full-time Equivalent Employees by Function/Program
- Operating Indicators
- Capital Asset Statistics by Program

Riverside County Transportation Commission
Primary Government Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental activities:					
Net Investment in capital assets	\$ 483,304,687	\$ 415,495,777	\$ 353,189,808	\$ 552,756,477	\$ 706,935,587
Restricted	1,285,771,161	1,115,074,082	977,192,934	816,331,290	794,875,222
Unrestricted (deficit)	(510,152,633)	(540,884,718)	(593,657,822)	(652,278,554)	(887,668,580)
Total governmental activities net position	\$ 1,258,923,215	\$ 989,685,141⁷	\$ 736,724,920	\$ 716,809,213⁶	\$ 614,142,229
Business-type activities:					
Net Investment (deficit) in capital assets	\$ (176,735,962)	\$ (171,650,350)	\$ (109,184,608) ⁶	\$ (320,213,988)	\$ (299,852,425)
Restricted	106,301,690	130,780,244	54,919,608	43,981,932	25,256,125
Unrestricted (deficit)	-	-	-	-	-
Total business-type activities net position (deficit)	\$ (70,434,272)	\$ (40,870,106)⁷	\$ (54,265,000)^{5,6}	\$ (276,232,056)	\$ (274,596,300)

Source: Finance Department

¹ Net investment in capital assets increased in 2014 primarily as a result of construction related to the Perris Valley Line project.

² In FY2015, the Commission implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Prior year amounts in this presentation have not been revised to reflect this change.

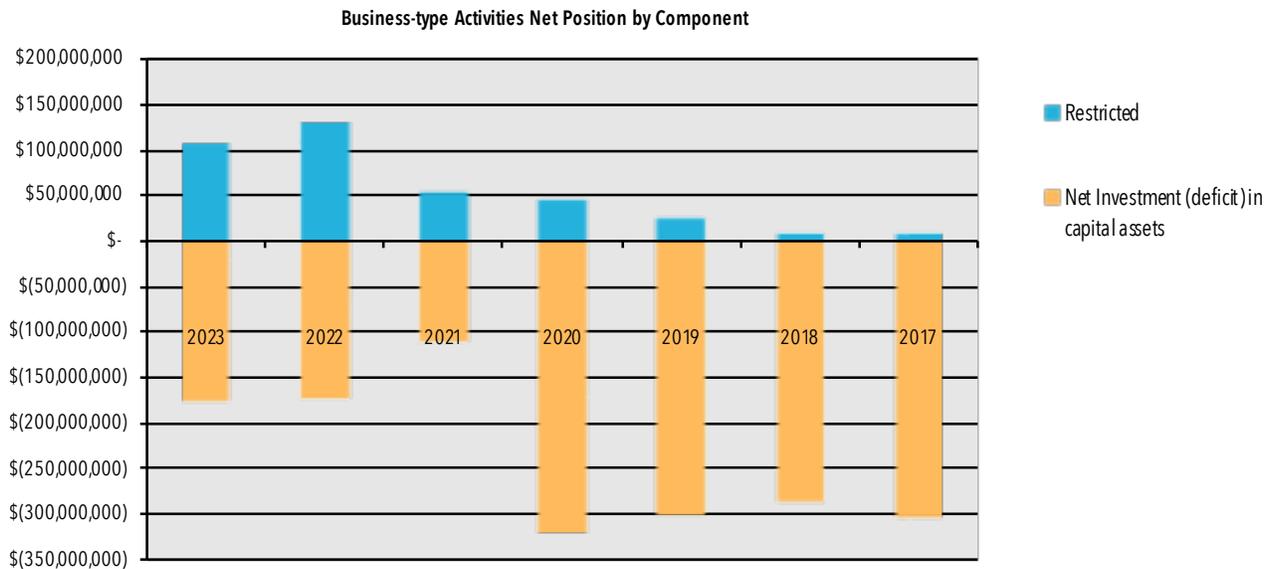
³ In FY2017, the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists.

⁴ In FY2018, the Commission changed its presentation of net position related to intangible assets.

⁵ In FY2021, the Commission reached substantial completion on the I-15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists.

⁶ Calculation of Net Investment in Capital Assets and Unrestricted (Deficit) was restated based on FY2021 calculation; prior year amounts in this presentation have not been revised to reflect this change.

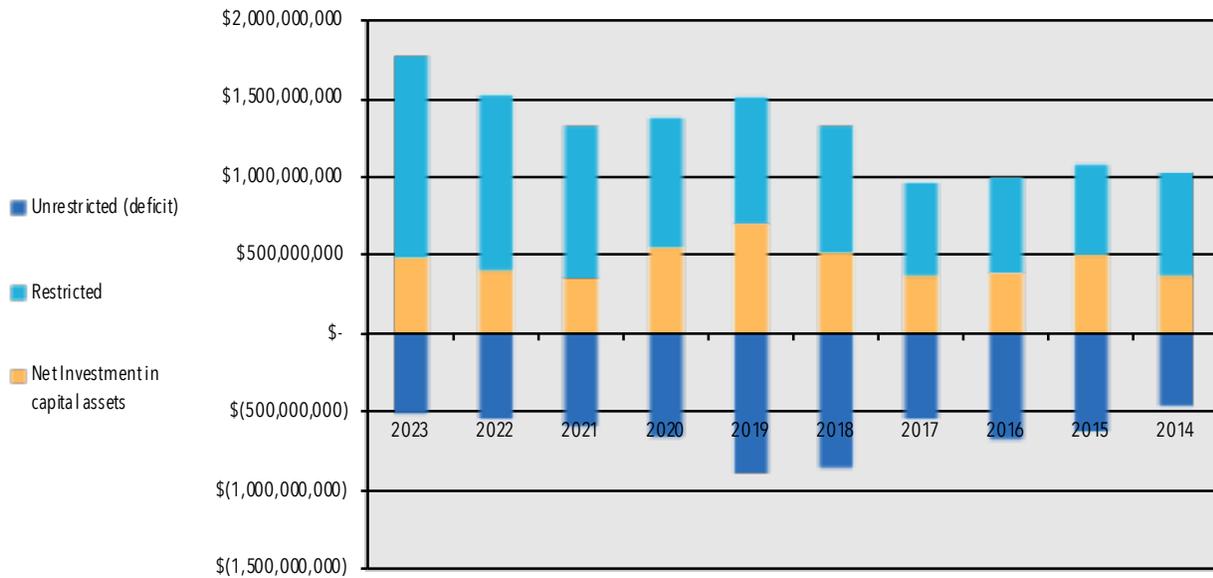
⁷ In FY2022, the Commission implemented GASB Statement No. 87, *Leases*. Prior year amounts in this presentation have not been revised to reflect this change.



Riverside County Transportation Commission
Primary Government Net Position by Component, Continued
 Last Ten Fiscal Years
 (Accrual Basis)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities:					
Net Investment in capital assets	\$ 529,178,100	\$ 377,309,766	\$ 389,646,370	\$ 509,106,481	\$ 381,796,683 ¹
Restricted	801,401,752	596,214,012	615,457,192	578,207,942	642,385,244
Unrestricted (deficit)	(857,485,575)	(538,356,445)	(668,395,594)	(623,769,876)	(470,327,554)
Total governmental activities net position	\$ 473,094,277	\$ 435,167,333	\$ 336,707,968	\$ 463,544,547 ²	\$ 553,854,373
Business-type activities:					
Net Investment (deficit) in capital assets	\$ (286,349,191)	\$ (301,737,495)			
Restricted	8,581,857 ⁴	242,134,144			
Unrestricted (deficit)	-	(234,075,489)			
Total business-type activities net position (deficit)	\$ (277,767,334)	\$ (293,678,840) ³			

Governmental Activities Net Position by Component



Riverside County Transportation Commission

Changes in Primary Government Net Position

Last Ten Fiscal Years

(Accrual Basis)

	Fiscal Year Ended June 30				
	2023	2022 ¹	2021 ²	2020	2019
Expenses					
Governmental activities:					
General government	\$ 3,381,001	\$ (2,868,799)	\$ 1,127,083	\$ (1,488,917)	\$ 1,295,384
Bicycle and pedestrian projects	2,578,177	1,587,819	3,388,814	1,367,800	2,319,895
CETAP	1,046,199	5,181,055	5,723,685	1,441,976	1,398,238
Commuter assistance	4,187,763	3,229,524	3,110,681	3,673,416	3,612,855
Commuter rail	58,899,642	34,291,250	37,367,041	50,573,511	48,553,459
Highways	177,171,636	159,525,490	122,407,790	134,815,656	91,086,623
Local streets and roads	87,229,315	85,183,610	74,082,952	59,474,660	61,470,359
Motorist assistance	4,606,991	4,322,295	4,498,883	4,818,036	4,403,671
Planning and programming	8,099,856	4,774,012	3,730,032	7,798,197	4,340,660
Regional arterials	8,157,544	24,258,688	30,985,584	11,918,666	17,048,413
Regional conservation	10,243,763	1,492,799	1,832,340	-	-
Transit and specialized transportation	134,722,572	85,415,249	50,535,684	99,413,296	117,766,548
Interest expense	29,443,644	30,512,904	35,080,824	34,633,146	33,663,673
Total governmental activities expenses	<u>529,768,103</u>	<u>436,905,896</u>	<u>373,871,393</u>	<u>408,439,443</u>	<u>386,959,778</u>
Business-type activities:					
RCTC 91 Express Lanes	73,232,775	69,463,323	56,311,332	59,962,158	55,039,168
15 Express Lanes	29,329,925	27,233,103	5,540,819	-	-
Total primary government expenses	<u>\$ 632,330,803</u>	<u>\$ 533,602,322</u>	<u>\$ 435,723,544</u>	<u>\$ 468,401,601</u>	<u>\$ 441,998,946</u>
Program Revenues					
Governmental activities:					
Charges for services					
CETAP	\$ -	\$ 5,313	\$ -	\$ -	\$ -
Commuter assistance	-	-	-	-	-
Commuter rail	314,628	250,000	249,825	251,084	155,587
Highways	-	137,555	81,503	95,002	132,681
Motorist assistance	-	-	-	-	35,980
Planning and programming	-	-	-	-	-
Other	15	-	8	133	326
Operating grants and contributions	81,558,262	179,656,964	154,817,759	125,725,762	93,084,805
Capital grants and contributions	158,239,283	71,849,461	71,536,414	44,793,683	74,558,439
Total governmental activities program revenues	<u>240,112,188</u>	<u>251,899,293</u>	<u>226,685,509</u>	<u>170,865,664</u>	<u>167,967,818</u>
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	73,335,918	65,119,434	46,302,018	56,440,369	58,423,461
15 Express Lanes	39,371,149	37,259,442	5,544,148	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>112,707,067</u>	<u>102,378,876</u>	<u>51,846,166</u>	<u>56,440,369</u>	<u>58,423,461</u>
Total primary government revenues	<u>352,819,255</u>	<u>354,278,169</u>	<u>278,531,675</u>	<u>227,306,033</u>	<u>226,391,279</u>
Net Revenues (Expenses)					
Governmental activities	(289,655,915)	(185,006,603)	(147,185,884)	(237,573,779)	(218,991,960)
Business-type activities	10,144,367	5,682,450	(10,005,985)	(3,521,789)	3,384,293
Total primary government net expense	<u>\$ (279,511,548)</u>	<u>\$ (179,324,153)</u>	<u>\$ (157,191,869)</u>	<u>\$ (241,095,568)</u>	<u>\$ (215,607,667)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Measure A sales taxes	\$ 287,428,762	\$ 280,170,582	\$ 242,943,840	\$ 195,036,321	\$ 201,204,995
Transportation Development Act sales taxes	197,891,127	180,682,280	146,615,629	128,080,154	131,021,230
Unrestricted investment earnings (loss)	25,402,156	(14,295,090)	2,326,345	14,537,908	21,130,957
Other miscellaneous revenue	2,477,425	2,574,199	5,765,473	574,705	3,261,873
Lease financing	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	443,461
Transfers	45,694,519	(11,165,147)	(230,548,696)	2,010,675	2,977,396
Total governmental activities	<u>558,893,989</u>	<u>437,966,824</u>	<u>167,102,591</u>	<u>340,239,763</u>	<u>360,039,912</u>
Business-type activities:					
Unrestricted investment earnings (loss)	5,985,986	(3,452,703)	324,156	3,896,708	2,764,137
Other miscellaneous revenue	-	-	-	-	-
Gain on sale of capital assets	-	-	1,100,189	-	-
Transfers	(45,694,519)	11,165,147	230,548,696	(2,010,675)	(2,977,396)
Total business-type activities	<u>(39,708,533)</u>	<u>7,712,444</u>	<u>231,973,041</u>	<u>1,886,033</u>	<u>(213,259)</u>
Total primary government	<u>\$ 519,185,456</u>	<u>\$ 445,679,268</u>	<u>\$ 399,075,632</u>	<u>\$ 342,125,796</u>	<u>\$ 359,826,653</u>
Changes in Net Position					
Governmental activities	\$ 269,238,074	\$ 252,960,221	\$ 19,916,707	\$ 102,665,984	\$ 141,047,952
Business-type activities	(29,564,166)	13,394,894	221,967,056	(1,635,756)	3,171,034
Total primary government	<u>\$ 239,673,908</u>	<u>\$ 266,355,115</u>	<u>\$ 241,883,763</u>	<u>\$ 101,030,228</u>	<u>\$ 144,218,986</u>

Source: Finance Department

¹ In FY 2022 the Commission implemented GASB Statement No. 87, *Leases*. Prior year amounts in this presentation have not been revised to reflect this change.

² In FY 2021 the Commission reached substantial completion on the 15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists. Additionally, the Commission became the managing agency for the Western Riverside County Regional Conservation Authority.

Riverside County Transportation Commission
Changes in Primary Government Net Position, Continued

Last Ten Fiscal Years
(Accrual Basis)

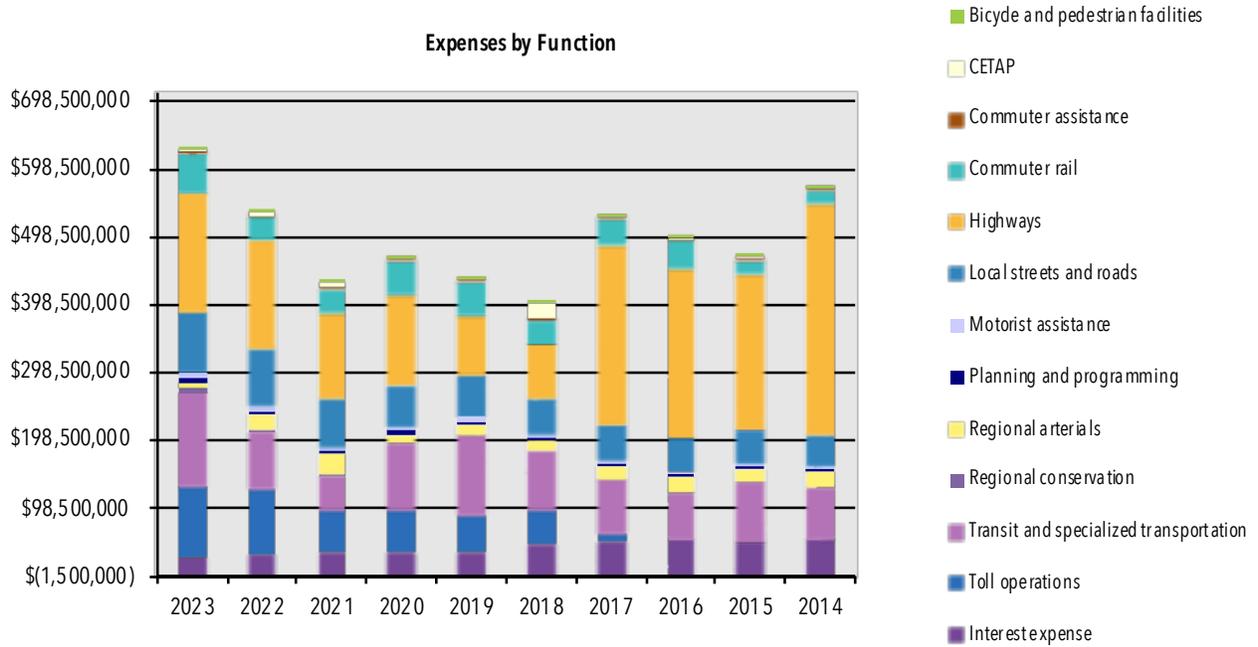
	Fiscal Year Ended June 30				
	2018	2017 ³	2016	2015 ⁴	2014
Expenses					
Governmental activities:					
General government	\$ 3,654,628	\$ 7,258,051	\$ 6,614,285	\$ 7,402,725	\$ 6,994,832
Bicycle and pedestrian projects	1,142,306	1,314,932	212,547	1,747,090	1,065,476
CETAP	22,285,913	2,489,440	1,871,426	4,130,374	2,195,074
Commuter assistance	3,668,307	2,658,782	2,615,610	2,914,990	3,171,842
Commuter rail	36,578,920	38,964,217	41,449,269	20,455,178	17,255,402
Highways	79,234,802	264,283,974	245,668,543	228,857,938	339,194,681
Local streets and roads	53,639,698	51,864,011	49,826,564	48,615,708	46,677,580
Motorist assistance	3,835,612	4,164,892	4,149,320	4,314,601	3,498,420
Planning and programming	4,758,503	3,141,759	3,965,071	3,064,115	3,216,441
Regional arterials	12,897,557	19,040,012	23,095,562	21,010,980	23,886,840
Regional conservation	-	-	-	-	-
Transit and specialized transportation	90,185,227	80,724,591	70,611,967	86,712,958	78,723,898
Interest expense	46,421,211	49,214,579	53,558,472	50,037,270	52,939,762
Total governmental activities expenses	<u>358,302,684</u>	<u>525,119,240</u>	<u>503,638,636</u>	<u>479,263,927</u>	<u>578,820,248</u>
Business-type activities:					
RCTC 91 Express Lanes	49,452,297	13,260,254	-	-	-
15 Express Lanes	-	-	-	-	-
Total primary government expenses	<u>\$ 407,754,981</u>	<u>\$ 538,379,494</u>	<u>\$ 503,638,636</u>	<u>\$ 479,263,927</u>	<u>\$ 578,820,248</u>
Program Revenues					
Governmental activities:					
Charges for services					
CETAP	\$ -	\$ -	\$ -	\$ -	\$ -
Commuter assistance	-	-	-	-	-
Commuter rail	254,627	250,416	255,847	786,869	297,911
Highways	51,629	-	-	90,655	412,535
Motorist assistance	4,149	635,373	1,076,751	21,307	15,026
Other	479	447	421	450	999
Operating grants and contributions	45,363,624	35,611,287	42,568,860	57,784,238	61,767,456
Capital grants and contributions	66,910,285	66,451,903	54,062,314	70,133,121	71,744,926
Total governmental activities program revenues	<u>112,584,793</u>	<u>52,949,426</u>	<u>97,964,193</u>	<u>128,816,640</u>	<u>134,238,853</u>
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	50,446,824	10,123,572	-	-	-
15 Express Lanes	-	-	-	-	-
Operating grants and contributions	-	1,723	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>50,446,824</u>	<u>10,125,295</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>163,031,617</u>	<u>63,074,721</u>	<u>97,964,193</u>	<u>128,816,640</u>	<u>134,238,853</u>
Net Revenues (Expenses)					
Governmental activities	(245,717,891)	(472,169,814)	(405,674,443)	(350,447,287)	(444,581,395)
Business-type activities	994,527	(3,134,959)	-	-	-
Total primary government net expense	<u>\$ (244,723,364)</u>	<u>\$ (475,304,773)</u>	<u>\$ (405,674,443)</u>	<u>\$ (350,447,287)</u>	<u>\$ (444,581,395)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Measure A sales taxes	\$ 176,301,656	\$ 175,320,207	\$ 167,630,239	\$ 163,092,776	\$ 156,355,894
Transportation Development Act sales taxes	110,878,557	94,639,514	97,134,594	94,816,814	91,953,554
Unrestricted investment earnings	8,916,321	4,262,323	8,383,732	6,060,400	9,794,662
Other miscellaneous revenue	2,497,942	5,859,819	4,950,964	1,643,078	556,049
Lease financing	-	-	-	-	-
Gain on sale of capital assets	-	-	738,335	-	14,574
Transfers	(14,949,641)	290,547,316	-	-	-
Total governmental activities	<u>283,644,835</u>	<u>570,629,179</u>	<u>278,837,864</u>	<u>265,613,068</u>	<u>258,674,733</u>
Business-type activities:					
Unrestricted investment earnings	(32,662)	3,435	-	-	-
Other miscellaneous revenue	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	14,949,641	(290,547,316)	-	-	-
Total business-type activities	<u>14,916,979</u>	<u>(290,543,881)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 298,561,814</u>	<u>\$ 280,085,298</u>	<u>\$ 278,837,864</u>	<u>\$ 265,613,068</u>	<u>\$ 258,674,733</u>
Changes in Net Position					
Governmental activities	\$ 37,926,944	\$ 98,459,365	\$ (126,836,579)	\$ (84,834,219)	\$ (185,906,662)
Business-type activities	15,911,506	(293,678,840)	-	-	-
Total primary government	<u>\$ 53,838,450</u>	<u>\$ (195,219,475)</u>	<u>\$ (126,836,579)</u>	<u>\$ (84,834,219)</u>	<u>\$ (185,906,662)</u>

Source: Finance Department

³ In FY 2017 the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists. Additionally, the Commission early implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, and GASB Statement No. 85, *Omnibus 2017*.

⁴ In FY 2015 the Commission implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Prior year amounts in this presentation have not been revised to reflect this change.

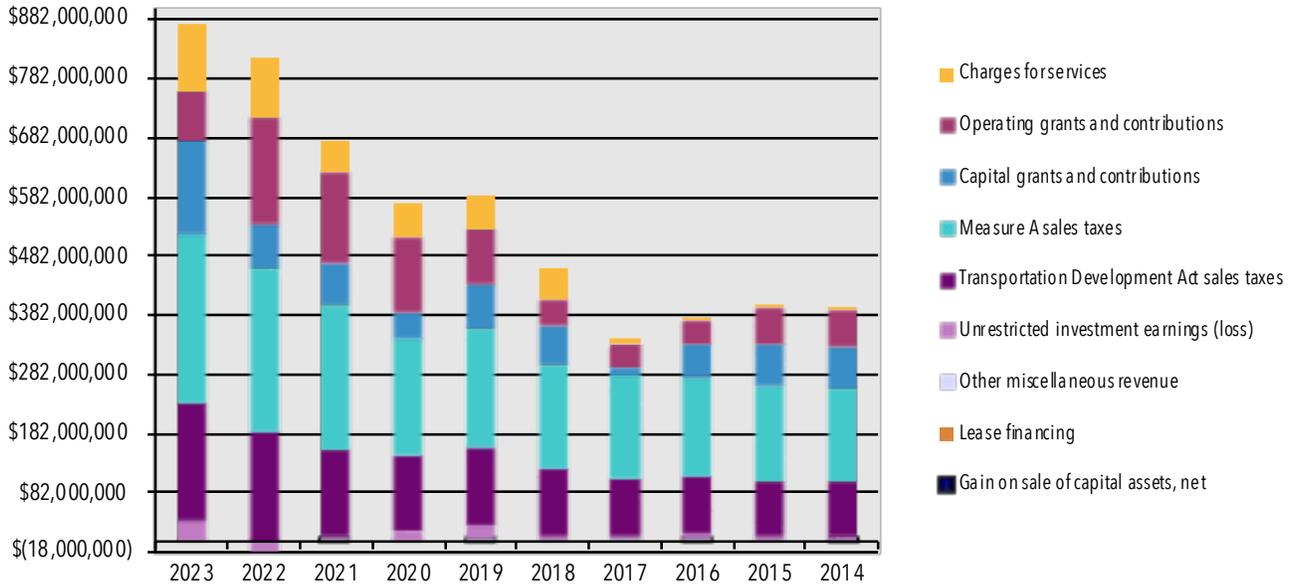
Riverside County Transportation Commission
 Changes in Primary Government Net Position (Continued)
 Last Ten Fiscal Years
 (Accrual Basis)



Changes in Primary Government Net Position (Continued)

Last Ten Fiscal Years
(Accrual Basis)

Revenues by Source



Riverside County Transportation Commission
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
<u>GENERAL FUND</u>					
General fund:					
Nonspendable	\$ 541,973	\$ 479,416	\$ 164,621	\$ 136,038	\$ 345,881
Restricted	33,989,895	32,259,329	34,147,160	22,458,450	25,551,922
Assigned	2,568,283	3,049,765	3,606,250	3,267,803	3,226,466
Total general fund	<u>\$ 37,100,151</u>	<u>\$ 35,788,510</u>	<u>\$ 37,918,031</u>	<u>\$ 25,862,291</u>	<u>\$ 29,124,269</u>
 <u>ALL OTHER GOVERNMENTAL FUNDS</u>					
All other governmental funds:					
Nonspendable	\$ 1,335,606	\$ 3,168,147	\$ 3,393,790	\$ 3,033,953	\$ 3,675,091
Restricted	1,232,729,866	1,066,079,305	927,622,993	781,460,503	758,687,069
Unassigned	(3,392)	(389,756)	(143,114)	(30,566)	(1,272,356)
Total all other governmental funds	<u>\$ 1,234,062,080</u>	<u>\$ 1,068,857,696</u>	<u>\$ 930,873,669</u>	<u>\$ 784,463,890</u>	<u>\$ 761,089,804</u>

Source: Finance Department

Riverside County Transportation Commission
Fund Balances of Governmental Funds, Continued
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year				
	2018	2017	2016	2015	2014
<u>GENERAL FUND</u>					
General fund:					
Nonspendable	\$ 232,793	\$ 232,759	\$ 192,235	\$ 255,446	\$ 257,721
Restricted	22,470,358	16,321,159	7,143,844	5,680,411	5,073,685
Assigned	3,337,343	2,572,182	3,456,111	4,246,940	5,258,703
Total general fund	<u>\$ 26,040,494</u>	<u>\$ 19,126,100</u>	<u>\$ 10,792,190</u>	<u>\$ 10,182,797</u>	<u>\$ 10,590,109</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>					
All other governmental funds:					
Nonspendable	\$ 4,627,240	\$ 9,162,068	\$ 10,848,614	\$ 21,510,571	\$ 31,978,235
Restricted	745,638,560	678,147,954	718,780,598	772,109,076	988,908,077
Unassigned	(268,754)	(23,054)	-	-	-
Total all other governmental funds	<u>\$ 749,997,046</u>	<u>\$ 687,286,968</u>	<u>\$ 729,629,212</u>	<u>\$ 793,619,647</u>	<u>\$ 1,020,886,312</u>

Source: Finance Department

Riverside County Transportation Commission
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Sales taxes	\$ 485,319,889	\$ 460,852,862	\$ 389,559,469	\$ 323,116,475	\$ 332,226,225
Transportation Uniform Mitigation Fee	34,416,894	35,509,031	28,301,547	23,257,905	29,968,449
Intergovernmental	201,023,563	213,808,004	203,029,590	145,904,252	138,541,133
Investment income	25,470,256	(14,230,774)	2,387,089	14,594,910	21,311,968
Other	4,523,510	3,274,412	5,863,647	2,283,994	6,418,190
Total revenues	<u>750,754,112</u>	<u>699,213,535</u>	<u>629,141,342</u>	<u>509,157,536</u>	<u>528,465,965</u>
Expenditures					
Current:					
General Government	348,045	341,937	410,552	546,338	1,044,403
Programs:					
Bicycle and pedestrian facilities	2,578,177	1,587,819	3,388,814	1,367,800	2,319,895
CETAP	1,011,752	5,279,295	2,016,814	11,104,808	1,394,120
Commuter assistance	4,030,094	3,434,404	3,071,831	3,938,474	3,603,353
Commuter rail	50,332,347	21,219,827	29,379,805	41,069,694	40,805,316
Highways	254,845,996	247,656,937	197,817,830	285,955,203	203,662,390
Local streets and roads	87,229,315	85,183,610	74,082,952	59,475,694	61,470,359
Motorist assistance	4,507,515	4,474,970	4,486,182	4,934,056	4,398,842
Planning and programming	7,288,820	5,702,031	3,640,958	8,828,203	4,307,859
Regional arterials	8,092,122	24,379,344	30,972,795	12,059,400	17,042,375
Regional conservation	8,476,417	3,974,222	1,721,498	-	-
Transit and specialized transportation	134,422,630	85,924,817	50,489,119	99,777,205	117,748,091
Debt service:					
Principal	32,215,097	30,573,211	28,505,099	27,253,683	25,977,461
Interest	38,199,381	39,649,974	41,255,647	42,511,371	43,595,769
Cost of issuance	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Capital outlay	4,865,026	5,950,413	4,750,342	3,536,042	5,663,109
Total expenditures	<u>638,442,734</u>	<u>565,332,811</u>	<u>475,990,238</u>	<u>602,357,971</u>	<u>533,033,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,311,378</u>	<u>133,880,724</u>	<u>153,151,104</u>	<u>(93,200,435)</u>	<u>(4,567,377)</u>
Other financing sources (uses):					
Refunding debt issuance	-	-	-	-	-
Debt issuance	-	-	15,660,996	111,301,868	14,946,136
Discount on debt issuance	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	55,000
Transfers in	173,799,523	115,432,568	116,427,274	119,642,321	116,363,248
Transfers out	(119,594,876)	(113,458,786)	(126,773,855)	(117,631,646)	(112,620,474)
Total other financing sources (uses)	<u>54,204,647</u>	<u>1,973,782</u>	<u>5,314,415</u>	<u>113,312,543</u>	<u>18,743,910</u>
Net change in fund balances	<u>\$ 166,516,025</u>	<u>\$ 135,854,506</u>	<u>\$ 158,465,519</u>	<u>\$ 20,112,108</u>	<u>\$ 14,176,533</u>
Debt service as a percentage of noncapital expenditures	<u>12.8%</u>	<u>14.8%</u>	<u>17.7%</u>	<u>15.8%</u>	<u>16.7%</u>

Source: Finance Department

¹ Debt service as a percentage of noncapital expenditures in 2014 increased significantly as a result of the retirement of \$60,000,000 of commercial paper, which is included in principal payments and interest payments and cost of issuance as a result of the issuance of \$638,854,602 in debt.

² Debt service as a percentage of noncapital expenditures in 2018 increased significantly as a result of the retirement of commercial paper and a current refunding of debt, which included a swap termination payment.

Riverside County Transportation Commission
Changes in Fund Balances of Governmental Funds, Continued
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues					
Sales taxes	\$ 287,180,213	\$ 269,959,721	\$ 264,764,833	\$ 257,909,590	\$ 248,309,448
Transportation Uniform Mitigation Fee	23,699,764	19,594,829	19,831,327	17,400,782	11,284,394
Intergovernmental	88,207,011	32,467,616	76,821,362	110,515,661	122,486,605
Investment income	9,149,672	4,483,174	8,592,753	6,258,226	9,979,912
Other	3,199,483	6,746,055	7,295,648	2,542,359	1,282,520
Total revenues	<u>411,436,143</u>	<u>333,251,395</u>	<u>377,305,923</u>	<u>394,626,618</u>	<u>393,342,879</u>
Expenditures					
Current:					
General Government	977,898	6,558,752	6,514,255	7,302,325	6,991,303
Programs:					
Bicycle and pedestrian facilities	1,142,306	1,314,932	233,815	1,747,090	1,065,476
CETAP	22,275,429	4,028,104	5,249,516	4,135,996	6,509,915
Commuter assistance	3,647,662	2,686,073	2,648,632	2,891,431	3,136,150
Commuter rail	37,700,157	32,820,139	95,717,909	112,424,851	68,072,414
Highways	187,087,621	250,383,800	372,657,029	325,128,109	299,398,122
Local streets and roads	53,639,698	51,864,011	49,826,564	48,615,815	46,677,580
Motorist assistance	3,825,722	4,177,349	4,159,520	4,317,961	3,498,420
Planning and programming	4,677,940	3,248,031	4,090,731	3,099,358	3,204,073
Regional arterials	12,888,439	19,056,339	23,111,109	21,016,097	23,886,840
Regional conservation	-	-	-	-	-
Transit and specialized transportation	90,153,923	80,764,125	70,652,804	86,725,394	78,723,898
Debt service:					
Principal	62,140,974	27,317,242	7,814,176	7,411,654	67,112,884
Interest	50,606,912	44,684,153	45,620,922	45,913,275	43,410,203
Cost of Issuance	2,256,061	654,007	-	-	7,050,855
Payment to escrow agent	70,800,000	63,900,000	-	-	-
Capital outlay	2,606,851	5,670,356	1,182,208	475,334	143,888
Total expenditures	<u>606,427,593</u>	<u>599,127,413</u>	<u>689,479,190</u>	<u>671,204,690</u>	<u>658,882,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(194,991,450)</u>	<u>(265,876,018)</u>	<u>(312,173,267)</u>	<u>(276,578,072)</u>	<u>(265,539,142)</u>
Other financing sources (uses):					
Refunding debt issuance	457,015,000	-	-	-	-
Debt issuance	158,760,000	249,498,089	248,792,225	48,904,095	638,854,602
Discount on debt issuance	-	-	-	-	(2,433,315)
Premium on debt issuance	119,713,807	8,414,007	-	-	38,328,775
Payment to refunded bond escrow agent	(471,089,840)	-	-	-	-
Transfers in	300,623,670	182,713,859	162,708,720	232,626,156	481,987,735
Transfers out	(300,406,715)	(208,758,271)	(162,708,720)	(232,626,156)	(481,987,735)
Total other financing sources (uses)	<u>264,615,922</u>	<u>231,867,684</u>	<u>248,792,225</u>	<u>48,904,095</u>	<u>674,750,062</u>
Net change in fund balances	<u>\$ 69,624,472</u>	<u>\$ (34,008,334)</u>	<u>\$ (63,381,042)</u>	<u>\$ (227,673,977)</u>	<u>\$ 409,210,920</u>
Debt service as a percentage of noncapital expenditures	<u>23.7%²</u>	<u>12.2%</u>	<u>10.6%</u>	<u>11.0%</u>	<u>19.1%¹</u>

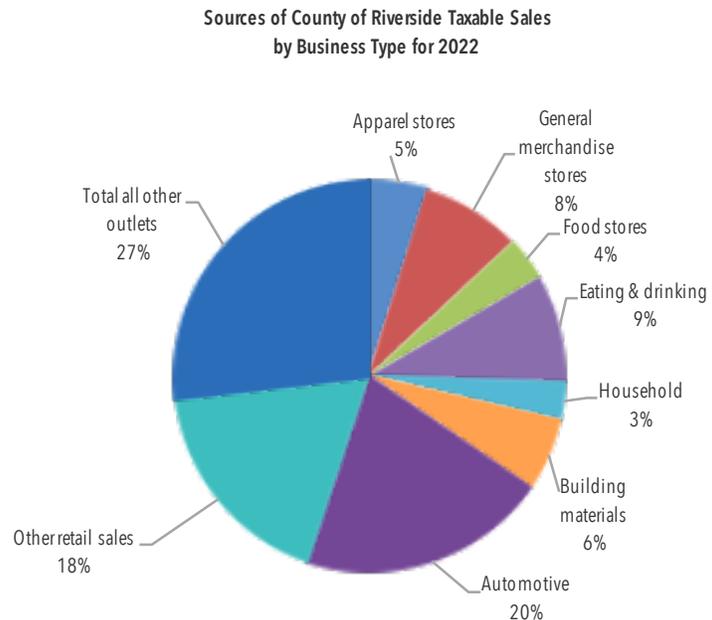
Source: Finance Department

Riverside County Transportation Commission
Sources of County of Riverside Taxable Sales by Business Type
Last Ten Calendar Years (In Thousands)

	<u>2022¹</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Apparel stores	\$ 2,960,410	\$ 2,787,245	\$ 1,834,633	\$ 2,361,700	\$ 2,315,433
General merchandise stores	5,099,730	4,756,624	4,123,079	3,967,112	3,560,755
Food stores	2,258,142	2,121,729	1,953,653	1,822,075	1,790,507
Eating & drinking	5,523,671	4,936,088	3,615,577	4,282,201	4,004,657
Household	1,913,811	1,999,156	2,106,383	2,104,126	1,962,650
Building materials	3,739,593	3,598,728	3,103,094	2,500,049	2,346,508
Automotive	12,734,351	11,430,453	8,509,066	8,938,497	8,788,907
Other retail sales	11,239,330	9,700,524	5,076,176	3,087,294	3,273,276
Total all other outlets	16,648,116	14,204,649	11,991,812	11,563,944	10,876,806
	<u>\$ 62,117,154</u>	<u>\$ 55,535,196</u>	<u>\$ 42,313,473</u>	<u>\$ 40,626,998</u>	<u>\$ 38,919,499</u>
Measure A direct sales tax rate (Ordinance 88-1 through 2009 and 02-001 thereafter)	0.50%	0.50%	0.50%	0.50%	0.50%

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization

¹ Year represents most recent data available.



Riverside County Transportation Commission
Sources of County of Riverside Taxable Sales by Business Type, Continued
Last Ten Calendar Years (In Thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Apparel stores	\$ 2,199,511	\$ 2,190,228	\$ 2,136,728	\$ 1,989,623	\$ 1,771,603
General merchandise stores	3,101,256	3,052,409	3,040,244	3,289,057	3,298,920
Food stores	1,666,910	1,574,030	1,727,518	1,509,404	1,421,590
Eating & drinking	3,852,674	3,648,980	3,384,494	3,093,861	2,836,388
Household	1,730,702	1,386,985	1,135,235	1,030,455	996,484
Building materials	2,161,593	1,965,101	1,826,294	1,706,184	1,535,178
Automotive	8,282,532	7,751,812	7,693,173	7,844,773	7,421,523
Other retail sales	2,586,770	2,452,591	2,338,039	2,182,987	2,025,088
Total all other outlets	<u>10,550,866</u>	<u>10,209,008</u>	<u>9,629,185</u>	<u>9,389,345</u>	<u>8,758,693</u>
	<u>\$ 36,132,814</u>	<u>\$ 34,231,144</u>	<u>\$ 32,910,910</u>	<u>\$ 32,035,689</u>	<u>\$ 30,065,467</u>
Measure A direct sales tax rate (Ordinance 88-1 through 2009 and 02-001 thereafter)	0.50%	0.50%	0.50%	0.50%	0.50%

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization

Riverside County Transportation Commission
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Measure A Direct Rate ¹</u>	<u>County of Riverside</u>
2023	0.50%	7.75%
2022	0.50%	7.75%
2021	0.50%	7.75%
2020	0.50%	7.75%
2019	0.50%	7.75%
2018	0.50%	7.75%
2017	0.50%	7.75%
2016	0.50%	8.00%
2015	0.50%	8.00%
2014	0.50%	8.00%

Source: Commission Finance Department and California Department of Tax and Fee Administration, as successor to California State Board of Equalization.

¹ The Measure A sales tax rate may be changed only with the approval of 2/3 of the voters.

Riverside County Transportation Commission

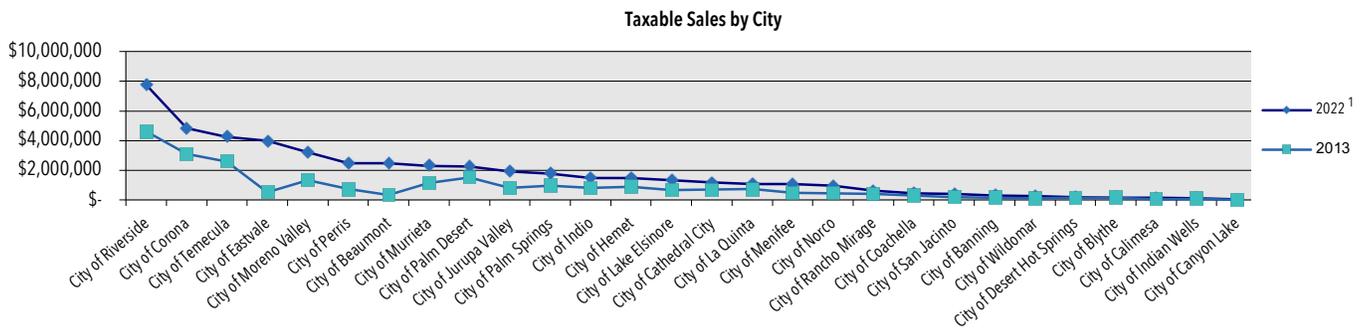
Principal Taxable Sales Generation by City

Current Year and Nine Years Ago

	2022 ¹			2013		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Riverside	\$ 7,765,721	2	7.0%	\$ 4,612,948	2	8.5%
City of Corona	4,847,882	3	4.4%	3,111,998	3	5.7%
City of Temecula	4,264,227	4	3.8%	2,610,286	4	4.8%
City of Eastvale	3,996,374	5	3.6%	537,279	16	1.0%
City of Moreno Valley	3,207,163	6	2.9%	1,349,129	6	2.5%
City of Perris	2,479,214	7	2.2%	738,592	12	1.4%
City of Beaumont	2,472,075	8	2.2%	352,449	20	0.6%
City of Murrieta	2,305,656	9	2.1%	1,147,563	7	2.2%
City of Palm Desert	2,268,188	10	2.0%	1,530,512	5	2.8%
City of Jurupa Valley	1,943,397	11	1.8%	806,187	11	1.5%
City of Palm Springs	1,797,000	12	1.6%	985,824	8	1.8%
City of Indio	1,504,857	13	1.4%	806,604	10	1.5%
City of Hemet	1,500,683	14	1.4%	911,841	9	1.7%
City of Lake Elsinore	1,338,536	15	1.1%	688,483	15	1.3%
City of Cathedral City	1,190,322	16	1.1%	714,179	14	1.3%
City of La Quinta	1,088,208	17	1.0%	731,325	13	1.3%
City of Menifee	1,073,446	18	1.0%	474,050	17	0.9%
City of Norco	963,898	19	0.9%	468,781	18	0.9%
City of Rancho Mirage	627,021	20	0.6%	399,919	19	0.7%
City of Coachella	470,421	21	0.4%	309,858	21	0.6%
City of San Jacinto	412,702	22	0.4%	208,934	22	0.4%
City of Banning	317,280	23	0.3%	175,386	23	0.3%
City of Wildomar	266,301	24	0.2%	122,793	26	0.2%
City of Desert Hot Springs	206,004	25	0.2%	142,477	25	0.3%
City of Blythe	169,867	26	0.2%	168,254	24	0.3%
City of Calimesa	143,270	27	0.1%	61,980	28	0.1%
City of Indian Wells	139,373	28	0.1%	91,160	27	0.2%
City of Canyon Lake	33,525	29	0.0%	16,452	29	0.0%
Incorporated	48,792,611		44.0%	24,275,243		44.7%
Unincorporated	62,117,153	1	56.0%	30,065,467	1	55.3%
Countywide	\$ 110,909,762		100.0%	\$ 54,341,710		100.0%
California	\$ 951,775,364			\$ 586,839,618		

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization, for the calendar year indicated.

¹ Year represents most recent data available.

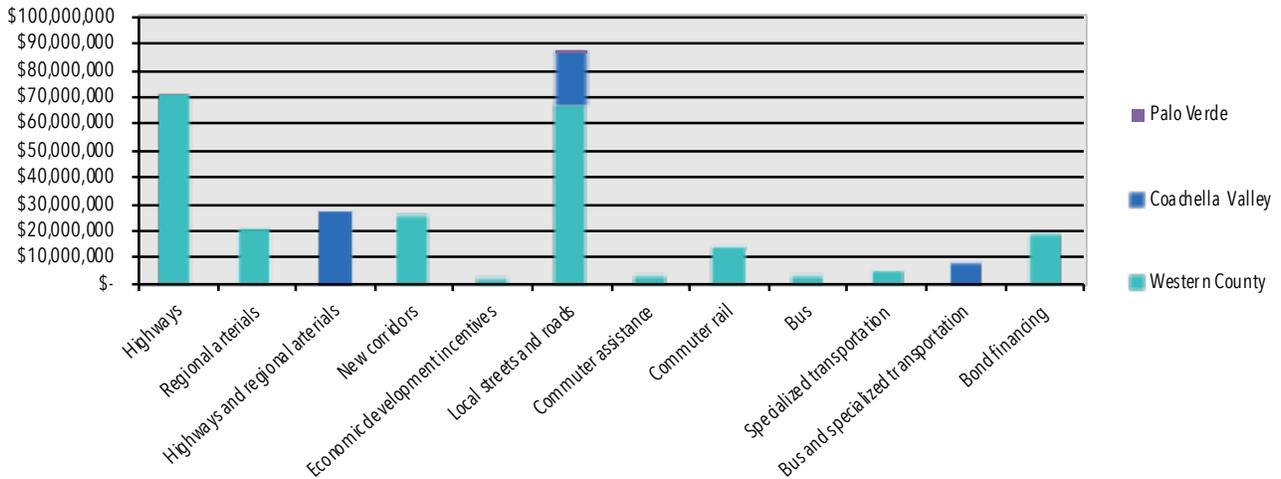


Riverside County Transportation Commission
Measure A Sales Tax Revenues by Program and Geographic Area
Year Ended June 30, 2023

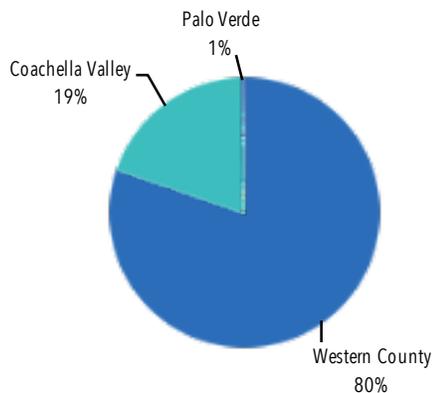
	Special Revenue Funds			Total
	Western County	Coachella Valley	Palo Verde	
Highways	\$ 70,000,680	\$ -	\$ -	\$ 70,000,680
Regional arterials	20,588,435	-	-	20,588,435
Highways and regional arterials	-	27,829,419	-	27,829,419
New corridors	25,392,404	-	-	25,392,404
Economic development incentives	2,745,125	-	-	2,745,125
Local streets and roads	66,569,274	19,480,594	1,179,447	87,229,315
Public transit:				
Commuter assistance	3,431,406	-	-	3,431,406
Commuter rail	14,000,136	-	-	14,000,136
Bus	3,500,034	-	-	3,500,034
Specialized transportation	5,833,390	-	-	5,833,390
Bus and specialized transportation	-	8,348,826	-	8,348,826
Bond financing	18,529,592	-	-	18,529,592
	<u>\$ 230,590,476</u>	<u>\$ 55,658,839</u>	<u>\$ 1,179,447</u>	<u>\$ 287,428,762</u>

Source: Finance Department

Sales Tax Revenues by Program and Geographic Area



Geographic Distribution by Area



Riverside County Transportation Commission

Measure A Sales Tax by Economic Category

Last Ten Calendar Years

Economic Category	% of Total									
	2022 ¹	2021	2020	2019	2018	2017	2016	2015	2014	2013
General retail	28.5	30.9	31.6	28.1	28.9	28.3	28.9	28.8	28.4	28.7
Transportation	24.3	24.0	22.4	24.2	24.6	25.3	25.1	25.9	26.6	27.0
Food products	16.2	15.8	15.2	17.7	17.8	17.6	17.7	17.3	16.6	16.1
Business to business	15.7	14.8	15.8	16.7	16.3	15.6	15.3	15.0	14.4	14.5
Construction	11.3	10.9	11.5	10.7	10.8	10.8	10.8	10.8	12.0	11.8
Miscellaneous	4.0	3.6	3.5	2.6	1.6	2.4	2.2	2.2	2.0	1.9
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: MuniServices LLC., an Avenu Company

¹ Year represents most recent data available.

Riverside County Transportation Commission
Measure A Revenues and Pledged Revenue Coverage ¹
Last Ten Fiscal Years

Sales Tax Revenue Bonds

Fiscal Year	Net Measure A Sales Tax Revenues²	Measure A Sales Tax Revenue Growth (Decline) Rate	Total Debt Service	Total Debt Service Coverage Ratio
2023	\$ 287,428,762	2.59%	\$ 69,555,288	4.13
2022	280,170,582	15.32%	69,594,288	4.03
2021	242,943,840	24.56%	69,519,038	3.49
2020	195,036,321	-3.07% ³	69,537,488	2.80
2019	201,204,995	14.13%	69,555,738	2.89
2018	176,301,656	0.56%	75,159,543	2.35
2017	175,320,207	4.59%	51,889,982	3.38
2016	167,630,239	2.78%	53,400,019	3.14
2015	163,092,776	4.31%	53,300,072	3.06
2014	156,355,894	4.64%	50,499,417	3.10

Source: Finance Department

- ¹ This schedule meets the requirements for Continuing Disclosure of historical Measure A sales tax revenues.
- ² Sales tax revenue bonds are backed by the sales tax revenues, net of California Department of Tax and Fee Administration, as successor to Board of Equalization, administrative fees.
- ³ Sales tax revenues decreased in FY2020 due to COVID-19 impacts.



Riverside County Transportation Commission

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Year	Governmental Activities					
	Sales Tax Revenue Bonds, net of premium and discount	Commercial Paper	MSHCP Funding Liability	Lease and Subscription IT Liabilities ²	Capital Leases	TIFIA Loan
2023	\$ 788,875,246	\$ -	\$ -	\$ 3,713,036	\$ -	\$ -
2022	830,738,739	-	-	3,398,016	-	-
2021	871,561,216	-	-	-	31,722	-
2020	911,246,727	-	-	-	41,821	128,092,018
2019	950,003,406	-	3,000,000	-	50,504	15,121,739
2018	987,810,267	-	6,000,000	-	7,965	-
2017	792,916,124	30,000,000	9,000,000	-	28,939	-
2016	782,532,106	20,000,000	12,000,000	-	46,181	-
2015	792,297,152	-	15,000,000	-	60,357	-
2014	801,782,659	-	18,000,000	-	72,011	-

Sources: Finance Department for outstanding debt for the fiscal year ended June 30 and California State Department of Finance for population as of January 1.

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

² In FY2022, the Commission implemented GASB Statement No. 87, *Leases*. In FY2023, the Commission implemented GASB No. 96, *Subscriptions*. Prior year amounts in this presentation have not been revised to reflect this change.

Riverside County Transportation Commission
Ratios of Outstanding Debt by Type, Continued
Last Ten Fiscal Years

Year	<u>Business-Type Activities</u>			Total Primary Government	Percentage of Personal Income ¹	Debt per Capita ¹
	Toll Revenue Bonds, net of discount, premium, and accretion	TIFIA Loan				
2023	\$ 734,891,709	\$ 167,030,354		\$ 1,694,510,345	N/A	\$ 694.69
2022	733,034,464	162,385,853		1,729,557,072	N/A	710.14
2021	210,216,120	656,943,710		1,738,752,768	1.38%	708.41
2020	204,647,796	486,339,336		1,730,367,698	1.52%	708.50
2019	199,423,911	469,870,660		1,637,470,220	1.56%	671.06
2018	194,522,170	453,980,866		1,642,321,268	1.65%	689.29
2017	189,923,251	438,628,419		1,460,496,733	1.54%	612.42
2016	185,607,330	277,696,320		1,277,881,937	1.45%	551.30
2015	181,557,045	48,904,095		1,037,818,649	1.24%	436.30
2014	177,755,391	-		997,610,061	1.28%	423.81

Sources: Finance Department for outstanding debt for the fiscal year ended June 30 and California State Department of Finance for population as of January 1.

Riverside County Transportation Commission

Computation of Legal Debt Margin¹

Last Ten Fiscal Years

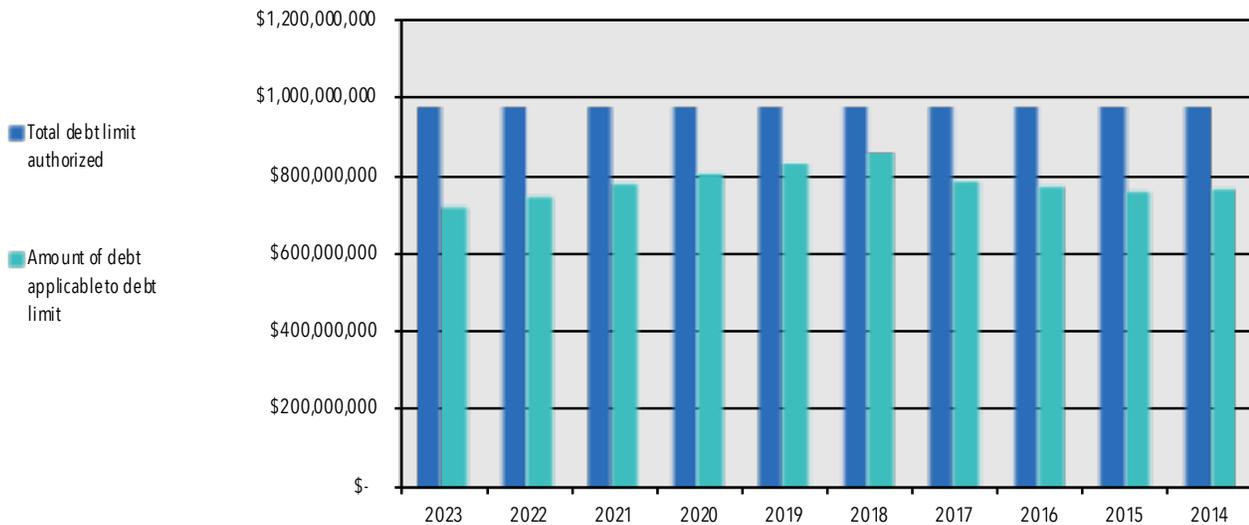
	Fiscal Year				
	2023	2022	2021	2020	2019
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002²					
Total debt limit authorized	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000
Amount of debt applicable to debt limit	715,915,000	747,320,000	777,315,000	805,810,000	833,055,000
Legal debt margin	\$ 259,085,000	\$ 227,680,000	\$ 197,685,000	\$ 169,190,000	\$ 141,945,000
% of debt to legal debt limit	73.4%	76.6%	79.7%	82.6%	85.4%

Source: Finance Department

¹ The Commission's debt limit was approved by the voters of Riverside County as part of the sales tax ordinance and is specific to the Commission; accordingly, there are no overlapping debt considerations.

² Ordinance No. 02-001 was approved by a 2/3 majority of the voters in November 2002. In November 2010, a majority of the voters approved Ordinance No. 10-002 to increase the debt limit from \$500 million to \$975 million.

Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002



Riverside County Transportation Commission
Computation of Legal Debt Margin, Continued ¹

Last Ten Fiscal Years

	Fiscal Year				
	2018	2017	2016	2015	2014
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002²					
Total debt limit authorized	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000
Amount of debt applicable to debt limit	<u>859,020,000</u>	<u>786,240,000</u>	<u>771,300,000</u>	<u>759,100,000</u>	<u>766,500,000</u>
Legal debt margin	<u>\$ 115,980,000</u>	<u>\$ 188,760,000</u>	<u>\$ 203,700,000</u>	<u>\$ 215,900,000</u>	<u>\$ 208,500,000</u>
% of debt to legal debt limit	<u>88.1%</u>	<u>80.6%</u>	<u>79.1%</u>	<u>77.9%</u>	<u>78.6%</u>

Source: Finance Department

Riverside County Transportation Commission
Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population¹</u>	<u>Personal Income (thousands)²</u>	<u>Income²</u>	<u>Unemployment Rate³</u>
2023	2,430,976	N/A	N/A	N/A
2022	2,435,525	N/A	N/A	4.2%
2021	2,454,453	\$ 125,820,553	\$ 51,180	7.3%
2020	2,442,304	114,090,413	45,834	10.2%
2019	2,440,124	104,794,676	42,418	4.2%
2018	2,415,955	99,591,680	40,637	4.4%
2017	2,382,640	95,140,992	39,261	5.2%
2016	2,347,828	87,827,068	36,782	6.1%
2015	2,317,924	84,025,987	35,589	6.7%
2014	2,329,271	78,239,388	33,590	8.2%

Sources:

¹ California State Department of Finance as of January 1.

² U.S. Department of Commerce Bureau of Economic Analysis. Represents most recent data available.

³ California State Employment Development Department. Represents most recent data available.

⁴ 2020 reflects the impacts from COVID-19 pandemic

Riverside County Transportation Commission
Employment Statistics by Industry for the County of Riverside
Calendar Year 2022 and Nine Years Prior

<u>Industry Type</u>	<u>2022 ¹</u>	<u>% of Total Employment</u>	<u>2013</u>	<u>% of Total Employment</u>
Agricultural services, forestry, fishing and other	3,100	0.4%	2,600	0.4%
Mining	100	0.0%	200	0.0%
Construction	45,600	6.4%	27,100	4.6%
Manufacturing	23,200	3.3%	20,900	3.6%
Transportation, warehousing, and public utilities	24,500	3.4%	12,700	2.2%
Wholesale trade	17,700	2.5%	15,500	2.6%
Retail trade	63,400	8.9%	59,000	10.0%
Professional & business services	106,400	14.9%	86,100	14.6%
Education & health services	123,200	17.3%	91,200	15.5%
Leisure & hospitality	65,000	9.1%	53,700	9.1%
Finance, insurance, and real estate	32,900	4.6%	31,500	5.3%
Information	7,200	1.0%	11,000	1.9%
Other services	24,300	3.5%	19,600	3.4%
Federal government, civilian	10,600	1.5%	9,800	1.8%
State government	101,700	14.3%	83,600	14.2%
Local government	63,900	9.0%	63,400	10.8%
Total employment	<u>712,800</u>	<u>100.0%</u>	<u>587,900</u>	<u>100.0%</u>

Riverside County Transportation Commission
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	As of June 30									
	2023	2022	2021¹	2020	2019	2018	2017	2016	2015	2014
Management services and administration	24.0	21.1	18.5	18.7	18.0	19.2	17.1	14.7	16.2	13.8
Planning and programming	4.6	4.0	5.3	5.5	3.5	4.2	4.9	6.2	6.1	5.9
Rail operations and maintenance	3.1	3.8	4.4	3.5	3.4	4.1	4.3	4.5	4.0	3.1
Specialized transit/transportation	2.6	2.7	2.6	2.4	2.9	2.4	2.7	2.3	2.3	3.4
Commuter assistance	1.2	0.9	1.8	1.4	1.4	1.7	1.4	1.8	3.0	1.7
Motorist assistance	1.2	0.5	1.0	0.9	0.8	0.9	0.8	0.7	0.7	0.9
Capital project development and delivery and toll operations	19.3	20.7	16.6	17.6	16.0	15.5	15.8	15.8	13.7	15.2
Regional conservation	17.0	13.3	12.8	-	-	-	-	-	-	-
Total full-time equivalents	73.0	67.0	63.0	50.0	46.0	48.0	47.0	46.0	46.0	44.0

Source: Finance Department

¹ Effective January 1, 2021, RCTC became the managing agency for the Western Riverside County Regional Conservation Authority.



Riverside County Transportation Commission

Operating Indicators

Last Ten Fiscal Years

	As of June 30				
	2023	2022	2021	2020	2019
Toll operations:					
RCTC 91 Express Lanes					
Gross trips	16,689,809	16,778,526	13,025,785	13,119,123	15,143,222
Gross potential revenue	\$ 67,843,178	\$ 63,190,923	\$ 43,734,242	\$ 56,058,450	\$ 57,172,266
Average gross potential revenue per trip	\$ 4.06	\$ 3.77	\$ 3.36	\$ 4.12	\$ 3.78
15 Express Lanes					
Gross transactions	25,577,441	23,465,946	4,172,026	-	-
Gross potential revenue	\$ 30,348,550	\$ 29,850,618	\$ 5,361,524	-	-
Average gross potential revenue per transaction	\$ 1.19	\$ 1.27	\$ 1.29	-	-
Commuter rail operations: ²					
Growth of average daily ridership on commuter lines:					
Riverside line	1,001	742	469	3,961	3,868
IEOC line	1,824	1,636	1,028	4,784	4,656
91 line	1,585	1,206	685	3,731	3,293
Farebox recovery ratio:					
Riverside line	12.0%	21.2%	6.6%	19.8%	43.0%
IEOC line	9.8%	15.8%	5.4%	21.1%	27.5%
91 line	12.1%	14.8%	5.7%	16.4%	24.1%
Specialized transit/transportation:					
Specialized transit grants awarded	15	15	18	18	18
Commuter assistance: ²					
Rideshare Incentive members	1,613	203	97	519	526
Rideshare Plus Rewards members	N/A	88	107	630	917
Monthly spotlight participants	4,344	N/A	N/A	N/A	N/A
Rideshare pledges	1,261	391	N/A	8,349	7,836
Rideguides produced	4,293	3,320	2,748	5,901	6,246
Van Club vanpools	37	33	29	32	67
Commuter Exchange events	N/A	N/A	N/A	N/A	N/A
Motorist assistance:					
Call boxes	158	158	158	158	231
Calls made from call boxes	782	935	936	979	1,384
Contracted Freeway Service Patrol vehicles	22	26	26	26	26
Assists by Freeway Service Patrol	51,583	54,217	59,711	49,051	44,607
IE511 web visits	901,233	160,930	204,259	296,339	213,689
IE511 call volumes	72,689	77,868	65,046	95,164	114,045
Transportation Uniform Mitigation Fee program:					
Approved regional arterial projects	8	25	23	23	23
Measure A program:					
Highways	\$ 100,376,319	\$ 129,198,965	\$ 123,154,255	\$ 209,530,745	\$ 148,387,823
Commuter rail	19,310,998	12,079,835	16,871,212	16,744,864	13,218,370
Regional arterials	4,626,056	3,207,422	1,249,823	4,939,979	12,533,037
Local streets and roads	87,229,315	85,183,610	74,082,952	59,475,694	61,470,359
Specialized transit and commuter assistance	22,212,832	17,397,325	11,629,836	16,568,400	16,708,843
Total program expenditures	<u>\$ 233,755,520</u>	<u>\$ 247,067,157</u>	<u>\$ 226,988,078</u>	<u>\$ 307,259,682</u>	<u>\$ 252,318,432</u>

Source: Commission Departments

¹ In FY2021, the Commission reached substantial completion on the I-15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists.

² In FY2021, the decrease in commuter rail operations and commuter assistance is a result of the impacts of COVID-19 and stay at home orders.

³ In FY2023, the increase in Motorist Assistance IE511 website visits is a result of a new regional platform shared with LA Metro, SBCTA, OCTA, VCTC, and RCTC.

⁴ In FY2023, the decrease represents the remaining approved regional arterial projects to be funded.

Riverside County Transportation Commission

Operating Indicators, Continued

Last Ten Fiscal Years

As of June 30

	2018	2017	2016	2015	2014
Toll operations:					
RCTC 91 Express Lanes					
Gross trips	14,518,302	4,049,067	-	-	-
Gross potential revenue	\$ 47,941,733	\$ 9,618,429	-	-	-
Average gross potential revenue per trip	\$ 3.30	\$ 2.38	-	-	-
15 Express Lanes					
Gross transactions	-	-	-	-	-
Gross potential revenue	-	-	-	-	-
Average gross potential revenue per transaction	-	-	-	-	-
Commuter rail operations:					
Growth of average daily ridership on commuter lines:					
Riversideline	3,863	4,050	4,404	4,651	4,715
IEOC line	4,874	4,900	4,438	4,613	4,522
91 line	3,109	3,258	2,610	2,419	2,340
Farebox recovery ratio:					
Riversideline	45.4%	47.2%	45.7%	49.6%	50.9%
IEOC line	29.2%	31.8%	33.4%	32.6%	37.6%
91 line	26.5%	26.5%	27.7%	38.6%	51.3%
Specialized transit/transportation:					
Specialized transit grants awarded	16	17	17	20	22
Commuter assistance:					
Rideshare Incentive members	573	505	597	736	1,106
Rideshare Plus Rewards members	1,114	792	1,142	3,723	5,770
Monthly spotlight participants	N/A	N/A	N/A	N/A	N/A
Rideshare pledges	5,959	4,886	4,249	11,180	11,661
Rideguides produced	4,606	5,219	8,607	6,527	10,059
VanClub vanpools	31	N/A	N/A	N/A	N/A
Commuter Exchange events	N/A	N/A	N/A	48	54
Motorist assistance:					
Call boxes	241	240	545	549	570
Calls made from call boxes	1,598	2,161	3,053	3,882	4,685
Contracted Freeway Service Patrol vehicles	20	20	21	21	21
Assists by Freeway Service Patrol	41,417	40,180	36,711	42,471	44,278
IE511 web visits	408,021	618,130	473,462	452,713	443,359
IE511 call volumes	142,287	201,099	233,895	263,757	306,108
Transportation Uniform Mitigation Fee program:					
Approved regional arterial projects	20	20	24	24	24
Measure A program:					
Highways	\$ 180,565,301	\$ 250,360,723	\$ 372,657,029	\$ 325,128,109	\$ 299,398,122
Commuter rail	14,118,997	8,528,984	75,831,961	98,302,229	56,148,017
Regional arterials	6,158,736	14,739,703	17,090,247	5,012,254	1,441
Local streets and roads	53,639,698	51,864,011	49,826,564	48,615,815	46,677,580
Specialized transit and commuter assistance	15,197,859	13,826,624	14,499,642	14,063,310	13,378,223
Total program expenditures	<u>\$ 269,680,591</u>	<u>\$ 339,320,045</u>	<u>\$ 529,905,443</u>	<u>\$ 491,121,717</u>	<u>\$ 415,603,383</u>

Source: Commission Departments



Riverside County Transportation Commission

Capital Asset Statistics by Program

Last Ten Fiscal Years

	As of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commuter rail:										
Transit centers owned and managed	1	1	1	1	1	1	1	1	1	1
Commuter rail stations owned and managed	9	9	9	9	9	9	9	9	5	5
Miles of commuter rail easements	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6
Commuter Assistance:										
Commuter Exchange Vehicle	-	-	-	-	-	-	-	-	-	1
Toll operations:										
RCTC 91 Express Lanes										
Storage and maintenance building	-	-	-	1	1	1	1	-	-	-
Customer service center	1	1	1	1	1	-	-	-	-	-
Toll utility buildings	2	2	2	3	3	3	3	-	-	-
Miles of express lanes	36	36	36	36	36	36	36	-	-	-
Toll collection system gantries	4	4	4	4	4	4	4	-	-	-
On-road closed circuit TV cameras	36	36	36	36	36	36	36	-	-	-
Traffic operations center system	1	1	1	1	1	1	1	-	-	-
Communications network	1	1	1	1	1	1	1	-	-	-
Changeable message signs	5	5	5	6	6	6	6	-	-	-
15 Express Lanes										
Storage and maintenance building	1	1	1	-	-	-	-	-	-	-
Customer service center	1	1	1	-	-	-	-	-	-	-
Regional operations center buildings	1	1	1	-	-	-	-	-	-	-
Miles of express lanes	56	56	56	-	-	-	-	-	-	-
Toll collection system gantries	8	8	8	-	-	-	-	-	-	-
On-road closed circuit TV cameras	27	27	27	-	-	-	-	-	-	-
Traffic detection monitoring devices	37	37	37	-	-	-	-	-	-	-
Traffic operations center system	1	1	1	-	-	-	-	-	-	-
Communications network	1	1	1	-	-	-	-	-	-	-
Changeable message signs	3	3	3	-	-	-	-	-	-	-
Variable toll message signs	12	12	12	-	-	-	-	-	-	-

Source: Commission Departments





**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

**Riverside County
Transportation Commission**

(951) 787-7141 · www.rctc.org
4080 Lemon Street, 3rd Floor
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92502-2208

**Local Transportation Fund of the County of
Riverside, as Administered by the Riverside
County Transportation Commission**

Financial and Compliance Reports
Year Ended June 30, 2023

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Local Transportation Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The statements listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the statements listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.



Rancho Cucamonga, California
October 31, 2023

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2023**

Assets

Cash and investments in Riverside County Pooled Investment Fund	\$ 301,716,823
Accounts receivable	32,272,361
Interest receivable	4,459,925
Total assets	<u><u>\$ 338,449,109</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 1,255,284
Due to other Commission funds	616,900
Total liabilities	<u>1,872,184</u>

Restricted:

Unapportioned Local Transportation Funds	24,437,031
Rail and bus transit and local streets and roads apportionments	302,664,155
Bicycle and pedestrian projects	9,475,739
Total fund balance	<u>336,576,925</u>
Total liabilities and fund balance	<u><u>\$ 338,449,109</u></u>

See Notes to Financial Statements.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2023**

Revenues:	
Sales taxes	\$ 156,282,435
Other reimbursements	15,438,482
Interest income (loss)	5,616,669
Total revenues	<u>177,337,586</u>
Expenditures:	
Bicycle and pedestrian projects	2,578,177
Transit	107,187,579
Planning, programming, and administration	7,849,800
Total expenditures	<u>117,615,556</u>
Excess of revenues over (under) expenditures	<u>59,722,030</u>
Net change in fund balance	59,722,030
Fund balance, beginning of year	276,854,895
Fund balance, end of year	<u>\$ 336,576,925</u>

See Notes to Financial Statements.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies

The Riverside County Transportation Commission (the Commission), in its capacity as the transportation planning agency for the County of Riverside, California (the County), is responsible for administering funds provided through the Local Transportation Fund (the Fund), which was created in accordance with the provisions of the Transportation Development Act of 1971. The significant revenue to the Fund is derived from 0.25 percent of the 7.75 percent statewide sales tax collected in the County by the California Department of Tax and Fee Administration (CDTFA).

The accounting policies of the Fund, a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

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

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed in the Fund. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Those revenues susceptible to accrual include sales taxes collected and held by the CDTFA at year-end on behalf of the Commission and interest revenue.

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

Cash: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF), as legally required, until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of Fund sales tax revenues from the CDTFA on all taxable sales within the County of Riverside, California through June 30, 2023.

Accounts payable: Accounts payable consist primarily of claims approved by the Commission, but not paid by the Commission, to the appropriate transit operators by June 30, 2023.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation.

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

Note 2. Cash and Investments with County Treasurer

The funds in the RCPIF are pooled with those of other entities and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. As of June 30, 2023, the Commission had \$301,716,823 invested in the RCPIF, with an average maturity of 474 days. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2023 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAs/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 3. Fund Balance

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

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

Rail and bus transit and local streets and roads apportionments:

Western County:

Commuter rail:

Apportioned and unallocated	\$ 44,335,755
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Bus transit:

Allocated and unclaimed — City of Banning	19,286
---	--------

Allocated and unclaimed — City of Beaumont	100,000
--	---------

Allocated and unclaimed — Riverside Transit Agency	2,421,098
--	-----------

Apportioned and unallocated	204,909,783
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Total rail and bus transit — Western County	251,785,922
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Coachella Valley:

Allocated and unclaimed	1,233,219
-------------------------	-----------

Apportioned and unallocated	46,517,910
-----------------------------	------------

Total bus transit — Coachella Valley	47,751,129
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Palo Verde Valley:

Total bus transit — Palo Verde Valley	3,127,104
---------------------------------------	-----------

Total for rail and bus transit apportionments	\$ 302,664,155
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Bicycle and pedestrian projects:

Allocated and unclaimed	\$ 4,991,176
-------------------------	--------------

Unallocated	4,484,563
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Total for bicycle and pedestrian projects	\$ 9,475,739
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Unapportioned Local Transportation Funds

\$ 24,437,031

Total fund balance

\$ 336,576,925

Supplementary Information

Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission

Schedule of Allocations and Disbursements
Year Ended June 30, 2023

	SB 821 Article 3			Article 4			Article 8		Article 3 Planning, Programming and Administrative			Totals				
	Allocations	Disbursements	(Expirations / Allocations Returned)	(Allocations Returned)	Allocations	Disbursements	(Allocations Returned)	Allocations	Disbursements	Allocations	Disbursements	(Allocations Returned)	Allocations	Disbursements	(Expirations / Allocations Returned)	Unclaimed Amount (Use of Prior Allocations / Returned), Net
Expenditures:																
City of Banning	\$ -	\$ -	\$ -	\$ -	\$ 1,885,786	\$ 1,866,500	\$ (425,362)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,885,786	\$ 1,866,500	\$ (425,362)	\$ 444,648
City of Beaumont	-	-	-	-	2,549,617	2,449,617	(115,935)	-	-	-	-	-	2,549,617	2,449,617	(115,935)	215,935
City of Cathedral City	338,400	-	-	-	-	-	-	-	-	-	-	-	338,400	-	-	338,400
City of Coachella	-	-	(840)	-	-	-	-	-	-	-	-	-	-	-	(840)	840
City of Corona	432,500	-	-	-	1,456,060	1,456,060	(429,288)	-	-	-	-	-	1,888,560	1,456,060	(429,288)	861,788
City of Desert Hot Springs	670,906	330,906	-	-	-	-	-	-	-	-	-	-	670,906	330,906	-	340,000
City of Eastvale	432,500	144,110	(288,390)	-	-	-	-	-	-	-	-	-	432,500	144,110	(288,390)	576,780
City of Hemet	248,200	-	-	-	-	-	-	-	-	-	-	-	248,200	-	-	248,200
City of Jurupa Valley	364,880	-	-	-	-	-	-	-	-	-	-	-	364,880	-	-	364,880
City of Lake Elsinore	463,766	39,500	-	-	-	-	-	-	-	-	-	-	463,766	39,500	-	424,266
City of La Quinta	97,700	60,607	(37,093)	-	-	-	-	-	-	-	-	-	97,700	60,607	(37,093)	74,186
City of Menifee	495,372	272,267	-	-	-	-	-	-	-	-	-	-	495,372	272,267	-	223,105
City of Moreno Valley	430,000	342,619	(87,381)	-	-	-	-	-	-	-	-	-	430,000	342,619	(87,381)	174,762
City of Norco	96,000	-	-	-	-	-	-	-	-	-	-	-	96,000	-	-	96,000
City of Palm Springs	168,500	168,500	-	-	-	-	-	-	-	-	-	-	168,500	168,500	-	-
City of Rancho Mirage	865,000	-	-	-	-	-	-	-	-	-	-	-	865,000	-	-	865,000
City of Riverside	412,500	-	-	-	4,797,327	4,797,327	(4,065,645)	-	-	-	-	-	5,209,827	4,797,327	(4,065,645)	4,478,145
City of Wildomar	1,088,825	275,000	-	-	-	-	-	-	-	-	-	-	1,088,825	275,000	-	813,825
County of Riverside:																
Auditor/Controller	-	-	-	-	-	-	-	-	12,000	12,000	-	-	12,000	12,000	-	-
Road Department	1,415,875	944,668	(38,708)	-	-	-	-	-	-	-	-	-	1,415,875	944,668	(38,708)	509,915
Palo Verde Valley Transit Agency	-	-	-	-	735,569	735,569	(19,888)	-	-	-	-	-	735,569	735,569	(19,888)	19,888
Commission	-	-	-	-	22,100,000	21,500,000	-	-	6,422,800	6,422,800	-	-	28,522,800	27,922,800	-	600,000
Riverside Transit Agency	-	-	-	-	52,217,751	49,796,652	(8,460,658)	-	-	-	-	-	52,217,751	49,796,652	(8,460,658)	10,881,757
SCAG	-	-	-	-	-	-	-	-	1,415,000	1,415,000	-	-	1,415,000	1,415,000	-	-
Sunline Transit Agency	-	-	-	-	25,816,577	24,585,854	(1,920,866)	-	-	-	-	-	25,816,577	24,585,854	(1,920,866)	3,151,588
	<u>\$ 8,020,924</u>	<u>\$ 2,578,177</u>	<u>\$ (452,412)</u>	<u>\$ -</u>	<u>\$ 111,558,687</u>	<u>\$ 107,187,579</u>	<u>\$ (15,437,642)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,849,800</u>	<u>\$ 7,849,800</u>	<u>\$ -</u>	<u>\$ 25,703,908</u>

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Unclaimed Apportionments (Article 3)
Year Ended June 30, 2023**

	Unclaimed Apportionment July 1, 2022	Apportionment	Reimbursements	Disbursements	Interest Income (Loss)	Unclaimed Apportionment June 30, 2023
Bicycle and pedestrian projects	\$ 8,347,486	\$ 3,606,000	\$ 840	\$ (2,578,177)	\$ 99,590	\$ 9,475,739

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Unclaimed Apportionments (Articles 4 and 8)
Year Ended June 30, 2023**

	Fiscal Year 2022/23			Prior Fiscal Year			Interest Allocation	Total Unclaimed Apportionment June 30, 2023
	Apportionment	Amounts Claimed	Unclaimed Apportionment	Apportionment	Amounts Claimed	Amount Returned		
Western County:								
Rail	\$ 27,881,000	\$ 21,500,000	\$ 6,381,000	\$ 37,098,885	\$ -	\$ -	\$ 37,098,885	\$ 44,335,755
Bus	98,851,000	60,328,579	38,522,421	151,746,061	37,577	(13,496,888)	165,205,372	207,450,167
Coachella Valley	30,709,000	24,457,513	6,251,487	38,824,486	128,341	(1,920,866)	40,617,011	47,751,129
Palo Verde Valley:								
Transit	1,566,000	735,569	830,431	2,220,581	-	(19,888)	2,240,469	3,127,104
Total transportation	159,007,000	107,021,661	51,985,339	229,890,013	165,918	(15,437,642)	245,161,737	302,664,155
Auditor/Controller	12,000	12,000	-	-	-	-	-	-
Commission administration	763,800	763,800	-	-	-	-	-	-
Commission planning	5,659,000	5,659,000	-	-	-	-	-	-
SCAG planning	1,415,000	1,415,000	-	-	-	-	-	-
Total administration and planning	7,849,800	7,849,800	-	-	-	-	-	-
Total apportionments	\$ 166,856,800	\$ 114,871,461	\$ 51,985,339	\$ 229,890,013	\$ 165,918	\$ (15,437,642)	\$ 245,161,737	\$ 302,664,155



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Local Transportation Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2023, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

**State Transit Assistance Fund of the County of
Riverside, as Administered by the Riverside
County Transportation Commission**

Financial and Compliance Reports
Year Ended June 30, 2023

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	10-11
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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the State Transit Assistance Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP".

Rancho Cucamonga, California
October 31, 2023

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2023**

Assets

Cash and investments	\$ 132,737,758
Accounts receivable	9,675,159
Interest receivable	1,994,314
Total assets	<u><u>\$ 144,407,231</u></u>

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 1,496,198
Due to other Commission funds	752,484
Total liabilities	<u><u>2,248,682</u></u>
Fund Balance	
Restricted allocations available for programming	74,289,215
Restricted for unclaimed allocations	67,869,334
Total fund balance	<u><u>142,158,549</u></u>
Total liabilities and fund balance	<u><u>\$ 144,407,231</u></u>

See Notes to Financial Statements.

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2023**

Revenues:	
Sales taxes	\$ 37,244,079
Other reimbursements	5,125
Interest income	2,874,905
Total revenues	<u>40,124,109</u>
Expenditures:	
Administration	153,533
Transit	29,467,441
Total expenditures	<u>29,620,974</u>
Net change in fund balance	10,503,135
Fund balance, beginning of year	<u>131,655,414</u>
Fund balance, end of year	<u><u>\$ 142,158,549</u></u>

See Notes to Financial Statements.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies

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

The accounting policies of the State Transit Assistance Fund (the Fund), a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

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

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

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting and current resources measurement focus is followed in the Fund. Under this method of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the fiscal year. Those revenues susceptible to accrual include fuel sales tax revenue and interest revenue.

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

Cash and investments: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) or US Bank for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of fuel sales tax revenues from the State of California not received as of June 30, 2023.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation. The restricted fund balance for allocations available for programming represents amounts apportioned but not allocated to claimants. The restricted fund balance for unclaimed allocations represents amounts allocated by the Commission and due to claimants but not yet paid, as claimants have not yet provided the appropriate claim documentation to the Commission as of June 30, 2023.

Accounts payable: Accounts payable consist primarily of claims approved by the Commission, but not paid by the Commission, to the appropriate transit operators by June 30, 2023.

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

Note 2. Cash and Investments

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

Cash and investments with RCPIF	\$ 121,866,134
Commission operating investment pool	10,864,996
Cash in bank	6,628
	<u>\$ 132,737,758</u>

The funds in the RCPIF are pooled with those of other entities in the RCPIF and invested in accordance with the County's investment policy. The funds in the Commission's operating investment pool are pooled with those of other Commission operating funds and invested in accordance with the Commission's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the RCPIF. An Investment Oversight Committee has been established by the County, which acts as a regulator of the RCPIF. As of June 30, 2023 the Fund had \$121,866,134 invested in the RCPIF, with a weighted average maturity of 474 days, and \$10,864,996 invested in the Commission operating investment pool. Additional information on investment types, fair value measurement and credit risk of the RCPIF and the Commission operating investment pool may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org and the notes to the Commission's basic financial statements included in the Commission's Annual Comprehensive Financial Report, respectively.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 2. Cash and Investments (Continued)

Credit risk: As of June 30, 2023 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAf/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

Note 3. Fund Balance

At June 30, 2023, amounts are restricted for apportioned and unallocated amounts and for unpaid allocations by geographic area. For Western County transit programs, commuter rail and bus allocations are in accordance with the Commission's policy.

Restricted for allocations available for programming:

Western County:	
Commuter rail	\$ 37,564,845
Bus	32,664,850
Coachella Valley:	
Commuter rail	381,133
Bus	3,470,750
Palo Verde Valley	207,637
	<u>74,289,215</u>

Restricted for unclaimed allocations:

Western County:	
Commuter rail	9,536,494
City of Banning	6,189,762
City of Beaumont	6,699,391
City of Corona	1,270,193
City of Riverside	156,676
Riverside Transit Agency	28,951,416
Coachella Valley:	
SunLine Transit Agency	14,302,932
Rail	235,927
Palo Verde Valley:	
Palo Verde Valley Transit Agency	526,543
	<u>67,869,334</u>
Total fund balance	<u>\$ 142,158,549</u>

Supplementary Information

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Allocations and Disbursements Approved During the Year
Year Ended June 30, 2023**

Recipient	Current Year Allocation	Amount Disbursed	California Code of Regulations Section No. Reference
Western County:			
City of Banning	\$ 3,145,000	\$ 114,516	6731
City of Beaumont	2,190,000	473,827	6731
City of Corona	-	(574)	6731
City of Riverside	80,000	206,685	6731
Riverside Transit Agency	5,182,474	23,710,608	6730
Commission Commuter Rail Program	8,000,000	3,433,456	6730
Total Western County	18,597,474	27,938,518	
Coachella Valley:			
SunLine Transit Agency	5,484,000	283,330	6730
Rail Program	441,200	1,219,985	6730
Total Coachella Valley	5,925,200	1,503,315	
Palo Verde Valley Transit Agency	454,000	25,608	6730
Other	-	153,533	
	\$ 24,976,674	\$ 29,620,974	



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the State Transit Assistance Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2023, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

**State of Good Repair Fund of the County of
Riverside, as Administered by the Riverside
County Transportation Commission**

Financial and Compliance Reports
Year Ended June 30, 2023

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the State of Good Repair Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2023

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2023**

Assets

Cash and investments	\$ 11,746,919
Accounts receivable	1,041,273
Interest receivable	190,250
Total assets	\$ 12,978,442

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 281,106
Due to other Commission funds	35,700
Total liabilities	316,806
Fund Balance	
Restricted for unclaimed allocations	8,320,009
Restricted for allocations available for programming	4,341,627
Total fund balance	12,661,636
Total liabilities and fund balance	\$ 12,978,442

See Notes to Financial Statements.

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2023**

Revenues:	
Sales taxes	\$ 4,364,613
Intergovernmental	312,610
Interest income	264,047
Total revenues	<u>4,941,270</u>
Expenditures:	
Administration	426,910
Transit	3,127,171
Total expenditures	<u>3,554,081</u>
Net change in fund balance	1,387,189
Fund balance, beginning of year	<u>11,274,447</u>
Fund balance, end of year	<u><u>\$ 12,661,636</u></u>

See Notes to Financial Statements.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies

The Riverside County Transportation Commission (the Commission), in its capacity as the transportation planning agency for the County of Riverside, California (the County), is responsible for administering funds provided through the State of Good Repair Program, which was created in 2017 under Chapter 5, (SB 1) of the California statutes to provide additional revenues for transit infrastructure repair and service improvements. The funds are derived from fuel sales tax and vehicle fee revenues and are budgeted through legislation and appropriated to the State Controller's Office (the State) for allocation to local agencies based on the State Transit Assistance formula.

The accounting policies of the State of Good Repair Fund (the Fund), a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

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

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

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting and current resources measurement focus is followed in the Fund. Under this method of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the fiscal year. Those revenues susceptible to accrual include fuel sales tax, vehicle fee, and interest revenue.

Allocations to local agencies: State of Good Repair funds are allocated to the operators within the County. Public Utilities Code (PUC) Section 99313 allocates funds to regional transportation planning agencies based on the ratio of area population to state population. PUC Section 99314 allocates funds to public operators based on their share of fares and local support to other operators in the state. The allocations must be made in a resolution adopted by the Commission.

Cash and investments: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of fuel sales tax and vehicle fee revenues from the State of California not received as of June 30, 2023.

Due to other Commission funds: Due to other Commission funds represents payables from the State of Good Repair program to the Commission for administrative allocation expenditures as of June 30, 2023.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation. The restricted fund balance for allocations available for programming represents amounts apportioned but not allocated to claimants. The restricted fund balance for unclaimed allocations represents amounts allocated by the Commission and due to claimants but not yet paid, as claimants have not yet provided the appropriate claim documentation to the Commission as of June 30, 2023.

Expenditures: Expenditures represent funds disbursed to transit operators that have met the eligibility requirements to receive State of Good Repair Program funds per PUC Sections 99313 and 99314. All disbursements are to be used for transit purposes.

Note 2. Cash and Investments

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

Cash and investments with RCPIF	\$ 11,746,291
Cash in bank	628
	<u>\$ 11,746,919</u>

The funds in the RCPIF are pooled with those of other entities in the RCPIF and invested in accordance with the County's investment policy. The funds with the custodian are pooled with those of other Commission operating funds and invested in accordance with the Commission's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the RCPIF. An Investment Oversight Committee has been established by the County, which acts as a regulator of the RCPIF. As of June 30, 2023, the Fund had \$11,746,291 invested in the RCPIF, with a weighted average maturity of 474 days. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2023 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAf/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023**

Note 3. Fund Balance

At June 30, 2023, amounts are restricted for apportioned and unallocated amounts and for unpaid allocations by geographic area. For Western County transit programs, commuter rail and bus allocations are in accordance with the Commission's policy.

Restricted for allocations available for programming:

Western County:	
Commuter rail	\$ 1,054,969
Bus	2,315,082
Coachella Valley	911,576
Palo Verde Valley	60,000
	<u>4,341,627</u>

Restricted for unclaimed allocations:

Western County:	
Commuter rail	964,074
City of Banning	45,722
City of Beaumont	175,671
City of Corona	407,250
City of Riverside	399,357
Riverside Transit Agency	2,997,849
Coachella Valley:	
SunLine Transit Agency	3,233,355
Palo Verde Valley:	
Palo Verde Valley Transit Agency	96,731
	<u>8,320,009</u>
Total fund balance	<u>\$ 12,661,636</u>

Supplementary Information

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Allocations and Disbursements Approved During the Year
Year Ended June 30, 2023**

Recipient	Current Year Allocation	Amount Disbursed (Accrual Reversal)	California Code of Regulations Section No. Reference
Western County:			
City of Banning	\$ 50,000	\$ 24,903	6731
City of Beaumont	60,000	60,000	6731
City of Corona	150,000	25,880	6731
City of Riverside	50,000	5,091	6731
Riverside Transit Agency	2,055,839	2,895,553	6730
Commission Commuter Rail Program	1,050,785	-	6730
Total Western County	3,416,624	3,011,427	
SunLine Transit Agency	900,000	102,929	6730
Palo Verde Valley Transit Agency	60,000	12,815	6730
Other	-	426,910	
	\$ 4,376,624	\$ 3,554,081	



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of the State of Good Repair Fund (the Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2023, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

Financial and Compliance Reports
Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Proposition 1B Rehabilitation, Safety and Security Project Accounts (the Accounts), Accounts of the Riverside County Transportation Commission (Commission), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Accounts of the Commission, as of June 30, 2023 and 2022, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the Accounts and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023 and 2022, and the respective changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Account's basic financial statements. The statements listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the statements listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Commission's internal control over the Account's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Accounts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Account's financial reporting and compliance.



Rancho Cucamonga, California
October 31, 2023

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

**Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
	<u>PTMISEA</u>	<u>PTMISEA</u>
Assets		
Cash and investments in Riverside County Pooled		
Investment Fund	\$ 65,978	\$ 624,422
Interest receivable	-	268
Total assets	\$ 65,978	\$ 624,690
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 65,978	\$ 46,595
Total liabilities	65,978	46,595
Fund Balance		
Restricted:		
Rail projects	-	578,095
Total fund balance	-	578,095
Total liabilities and fund balance	\$ 65,978	\$ 624,690

See Notes to Financial Statements.

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

**Statements of Revenues, Expenditures and Change in Fund Balance
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
	<u>PTMISEA</u>	<u>PTMISEA</u>
Revenues:		
Interest	\$ 8,820	\$ 1,425
Total revenues	8,820	1,425
Expenditures:		
Rail	586,915	453,855
Net change in account fund balance	(578,095)	(452,430)
Fund balance, beginning of year	578,095	1,030,525
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 578,095</u></u>

See Notes to Financial Statements.

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: On November 7, 2006, the voters of California approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Proposition 1B included a state program of funding in the amount of \$4 billion and \$1 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and Transit System Safety, Security, and Disaster Response Account (TSSSDRA), respectively. The California Transit Security Grant Program—California Transit Assistance Fund (CTSGP-CTAF) is a TSSSDRA program. The PTMISEA funds, which are administered by the California Department of Transportation (Caltrans), and the CTSGP-CTAF funds, which are administered by the California Emergency Management Agency (CalEMA), are made available to project sponsors in California for eligible public transportation projects and related security and safety projects, respectively.

The Riverside County Transportation Commission (the Commission) owns and operates nine commuter rail stations and a transit center in Riverside County (the County). As a project sponsor, the Commission has applied for and obtained approval for PTMISEA and CTSGP-CTAF funds for various projects related to its commuter rail stations. These funds are accounted for in the Measure A Western County Rail and Coachella Valley Station Development Special Revenue Funds in project accounts (the Accounts). The revenue to the Accounts is derived from allocations approved by the Controller of the State of California (the Controller).

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

A summary of the Commission’s significant accounting policies is as follows:

Presentation: The accompanying financial statements of the Accounts are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the PTMISEA and CTSGP-CTAF Accounts of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023 and 2022 and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed in the PTMISEA and CTSGP-CTAF Accounts. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Those revenues susceptible to accrual include PTMISEA and CTSGP-CTAF allocations and interest revenue.

For the years ended June 30, 2023 and 2022, the Commission did not recognize an allocation of revenues, respectively, for the Station Rehabilitation and Coachella Valley Station Development, or Station Security projects.

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Funding: Project sponsors may submit applications for funding of eligible transit capital projects to Caltrans or CalEMA, which approve projects for funding related to PTMISEA and CTSGP-CTAF, respectively. PTMISEA eligible projects include rehabilitation, safety or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; and rolling stock procurement, rehabilitation, expansion or replacement. CTSGP-CTAF eligible projects include capital projects that provide increased protection against a security or safety threat; increase the capacity of transit operators to prepare for disaster-response transportation systems to move people, goods, emergency personnel and equipment in the aftermath of a disaster; and other allowable costs under California Government Code 16727(a). The Controller will disburse funds upon receipt of the approved PTMISEA and CTSGP-CTAF projects. Funds must be encumbered within three years of receipt and must be expended within three years of being encumbered.

Cash: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Fund balance restrictions: The Accounts report restricted account fund balances to show the level of constraint governing the use of the funds. Restricted account fund balances are restricted for specific purposes by third parties.

Expenditures: Expenditures represent rail capital projects as identified in PTMISEA and CTSGP-CTAF applications submitted by the Commission.

For the year ended June 30, 2023, the Commission incurred qualifying expenditures of \$586,915 for the Coachella Valley Station Development project. For the year ended June 30, 2022, the Commission incurred qualifying expenditures \$453,855 for the Coachella Valley Station Development project.

Note 2. Cash and Investments With County Treasurer

The funds in the RCPIF are pooled with those of other entities and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the pool. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool.

**Proposition 1B Rehabilitation, Safety and Security Project Accounts,
Accounts of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 2. Cash and Investments With County Treasurer (Continued)

As of June 30, 2023 and 2022, the Account has \$65,978 and \$624,422, respectively, included in the Commission's investment with the RCPIF, with an average maturity of 474 days and 434 days, respectively. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2023 and 2022 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAs/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Proposition 1B Rehabilitation, Safety and Security Project Accounts (the Accounts), Accounts of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Accounts and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

**Low Carbon Transit Operations Program Account, an Account of the
Riverside County Transportation Commission**

Financial and Compliance Reports
Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Low Carbon Transit Operations Program (LCTOP) Account, an Account of the Riverside County Transportation Commission (Commission) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the LCTOP Account of the Commission as of June 30, 2023 and 2022, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the LCTOP Account and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023 and 2022, and the changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Commission's internal control over the LCTOP Account's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the LCTOP Account. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the LCTOP Account's financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments in Riverside County Pooled Investment Fund	\$ 2,403,289	\$ -
Interest receivable	22,093	-
Total assets	<u><u>\$ 2,425,382</u></u>	<u><u>\$ -</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 82,463	\$ -
Total liabilities	<u>82,463</u>	<u>-</u>
Fund Balance		
Restricted:		
Rail projects	2,342,919	-
Total fund balance	<u>2,342,919</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 2,425,382</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Statements of Revenues, Expenditures and Change in Fund Balance
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues:		
State allocations	\$ 2,406,486	\$ 864,540
Interest	60,102	670
Total revenues	<u>2,466,588</u>	<u>865,210</u>
Expenditures:		
Rail projects	<u>123,669</u>	<u>865,210</u>
Net change in fund balance	2,342,919	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u><u>\$ 2,342,919</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 1. Nature of Operations and Summary Significant Accounting Policies

Nature of Operations: In 2014, the California Legislature established Senate Bill 862 (SB 862), Low Carbon Transit Operations Program (LCTOP), one of several programs that is part of the Transit, Affordable Housing, and Sustainable Communities Program. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities.

The accounting policies of the Riverside County Transportation Commission (Commission) conform to accounting principles generally accepted in the United States as applicable to governmental units.

A summary of the Commission’s significant accounting policies is as follows:

Presentation: The accompanying financial statements of the LCTOP Account are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the LCTOP Account of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023 and 2022 and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed in the LCTOP Account. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Those revenues susceptible to accrual include LCTOP Account allocations and interest revenue.

For the years ended June 30, 2023 and 2022 the Commission recognized revenues related to an allocation of \$2,406,486 and \$864,540, respectively, for the Perris Valley Line station operations and rehabilitation.

Funding: Project sponsors may submit expenditure proposals for funding of LCTOP to Caltrans and the California Air Resources Board to determine compliance with the requirements of SB 862 and the LCTOP guidelines. Caltrans submits a final list of approved expenditures to the State Controller’s Office, and the approved amounts of funds will be available for release, not to exceed 75 percent of each eligible recipient’s share of the full appropriation, with the remaining 25 percent available for release by fiscal year end.

Cash: It is the Commission’s policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Fund balance restrictions: The LCTOP Account reports restricted account fund balance to show the level of constraint governing the use of the funds. Restricted account fund balances are restricted for specific purposes by third parties.

Expenditures: Expenditures represent rail projects as identified in the LCTOP application submitted by the Commission.

For the years ended June 30, 2023 and 2022, the Commission incurred qualifying expenditures of \$123,669 and \$865,210, respectively, for the rail recovery project and Perris Valley Line station operations and rehabilitation, respectively.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 2. Cash and Investments with County Treasurer

The funds in the RCPIF are pooled with those of other entities and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the pool. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. As of June 30, 2023 and 2022, the LCTOP Account has \$2,403,289 and \$0, respectively, in the Commission's investment with the RCPIF, with an average maturity of 474 days and 434 days, respectively. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2023 and 2022 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAs/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Low Carbon Transit Operations Program (LCTOP) Account, an Account of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter indicating that the financial statements present only the LCTOP Account and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023, and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2023



Single Audit Report
Fiscal Year Ended June 30, 2023
Riverside County
Transportation Commission

Riverside County Transportation Commission

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Fiscal Year Ended June 30, 2023

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated October 31, 2023. Our report included an emphasis of matter paragraph regarding the Commission’s adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California
October 31, 2023



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited the Riverside County Transportation Commission’s (Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Commission’s major federal program for the year ended June 30, 2023. The Commission’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated October 31, 2023, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter paragraph regarding the Commission's adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The image shows a handwritten signature in cursive script that reads "Eric Bailly LLP".

Rancho Cucamonga, California
October 31, 2023

Riverside County Transportation Commission
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

Federal Agency Direct or Pass-Through Agency CFDA Program Title or Cluster	Federal Financial Assistance Listing	Direct or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation				
<i>Passed through California Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - SR60 Truck Lanes	20.205	08-1675	\$ -	\$ 645,464
Highway Planning and Construction - I15ELP Southern Extension	20.205	19-131-100-00	-	2,706,072
Highway Planning and Construction - I15 Smart Freeways	20.205	21-31-126-00	-	1,872,039
Highway Planning and Construction - SR91 Corridor Operations Project	20.205	21-31-018-00	-	1,416,065
Highway Planning and Construction - Mid County Parkway Phase 2 ROW	20.205	STBGSB1L 6054(101)	-	74,922
Highway Planning and Construction - SR71/91 Connectors	20.205	22-31-024-00	-	6,673,648
Total Highway Planning and Construction Cluster			-	13,388,210
<i>Direct:</i>				
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program:				
TIFIA I-15 Express Lanes Project	20.223	TIFIA-2017-1011A	-	152,214,260
Total TIFIA Program			-	152,214,260
<i>Direct:</i>				
Federal Transit Cluster:				
Federal Transit - Capital Investment:				
Commuter Rail 5 Year Rehab 5309	20.500	CA-05-0268-00	316,763	1,316,762
Commuter Rail Rehab Final 5309	20.500	CA-05-0283-00	853	853
Rail State of Good Repair 5337	20.500	CA-054-0033-00	484,828	484,828
Transit Oriented Communities Strategic Plan	20.500	CA-2021-132-00	-	238,241
Federal Transit Urbanized Area Formula Grant:				
Moreno Valley/March Field Station Rail Rehab	20.507	CA-2017-112-00	-	6,324,113
Commuter Rail Pax Upgrades 5307	20.507	CA-90-Z234-00	-	356,348
COVID-19 - CARES Act: Vanpool Operating Assistance 5307	20.507	CA-2020-274-00	-	248,466
Commuter Rail Rehabilitation and Maintenance	20.507	CA-2021-131-00	-	1,874,489
State of Good Repair Grants Program:				
Commuter Rail 5 Year Rehab 5309	20.525	CA-2017-121-00	3,150,314	3,150,314
2020 Commuter Rail State of Good Repair 5337	20.525	CA-2020-261-00	559,319	559,319
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program:				
South Perris Parking Lot	20.526	CA-2023-105-00	-	417,631
Total Federal Transit Cluster			4,512,077	14,971,364
Total Expenditures of Federal Awards			\$ 4,512,077	\$ 180,573,834

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Riverside County Transportation Commission (Commission) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2 - Summary of Significant Accounting Policies

Expenditures of governmental funds reported on the Schedule are reported on the modified accrual basis of accounting. Expenses of enterprise funds are reported on the accrual basis of accounting. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures/expenses in the prior years.

Note 3 - Direct and Indirect (Pass-Through) Federal Awards

Federal awards may be granted directly to the Commission by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Commission. The Schedule includes both of these types of Federal award programs when they occur.

Note 4 - Transportation Infrastructure Finance and Innovation Act (TIFIA) Program Loans

In July 2017, the Commission executed a TIFIA loan agreement with the United States Department of Transportation in an amount not to exceed \$152,214,260 to finance portions of the Commission's I-15 Express Lanes Project. The TIFIA loan is evidenced by a toll revenue bond of the Commission issued pursuant to the master indenture and supplemental indentures. During construction and for a period of to five years following substantial completion, interest is compounded and added to the TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments related to the I-15 Express Lanes Project are expected to commence on December 1, 2025, which is five years after substantial completion of the I-15 Express Lanes Project, through June 1, 2055. The interest rate of the TIFIA loan was 2.84%. There were no I-15 Express Lanes Project TIFIA loan proceeds expended during the fiscal year ended June 30, 2023, and the outstanding loan payable at June 30, 2023 is \$167,030,355 (which includes accreted interest).

Note 5 - Indirect Cost Rate

The Commission has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

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

Identification of major federal programs:

Name of Federal Program	Federal Financial Assistance Listing
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223
Dollar threshold used to distinguish between type A and type B programs:	\$850,787
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

None identified.

None identified.



15/91 Express Lanes Connector



15/91 Express Lanes Connector



91 Express Lanes



91 Express Lanes



FISCAL YEAR ENDED
JUNE 30, 2023

RCTC 91 EXPRESS LANES FUND

FINANCIAL STATEMENTS

(Enterprise Fund of the
Riverside County Transportation Commission)

Riverside County Transportation Commission
Riverside County, California

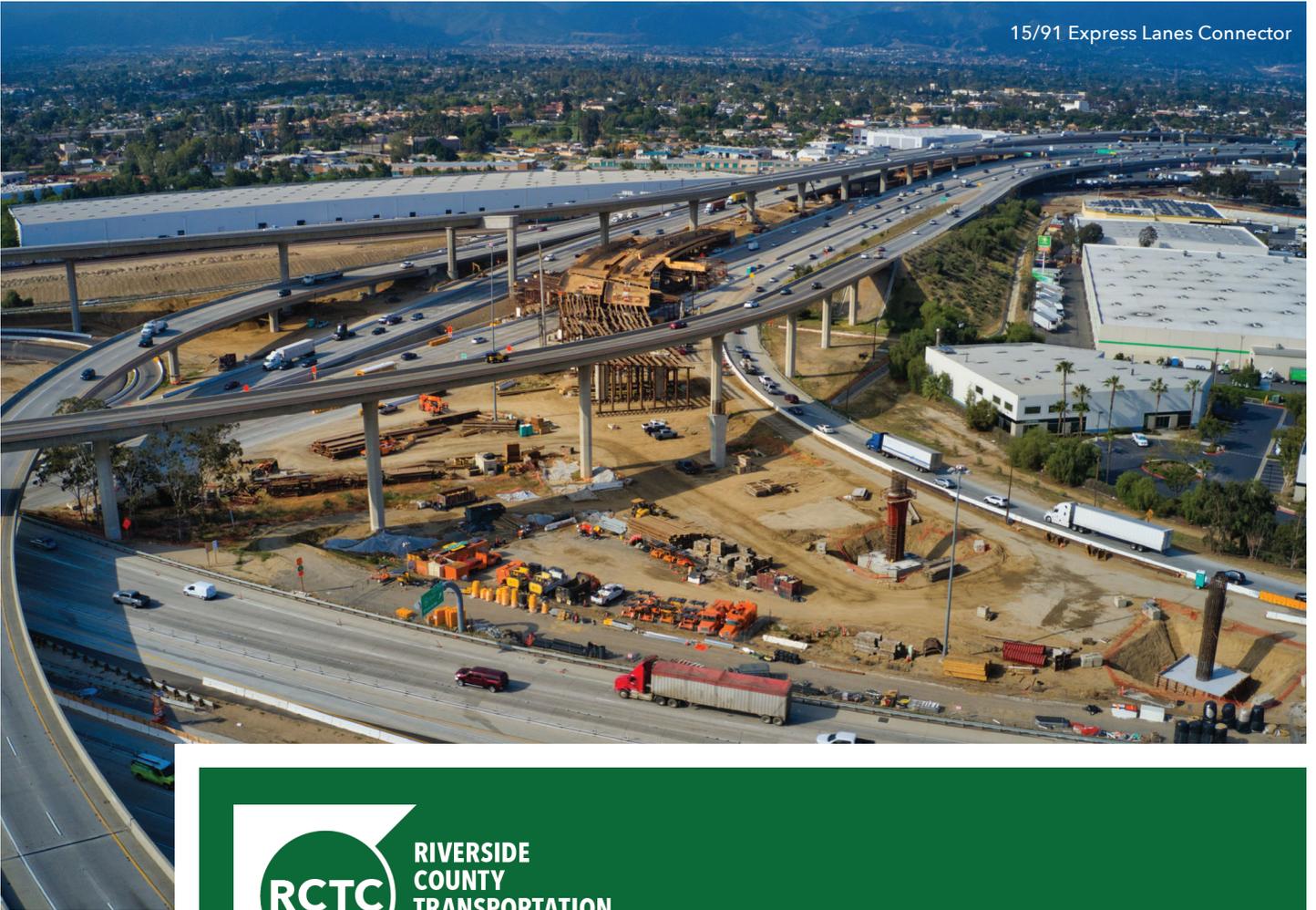


RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements
For the Year Ended June 30, 2023

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RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

INDEPENDENT AUDITOR'S REPORT





CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the RCTC 91 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the RCTC 91 Express Lanes Fund of the Commission, as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the RCTC 91 Express Lanes Fund and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.


Eric Sully LLP
Rancho Cucamonga, California
October 31, 2023



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

MANAGEMENT'S DISCUSSION & ANALYSIS



RCTC 91 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the RCTC 91 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission, we offer readers of the Fund financial statements this narrative overview and analysis of the Fund's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider information on financial performance presented in conjunction with the financial statements that begin on page 11.

Financial Highlights

- At the end of fiscal year (FY) 2022/23, the total net position (deficit) of the Fund was (\$333,152,076) and consisted of net investment (deficit) in capital assets of (\$381,252,809), restricted net position for other post-employment benefits of \$171,632, and restricted net position of \$47,929,101.
- Net position (deficit) of (\$333,152,076) during FY 2022/23 reflects the position after the sixth full year of toll operations. Specifically, the net position deficit increased \$42,639,893 largely due to payments and expense accruals for operations and repair and rehabilitation costs. The eight-mile stretch between Interstate (I) 15 and the Orange/Riverside County line and a tolled direct connector reached substantial completion and opened to motorists on March 20, 2017.
- During FY 2022/23, operating income for the Fund totaled \$24,718,408. Positive operating income was due to operating revenues of \$73,335,918 which include toll, violation penalty, and account fee revenues along with Orange County Transportation Authority (OCTA) reimbursements. Total operating expenses of \$48,617,510 include roadway and toll systems maintenance, customer service, back-office operations, other support costs, and depreciation and amortization.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund's financial statements. The financial statements are comprised of the Fund financial statements and notes to the financial statements.

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

The statement of revenues, expenses and changes in fund net position presents information showing how the Fund's net position changed during the 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 for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information on the cash flows related to operating, noncapital financing, capital and related financing, and investing activities.

The Fund financial statements can be found on pages 13-16 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-31 of this report.

RCTC 91 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

91 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Fund's financial position. At June 30, 2023, the Fund's net position reflected a deficit of \$333,152,076. Our analysis below focuses on net position and changes in net position of the Fund's financial activities.

RCTC 91 Express Lanes Fund
Net Position

	2023	2022
Current and other assets	\$ 78,496,421	\$ 97,713,096
Restricted assets	94,326,728	96,659,743
Capital assets, net	250,014,357	246,296,153
Total assets	<u>422,837,506</u>	<u>440,668,992</u>
Deferred outflows of resources	15,102,893	15,575,869
Total assets and deferred outflows of resources	<u>437,940,399</u>	<u>456,244,861</u>
Current liabilities	38,029,725	15,522,016
Long-term liabilities	732,788,044	730,832,526
Total liabilities	<u>770,817,769</u>	<u>746,354,542</u>
Deferred inflows of resources	274,706	402,502
Total liabilities and deferred inflows of resources	<u>771,092,475</u>	<u>746,757,044</u>
Net position		
Net investment in capital assets	(381,252,809)	(387,552,790)
Restricted	48,100,733	97,040,607
Total net position (deficit)	<u>\$ (333,152,076)</u>	<u>\$ (290,512,183)</u>

FY 2022/23 represents the sixth full year of toll operations for the Fund. Total assets and deferred outflows of resources decreased \$18,307,462, or 4%, due primarily to decreases in cash and investments related to operations and repair and rehabilitation expenses. Total liabilities and deferred inflows of resources increased \$24,335,431 or 3%, primarily due to increases in operating and repair and rehabilitation expenses.

The Fund's net investment in capital assets reflects a deficit of \$381,252,809 and represents (114%) of the total net position (deficit) in FY 2022/23. The Fund's net position reflects its investment in capital assets (i.e., land and land improvements; buildings; toll infrastructure; equipment, furniture, and fixtures; transponders; and toll facility franchise), less any related outstanding debt used to acquire these assets. The Fund uses these capital assets, which include intangible assets, to provide improved mobility for the Fund customers and commuters along the State Route (SR)-91 corridor.

Restricted net position, representing resources subject to external restrictions on how they may be used, was \$48,100,733 and represents 14% of the total net position at June 30, 2023.

RCTC 91 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The analysis below focuses on the changes in net position.

RCTC 91 Express Lanes Fund
Changes in Net Position

	2023	2022
Operating revenues		
Toll, penalties, and fees	\$ 73,335,918	\$ 65,119,434
Total operating revenues	<u>73,335,918</u>	<u>65,119,434</u>
Operating expenses		
Management and operational services	11,153,921	10,471,038
Administrative overhead	1,759,600	1,127,200
Other operating expenses	26,681,088	4,140,069
Professional services	1,159,216	1,751,986
General and administrative	1,592,122	4,323
Depreciation and amortization	6,271,563	9,713,760
Total operating expenses	<u>48,617,510</u>	<u>27,208,376</u>
Operating income	<u>24,718,408</u>	<u>37,911,058</u>
Nonoperating revenues (expenses)		
Investment income (loss)	4,391,910	(3,022,688)
Interest expense	(24,612,767)	(24,395,855)
Cost of issuance	-	(3,783,480)
Loss on refunding	-	(6,733,662)
Capital expenses	(2,498)	-
Gain (loss) on sale of capital assets	-	(7,341,950)
Total nonoperating revenues (expenses)	<u>(20,223,355)</u>	<u>(45,277,635)</u>
Income before transfers	4,495,053	(7,366,577)
Transfers from (to) the Commission, net	<u>(47,134,946)</u>	<u>2,316,546</u>
Change in net position	(42,639,893)	(5,050,031)
Total net position at beginning of year (deficit)	(290,512,183)	(285,462,152)
Total net position at end of year (deficit)	<u>\$ (333,152,076)</u>	<u>\$ (290,512,183)</u>

The Fund's total operating revenues increased \$8,216,484, or 13%, due to higher toll and violation revenues, resulting from periodic toll rate changes based on traffic volumes according to the toll policy. During FY 2022/23 periodic toll rate changes were made based on changes in traffic volumes according to the approved toll policy. Total operating expenses increased \$21,409,134, or 79%, primarily due to increases in repair and rehabilitation costs. Nonoperating expenses (net of nonoperating revenues) decreased \$25,054,280, or 55%, primarily due to the one-time debt issuance for the 2021 Toll Revenue Refunding Bonds issued in the previous year to pay the 2013 Toll Revenue Bonds and prepayment of the TIFIA loan with the issuance of the 2021 Toll Revenue Refunding Bonds. Net transfers to the Commission increased by \$49,451,492 as a result of the transfer of surplus funds for the 15/91 Express

RCTC 91 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Lanes project completion. Total traffic volume on the RCTC 91 Express Lanes Fund during FY 2022/23 was approximately 16,689,800 trips compared to 16,779,000 trips in FY 2021/22.

Transfer of surplus funds are related to the accumulation of prior year revenues and not a current year operating revenue transfer. The 91 Express Lanes surplus revenues will meet its funding commitment in the upcoming fiscal year.

Capital Assets

As of June 30, 2023, the Fund had \$250,014,357, net of accumulated depreciation and amortization, invested in a broad range of capital assets including: land and land improvements; construction easements; construction in progress; buildings; toll infrastructure comprised of communication equipment and computer hardware and software; equipment, furniture, and fixtures; toll facility franchise; leased assets, and transponders. The increase of \$3,718,204, or 2%, was due to the increase in construction in progress and transfer of excess land, offset by the decrease in toll facility franchise due to depreciation.

RCTC 91 Express Lanes Fund
Capital Assets, Net of Depreciation and Amortization

	2023	2022
Capital assets not being depreciated:		
Land and land improvements	\$ 18,678,656	\$ 11,431,881
Construction easements	206,307	206,307
Construction in progress	6,229,120	4,614,768
Capital assets being depreciated and amortized:		
Toll infrastructure	4,515,784	4,436,388
Toll facility franchise	219,713,090	224,735,103
Transponders	-	9,888
Buildings	378,010	514,764
Equipment, furniture, and fixtures	11,578	16,231
Right to use lease assets being amortized:		
Buildings	281,812	330,823
Total capital assets, net	<u>\$ 250,014,357</u>	<u>\$ 246,296,153</u>

More detailed information about the Fund's capital assets is presented in note 4 to the financial statements.

Debt Administration

As of June 30, 2023, the Fund had \$734,891,709 outstanding in toll revenue bonds. The increase of \$1,857,245, or less than 1%, is due to the increases in the compounded and accreted interest on the toll-supported long-term debt, including premium.

RCTC 91 Express Lanes Fund
Management’s Discussion and Analysis
For the Year Ended June 30, 2023

RCTC 91 Express Lanes Fund
Outstanding Debt

	2023	2022
Toll revenue bonds	\$ 734,891,709	\$ 733,034,464
Total outstanding debt	<u>\$ 734,891,709</u>	<u>\$ 733,034,464</u>

Additional information on long-term debt can be found in note 6 to the financial statements.

Economic and Other Factors

The Fund makes up \$74,435,400 or 9% of Commission’s FY 2023/24 revenue budget. In FY 2023/24, toll and non-toll revenues are forecasted to increase by 16% over the FY 2022/23 budget. This increase is based on estimated toll transactions and current traffic and revenue data. The RCTC 91 Express Lanes have exceeded initial financing expectations, and the Commission’s traffic consultant updated the investment grade and traffic and revenue study in December 2018. The average projected long-term rate of growth for toll road revenues beyond FY 2023/24 is 5.03%.

The majority of expenses related to the Fund within FY 2023/24 budget are on-going general costs related to day-to-day operations of the toll facility. As a fully electronic toll facility, motorists pay tolls through the convenient use of FasTrak® transponders that automatically deduct toll charges from a prepaid account.

Under a cooperative agreement entered into with OCTA in December 2011, the RCTC 91 Express Lanes are jointly operated with the OCTA 91 Express Lanes and collectively referred to as the 91 Express Lanes. The Commission and OCTA agreed on the use of the same initial operator, cost and revenue sharing, business rules, interoperability of technology, and shared marketing activities. The joint operation allows for the sharing of costs and a seamless customer experience.

Contacting 91 Express Lane’s Management

This financial report is designed to provide a general overview of the Fund’s finances for all those with an interest in the government’s finances and to demonstrate the Fund’s accountability for the money it receives. Questions concerning any of the information provide in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at the Riverside County Transportation Commission, 4080 Lemon Street, 3rd Floor, P.O. Box 12008, Riverside, CA 92502-2208.





RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

FINANCIAL STATEMENTS



RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Net Position
June 30, 2023

Assets	
Current assets:	
Cash and investments	\$ 74,321,586
Receivables	
Accounts	2,500,377
Interest	1,448,791
Violations	33,668
Prepaid expenses	137,697
Total current assets	<u>78,442,119</u>
Noncurrent assets:	
Restricted cash and investments	94,326,728
Net other post-employment benefits assets	54,302
Capital assets, net	
Nondepreciable	25,114,083
Depreciable and amortizable	224,618,462
Right to use lease asset	281,812
Total noncurrent assets	<u>344,395,387</u>
Total assets	<u>422,837,506</u>
Deferred outflows of resources	
Pension benefits	707,709
Other post-employment benefits	158,076
Loss on refunding bonds	14,237,108
Total assets and deferred outflows of resources	<u>437,940,399</u>
Liabilities	
Current liabilities:	
Accounts payable	9,276,311
Interest payable	1,852,837
Due to other Commission funds	24,247,520
Other liabilities	536
Compensated absences liability	69,199
Lease payable	45,947
Bonds payable - due within one year	2,537,375
Total current liabilities	<u>38,029,725</u>
Noncurrent liabilities:	
Net pension liabilities	143,988
Compensated absences liability	44,493
Lease payable	245,229
Bonds payable - due in more than one year	732,354,334
Total noncurrent liabilities	<u>732,788,044</u>
Total liabilities	<u>770,817,769</u>
Deferred inflows of resources	
Pension benefits	233,960
Other post-employment benefits	40,746
Total liabilities and deferred inflows of resources	<u>771,092,475</u>
Net position	
Net investment (deficit) in capital assets	(381,252,809)
Restricted for other post-employment benefits	171,632
Restricted for express lanes	47,929,101
Total net position (deficit)	<u>\$ (333,152,076)</u>

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Revenues, Expenses and Change in Fund Net Position
For the Year Ended June 30, 2023

Operating revenues		
Tolls, penalties, and fees	\$	73,335,918
Operating expenses		
Management and operational services		11,153,921
Administrative overhead		1,759,600
Other operating expenses		26,681,088
Professional services		1,159,216
General and administrative expenses		1,592,122
Depreciation and amortization		6,271,563
Total operating expenses		48,617,510
Operating income		24,718,408
Nonoperating revenues (expenses)		
Investment income (loss)		4,391,910
Interest expense		(24,612,767)
Capital expenses		(2,498)
Total nonoperating revenues (expenses)		(20,223,355)
Income before transfers		4,495,053
Transfers		
Contributions from Commission governmental funds		7,246,775
Transfers in from Enterprise funds		43
Transfers out to Commission governmental funds		(54,381,764)
Total transfers		(47,134,946)
Change in net position		(42,639,893)
Net position (deficit) at beginning of year		(290,512,183)
Net position (deficit) at end of year	\$	(333,152,076)

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities		
Receipts from customers and users	\$	69,746,783
Payments to vendors		(34,870,474)
Payments to employees		(1,077,086)
Payments for RCTC interfund services used		(1,099,448)
Net cash provided by operating activities		32,699,775
Cash flows from noncapital financing activities		
Transfers of surplus funds to governmental activities		(30,669,088)
Net cash used for noncapital financing activities		(30,669,088)
Cash flows from capital and related financing activities		
Interest paid on long-term debt		(22,201,017)
Acquisition of capital assets		(2,739,025)
Net cash used for capital and related financing activities		(24,940,042)
Cash flows from investing activities		
Interest		3,075,499
Net cash provided by investing activities		3,075,499
Net increase in cash and cash equivalents		(19,833,856)
Cash and cash equivalents at beginning of year		190,032,778
Cash and cash equivalents at end of year	\$	170,198,922
Reconciliation of cash and cash equivalents to statement of net position		
Cash and investments	\$	74,321,586
Add: fair value adjustment		1,550,608
		75,872,194
Restricted cash and investments		94,326,728
Total cash and cash equivalents	\$	170,198,922

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows, Continued
For the Year Ended June 30, 2023

Reconciliation of operating income to net cash provided by (used for) operating activities		
Operating income	\$	24,718,408
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation and amortization expense		6,271,563
Change in assets and liabilities		
(Increase) Decrease in violations receivables		10,198
(Increase) Decrease in other receivables, net		(75,839)
(Increase) Decrease in due from other Commission funds		2,547,235
(Increase) Decrease in prepaid assets		20,096
Increase (Decrease) in pension and post-employment benefit assets, net of deferred items		472,182
Increase (Decrease) in accounts payable		(1,387,424)
Increase (Decrease) in due to other Commission funds		95,042
Increase (Decrease) in compensated absences liability		28,314
Total adjustments		<u>7,981,367</u>
Net cash provided by operating activities	\$	<u><u>32,699,775</u></u>
Noncash capital, financing and investing activities		
Amortization of bond premium	\$	2,537,375
Amortization of loss on bond refunding		(547,581)
Accrued and compounded interest		4,394,620
Net increase in the fair value of investments		169,727
Contributions from governmental activities		7,246,775

See notes to financial statements

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 1. Reporting Entity

After more than a decade of work, which includes approximately three years of construction, the Riverside County Transportation Commission (Commission) achieved substantial completion on the SR-91 Corridor Improvement (91 Project) on March 20, 2017, including express lane and general-purpose lane improvements. In achieving substantial completion, the RCTC 91 Express Lanes opened to traffic and tolling commenced. The RCTC 91 Express Lanes cover an eight-mile stretch on SR-91 between I-15 and the Orange/Riverside County line and a tolled direct connector.

The RCTC 91 Express Lanes Fund (Fund) is reported as a major enterprise fund in the Commission's basic financial statements. The accompanying financial statements present the net position, changes in net position, and cash flows of the Fund only. They do not purport to, and do not, present the overall financial position of the Commission or its changes in net position as of June 30, 2023.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting: The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenue is recognized when the customers utilize the toll road facility and payment is collected.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal and ongoing operations. The principal operating revenues of the Fund are charges to customers for use of the toll facility. Operating expenses for the Fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations consist of uncollected violation tolls and penalties. Unpaid violations of \$65,411,641 as of June 30, 2023 are not recognized as revenue until payment is received. If violations and penalties remain owed for more than 90 days, they are turned over to the collection agency. Unpaid violations remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with the Investment Policy adopted by the Board of Commissioners in December 2022. The Investment Policy complies with the California Government Code (Code). Investments of bond proceeds as permitted by the applicable debt documents are maintained with U.S. Bank as trustee. Separate investment accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. The Fund participates in the Riverside County Pooled Investment Fund (RCPIF). Cash from other Commission revenue sources is commingled for investment purposes in the RCPIF, with investment earnings allocated to the different accounts based on average daily account balances.

The Commission holds investments that are measured at fair value on a recurring basis. Investments in U.S. Treasury obligations, U.S. agency securities, corporate notes, mortgage and asset-backed securities, and municipal bonds are carried at fair value based on quoted market prices, except for money market investments, which are carried at amortized cost which approximates fair value. The RCPIF is carried at fair value based on the value of each participating dollar as provided by RCPIF.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Cash and cash equivalents: For the purpose of the statement of cash flows, the Commission considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, commercial paper notes, money market funds, negotiable certificates of deposit, and the Fund's share of the RCPIF represent cash and cash equivalents for cash flow purposes.

Restricted cash and investments: Investments set aside in the Senior Lien Obligations Reserve Fund, Senior Lien Capitalized Interest Fund, Senior Lien Principal Fund, Senior Lien Interest Fund, Second Lien Obligation Reserve Fund, Repair and Rehabilitation Fund, and Toll Revenue Fund are pursuant to the terms of the 2013 Indenture, as amended by the fourth Supplemental Indenture and its use is limited by applicable debt terms and conditions.

Permitted investments per the debt indentures include government obligations, State of California and local agency obligations, banker's acceptances, commercial paper notes, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, RCPIF, and variable and floating rate securities.

Receivables: Accounts receivables include amounts due from other California toll road agencies related to their customers' use of the RCTC 91 Express Lanes, as well as amounts owed from the Orange County Transportation Authority (OCTA) in accordance with a cooperative agreement.

Capital assets: Capital assets include land and land improvements; construction easements; construction in progress; toll infrastructure; buildings; equipment, furniture, and fixtures; leased assets, toll facility franchise; and transponders. Capital assets are defined by the Fund as assets with an initial, individual cost of more than \$100,000 and a useful life in excess of three years. It is also the Fund's policy to capitalize transponder purchases, as they are considered a significant class of assets even though individually under \$100,000. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life
Buildings	10 years
Equipment, furniture and fixtures	3 to 5 years
Temporary construction easements	1 to 3 years
Toll facility franchise	50 years
Toll infrastructure	5 to 10 years
Transponders	5 years

In May 2012 the Commission entered into a toll facility agreement with California's Department of Transportation (Caltrans) and obtained authority to toll the SR-91 from the Orange County/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. The RCTC 91 Express Lanes opened on March 20, 2017.

Right to use lease assets: The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into place. The right to use assets are amortized on a straight-line basis over the life of the related lease.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. As of June 30, 2023, the Fund has deferred outflows of resources related to pension, other post-employment benefits (OPEB), and loss on refunding bonds.

Due to other Commission funds: During the course of operations, transactions occur between Commission governmental funds involving goods provided and services rendered.

Compensated absences: Vacation hours accumulated and not taken at year-end is reported as a long-term liability, net of current portion, in the Fund.

Sick leave is recorded as an expense when taken by the employee. Employees with continuous five years of service have the option of being paid for sick leave accumulated in excess of 240 hours at a rate of 50% (i.e., one hour's pay for every two hours in excess of 240). Any sick leave in excess of 240 hours is accrued at fiscal year-end, and a liability is reported in the Fund.

Pensions: For purposes of measuring the net pension liabilities and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment benefits other than pensions: For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Lease Payable: During the year ended June 30, 2023, the Fund recognized lease liabilities of \$291,176. The liability is the right to use leased building.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Fund has deferred inflows of resources related to pension and other post-employment benefits.

Risk management: The Fund purchases commercial property insurance including business interruption, earthquake, and flood coverage related to the toll facility.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Net position: Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into two categories:

- *Net investment (deficit) in capital assets* consists of capital and intangible assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.
- *Restricted net position* represents restricted assets less liabilities related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants). The statement of net position includes restricted net position for the portion of net toll revenues restricted by the 2013 Master Indenture, as amended by the fourth Supplemental Indenture for toll operations.

The deficit in net investment in capital assets will be reduced by future toll revenues for the payment of outstanding toll obligations.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumption that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 3. Cash and Investments

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

Cash in bank	\$	158,301
Investments		
With RCIPIF		74,163,285
With Trustee		94,326,728
Total investments		168,490,013
Total cash and investments	\$	168,648,314

Total cash and investments are reported in the financial statements as:

Unrestricted cash and investments	\$	74,321,586
Restricted cash and investments		94,326,728
Total cash and investments	\$	168,648,314

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Fund as of June 30, 2023:

Investments by fair value level:	June 30, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Mortgage and asset-backed securities	\$ 24,946,257	\$ -	\$ 24,946,257
U.S. Treasury obligations	10,398,542	10,398,542	-
Money market mutual funds	36,924,631	36,924,631	-
U.S. agency securities	8,021,198	-	8,021,198
Corporate notes	10,396,376	-	10,396,376
Commercial paper	699,013	-	699,013
Municipal bonds	2,940,711	-	2,940,711
Total investments measured at fair value	94,326,728	\$ 47,323,173	\$ 47,003,555
Investments not subject to fair value hierarchy:			
RCPIF	74,163,285		
Total investments	\$ 168,490,013		

Investments classified in Level 1 of the value hierarchy, valued at \$ 47,323,173 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$24,946,257, U.S. agency securities totaling \$8,021,198, corporate notes totaling \$10,396,376, commercial paper totaling \$699,013, and municipal bonds totaling \$2,940,711, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2023, the Fund has the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Years)
RCPIF	\$ 74,163,285	\$ 75,713,893	0.210% - 6.00%	6/30/23 - 6/30/28	1.300
Held by Trustee					
Commercial paper	699,013	693,070	5.483	7/10/23	0.027
Corporate notes	10,396,376	10,530,157	0.350% - 5.896%	10/26/23 - 10/15/27	1.571
Money market mutual funds	36,924,631	36,924,631	4.556% - 4.706%	N/A	20 days or 0.055
Mortgage and asset-backed securities	24,946,257	25,933,742	0.983% - 5.223%	7/25/23 - 9/16/55	6.232
Municipal bonds	2,940,711	2,957,019	0.654% - 4.585%	7/1/23 - 11/1/30	2.116
U.S. agency securities	8,021,198	8,130,448	0.657% - 5.757%	4/8/24 - 11/16/28	1.451
U.S. Treasury obligations	10,398,542	10,639,644	0.127% - 2.343%	10/15/23 - 8/15/30	1.191
Total Investments	\$ 168,490,013	\$ 171,522,604			
			Unrestricted investment portfolio weighted average		12.372

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

As of June 30, 2023, mortgage and asset-backed securities totaled \$24,946,257. The underlying assets are consumer receivables that include credit cards, auto/equipment, and home loans. The securities have a fixed interest rate and are rated Aaa/AAA by least two of the three nationally recognized statistical rating organizations.

Deposits and withdrawals in the RCPIF are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the Fund's investment at June 30, 2023 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. In accordance with the Commission's investment policy, restricted investments are invested in accordance with the maturity provisions of the specific bond indenture, which may extend beyond five years.

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 (e.g., broker-dealer) 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 Commission's investment policy requires that a third-party bank trust department hold all securities owned by the Commission. All trades are settled on a delivery versus payment basis through the Commission's safekeeping agent.

The Fund's cash deposits are included in the overall Commission's deposits. Bank balances over \$5,000,000 are swept daily into a money market account. Of the bank balance, up to \$250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of \$250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Credit risk: The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following table is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2023; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Investments	Moody's	S&P	% of Portfolio
RCPIF	Aaa-bf	NR	44.02%
Commercial paper			
Various	P-2	A-2	0.41%
Corporate	A1	A	0.68%
Notes	A1	A-	0.99%
Notes	A1	BBB+	0.36%
Notes	A2	A	0.60%
Notes	A2	A-	0.41%
Notes	A2	BBB+	0.06%
Notes	A3	A	0.27%
Notes	A3	A-	0.35%
Notes	AAA	AAA	0.23%
Notes	AAA	NR	0.47%
Notes	NR	A-1+	0.11%
Notes	NR	AAA	1.64%
Money market mutual funds			
Funds	AAA	AAA	21.92%
Mortgage and asset backed securities			
Securities	AA+	N/A	0.06%
Securities	AAA	NR	0.19%
Securities	AAA	AAA	0.15%
Securities	AAA	NR	0.38%
Securities	NR	AA+	13.59%
Securities	NR	AAA	0.43%
Municipal bonds			
County of San Diego Regional Airport Authority	A2	NR	0.20%
Florida Housing Finance Corporation	AAA	NR	0.30%
Forsyth County, Georgia School District	AAA	AAA	0.28%
Port Authority of New York and New Jersey	AA3	AA-	0.25%
State of Connecticut	AA3	AA-	0.18%
University of Washington	AAA	AA+	0.18%
Wisconsin Housing Economic Development Authority	VMIG1	A-1	0.36%
U.S. agency securities			
Notes	AAA	AA+	4.60%
Notes	AAA	NR	0.16%
U.S. Treasuries			
Treasury	NR	NR	6.17%
Total			100.00%

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-U.S. Government or non-federal agency issuer. As of June 30, 2023, the Commission did not have investments in any one issuer that represents more than 5% of the Commission's total investments.

Note 4. Capital Assets

Capital assets activity for the Fund for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land and land improvements	\$ 11,431,881	\$ 7,246,775	\$ -	\$ 18,678,656
Construction easements	206,307	-	-	206,307
Construction in progress	4,614,768	1,614,352	-	6,229,120
Total capital assets not being depreciated	16,252,956	8,861,127	-	25,114,083
Capital assets being depreciated and amortized:				
Toll infrastructure	31,993,331	1,124,674	-	33,118,005
Transponders	453,818	-	-	453,818
Buildings	1,163,847	-	-	1,163,847
Equipment, furniture, and fixtures	69,855	3,966	-	73,821
Toll facility franchise	250,692,492	-	-	250,692,492
Total capital assets being depreciated and amortized:	284,373,343	1,128,640	-	285,501,983
Less accumulated depreciation and amortization for:				
Toll infrastructure	(27,556,943)	(1,045,278)	-	(28,601,221)
Transponders	(443,930)	(9,888)	-	(453,818)
Buildings	(649,083)	(136,754)	-	(785,837)
Equipment, furniture, and fixtures	(53,624)	(8,619)	-	(62,243)
Toll facility franchise	(25,957,389)	(5,022,013)	-	(30,979,402)
Total accumulated depreciation	(54,660,969)	(6,222,552)	-	(60,883,521)
Total capital assets being depreciated and amortized, net	229,712,374	(5,093,912)	-	224,618,462
Right to use leased assets:				
Buildings	379,834	-	-	379,834
Accumulated amortization	(49,011)	(49,011)	-	(98,022)
Total right to use lease assets	330,823	(49,011)	-	281,812
Capital assets, net	\$ 246,296,153	\$ 3,718,204	\$ -	\$ 250,014,357

On May 14, 2012, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the SR-91 from Orange/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. The agreement also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the RCTC 91 Express Lanes.

The Fund has recorded one right to use leased asset. The asset is a right to use leased building. The related lease liability is discussed in the long-term obligations section. The right to use lease assets are amortized on a straight-line basis over the terms of the related lease.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 5. Interfund Transactions

Due from/to other Commission funds: The composition of balances related to due from other funds and due to other funds of the Commission at June 30, 2023 is as follows:

Payable Fund	Receivable Fund	Amount	Explanation
RCTC 91 Express Lanes Enterprise fund	Commission's General fund	\$ (459,400)	Administrative cost allocation
RCTC 91 Express Lanes Enterprise fund	Commission's General fund	(63,342)	Fringe benefits allocation
RCTC 91 Express Lanes Enterprise fund	Commission's General fund	(432,608)	91 Corridor Operations project costs allocations
RCTC 91 Express Lanes Enterprise fund	Commission's General fund	(23,292,170)	15/91 Express Lanes Connector project costs allocations
Total due from (to) other Commission funds, net		<u>\$ (24,247,520)</u>	

Transfers to/from other Commission funds: During 2023, transfers to/from other Commission funds were as follows:

Transfer Out	Transfer In	Amount	Explanation
RCTC 91 Express Lanes Enterprise fund	Commission's Special Revenue fund	\$ (53,949,156)	Transfer of surplus funds to fund the 15/91 Express Lane project
RCTC 91 Express Lanes Enterprise fund	Commission's Special Revenue fund	(432,608)	Transfer of surplus funds to fund the 91 Corridor Operations project costs allocations
Commission's Special Revenue fund	RCTC 91 Express Lanes Enterprise fund	7,246,775	Transfer of capital
15 Express Lanes Enterprise fund	RCTC 91 Express Lanes Enterprise fund	43	Transfer of interest
Total transfers out to other Commission funds		<u>\$ (47,134,946)</u>	

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	Balance June 30, 2022	Additions / Accretion	Reductions	Balance June 30, 2023	Due Within One Year
Toll revenue bonds:					
2013 Bonds	\$ 63,606,952	\$ 4,394,620	\$ -	\$ 68,001,572	\$ -
2021 Bonds	615,059,000	-	-	615,059,000	-
Toll revenue premium	54,368,512	-	(2,537,375)	51,831,137	2,537,375
Total bonds payable, net	<u>733,034,464</u>	<u>4,394,620</u>	<u>(2,537,375)</u>	<u>734,891,709</u>	<u>2,537,375</u>
Lease liability	335,578	-	(44,402)	291,176	45,947
Compensated absences liability	85,378	191,361	(163,047)	113,692	69,199
Total long-term obligations	<u>\$ 733,455,420</u>	<u>\$ 4,585,981</u>	<u>\$ (2,744,824)</u>	<u>\$ 735,296,577</u>	<u>\$ 2,652,521</u>

In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue capital interest bonds (CIBs), pay the purchase price of the 2013 Toll Revenue CIBs accepted for tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue capital appreciation bonds (CABs) maturing in the years 2022 through 2025 and 2027 through 2029. The amount outstanding on the 2013 Toll Revenue CABs at June 30, 2023 was \$20,347,880. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds. A portion of the proceeds from the sale of the 2021 Toll Refunding Bonds and the available funds deposited with an escrow agent in separate irrevocable trusts will be used to service the future debt requirements of the refunded 2013 Toll Revenue CIBs and 2013 Toll Revenue CABs.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Long-Term Obligations, Continued

2013 Toll Revenue Bonds, Series B (Capital Appreciation Obligation):

Outstanding

In July 2013, the Commission issued \$52,829,602 principal amount of serial CABs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay costs of issuance. In October 2021, the Commission refunded a portion of the 2013 Series B Senior Bonds. The CABs will not pay current interest as interest will be compounded commencing December 2021 semiannually and paid at maturity. Therefore, the CABs will increase in value, or accrete, by the accumulation of such compounded interest from its initial principal amount to the maturity value in installments ranging from \$4,580,000 to \$34,220,000 on various dates from June 1, 2025 through June 1, 2043. Interest rates and yield to maturity range from 3.00% to 4.00%. During 2023, the accretion amount was \$4,394,621; the aggregate accretion through June 30, 2023 is \$7,018,372.

\$ 68,001,572

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2013 Toll Revenue Bonds CABs payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Accreted Interest	Total
2024	\$ -	\$ 4,699,700	\$ 4,699,700
2025	3,696,600	5,025,700	8,722,300
2026	3,681,000	5,095,100	8,776,100
2027	3,312,500	5,145,400	8,457,900
2028	4,179,600	5,203,100	9,382,700
2029-2033	21,580,500	24,823,300	46,403,800
2034-2038	3,451,400	20,572,400	24,023,800
2039-2043	21,081,600	22,538,700	43,620,300
	<u>\$ 60,983,200</u>	<u>\$ 93,103,400</u>	<u>\$ 154,086,600</u>

2021 Toll Revenue Refunding Bonds, Series A:

Outstanding

In October 2021, the Commission issued \$88,735,000 principal amount to (i) refund a portion of the Commission's outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (current interest obligations), (ii) fund capitalized interest with respect to the 2021 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which secured the 2021 Series A Senior Bonds and the 2013 Series B Senior Bonds), and (iv) pay certain costs of issuance of the 2021 Series A Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series A mature in annual installments ranging from \$2,305,000 to \$27,750,000 on various dates from June 1, 2030 to June 1, 2041 at interest rates from 2.477% to 3.335%.

\$88,735,000

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Long-Term Obligations, Continued

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 2,725,300	\$ 2,725,300
2025	-	2,725,300	2,725,300
2026	-	2,725,300	2,725,300
2027	-	2,725,300	2,725,300
2028	-	2,725,300	2,725,300
2029-2033	12,415,000	13,071,200	25,486,200
2034-2038	61,715,000	6,795,900	68,510,900
2039-2041	14,605,000	1,461,500	16,066,500
	<u>\$ 88,735,000</u>	<u>\$ 34,955,100</u>	<u>\$ 123,690,100</u>

2021 Toll Revenue Refunding Bonds, Series B-1:

Outstanding

In October 2021, the Commission issued \$437,895,000 principal amount at a premium of \$46,512,600 to (i) refund and prepay a portion of the Commission's outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement, (ii) pay the purchase price of 2013 Series A Senior Bonds accepted for tender for cash, (iii) make a deposit to the 2021 Series B Senior Bonds Reserve Account, and (iv) pay certain costs of issuance of the 2021 Series B Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-1 mature in annual installments ranging from \$5,010,000 to \$65,105,000 on various dates from June 1, 2037 to June 1, 2049 at interest rates from 3.000 to 4.000%. \$ 437,895,000

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 16,065,800	\$ 16,065,800
2025	-	16,065,800	16,065,800
2026	-	16,065,800	16,065,800
2027	-	16,065,900	16,065,900
2028	-	16,065,900	16,065,900
2029-2033	-	80,329,200	80,329,200
2034-2038	66,740,000	79,076,600	145,816,600
2039-2043	134,480,000	53,619,200	188,099,200
2044-2048	200,760,000	25,800,200	226,560,200
2049	35,915,000	1,077,700	36,992,700
	<u>\$ 437,895,000</u>	<u>\$ 320,232,100</u>	<u>\$ 758,127,100</u>

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Long-Term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series B-2:

Outstanding

In October 2021, the Commission issued \$12,734,000 principal amount together with the 2021 Series B-1 Senior Bonds, the 2021 Series B Senior Bonds exchanged for the 2013 Series A Senior Bonds accepted a tender for exchange. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-2 mature in annual installments ranging from \$1,894,000 to \$5,420,000 on various dates from June 1, 2044 to June 1, 2048 at an interest rates of 3.000%.

\$ 12,734,000

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 382,000	\$ 382,000
2025	-	382,000	382,000
2026	-	382,000	382,000
2027	-	382,000	382,000
2028	-	382,000	382,000
2029-2033	-	1,910,100	1,910,100
2034-2038	-	1,910,100	1,910,100
2039-2043	-	1,910,100	1,910,100
2044-2048	12,734,000	1,520,300	14,254,300
	<u>\$ 12,734,000</u>	<u>\$ 9,160,600</u>	<u>\$ 21,894,600</u>

2021 Toll Revenue Refunding Bonds, Series C:

Outstanding

In October 2021, the Commission issued \$75,695,000 principal amount at a premium of \$9,455,800, to (i) refund and prepay the remaining portion of the Commission's outstanding TIFIA Obligations and (ii) pay certain costs of issuance of the 2021 Series C Second Lien Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series C mature in annual installments ranging from \$17,585,000, to \$58,110,000 on various dates from June 1, 2046 to June 1, 2047 at an interest rate of 4.000%.

\$ 75,695,000

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 3,027,800	\$ 3,027,800
2025	-	3,027,800	3,027,800
2026	-	3,027,800	3,027,800
2027	-	3,027,800	3,027,800
2028	-	3,027,800	3,027,800
2029-2033	-	15,139,000	15,139,000
2034-2038	-	15,139,000	15,139,000
2039-2043	-	15,139,000	15,139,000
2044-2047	75,695,000	9,786,800	85,481,800
	<u>\$ 75,695,000</u>	<u>\$ 70,342,800</u>	<u>\$ 146,037,800</u>

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Long-Term Obligations, Continued

Lease Liability: The Fund has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 *Leases*, and therefore, have been recorded at the present value of the future minimum lease payments at the date of its inception.

On November 11, 2019 the Fund entered into a 120-month lease as a lessee for the use of 301 Corporate Terrace Circle, Corona Ca. An initial lease liability was recorded in the amount of \$379,834. As of June 30, 2023, the value of the lease liability is \$291,176. The Fund is required to make quarterly fixed payments of \$12,172. The lease has an interest rate of 1.7670%. The value of the right to use asset as of June 30, 2023 was \$379,834 with accumulated amortization of \$98,022. The following table presents the principal and interest payments to maturity:

Year Ending June 30	Principal	Interest	Total
2024	\$ 45,948	\$ 4,844	\$ 50,792
2025	47,975	4,018	51,993
2026	50,039	3,157	53,196
2027	51,988	2,259	54,247
2028	53,669	1,330	54,999
2029	41,557	368	41,925
Total	<u>\$ 291,176</u>	<u>\$ 15,976</u>	<u>\$ 307,152</u>

Note 7. Commitments and Contingencies

Cooperative agreements: The RCTC SR-91 Express lanes are jointly operated with the existing OCTA 91 Express Lanes and collectively referred to as the 91 Express Lanes.

Under the Orange-Riverside Cooperative Agreement, which was entered into in December 2011, the Commission and OCTA agreed on the use of the same initial toll operator, cost and revenue sharing, business rules, interoperability of technology, and marketing activities as well as OCTA review of design plans and construction activities for the 91 Project.

In May 2013 the Commission entered into a three-party agreement with OCTA and the third-party toll operator, for the operations of the 91 Express Lanes. This will ensure streamlined and consistent intercounty travel for motorists on the OCTA 91 Express Lanes in Orange County and RCTC 91 Express Lanes in Riverside County. The third-party operator provides operating services to the Commission in the annual amount of \$6,08,538 plus inflation for five initial years with two extension options, subject to Board of Commissioners approval. The third-party operator is responsible for the day-to-day operations of the toll facility; another contractor is responsible for maintaining the roadside toll collection system under a separate agreement with the Commission. The agreement with the third-party operator expired March 6, 2022.

In November 2019, the Commission awarded an agreement to the third-party operator to develop and install a new back-office system and to provide express lane operator services, including the back office and customer services center. The agreement is a three-party contract including OCTA. The contract has a five-year term beginning upon completion and implementation of the new back-office system, plus two 3-year options, to operate both the OCTA and RCTC 91 Express Lanes. The operating term began on March 7, 2022 with the conversion to the new back-office system.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 7. Commitments and Contingencies, Continued

Purchase commitments: The Fund has entered into other agreements in the ordinary course of business with companies and other governmental agencies related to operations and maintenance. These agreements, which are significant, are funded with available and future revenues.

The Commission is party to an ongoing litigation which if settled, would be material to the Fund. Due to the nature of the litigation outlays, if any, would be recorded as a capital asset in the fiscal year paid.

Note 8. Pensions and Other Post-Employment Benefits Other Than Pensions

The Fund participates in the Commission's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System and the Commission's OPEB. Employees of the Fund are employees of the Commission as a whole. The required note disclosures regarding pension plans and OPEB are included in the Commission's financial statements. Please see those financial statements for information about the pension plans and OPEB as a whole.

The net pension liabilities of \$143,988 and net OPEB asset of \$54,302, reported by the Fund, represent the Fund's proportional share of the Commission's net pension liabilities of \$1,868,313 and net OPEB asset of \$704,600. The Fund's net pension asset and net OPEB asset each represent 7% of the Commission's net pension liability and net OPEB asset, respectively. For the year ended June 30, 2023, the Fund's contributions recognized as part of pension and OPEB expenses were \$514,834 and (\$42,652), respectively.

Note 9. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2023 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 99, *Omnibus 2022 (The requirements related to financial guarantees and the classification and reporting derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter).*
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023; and
- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023.



**RIVERSIDE
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COMMISSION**

**Riverside County
Transportation Commission**

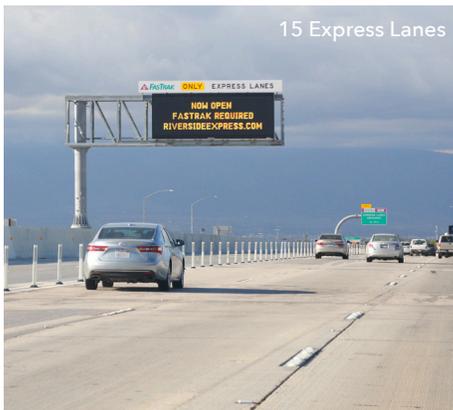
(951) 787-7141 · www.rctc.org
4080 Lemon Street, 3rd Floor
P.O. Box 12008 · Riverside, CA
92502-2208



15 Express Lanes



15/91 Express Lanes Connector



15 Express Lanes



15 Express Lanes



FISCAL YEAR ENDED
JUNE 30, 2023

15 EXPRESS LANES FUND FINANCIAL STATEMENTS

(Enterprise Fund of the
Riverside County Transportation Commission)

Riverside County Transportation Commission
Riverside County, California

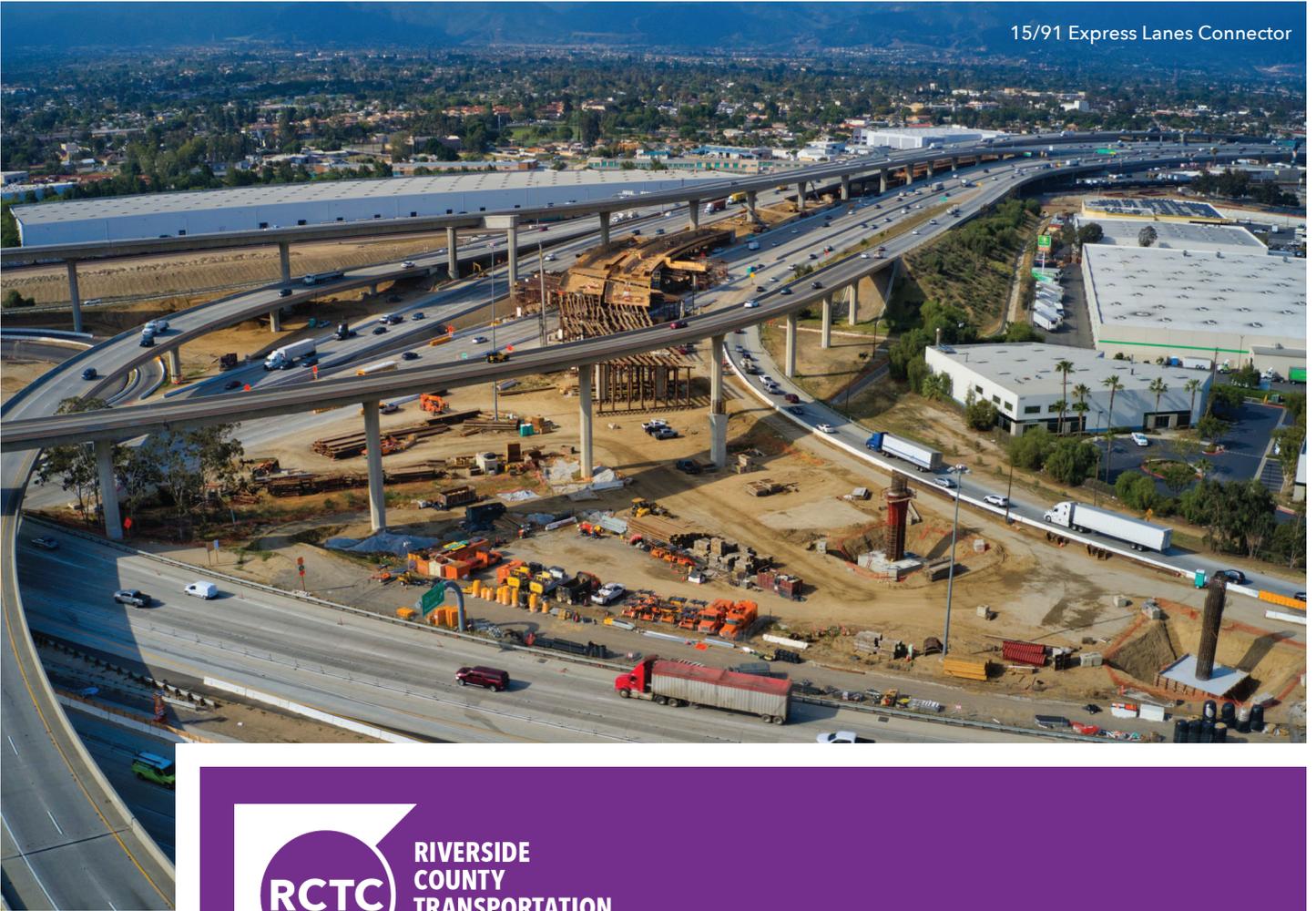


15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements
For the Year Ended June 30, 2023

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RIVERSIDE
COUNTY
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COMMISSION

INDEPENDENT AUDITOR'S REPORT





Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the 15 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 15 Express Lanes Fund of the Commission, as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the 15 Express Lanes Fund and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2023





RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

MANAGEMENT'S DISCUSSION & ANALYSIS



15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the 15 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission, we offer readers of the Fund financial statements this narrative overview and analysis of the Fund's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider information on financial performance presented in conjunction with the financial statements that begin on page 11.

Financial Highlights

- At the end of fiscal year (FY) 2022/23, the total net position of the Fund was \$262,717,804, consisting of net investment in capital assets of \$204,516,847, restricted net position for other post-employment benefits of \$87,940, and restricted net position of \$58,113,017. The net position increased \$13,075,727 due to operating revenues outpacing operating expenditures and transfers.
- Net position of \$262,717,804 during FY 2022/23 reflects the position after the second full year of toll operations. The 15-mile stretch that includes two express lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley achieved final acceptance in FY 2022/23.
- In FY 2022/23, total operating revenues of \$39,371,149 and include toll, violation penalty, account fee, and miscellaneous revenues. Total operating expenses of \$24,274,329 include but not limited to: roadway and toll systems maintenance, customer service, back-office operations, other support costs, and depreciation and amortization.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund's financial statements. The financial statements are comprised of the Fund financial statements and notes to the financial statements.

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

The statement of revenues, expenses and changes in fund net position presents information showing how the Fund's net position changed during the 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 for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information on the cash flows related to operating, noncapital financing, capital and related financing, and investing activities.

The Fund financial statements can be found on pages 11-16 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-27 of this report.

15 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Fund's financial position. At June 30, 2023, the Fund's net position was \$262,717,804. Our analysis below focuses on net position and changes in net position of the Fund's financial activities.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

15 Express Lanes Fund
Net Position

	2023	2022
Current and other assets	\$ 7,935,644	\$ 11,458,973
Restricted assets	79,347,151	46,950,436
Capital assets, net	356,731,106	368,116,699
Total assets	<u>444,013,901</u>	<u>426,526,108</u>
Deferred outflows of resources	443,606	477,196
Total assets and deferred outflows of resources	<u>444,457,507</u>	<u>427,003,304</u>
Current liabilities	4,908,401	5,044,271
Long-term liabilities	176,126,926	171,412,545
Total liabilities	<u>181,035,327</u>	<u>176,456,816</u>
Deferred inflows of resources	704,376	904,411
Total liabilities and deferred inflows of resources	<u>181,739,703</u>	<u>177,361,227</u>
Net position		
Net investment in capital assets	204,516,847	215,902,440
Restricted	58,200,957	33,739,637
Total net position	<u>\$ 262,717,804</u>	<u>\$ 249,642,077</u>

FY 2022/23 represents the second full year of toll operations for the Fund. Total assets and deferred outflows of resources increased \$17,454,203, or 4%, largely due to continued strong operating performance, increasing restricted assets which includes the facilities cash investments related to toll operations. Total liabilities and deferred inflows of resources increased \$4,378,476, or 2%, primarily due to increases in toll supported long-term debt related to accreted and compounded interest.

The Fund's net investment in capital assets was \$204,516,847 in FY 2022/23. The Fund's net position reflects its investment in capital assets (i.e., land and land improvements; buildings; toll infrastructure; equipment, furniture and fixtures; and toll facility franchise), less any related outstanding debt used to acquire these assets. The Fund uses these capital assets, which include intangible assets, to provide improved mobility for the Fund customers and commuters along the I-15 corridor.

Restricted net position, representing resources subject to external restrictions on how they may be used, was \$58,200,957 and represents 22% of the total net position at June 30, 2023.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The analysis below focuses on the changes in net position.

15 Express Lanes Fund
Changes in Net Position

	2023	2022
Operating revenues		
Toll, penalties, and fees	\$ 39,371,149	\$ 37,259,442
Total operating revenues	<u>39,371,149</u>	<u>37,259,442</u>
Operating expenses		
Management and operational services	9,729,858	10,514,267
Administrative overhead	337,800	305,200
Other operating expenses	191,108	173,980
Professional services	466,264	499,955
General and administrative	896,386	(19,871)
Depreciation and amortization	12,652,913	10,899,738
Total operating expenses	<u>24,274,329</u>	<u>22,373,269</u>
Operating income	<u>15,096,820</u>	<u>14,886,173</u>
Nonoperating revenues (expenses)		
Investment income (loss)	1,594,076	(430,015)
Interest expense	(5,055,596)	(4,859,834)
Total nonoperating revenues (expenses)	<u>(3,461,520)</u>	<u>(5,289,849)</u>
Income before contributions and transfers	11,635,300	9,596,324
Contributions from Commission governmental funds	1,263,354	13,138,929
Transfers from Commission governmental funds	177,116	35,380
Transfers to enterprise funds	(43)	-
Transfers to Commission governmental funds	-	(4,325,708)
Total contributions and transfers	<u>1,440,427</u>	<u>8,848,601</u>
Change in net position	13,075,727	18,444,925
Total net position at beginning of year	249,642,077	231,197,152
Total net position at end of year	<u>\$ 262,717,804</u>	<u>\$ 249,642,077</u>

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The Fund's operating revenues increased \$2,111,707, or 6%, due to increased traffic volumes in FY 2022/23. Total operating expenses increased \$1,901,060, or 8% due to net pension benefits expenses compared to net pension benefits credit in FY2021/22. Additionally, depreciation and amortization increased due to depreciation on capital assets. Nonoperating incomes and expenses, net increase of \$1,828,329, or 35%, is due to positive investment income, offset by toll supported long-term debt related to accreted and compounded interest. Net contributions and transfers from the Commission decreased by \$7,408,174, or 84%, as a result of the prior year's contribution of capital and intangible assets, offset by the transfer of toll-supported long-term debt related to the I-15 Express Lanes project. Total traffic volume on the 15 Express Lanes Fund during FY 2022/23 was approximately 25,577,400 transactions.

Capital Assets

As of June 30, 2023, the Fund had \$356,731,106, net of accumulated depreciation and amortization, invested in a broad range of capital assets including: land and land improvements; buildings; toll infrastructure comprised of communication equipment and computer hardware and software; equipment, furniture, and fixtures; and toll facility franchise.

15 Express Lanes Fund
Capital Assets, Net of Depreciation

	2023	2022
Land and land improvements	\$ 611,755	\$ 611,755
Toll infrastructure	12,715,942	18,415,058
Toll facility franchise	338,569,119	343,502,929
Buildings	4,789,768	5,512,593
Equipment, furniture, and fixtures	44,522	74,364
Total capital assets, net	<u>\$ 356,731,106</u>	<u>\$ 368,116,699</u>

More detailed information about the Fund's capital assets is presented in note 5 to the financial statements.

Debt Administration

As of June 30, 2023, the Fund had \$167,030,355 outstanding in a Transportation Innovation Finance and Infrastructure Act (TIFIA) loan and \$9,000,000 outstanding from an advance from Commission Measure A revenues.

15 Express Lanes Fund
Outstanding Debt

	2023	2022
TIFIA loan	\$ 167,030,355	\$ 162,385,853
Advance from Commission fund	9,000,000	9,000,000
Total outstanding debt	<u>\$ 176,030,355</u>	<u>\$ 171,385,853</u>

Additional information on long-term debt can be found in note 7 to the financial statements.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Economic and Other Factors

The Fund makes up \$34,024,500 or 4% of Commission's FY 2023/24 revenue budget. In FY 2023/24, toll and non-toll revenues are forecasted to increase by less than 1% over the FY 2022/23 budget. This increase is due to higher than anticipated revenues received during FY 2022/23 largely as a result of tolls collected within the southern terminus of the Enterprise. The average projected long-term rate of growth for toll road revenues beyond FY 2023/24 is 2.3%.

The majority of expenses related to the Fund within FY 2023/24 budget are on-going general costs related to day-to-day operations of the toll facility. As a fully electronic toll facility, motorists pay tolls through the convenient use of FasTrak® transponders that automatically deduct toll charges from a prepaid account.

I-15 Corridor Freight and Express Lanes Project: The Commission and San Bernardino County Transportation Agency (SBCTA) entered into a Cooperative Agreement (Agreement) on May 24, 2023, formalizing the coordination of the toll facilities between Riverside and San Bernadino counties; collectively referred to as the I-15 Corridor Freight and Express Lanes project or I-15 Next. Specifically, the Agreement requires the Commission to assign approximately 2.2 miles of its existing RCTC 15 Toll Lanes to SBCTA in exchange for annual toll revenue payments payable by SBCTA.

The assignment is made by the Commission to SBCTA in preparation for planning and constructing a toll facility within the median of I-15. Construction by SBCTA is anticipated to begin during calendar year 2024 with an estimated completion date of summer 2026.

As of June 30, 2023, no impacts have been incurred by the existing RCTC 15 Express Lanes as a result of entering into this Agreement. However, SBCTA will reimburse RCTC 15 Express Lanes for any impacts during construction phase of the project. Furthermore, assignment of the RCTC 15 Express Lanes will not occur until sixty (60) days prior to project completion estimated to occur during calendar year 2026.

Contacting 15 Express Lane's Management

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in the government's finances and to demonstrate the Fund's accountability for the money it receives. Questions concerning any of the information provide in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at the Riverside County Transportation Commission, 4080 Lemon Street, 3rd Floor, P.O. Box 12008, Riverside, CA 92502-2208.





RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

FINANCIAL STATEMENTS



15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)

Statement of Net Position

June 30, 2023

Assets	
Current assets:	
Cash and investments	\$ 3,998,481
Receivables	
Accounts	3,079,871
Interest	104,147
Lease	91,895
Prepaid expenses	142,971
Total current assets	<u>7,417,365</u>
Noncurrent assets:	
Restricted cash and investments	79,347,151
Lease receivable	490,456
Net other post-employment benefits assets	27,823
Capital assets, net	
Nondepreciable	611,755
Depreciable and amortizable	356,119,351
Total noncurrent assets	<u>436,596,536</u>
Total assets	<u>444,013,901</u>
Deferred outflows of resources	
Pension benefits	362,612
Other post-employment benefits	80,994
Total assets and deferred outflows of resources	<u>444,457,507</u>
Liabilities	
Current liabilities:	
Accounts payable	2,366,145
Interest payable	1,697,411
Due to other Commission funds	110,655
Other liabilities	698,738
Compensated absences liability	35,452
Total current liabilities	<u>4,908,401</u>
Noncurrent liabilities:	
Net pension liabilities	73,776
Compensated absences liabilities	22,795
Advance from other Commission funds	9,000,000
Bonds payable - due in more than one year	167,030,355
Total noncurrent liabilities	<u>176,126,926</u>
Total liabilities	<u>181,035,327</u>
Deferred inflows of resources	
Pension benefits	119,875
Other post-employment benefits	20,877
Lease revenues	563,624
Total liabilities and deferred inflows of resources	<u>181,739,703</u>
Net position	
Net investment in capital assets	204,516,847
Restricted for other post-employment benefits	87,940
Restricted for express lanes	58,113,017
Total net position	<u>\$ 262,717,804</u>

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Revenues, Expenses and Change in Fund Net Position
For the Year Ended June 30, 2023

Operating revenues		
Tolls, penalties, and fees	\$	39,371,149
Operating expenses		
Management and operational services		9,729,858
Administrative overhead		337,800
Other operating expenses		191,108
Professional services		466,264
General and administrative expenses		896,386
Depreciation and amortization		12,652,913
Total operating expenses		<u>24,274,329</u>
Operating income		<u>15,096,820</u>
Nonoperating revenues (expenses)		
Investment income (loss)		1,594,076
Interest expense		(5,055,596)
Total nonoperating revenues (expenses)		<u>(3,461,520)</u>
Income before contributions and transfers		11,635,300
Contributions and transfers		
Contributions from Commission governmental activities		1,263,354
Transfers in from Commission governmental activities		177,116
Transfers out to other Enterprise fund		(43)
Total contributions and transfers		<u>1,440,427</u>
Change in net position		13,075,727
Net position at beginning of year		<u>249,642,077</u>
Net position at end of year	\$	<u><u>262,717,804</u></u>

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities	
Receipts from customers and users	\$ 35,225,381
Payments to vendors	(3,994,037)
Payments to employees	(556,301)
Payments for RCTC interfund services used	(331,600)
Reimbursements received for lease costs	50,040
Net cash provided by operating activities	30,393,483
Cash flows from noncapital financing activities	
Transfers from governmental activities for operations and maintenance	335,158
Net cash used for noncapital financing activities	335,158
Cash flows from capital and related financing activities	
Payment for acquisition of capital assets	(3,966)
Net cash used for capital and related financing activities	(3,966)
Cash flows from investing activities	
Interest received	1,385,014
Net cash used for investing activities	1,385,014
Net increase in cash and cash equivalents	32,109,689
Cash and cash equivalents at beginning of year	51,315,666
Cash and cash equivalents at end of year	\$ 83,425,355
Reconciliation of cash and cash equivalents to statement of net position	
Cash and investments	\$ 3,998,481
Add: fair value adjustment	79,723
	4,078,204
Restricted cash and investments	79,347,151
Total cash and cash equivalents	\$ 83,425,355

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows, Continued
For the Year Ended June 30, 2023

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income	\$ 15,096,820
Adjustments to reconcile operating income to net cash provided by (used for) operating activities	
Depreciation and amortization expense	12,652,913
Change in assets and liabilities	
(Increase) Decrease in other receivables, net	2,823,119
(Increase) Decrease in prepaid assets	50,400
Increase (Decrease) in pension and post-employment benefit liabilities, net of deferred items	330,306
Increase (Decrease) in lease receivable, net of deferred items	(9,216)
Increase (Decrease) in accounts payable	(885,541)
Increase (Decrease) in due to other Commission funds	9,221
Increase (Decrease) in compensated absences liability	6,758
Increase (Decrease) in other liabilities	318,703
Total adjustments	<u>15,296,663</u>
Net cash provided by operating activities	<u>\$ 30,393,483</u>
Noncash capital, financing and investing activities	
Accreted and compounded interest on TIFIA Loan	\$ 4,644,502
Compounded interest on advance from other Commission fund	400,253
Net increase (decrease) in the fair value of investments	(79,723)
Contributions of capital and intangible assets from Commission governmental activities	1,263,354
Transfers in of accrued investment income from Commission governmental activities	177,116

See notes to financial statements

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 1. Reporting Entity

After more than a decade of work, which includes approximately three years of construction, the Riverside County Transportation Commission (Commission) achieved substantial completion on the I-15 Express Lanes Project on April 10, 2021. In achieving substantial completion, the 15 Express Lanes opened to traffic; tolling commenced on April 14, 2021. The 15-mile stretch includes two lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley.

The 15 Express Lanes Fund (Fund) is reported as a major enterprise fund in the Commission's basic financial statements. The accompanying financial statements present the net position, changes in net position, and cash flows of the Fund only. They do not purport to, and do not, present the overall financial position of the Commission or its changes in net position as of June 30, 2023.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting: The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenue is recognized when the customers utilize the toll road facility and payment is collected.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal and ongoing operations. The principal operating revenues of the Fund are charges to customers for use of the toll facility. Operating expenses for the Fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations consist of uncollected violation tolls and penalties. Unpaid violations of \$29,275,372 as of June 30, 2023 are not recognized as revenue until payment is received. If violations and penalties remain owed for more than 90 days, they are attached to the registration for the violation vehicle. Unpaid violations will remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with the Investment Policy adopted by the Board of Commissioners in December 2022. The Investment Policy complies with the California Government Code (Code). Investments of bond proceeds as permitted by the applicable debt documents are maintained with U.S. Bank as trustee. Separate investment accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. The Fund participates in the Riverside County Pooled Investment Fund (RCPIF). Cash from other Commission revenue sources is commingled for investment purposes in the RCPIF, with investment earnings allocated to the different accounts based on average daily account balances.

The Commission holds investments that are measured at fair value on a recurring basis. Investments in U.S. Treasury obligations, U.S. agency securities, and mortgage and asset-backed securities are carried at fair value based on quoted market prices, except for money market investments, which are carried at amortized cost which approximates fair value. The RCPIF is carried at fair value based on the value of each participating dollar as provided by RCPIF.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Cash and cash equivalents: For the purpose of the statement of cash flows, the Commission considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, commercial paper notes, money market funds, negotiable certificates of deposit, and the Fund's share of the RCPIF represent cash and cash equivalents for cash flow purposes.

Restricted cash and investments: Investments set aside in the Senior Lien Obligations Reserve Fund, Second Lien Obligations Reserve Fund, Subordinate Lien Obligations Reserve Fund, and Residual Fund Scheduled Retained Balance Fund are pursuant to the terms of the 2017 Indenture and their use is limited by applicable debt terms and conditions.

Permitted investments per the debt indentures include government obligations, State of California and local agency obligations, banker's acceptances, commercial paper notes, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, RCPIF, and variable and floating rate securities.

Receivables: Accounts receivables include amounts due from other California toll road agencies related to their customers' use of the 15 Express Lanes.

Capital assets: Capital assets include land and land improvements; toll infrastructure; buildings; equipment, furniture and fixtures; and toll facility franchise. Capital assets are defined by the Fund as assets with an initial, individual cost of more than \$100,000 and a useful life in excess of three years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life
Buildings	10 years
Equipment, furniture and fixtures	3 to 5 years
Toll facility franchise	50 years
Toll infrastructure	5 to 10 years

The Commission entered into a toll facility agreement with California's Department of Transportation (Caltrans) and obtained authority to toll the I-15 corridor between Cajalco Road and SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations through April 2071. The 15 Express Lanes opened on April 10, 2021.

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. As of June 30, 2023, the Fund has deferred outflows of resources related to pension and other post-employment benefits (OPEB).

Due to other Commission funds: During the course of operations, transactions occur between Commission governmental funds involving goods provided and services rendered.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Compensated absences: Vacation hours accumulated and not taken at year-end is reported as a long-term liability, net of current portion, in the Fund.

Sick leave is recorded as an expense when taken by the employee. Employees with continuous five years of service have the option of being paid for sick leave accumulated in excess of 240 hours at a rate of 50% (i.e., one hour's pay for every two hours in excess of 240). Any sick leave in excess of 240 hours is accrued at fiscal year-end, and a liability is reported in the Fund.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment benefits other than pensions: For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Fund has deferred inflows of resources related to pension, OPEB, and leases.

Risk management: The Fund purchases commercial property insurance including business interruption, earthquake, and flood coverage related to the toll facility.

Net position: Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into two categories:

- *Net investment in capital assets* consists of capital and intangible assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.
- *Restricted net position* represents restricted assets less liabilities related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants). The statement of net position includes restricted net position for the portion of net toll revenues restricted by the 2017 Master Indenture for toll operations.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumption that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 3. Cash and Investments

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

Cash in bank	\$	1,034,781
Investments		
With RCPIF		3,813,010
With Trustee		78,497,841
Total investments		<u>82,310,851</u>
Total cash and investments	\$	<u><u>83,345,632</u></u>

Total cash and investments are reported in the financial statements as:

Unrestricted cash and investments	\$	3,998,481
Restricted cash and investments		79,347,151
Total cash and investments	\$	<u><u>83,345,632</u></u>

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).



15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Fund as of June 30, 2023:

Investments by fair value level:	June 30, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Mortgage and asset-backed securities	\$ 3,771,821	\$ -	\$ 3,771,821
U.S. Treasury obligations	8,416,501	8,416,501	-
Money market mutual funds	63,080,795	63,080,795	-
U.S. agency securities	3,228,724	-	3,228,724
Total investments measured at fair value	78,497,841	\$ 71,497,296	\$ 7,000,545
Investments not subject to fair value hierarchy:			
RCPIF	3,813,010		
Total investments	\$ 82,310,851		

Investments classified in Level 1 of the value hierarchy, valued at \$71,497,296 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$3,771,821 and U.S. agency securities totaling \$3,228,724 classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2023, the Fund has the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Years)
RCPIF	\$3,813,010	\$3,892,733	0.210% - 6.000%	6/30/23 - 6/30/28	1.300
Held by Trustee					
Money market mutual funds	63,080,795	63,080,795	4.706%	N/A	20 days or 0.055
Mortgage and asset-backed securities	3,771,821	4,023,553	1.080% - 4.077%	1/25/24 - 12/15/42	5.907
U.S. agency securities	3,228,724	3,258,322	0.305% - 5.508%	10/27/23 - 3/25/27	1.405
U.S. Treasury obligations	8,416,501	8,539,532	0.127% - 4.063%	10/15/23 - 2/28/26	1.520
Total Investments	\$82,310,851	\$82,794,935			
				Portfolio weighted average	10.187

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

As of June 30, 2023, mortgage and asset-backed securities fair value totaled \$3,771,821. The underlying assets are consumer receivables that include credit cards, auto/equipment, and home loans. The securities have a fixed interest rate and are rated Aaa/AAA by least two of the three nationally recognized statistical rating organizations.

Deposits and withdrawals in the RCPIF are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the Fund's investment at June 30, 2023 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. In accordance with the Commission's investment policy, restricted investments are invested in accordance with the maturity provisions of the specific bond indenture, which may extend beyond five years.

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 (e.g., broker-dealer) 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 Commission's investment policy requires that a third-party bank trust department hold all securities owned by the Commission. All trades are settled on a delivery versus payment basis through the Commission's safekeeping agent.

The Fund's cash deposits are included in the overall Commission's deposits. Bank balances over \$5,000,000 are swept daily into a money market account. Of the bank balance, up to \$250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of \$250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Credit risk: The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following table is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2023; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

Investments	Moody's	S&P	% of Portfolio
RCPIF	Aaa-bf	NR	4.59%
Money market mutual funds			
Funds	AAA	AAA	76.88%
Mortgage and asset backed securities			
Securities	NR	AA+	4.30%
Securities	NR	AAA	0.23%
U.S. agency securities			
Notes	AAA	AA+	3.29%
Notes	AAA	NR	0.59%
U.S. Treasuries			
Treasury	AAA	NR	8.95%
Treasury	NR	AA+	1.17%
Total			100.00%

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-U.S. Government or non-federal agency issuer. As of June 30, 2023, the Commission did not have investments in any one issuer that represents more than 5% of the Commission's total investments.

Note 4. Lease Receivable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about the Commission's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The 15 Express Lanes is the owner of a building within the City of Corona which is leased by both Orange County Transportation Authority (OCTA) and the Riverside Transportation Commission (RCTC) 91 Express Lanes. Detailed information for each lease is noted below.

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the Orange County Transportation Authority. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2023, the value of the lease receivable is \$291,176. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,812 and the Fund recognized lease revenue of \$49,011.

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the RCTC 91 Express Lanes Enterprise Fund. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2023, the value of the lease receivable is \$291,175. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,812 and the Fund recognized lease revenue of \$49,011.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 4. Lease Receivable, Continued

In accordance with the standard, the principal and interest expected to maturity is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 91,895	\$ 9,687	\$ 101,582
2025	95,950	8,037	103,987
2026	100,077	6,314	106,391
2027	103,977	4,518	108,495
2028	107,337	2,661	109,998
2029-2032	83,115	735	83,850
Total lease receivable	<u>\$ 582,351</u>	<u>\$ 31,952</u>	<u>\$ 614,303</u>

Note 5. Capital Assets

	Balance June 30, 2022	Capital Contributions	Transfers	Additions	Balance June 30, 2023
Capital assets not being depreciated:					
Land and land improvements	\$ 558,405	\$ -	\$ -	\$ -	\$ 558,405
Construction easements	53,350	-	-	-	53,350
Total capital assets not being depreciated	<u>611,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,755</u>
Capital assets being depreciated and amortized:					
Toll infrastructure	22,219,984	-	-	(860,110)	21,359,874
Buildings	6,451,978	-	-	-	6,451,978
Equipment, furniture, and fixtures	111,155	-	3,966	-	115,121
Toll facility franchise	352,233,039	2,123,464	-	-	354,356,503
Total capital assets being depreciated and amortized:	<u>381,016,156</u>	<u>2,123,464</u>	<u>3,966</u>	<u>(860,110)</u>	<u>382,283,476</u>
Less accumulated depreciation and amortization for:					
Toll infrastructure	(3,804,926)	-	(4,839,006)	-	(8,643,932)
Buildings	(939,385)	-	(722,825)	-	(1,662,210)
Equipment, furniture, and fixtures	(36,791)	-	(33,808)	-	(70,599)
Toll facility franchise	(8,730,110)	-	(7,057,274)	-	(15,787,384)
Total accumulated depreciation	<u>(13,511,212)</u>	<u>-</u>	<u>(12,652,913)</u>	<u>-</u>	<u>(26,164,125)</u>
Total capital assets being depreciated and amortized, net	<u>367,504,944</u>	<u>2,123,464</u>	<u>(12,648,947)</u>	<u>(860,110)</u>	<u>356,119,351</u>
Capital assets, net	<u>\$ 368,116,699</u>	<u>\$ 2,123,464</u>	<u>\$ (12,648,947)</u>	<u>\$ (860,110)</u>	<u>\$ 356,731,106</u>

On September 29, 2016, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the I-15 from Cajalco Road to SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations. The agreement also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the 15 Express Lanes.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Interfund Transactions

Due from/to other Commission funds: The composition of balances related to due from other funds and due to other funds of the Commission at June 30, 2023 is as follows:

Payable Fund	Receivable Fund	Amount	Explanation
15 Express Lanes Enterprise fund	Commission's General fund	\$ (78,200)	Administrative cost allocation
15 Express Lanes Enterprise fund	Commission's General fund	(32,455)	Fringe benefits allocation
Total due from (to) other Commission funds, net		<u>\$ (110,655)</u>	

Contributions and transfers to/from other Commission funds: During 2023, contributions and transfers to/from other Commission funds were as follows:

Contribution and Transfer Out	Contribution and Transfer In	Amount	Explanation
Commission's Governmental activities	15 Express Lanes Enterprise fund	\$ 1,263,354	Contribution of capital and intangible assets
Commission's Governmental activities	15 Express Lanes Enterprise fund	981	Transfer of interest from ramp up reserve
Commission's Governmental activities	15 Express Lanes Enterprise fund	175,826	Transfer of lease revenues
Commission's Capital Projects fund	15 Express Lanes Enterprise fund	309	Transfer of interest from operations
15 Express Lanes Enterprise fund	91 Express Lanes Enterprise fund	(43)	Transfer of accumulated interest
Total contributions/transfers in from other Commission funds, net		<u>\$ 1,440,427</u>	

Advances from other funds: A Commission governmental fund advanced \$9,000,000 to the 15 Express Lanes Fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Capitalized interest on the advance as of June 30, 2022, was \$1,402,677. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date.

Note 7. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2023:

	Balance June 30, 2022	Additions / Accretion	Reductions	Balance June 30, 2023	Due Within One Year
TIFIA loan	\$ 162,385,853	\$ 4,644,502	\$ -	\$ 167,030,355	\$ -
Compensated absences liability	51,489	45,674	(38,916)	58,247	35,452
Total long-term obligations	<u>\$ 162,437,342</u>	<u>\$ 4,690,176</u>	<u>\$ (38,916)</u>	<u>\$ 167,088,602</u>	<u>\$ 35,452</u>

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 7. Long-Term Obligations, Continued

In May 2017, the Commission authorized the issuance and sale of not to exceed \$165 million of toll revenue bonds related to the 15 Express Lanes Project. The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes Project indenture.

TIFIA Loan Agreement:

Outstanding

In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds financed a portion of the costs for the I-15 Express Lanes Project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on December 1, 2025, which is five years after substantial completion of the I-15 Express Lanes Project, through December 1, 2055. The interest rate of the TIFIA loan is 2.84%. During 2023, \$0 was drawn on the TIFIA loan and \$4,644,502 interest was compounded.

\$ 167,030,355

In accordance with the TIFIA loan schedule, the annual debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ -	\$ 5,018,900	\$ 5,018,900
2027	-	5,018,900	5,018,900
2028	-	5,025,800	5,025,800
2029-2033	4,017,700	24,942,900	28,960,600
2034-2038	17,483,200	23,762,300	41,245,500
2039-2043	21,475,000	20,852,900	42,327,900
2044-2048	40,678,500	17,012,300	57,690,800
2049-2053	64,144,700	9,709,600	73,854,300
2054-2055	28,922,600	1,291,600	30,214,200
Total	176,721,700	<u>\$ 112,635,200</u>	<u>\$ 289,356,900</u>
Future compounded interest	(9,691,345)		
Total TIFIA loan		<u>\$ 167,030,355</u>	

Pursuant to the I-15 Express Lanes Project toll indenture the Commission is required to establish the following to support the 15 Express Lanes:

- A \$16.5 million ramp-up reserve prior to substantial completion and commencement of express lanes operations;
- An \$18 million TIFIA loan reserve from an advance of Commission Measure A sales tax revenue up to \$3 million per year from 2019 through 2024 to the extent that 15 Express lanes revenues are not sufficient to fund the TIFIA loan reserve; and
- Up to a \$38.5 million backstop loan from Commission Measure A sales tax revenues of up to \$3.85 million per year to the extent 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 8. Commitments and Contingencies

Cooperative agreements: In January 2017 the Commission entered into a toll operator agreement, for the operations of the 15 Express Lanes. The toll operator is responsible for day-to-day operations of the toll collection system. The toll operator agreement expires in April 2026. In December 2022, the five-year extension options were exercised and the agreement will expire April 2031. The toll operator agreement provides operating services to the Commission in the annual amount of \$7,755,600 for the first two years of operations. Thereafter, annual amounts will be based on variable pricing.

Purchase commitments: The Fund has entered into other agreements in the ordinary course of business with companies and other governmental agencies related to operations and maintenance. These agreements, which are significant, are funded with available and future revenues.

Note 9. Pensions and Other Post-Employment Benefits Other Than Pensions

The Fund participates in the Commission's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System and the Commission's OPEB. Employees of the Fund are employees of the Commission as a whole. The required note disclosures regarding pension plans and OPEB are included in the Commission's financial statements. Please see those financial statements for information about the pension plans and OPEB as a whole.

The net pension liability of \$73,776 and net OPEB asset of \$27,823, reported by the Fund, represent the Fund's proportional share of the Commission's net pension liabilities of \$1,868,313 and net OPEB asset of \$704,600. The Fund's net pension liabilities and OPEB assets each represent 3.9% of the Commission's net pension liabilities and OPEB assets. For the year ended June 30, 2023, the Fund's contributions recognized as part of pension and OPEB expenses were \$340,452 and (\$10,146), respectively.

Note 10. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2023 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 99, *Omnibus 2022 (The requirements related to financial guarantees and the classification and reporting derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter)*.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023; and
- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023.



**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

**Riverside County
Transportation Commission**

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92502-2208



15 Express Lanes



15/91 Express Lanes Connector



15 Express Lanes



15 Express Lanes



RIVERSIDE COUNTY
TRANSPORTATION
COMMISSION



FISCAL YEAR ENDED
JUNE 30, 2023

15 EXPRESS LANES FUND FINANCIAL STATEMENTS

(Enterprise Fund of the
Riverside County Transportation Commission)

Riverside County Transportation Commission
Riverside County, California

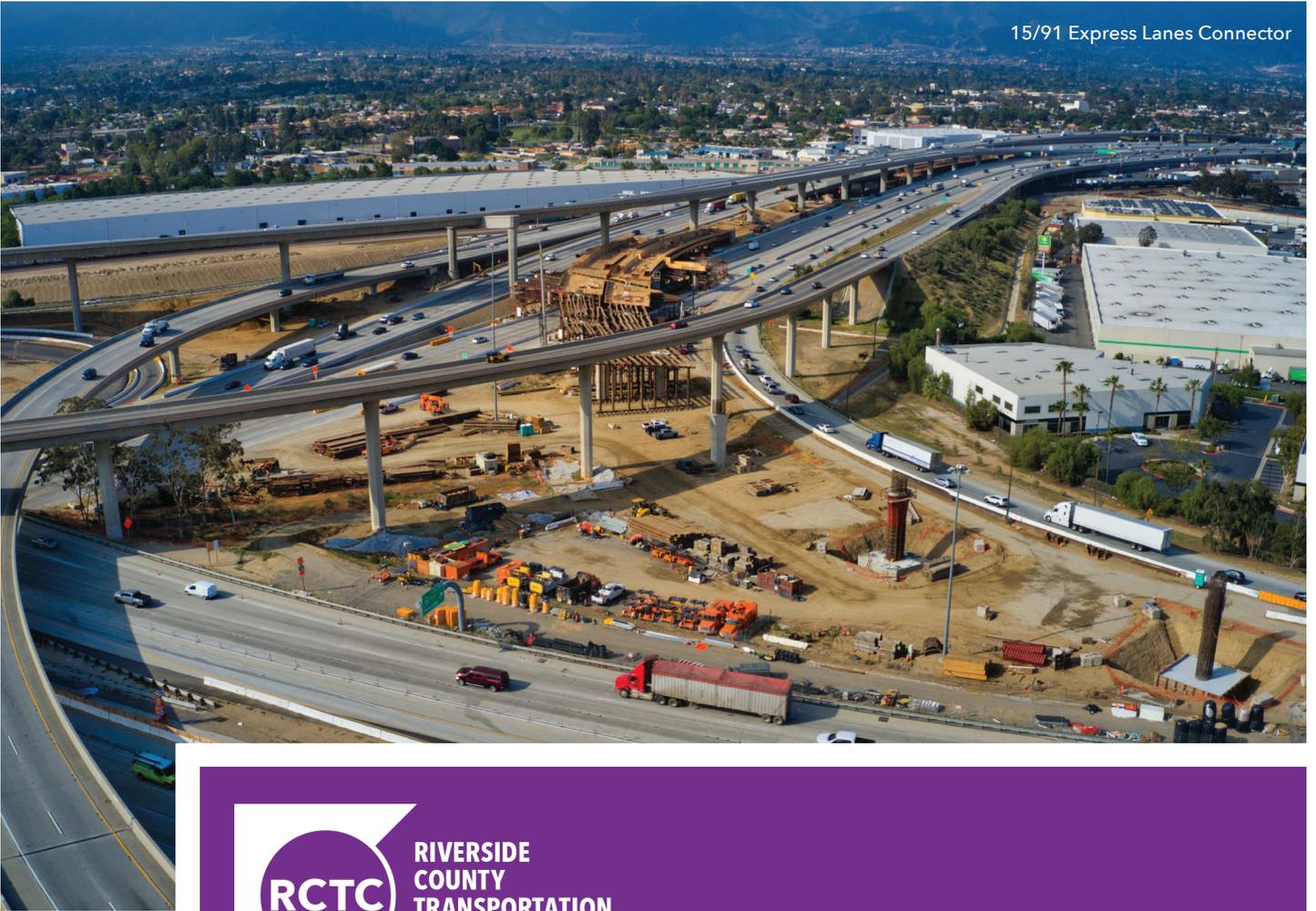


15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements
For the Year Ended June 30, 2023

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RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

INDEPENDENT AUDITOR'S REPORT





Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the 15 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 15 Express Lanes Fund of the Commission, as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the 15 Express Lanes Fund and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2023





MANAGEMENT'S DISCUSSION & ANALYSIS



15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the 15 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission, we offer readers of the Fund financial statements this narrative overview and analysis of the Fund's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider information on financial performance presented in conjunction with the financial statements that begin on page 11.

Financial Highlights

- At the end of fiscal year (FY) 2022/23, the total net position of the Fund was \$262,717,804, consisting of net investment in capital assets of \$204,516,847, restricted net position for other post-employment benefits of \$87,940, and restricted net position of \$58,113,017. The net position increased \$13,075,727 due to operating revenues outpacing operating expenditures and transfers.
- Net position of \$262,717,804 during FY 2022/23 reflects the position after the second full year of toll operations. The 15-mile stretch that includes two express lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley achieved final acceptance in FY 2022/23.
- In FY 2022/23, total operating revenues of \$39,371,149 and include toll, violation penalty, account fee, and miscellaneous revenues. Total operating expenses of \$24,274,329 include but not limited to: roadway and toll systems maintenance, customer service, back-office operations, other support costs, and depreciation and amortization.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund's financial statements. The financial statements are comprised of the Fund financial statements and notes to the financial statements.

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

The statement of revenues, expenses and changes in fund net position presents information showing how the Fund's net position changed during the 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 for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information on the cash flows related to operating, noncapital financing, capital and related financing, and investing activities.

The Fund financial statements can be found on pages 11-16 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-27 of this report.

15 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Fund's financial position. At June 30, 2023, the Fund's net position was \$262,717,804. Our analysis below focuses on net position and changes in net position of the Fund's financial activities.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

15 Express Lanes Fund
Net Position

	2023	2022
Current and other assets	\$ 7,935,644	\$ 11,458,973
Restricted assets	79,347,151	46,950,436
Capital assets, net	356,731,106	368,116,699
Total assets	<u>444,013,901</u>	<u>426,526,108</u>
Deferred outflows of resources	443,606	477,196
Total assets and deferred outflows of resources	<u>444,457,507</u>	<u>427,003,304</u>
Current liabilities	4,908,401	5,044,271
Long-term liabilities	176,126,926	171,412,545
Total liabilities	<u>181,035,327</u>	<u>176,456,816</u>
Deferred inflows of resources	704,376	904,411
Total liabilities and deferred inflows of resources	<u>181,739,703</u>	<u>177,361,227</u>
Net position		
Net investment in capital assets	204,516,847	215,902,440
Restricted	58,200,957	33,739,637
Total net position	<u>\$ 262,717,804</u>	<u>\$ 249,642,077</u>

FY 2022/23 represents the second full year of toll operations for the Fund. Total assets and deferred outflows of resources increased \$17,454,203, or 4%, largely due to continued strong operating performance, increasing restricted assets which includes the facilities cash investments related to toll operations. Total liabilities and deferred inflows of resources increased \$4,378,476, or 2%, primarily due to increases in toll supported long-term debt related to accreted and compounded interest.

The Fund's net investment in capital assets was \$204,516,847 in FY 2022/23. The Fund's net position reflects its investment in capital assets (i.e., land and land improvements; buildings; toll infrastructure; equipment, furniture and fixtures; and toll facility franchise), less any related outstanding debt used to acquire these assets. The Fund uses these capital assets, which include intangible assets, to provide improved mobility for the Fund customers and commuters along the I-15 corridor.

Restricted net position, representing resources subject to external restrictions on how they may be used, was \$58,200,957 and represents 22% of the total net position at June 30, 2023.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The analysis below focuses on the changes in net position.

15 Express Lanes Fund
Changes in Net Position

	2023	2022
Operating revenues		
Toll, penalties, and fees	\$ 39,371,149	\$ 37,259,442
Total operating revenues	<u>39,371,149</u>	<u>37,259,442</u>
Operating expenses		
Management and operational services	9,729,858	10,514,267
Administrative overhead	337,800	305,200
Other operating expenses	191,108	173,980
Professional services	466,264	499,955
General and administrative	896,386	(19,871)
Depreciation and amortization	12,652,913	10,899,738
Total operating expenses	<u>24,274,329</u>	<u>22,373,269</u>
Operating income	<u>15,096,820</u>	<u>14,886,173</u>
Nonoperating revenues (expenses)		
Investment income (loss)	1,594,076	(430,015)
Interest expense	(5,055,596)	(4,859,834)
Total nonoperating revenues (expenses)	<u>(3,461,520)</u>	<u>(5,289,849)</u>
Income before contributions and transfers	11,635,300	9,596,324
Contributions from Commission governmental funds	1,263,354	13,138,929
Transfers from Commission governmental funds	177,116	35,380
Transfers to enterprise funds	(43)	-
Transfers to Commission governmental funds	-	(4,325,708)
Total contributions and transfers	<u>1,440,427</u>	<u>8,848,601</u>
Change in net position	13,075,727	18,444,925
Total net position at beginning of year	249,642,077	231,197,152
Total net position at end of year	<u>\$ 262,717,804</u>	<u>\$ 249,642,077</u>

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The Fund's operating revenues increased \$2,111,707, or 6%, due to increased traffic volumes in FY 2022/23. Total operating expenses increased \$1,901,060, or 8% due to net pension benefits expenses compared to net pension benefits credit in FY2021/22. Additionally, depreciation and amortization increased due to depreciation on capital assets. Nonoperating incomes and expenses, net increase of \$1,828,329, or 35%, is due to positive investment income, offset by toll supported long-term debt related to accreted and compounded interest. Net contributions and transfers from the Commission decreased by \$7,408,174, or 84%, as a result of the prior year's contribution of capital and intangible assets, offset by the transfer of toll-supported long-term debt related to the I-15 Express Lanes project. Total traffic volume on the 15 Express Lanes Fund during FY 2022/23 was approximately 25,577,400 transactions.

Capital Assets

As of June 30, 2023, the Fund had \$356,731,106, net of accumulated depreciation and amortization, invested in a broad range of capital assets including: land and land improvements; buildings; toll infrastructure comprised of communication equipment and computer hardware and software; equipment, furniture, and fixtures; and toll facility franchise.

15 Express Lanes Fund
Capital Assets, Net of Depreciation

	2023	2022
Land and land improvements	\$ 611,755	\$ 611,755
Toll infrastructure	12,715,942	18,415,058
Toll facility franchise	338,569,119	343,502,929
Buildings	4,789,768	5,512,593
Equipment, furniture, and fixtures	44,522	74,364
Total capital assets, net	\$ 356,731,106	\$ 368,116,699

More detailed information about the Fund's capital assets is presented in note 5 to the financial statements.

Debt Administration

As of June 30, 2023, the Fund had \$167,030,355 outstanding in a Transportation Innovation Finance and Infrastructure Act (TIFIA) loan and \$9,000,000 outstanding from an advance from Commission Measure A revenues.

15 Express Lanes Fund
Outstanding Debt

	2023	2022
TIFIA loan	\$ 167,030,355	\$ 162,385,853
Advance from Commission fund	9,000,000	9,000,000
Total outstanding debt	\$ 176,030,355	\$ 171,385,853

Additional information on long-term debt can be found in note 7 to the financial statements.

15 Express Lanes Fund
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Economic and Other Factors

The Fund makes up \$34,024,500 or 4% of Commission's FY 2023/24 revenue budget. In FY 2023/24, toll and non-toll revenues are forecasted to increase by less than 1% over the FY 2022/23 budget. This increase is due to higher than anticipated revenues received during FY 2022/23 largely as a result of tolls collected within the southern terminus of the Enterprise. The average projected long-term rate of growth for toll road revenues beyond FY 2023/24 is 2.3%.

The majority of expenses related to the Fund within FY 2023/24 budget are on-going general costs related to day-to-day operations of the toll facility. As a fully electronic toll facility, motorists pay tolls through the convenient use of FasTrak® transponders that automatically deduct toll charges from a prepaid account.

I-15 Corridor Freight and Express Lanes Project: The Commission and San Bernardino County Transportation Agency (SBCTA) entered into a Cooperative Agreement (Agreement) on May 24, 2023, formalizing the coordination of the toll facilities between Riverside and San Bernadino counties; collectively referred to as the I-15 Corridor Freight and Express Lanes project or I-15 Next. Specifically, the Agreement requires the Commission to assign approximately 2.2 miles of its existing RCTC 15 Toll Lanes to SBCTA in exchange for annual toll revenue payments payable by SBCTA.

The assignment is made by the Commission to SBCTA in preparation for planning and constructing a toll facility within the median of I-15. Construction by SBCTA is anticipated to begin during calendar year 2024 with an estimated completion date of summer 2026.

As of June 30, 2023, no impacts have been incurred by the existing RCTC 15 Express Lanes as a result of entering into this Agreement. However, SBCTA will reimburse RCTC 15 Express Lanes for any impacts during construction phase of the project. Furthermore, assignment of the RCTC 15 Express Lanes will not occur until sixty (60) days prior to project completion estimated to occur during calendar year 2026.

Contacting 15 Express Lane's Management

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in the government's finances and to demonstrate the Fund's accountability for the money it receives. Questions concerning any of the information provide in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at the Riverside County Transportation Commission, 4080 Lemon Street, 3rd Floor, P.O. Box 12008, Riverside, CA 92502-2208.





FINANCIAL STATEMENTS



15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)

Statement of Net Position

June 30, 2023

Assets	
Current assets:	
Cash and investments	\$ 3,998,481
Receivables	
Accounts	3,079,871
Interest	104,147
Lease	91,895
Prepaid expenses	142,971
Total current assets	<u>7,417,365</u>
Noncurrent assets:	
Restricted cash and investments	79,347,151
Lease receivable	490,456
Net other post-employment benefits assets	27,823
Capital assets, net	
Nondepreciable	611,755
Depreciable and amortizable	356,119,351
Total noncurrent assets	<u>436,596,536</u>
Total assets	<u>444,013,901</u>
Deferred outflows of resources	
Pension benefits	362,612
Other post-employment benefits	80,994
Total assets and deferred outflows of resources	<u>444,457,507</u>
Liabilities	
Current liabilities:	
Accounts payable	2,366,145
Interest payable	1,697,411
Due to other Commission funds	110,655
Other liabilities	698,738
Compensated absences liability	35,452
Total current liabilities	<u>4,908,401</u>
Noncurrent liabilities:	
Net pension liabilities	73,776
Compensated absences liabilities	22,795
Advance from other Commission funds	9,000,000
Bonds payable - due in more than one year	167,030,355
Total noncurrent liabilities	<u>176,126,926</u>
Total liabilities	<u>181,035,327</u>
Deferred inflows of resources	
Pension benefits	119,875
Other post-employment benefits	20,877
Lease revenues	563,624
Total liabilities and deferred inflows of resources	<u>181,739,703</u>
Net position	
Net investment in capital assets	204,516,847
Restricted for other post-employment benefits	87,940
Restricted for express lanes	58,113,017
Total net position	<u>\$ 262,717,804</u>

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Revenues, Expenses and Change in Fund Net Position
For the Year Ended June 30, 2023

Operating revenues		
Tolls, penalties, and fees	\$	39,371,149
Operating expenses		
Management and operational services		9,729,858
Administrative overhead		337,800
Other operating expenses		191,108
Professional services		466,264
General and administrative expenses		896,386
Depreciation and amortization		12,652,913
Total operating expenses		<u>24,274,329</u>
Operating income		<u>15,096,820</u>
Nonoperating revenues (expenses)		
Investment income (loss)		1,594,076
Interest expense		(5,055,596)
Total nonoperating revenues (expenses)		<u>(3,461,520)</u>
Income before contributions and transfers		11,635,300
Contributions and transfers		
Contributions from Commission governmental activities		1,263,354
Transfers in from Commission governmental activities		177,116
Transfers out to other Enterprise fund		(43)
Total contributions and transfers		<u>1,440,427</u>
Change in net position		13,075,727
Net position at beginning of year		249,642,077
Net position at end of year	\$	<u><u>262,717,804</u></u>

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities	
Receipts from customers and users	\$ 35,225,381
Payments to vendors	(3,994,037)
Payments to employees	(556,301)
Payments for RCTC interfund services used	(331,600)
Reimbursements received for lease costs	50,040
Net cash provided by operating activities	30,393,483
Cash flows from noncapital financing activities	
Transfers from governmental activities for operations and maintenance	335,158
Net cash used for noncapital financing activities	335,158
Cash flows from capital and related financing activities	
Payment for acquisition of capital assets	(3,966)
Net cash used for capital and related financing activities	(3,966)
Cash flows from investing activities	
Interest received	1,385,014
Net cash used for investing activities	1,385,014
Net increase in cash and cash equivalents	32,109,689
Cash and cash equivalents at beginning of year	51,315,666
Cash and cash equivalents at end of year	\$ 83,425,355
Reconciliation of cash and cash equivalents to statement of net position	
Cash and investments	\$ 3,998,481
Add: fair value adjustment	79,723
	4,078,204
Restricted cash and investments	79,347,151
Total cash and cash equivalents	\$ 83,425,355

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows, Continued
For the Year Ended June 30, 2023

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income	\$ 15,096,820
Adjustments to reconcile operating income to net cash provided by (used for) operating activities	
Depreciation and amortization expense	12,652,913
Change in assets and liabilities	
(Increase) Decrease in other receivables, net	2,823,119
(Increase) Decrease in prepaid assets	50,400
Increase (Decrease) in pension and post-employment benefit liabilities, net of deferred items	330,306
Increase (Decrease) in lease receivable, net of deferred items	(9,216)
Increase (Decrease) in accounts payable	(885,541)
Increase (Decrease) in due to other Commission funds	9,221
Increase (Decrease) in compensated absences liability	6,758
Increase (Decrease) in other liabilities	318,703
Total adjustments	<u>15,296,663</u>
Net cash provided by operating activities	<u>\$ 30,393,483</u>
Noncash capital, financing and investing activities	
Accreted and compounded interest on TIFIA Loan	\$ 4,644,502
Compounded interest on advance from other Commission fund	400,253
Net increase (decrease) in the fair value of investments	(79,723)
Contributions of capital and intangible assets from Commission governmental activities	1,263,354
Transfers in of accrued investment income from Commission governmental activities	177,116

See notes to financial statements

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 1. Reporting Entity

After more than a decade of work, which includes approximately three years of construction, the Riverside County Transportation Commission (Commission) achieved substantial completion on the I-15 Express Lanes Project on April 10, 2021. In achieving substantial completion, the 15 Express Lanes opened to traffic; tolling commenced on April 14, 2021. The 15-mile stretch includes two lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley.

The 15 Express Lanes Fund (Fund) is reported as a major enterprise fund in the Commission's basic financial statements. The accompanying financial statements present the net position, changes in net position, and cash flows of the Fund only. They do not purport to, and do not, present the overall financial position of the Commission or its changes in net position as of June 30, 2023.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting: The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenue is recognized when the customers utilize the toll road facility and payment is collected.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal and ongoing operations. The principal operating revenues of the Fund are charges to customers for use of the toll facility. Operating expenses for the Fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations consist of uncollected violation tolls and penalties. Unpaid violations of \$29,275,372 as of June 30, 2023 are not recognized as revenue until payment is received. If violations and penalties remain owed for more than 90 days, they are attached to the registration for the violation vehicle. Unpaid violations will remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with the Investment Policy adopted by the Board of Commissioners in December 2022. The Investment Policy complies with the California Government Code (Code). Investments of bond proceeds as permitted by the applicable debt documents are maintained with U.S. Bank as trustee. Separate investment accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. The Fund participates in the Riverside County Pooled Investment Fund (RCPIF). Cash from other Commission revenue sources is commingled for investment purposes in the RCPIF, with investment earnings allocated to the different accounts based on average daily account balances.

The Commission holds investments that are measured at fair value on a recurring basis. Investments in U.S. Treasury obligations, U.S. agency securities, and mortgage and asset-backed securities are carried at fair value based on quoted market prices, except for money market investments, which are carried at amortized cost which approximates fair value. The RCPIF is carried at fair value based on the value of each participating dollar as provided by RCPIF.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Cash and cash equivalents: For the purpose of the statement of cash flows, the Commission considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, commercial paper notes, money market funds, negotiable certificates of deposit, and the Fund's share of the RCPIF represent cash and cash equivalents for cash flow purposes.

Restricted cash and investments: Investments set aside in the Senior Lien Obligations Reserve Fund, Second Lien Obligations Reserve Fund, Subordinate Lien Obligations Reserve Fund, and Residual Fund Scheduled Retained Balance Fund are pursuant to the terms of the 2017 Indenture and their use is limited by applicable debt terms and conditions.

Permitted investments per the debt indentures include government obligations, State of California and local agency obligations, banker's acceptances, commercial paper notes, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, RCPIF, and variable and floating rate securities.

Receivables: Accounts receivables include amounts due from other California toll road agencies related to their customers' use of the 15 Express Lanes.

Capital assets: Capital assets include land and land improvements; toll infrastructure; buildings; equipment, furniture and fixtures; and toll facility franchise. Capital assets are defined by the Fund as assets with an initial, individual cost of more than \$100,000 and a useful life in excess of three years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life
Buildings	10 years
Equipment, furniture and fixtures	3 to 5 years
Toll facility franchise	50 years
Toll infrastructure	5 to 10 years

The Commission entered into a toll facility agreement with California's Department of Transportation (Caltrans) and obtained authority to toll the I-15 corridor between Cajalco Road and SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations through April 2071. The 15 Express Lanes opened on April 10, 2021.

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. As of June 30, 2023, the Fund has deferred outflows of resources related to pension and other post-employment benefits (OPEB).

Due to other Commission funds: During the course of operations, transactions occur between Commission governmental funds involving goods provided and services rendered.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Compensated absences: Vacation hours accumulated and not taken at year-end is reported as a long-term liability, net of current portion, in the Fund.

Sick leave is recorded as an expense when taken by the employee. Employees with continuous five years of service have the option of being paid for sick leave accumulated in excess of 240 hours at a rate of 50% (i.e., one hour's pay for every two hours in excess of 240). Any sick leave in excess of 240 hours is accrued at fiscal year-end, and a liability is reported in the Fund.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment benefits other than pensions: For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Fund has deferred inflows of resources related to pension, OPEB, and leases.

Risk management: The Fund purchases commercial property insurance including business interruption, earthquake, and flood coverage related to the toll facility.

Net position: Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into two categories:

- *Net investment in capital assets* consists of capital and intangible assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.
- *Restricted net position* represents restricted assets less liabilities related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants). The statement of net position includes restricted net position for the portion of net toll revenues restricted by the 2017 Master Indenture for toll operations.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 2. Summary of Significant Accounting Policies, Continued

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumption that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 3. Cash and Investments

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

Cash in bank	\$	1,034,781
Investments		
With RCPIF		3,813,010
With Trustee		78,497,841
Total investments		82,310,851
Total cash and investments	\$	83,345,632

Total cash and investments are reported in the financial statements as:

Unrestricted cash and investments	\$	3,998,481
Restricted cash and investments		79,347,151
Total cash and investments	\$	83,345,632

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).



15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Fund as of June 30, 2023:

Investments by fair value level:	June 30, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Mortgage and asset-backed securities	\$ 3,771,821	\$ -	\$ 3,771,821
U.S. Treasury obligations	8,416,501	8,416,501	-
Money market mutual funds	63,080,795	63,080,795	-
U.S. agency securities	3,228,724	-	3,228,724
Total investments measured at fair value	78,497,841	\$ 71,497,296	\$ 7,000,545
Investments not subject to fair value hierarchy:			
RCPIF	3,813,010		
Total investments	\$ 82,310,851		

Investments classified in Level 1 of the value hierarchy, valued at \$71,497,296 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$3,771,821 and U.S. agency securities totaling \$3,228,724 classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2023, the Fund has the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Years)
RCPIF	\$3,813,010	\$3,892,733	0.210% - 6.000%	6/30/23 - 6/30/28	1.300
Held by Trustee					
Money market mutual funds	63,080,795	63,080,795	4.706%	N/A	20 days or 0.055
Mortgage and asset-backed securities	3,771,821	4,023,553	1.080% - 4.077%	1/25/24 - 12/15/42	5.907
U.S. agency securities	3,228,724	3,258,322	0.305% - 5.508%	10/27/23 - 3/25/27	1.405
U.S. Treasury obligations	8,416,501	8,539,532	0.127% - 4.063%	10/15/23 - 2/28/26	1.520
Total Investments	\$82,310,851	\$82,794,935			
				Portfolio weighted average	10.187

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

The weighted average maturity is calculated using the investment's effective duration weighted by the investment's fair value.

As of June 30, 2023, mortgage and asset-backed securities fair value totaled \$3,771,821. The underlying assets are consumer receivables that include credit cards, auto/equipment, and home loans. The securities have a fixed interest rate and are rated Aaa/AAA by least two of the three nationally recognized statistical rating organizations.

Deposits and withdrawals in the RCPIF are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the Fund's investment at June 30, 2023 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

Interest rate risk: While the Commission does not have a formal policy related to the interest rate risk of investments, the Commission's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. In accordance with the Commission's investment policy, restricted investments are invested in accordance with the maturity provisions of the specific bond indenture, which may extend beyond five years.

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 (e.g., broker-dealer) 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 Commission's investment policy requires that a third-party bank trust department hold all securities owned by the Commission. All trades are settled on a delivery versus payment basis through the Commission's safekeeping agent.

The Fund's cash deposits are included in the overall Commission's deposits. Bank balances over \$5,000,000 are swept daily into a money market account. Of the bank balance, up to \$250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of \$250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Credit risk: The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following table is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2023; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 3. Cash and Investments, Continued

Investments	Moody's	S&P	% of Portfolio
RCPIF	Aaa-bf	NR	4.59%
Money market mutual funds			
Funds	AAA	AAA	76.88%
Mortgage and asset backed securities			
Securities	NR	AA+	4.30%
Securities	NR	AAA	0.23%
U.S. agency securities			
Notes	AAA	AA+	3.29%
Notes	AAA	NR	0.59%
U.S. Treasuries			
Treasury	AAA	NR	8.95%
Treasury	NR	AA+	1.17%
Total			100.00%

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-U.S. Government or non-federal agency issuer. As of June 30, 2023, the Commission did not have investments in any one issuer that represents more than 5% of the Commission's total investments.

Note 4. Lease Receivable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about the Commission's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The 15 Express Lanes is the owner of a building within the City of Corona which is leased by both Orange County Transportation Authority (OCTA) and the Riverside Transportation Commission (RCTC) 91 Express Lanes. Detailed information for each lease is noted below.

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the Orange County Transportation Authority. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2023, the value of the lease receivable is \$291,176. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,812 and the Fund recognized lease revenue of \$49,011.

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the RCTC 91 Express Lanes Enterprise Fund. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2023, the value of the lease receivable is \$291,175. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,812 and the Fund recognized lease revenue of \$49,011.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 4. Lease Receivable, Continued

In accordance with the standard, the principal and interest expected to maturity is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 91,895	\$ 9,687	\$ 101,582
2025	95,950	8,037	103,987
2026	100,077	6,314	106,391
2027	103,977	4,518	108,495
2028	107,337	2,661	109,998
2029-2032	83,115	735	83,850
Total lease receivable	<u>\$ 582,351</u>	<u>\$ 31,952</u>	<u>\$ 614,303</u>

Note 5. Capital Assets

	Balance June 30, 2022	Capital Contributions	Transfers	Additions	Balance June 30, 2023
Capital assets not being depreciated:					
Land and land improvements	\$ 558,405	\$ -	\$ -	\$ -	\$ 558,405
Construction easements	53,350	-	-	-	53,350
Total capital assets not being depreciated	<u>611,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,755</u>
Capital assets being depreciated and amortized:					
Toll infrastructure	22,219,984	-	-	(860,110)	21,359,874
Buildings	6,451,978	-	-	-	6,451,978
Equipment, furniture, and fixtures	111,155	-	3,966	-	115,121
Toll facility franchise	352,233,039	2,123,464	-	-	354,356,503
Total capital assets being depreciated and amortized:	<u>381,016,156</u>	<u>2,123,464</u>	<u>3,966</u>	<u>(860,110)</u>	<u>382,283,476</u>
Less accumulated depreciation and amortization for:					
Toll infrastructure	(3,804,926)	-	(4,839,006)	-	(8,643,932)
Buildings	(939,385)	-	(722,825)	-	(1,662,210)
Equipment, furniture, and fixtures	(36,791)	-	(33,808)	-	(70,599)
Toll facility franchise	(8,730,110)	-	(7,057,274)	-	(15,787,384)
Total accumulated depreciation	<u>(13,511,212)</u>	<u>-</u>	<u>(12,652,913)</u>	<u>-</u>	<u>(26,164,125)</u>
Total capital assets being depreciated and amortized, net	<u>367,504,944</u>	<u>2,123,464</u>	<u>(12,648,947)</u>	<u>(860,110)</u>	<u>356,119,351</u>
Capital assets, net	<u>\$ 368,116,699</u>	<u>\$ 2,123,464</u>	<u>\$ (12,648,947)</u>	<u>\$ (860,110)</u>	<u>\$ 356,731,106</u>

On September 29, 2016, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the I-15 from Cajalco Road to SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations. The agreement also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the 15 Express Lanes.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 6. Interfund Transactions

Due from/to other Commission funds: The composition of balances related to due from other funds and due to other funds of the Commission at June 30, 2023 is as follows:

Payable Fund	Receivable Fund	Amount	Explanation
15 Express Lanes Enterprise fund	Commission's General fund	\$ (78,200)	Administrative cost allocation
15 Express Lanes Enterprise fund	Commission's General fund	(32,455)	Fringe benefits allocation
Total due from (to) other Commission funds, net		<u>\$ (110,655)</u>	

Contributions and transfers to/from other Commission funds: During 2023, contributions and transfers to/from other Commission funds were as follows:

Contribution and Transfer Out	Contribution and Transfer In	Amount	Explanation
Commission's Governmental activities	15 Express Lanes Enterprise fund	\$ 1,263,354	Contribution of capital and intangible assets
Commission's Governmental activities	15 Express Lanes Enterprise fund	981	Transfer of interest from ramp up reserve
Commission's Governmental activities	15 Express Lanes Enterprise fund	175,826	Transfer of lease revenues
Commission's Capital Projects fund	15 Express Lanes Enterprise fund	309	Transfer of interest from operations
15 Express Lanes Enterprise fund	91 Express Lanes Enterprise fund	(43)	Transfer of accumulated interest
Total contributions/transfers in from other Commission funds, net		<u>\$ 1,440,427</u>	

Advances from other funds: A Commission governmental fund advanced \$9,000,000 to the 15 Express Lanes Fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Capitalized interest on the advance as of June 30, 2022, was \$1,402,677. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date.

Note 7. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2023:

	Balance June 30, 2022	Additions / Accretion	Reductions	Balance June 30, 2023	Due Within One Year
TIFIA loan	\$ 162,385,853	\$ 4,644,502	\$ -	\$ 167,030,355	\$ -
Compensated absences liability	51,489	45,674	(38,916)	58,247	35,452
Total long-term obligations	<u>\$ 162,437,342</u>	<u>\$ 4,690,176</u>	<u>\$ (38,916)</u>	<u>\$ 167,088,602</u>	<u>\$ 35,452</u>

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 7. Long-Term Obligations, Continued

In May 2017, the Commission authorized the issuance and sale of not to exceed \$165 million of toll revenue bonds related to the 15 Express Lanes Project. The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes Project indenture.

TIFIA Loan Agreement:

Outstanding

In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds financed a portion of the costs for the I-15 Express Lanes Project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on December 1, 2025, which is five years after substantial completion of the I-15 Express Lanes Project, through December 1, 2055. The interest rate of the TIFIA loan is 2.84%. During 2023, \$0 was drawn on the TIFIA loan and \$4,644,502 interest was compounded.

\$ 167,030,355

In accordance with the TIFIA loan schedule, the annual debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ -	\$ 5,018,900	\$ 5,018,900
2027	-	5,018,900	5,018,900
2028	-	5,025,800	5,025,800
2029-2033	4,017,700	24,942,900	28,960,600
2034-2038	17,483,200	23,762,300	41,245,500
2039-2043	21,475,000	20,852,900	42,327,900
2044-2048	40,678,500	17,012,300	57,690,800
2049-2053	64,144,700	9,709,600	73,854,300
2054-2055	28,922,600	1,291,600	30,214,200
Total	176,721,700	<u>\$ 112,635,200</u>	<u>\$ 289,356,900</u>
Future compounded interest	<u>(9,691,345)</u>		
Total TIFIA loan		<u>\$ 167,030,355</u>	

Pursuant to the I-15 Express Lanes Project toll indenture the Commission is required to establish the following to support the 15 Express Lanes:

- A \$16.5 million ramp-up reserve prior to substantial completion and commencement of express lanes operations;
- An \$18 million TIFIA loan reserve from an advance of Commission Measure A sales tax revenue up to \$3 million per year from 2019 through 2024 to the extent that 15 Express lanes revenues are not sufficient to fund the TIFIA loan reserve; and
- Up to a \$38.5 million backstop loan from Commission Measure A sales tax revenues of up to \$3.85 million per year to the extent 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2023

Note 8. Commitments and Contingencies

Cooperative agreements: In January 2017 the Commission entered into a toll operator agreement, for the operations of the 15 Express Lanes. The toll operator is responsible for day-to-day operations of the toll collection system. The toll operator agreement expires in April 2026. In December 2022, the five-year extension options were exercised and the agreement will expire April 2031. The toll operator agreement provides operating services to the Commission in the annual amount of \$7,755,600 for the first two years of operations. Thereafter, annual amounts will be based on variable pricing.

Purchase commitments: The Fund has entered into other agreements in the ordinary course of business with companies and other governmental agencies related to operations and maintenance. These agreements, which are significant, are funded with available and future revenues.

Note 9. Pensions and Other Post-Employment Benefits Other Than Pensions

The Fund participates in the Commission's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System and the Commission's OPEB. Employees of the Fund are employees of the Commission as a whole. The required note disclosures regarding pension plans and OPEB are included in the Commission's financial statements. Please see those financial statements for information about the pension plans and OPEB as a whole.

The net pension liability of \$73,776 and net OPEB asset of \$27,823, reported by the Fund, represent the Fund's proportional share of the Commission's net pension liabilities of \$1,868,313 and net OPEB asset of \$704,600. The Fund's net pension liabilities and OPEB assets each represent 3.9% of the Commission's net pension liabilities and OPEB assets. For the year ended June 30, 2023, the Fund's contributions recognized as part of pension and OPEB expenses were \$340,452 and (\$10,146), respectively.

Note 10. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2023 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 99, *Omnibus 2022 (The requirements related to financial guarantees and the classification and reporting derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter)*.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023; and
- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023.



**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

**Riverside County
Transportation Commission**

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**Independent Auditor's Report on Compliance
With Aspects of Contractual Agreements**

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 31, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions or conditions of Sections 6.2(g) and 6.2(l) contained in the Reimbursement Agreement, dated October 1, 2014, with State Street Bank and Trust Company, a wholly-owned subsidiary of State Street Corporation, related to the Commercial Paper Notes (Limited Tax Bonds) Series A, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above-referenced terms, covenants, provisions or conditions of the Reimbursement Agreement, insofar as they relate to accounting matters.

The report is intended solely for the information and use of the Board of Commissioners and management of the Commission and State Street Bank and Trust Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2023



Management Letter
For Fiscal Year Ended June 30, 2023
**Riverside County Transportation
Commission**



To the Management of the
Riverside County Transportation Commission
Riverside, California

In planning and performing our audit of the financial statements of the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

During our audit we became aware of a deficiency in internal control other than significant deficiencies and material weaknesses that are opportunities for strengthening internal controls and operating efficiency. The observation and recommendation is summarized below. This letter does not affect our report dated October 31, 2023, on the financial statements of the Commission.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Commission personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS

Revenue Agreement Setup in Eden

Observation:

While RCTC-Finance performed due diligence on Agency funding agreements, it was discovered that a construction cooperative agreement for the I-215 / Placentia Avenue Interchange (Project) was classified as a “Payable” agreement as opposed to a “Receivable” agreement by Program staff. As a result, this prevented RCTC-Finance staff from determining if the Project had available funds to offset Local funding sources towards the eligible expenditures related to the Project.

Recommendation:

We recommend the Commission strengthen its internal control process to ensure that all project funding agreements, including amendments, are consistently reported to RCTC-Finance.

Management’s Response:

RCTC-Finance will work with both Program staff to stress the importance with providing accurate and detailed information within internal documents, related to funding agreements. This will ensure eligible Project expenditures are requested to be reimbursed timely by funding agencies.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Commission gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

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

Eide Sully LLP

Rancho Cucamonga, California
October 31, 2023



October 31, 2023

To the Audit Ad Hoc Committee
Riverside County Transportation Commission
Riverside, California

We have audited the financial statements of Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and have issued our report thereon dated as indicated below:

<u>Report</u>	<u>Audit Report Date</u>
Annual Comprehensive Financial Report (ACFR)	October 31, 2023
RCTC 91 Express Lanes Fund	October 31, 2023
RCTC 15 Express Lanes Fund	October 31, 2023
State Transit Assistance Fund	October 31, 2023
Local Transportation Fund	October 31, 2023
State of Good Repair Fund	October 31, 2023
Proposition 1B Rehabilitation, Safety and Security Project Accounts	October 31, 2023
Low Carbon Transit Operations Program Account	October 31, 2023
Single Audit	October 31, 2023

Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated June 22, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the Commission complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the Commission’s major federal program compliance, is to express an opinion on the compliance for each of the Commission’s major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the Commission’s internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 31, 2023. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated October 31, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks”. We have identified the following as significant risks.

- Management override
- Revenue recognition
- Subscription-Based Information Technology Arrangements

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. As described in Note 14, the Commission changed accounting policies related to accounting for certain IT arrangements to adopt the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Net pension liabilities and net other postemployment benefits (OPEB) assets, disclosures, and related deferred inflows/outflows and expenses are based on actuarial valuations which include assumptions adopted by the California Public Employees' Retirement System (CalPERS) and the Commission.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Commission's financial statements relate to:

- Net Pension liabilities and Net OPEB assets in Notes 11 and 12, respectively, are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed in Notes 11 and 12, a 1% increase or decrease in the discount rate has a significant effect on the pension and OPEB liabilities/assets.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Activities

Overstatement of Lease Liabilities	\$1,550,023
Overstatement of Right-To-Use Assets	1,464,811
Overstatement of expense	85,212

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2023, is an understatement of net position of \$85,212.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 14 to the financial statements, due to the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the Commission restated opening balances as of July 1, 2022. We have included an emphasis of matter in our report regarding this restatement.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 31, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Commission's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Additionally, in accordance with such standards, we have read the introductory and statistical sections of the Commission's annual report and considered whether such information, or the manner of its presentation was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Group Audits

The financial statements include the financial statements of the Service Authority for Freeway Emergencies (SAFE), a blended component unit of the Commission, which for the purposes of our audit we do not consider to be a significant component within the financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of SAFE and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and completion of further audit procedures.

This report is intended solely for the information and use of the Board of Commissioners, the Audit Ad Hoc Committee, and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



Rancho Cucamonga, California



**Independent Accountant's Report
on the Article XII-B Appropriations Limit Calculation**

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the Riverside County Transportation Commission (Commission) prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2023. The Commission's management is responsible for the Appropriations Limit Calculation.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Appropriations Limit Calculation and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the Commission's 2022-23 appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Commissioners. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Commissioners.

Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2022-23 appropriations limit.

Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in Procedure 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were found as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the Board of Commissioners.

Finding: No exceptions were found as a result of this procedure.

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

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

No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2023



Measure A Commuter Assistance Program
Agreed-Upon Procedures
June 30, 2023

Riverside County
Transportation Commission

Riverside County Transportation Commission
Measure A Commuter Assistance Program

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June 30, 2023

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Independent Accountant's Report

To the Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have performed the procedures enumerated below, on certain requirements of the Riverside County Transportation Commission's (Commission or RCTC) agreement with William Sale Partnership USA Inc. (WSP) to administer its Measure A Commuter Assistance Program (Program) for the year ended June 30, 2023. The Commission's management is responsible for the administration and operation of the Program.

As background information for this engagement to perform agreed-upon procedures, we were provided with: Resolution No. 22-002, Resolution of the Commission Amending Guidelines for the administration of the Measure A funded Commuter Incentive Programs, and Agreement No.15-41-038-00, Agreement for Commuter Assistance Program Graphic Design and Program Administration Services between WSP USA Inc. and the Commission, entered into as of June 1, 2015 for the period of June 1, 2015 to June 30, 2024, as amended per Amendments Nos. 1 to 6, and the Inland Empire (IE) Commuter Incentives Programs and Processes Standard Operating Procedures. In addition, we received an explanation of the WSP registration process with the employer and employee from staff at WSP.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assessing WSP's compliance with the agreement and we will report on findings based on the procedures performed.

This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtain an understanding of the Administration of the Measure A Commuter Assistance Program by reading Resolution No. 22-002, Resolution of the Commission Amending Guidelines for the Administration of the Measure A Funded Commuter Incentive Program.

Finding: No exceptions were found as a result of performing this procedure.

2. Obtain a listing of all disbursements to vendors and invoiced to the Commission for reimbursement by WSP for the purchase of gift cards for the year ending June 30, 2023, and haphazardly select a sample of 10 items for the year for the testing and report any findings (see Exhibit 1). The procedures related to Exhibit 1 are as follows:
 - a. Agree the amount recorded as disbursed by WSP to cancelled checks.
 - b. Agree the amount recorded as itemized in WSP invoices to the Commission's accounting records.
 - c. Agree the amount recorded and the payee on the Check Request Register to the log of requested gift cards maintained by WSP.

Finding: No exceptions were found as a result of performing these procedures.

3. Obtain the "Commission Payments by Employer" reports that list recorded disbursements made to recipients by WSP for the year and haphazardly select a sample of 10 items for the year for testing and report any findings (see Exhibit 2). Our procedures and findings related to Exhibit 2 are as follows:
 - a. Determine that the employer was registered by inspecting the Employer Partnership Agreement (EPA).
 - b. Determine that the employee was registered by inspecting the Incentive Application Form (Application).
 - c. Agree WSP's disbursements to the Application and observe proper approval of the Application.
 - d. Recalculate the number of days the employee participated in each rideshare mode and the incentive earned for each rideshare mode and agree those totals to the amounts listed on the monthly incentive claim form in order to mathematically check the monthly claim form.
 - e. Agree the daily amount per mode of transportation to the amount approved in the EPA.
 - f. Agree the recorded disbursement amount per the WSP Incentive Payment Report to the employer transmittal letter.

Finding: No exceptions were found as a result of performing these procedures.

4. Compare WSP's total gift card inventory balance as of June 30, 2023, to the inventory schedule which denotes the amount of gift cards on hand at that date and report the results. In addition, 100% of the gift cards as reported on the inventory schedule on June 30, 2023, will be selected for recount.

Finding: We met with the WSP Incentive Specialist virtually to conduct a gift card inventory of gift cards for Riverside County Service Authority for Freeway Emergencies (RC Safe), RCTC, and the San Bernardino County Transportation Authority (SBCTA) (all funded by RCTC). No exceptions were found as a result of performing this procedure.

	<u>Amazon</u>	<u>Stater Bros.</u>	<u>Target</u>	<u>Wal-Mart</u>	<u>Total</u>
RC Safe	\$ 1,585	\$ 2,755	\$ 3,080	\$ 3,000	\$ 10,420
RCTC Advantage Rideshare Program	10,470	9,970	15,775	12,365	48,580
SBCTA Option Rideshare Program	11,680	13,065	7,370	19,995	<u>52,110</u>
					<u><u>\$ 111,110</u></u>

5. Confirm that the storage and security of gift cards by WSP is consistent with IE Commuter Standard Operating Procedures.

Finding: The Incentives Programs and Processes Standard Operating Procedures note that gift cards are secured in a safe. Monthly, the gift cards are manually counted by the Incentives Specialist and Manager where they are logged on the Monthly Inventory Spreadsheet. No exceptions were found as a result of performing these procedures.

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

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

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
October 31, 2023

Riverside County Transportation Commission
 Measure A Commuter Assistance Program
 Schedule of Selected Purchases of Gift Cards by the Contractor
 Fiscal Year Ended June 30, 2023

Exhibit 1

<u>Check Date</u>	<u>Project</u>	<u>Vendor</u>	<u>Check Number</u>	<u>Amount</u>
07/26/2022	IE Commuter Incentive Program	Amazon	2349195	\$ 9,000
07/26/2022	IE Commuter Incentive Program	Stater Bros*	4034241	19,998
07/26/2022	IE Commuter Incentive Program	Target	4034251	5,000
07/26/2022	IE Commuter Incentive Program	Wal-Mart	4034305	15,000
07/28/2022	IE Commuter Incentive Program	Stater Bros*	4034590	2,499
08/04/2022	IE Commuter Incentive Program	Wal-Mart	4035393	3,500
10/20/2022	IE Commuter Incentive Program	Amazon	2420215	40,000
12/20/2022	IE Commuter Incentive Program	Amazon	2470180	10,000
12/29/2022	IE Commuter Incentive Program	Amazon	2477667	20,000
03/07/2023	IE Commuter Incentive Program	Target	4056295	10,000

* Gross amount of the gift cards purchased was \$23,680 as a discount was provided totaling \$1,183.

Riverside County Transportation Commission
 Measure A Commuter Assistance Program
 Schedule of Selected Employee Incentive Payments Made by the Contractor
 Fiscal Year Ended June 30, 2023

Exhibit 2

Employer Name	Participant Initials	Incentive Type	Disbursement Date	Commute Mode	Amount
Soboba Casino	T.R.	Stater Bros	7/14/2022	Carpool	\$ 125
California School for the Deaf	A.J.	Target	9/1/2022	Bus	125
County of Orange	M.M.	Target	9/18/2022	Rail	125
Loma Linda University Health (LLUH)	A.C.	Stater Bros	10/20/2022	Carpool	125
NFI Industries	J.B.	Target	6/6/2023	Carpool	125
Fontana Unified School District	N.M.	Amazon	8/8/2022	Carpool	125
University of California Riverside (UCR)	F.F.	Amazon	9/21/2022	Vanpool	125
Cathay Bank	L.C.	Target	1/17/2023	Carpool	85
Ventura Foods	A.D.	Walmart	3/14/2023	Carpool	125
City of Santa Ana (Police Department)	E.A.	Amazon	6/21/2023	Carpool	125



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October 31, 2023

Board of Commissioners
 Riverside County Transportation Commission
 Riverside, California

The Annual Comprehensive Financial Report (ACFR) of the Riverside County Transportation Commission (Commission) for the year ended June 30, 2023 is hereby submitted for your receipt and acceptance. The ACFR is presented in three sections consisting of Introductory, Financial, and Statistical. The Financial Section includes the audited financial statements and other supplementary information and the independent auditor's report on those financial statements. Management of the Commission is responsible for the financial statements and other information presented in the ACFR.

As the Executive Director and Chief Financial Officer of the Commission, we have reviewed the ACFR for the year ended June 30, 2023. Based on our knowledge, the ACFR does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the ACFR not misleading with respect to the period covered by the ACFR.

Additionally, based on our knowledge, the financial statements and other financial information included in the ACFR fairly present in all material respects the financial condition and results of operations of the Commission as of and for the year ended June 30, 2023.

 Anne Mayer, Executive Director

 Sergio Vidal, Chief Financial Officer



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October 31, 2023

Board of Commissioners
 Riverside County Transportation Commission
 Riverside, California

In connection with the submission of the Annual Comprehensive Financial Report (ACFR) of the Riverside County Transportation Commission (Commission) for the year ended June 30, 2023, as the management and Directors of the Commission, we understand that we are responsible for the operations and activities of the Commission's programs, projects, and administration.

Accordingly, we hereby make the following representations based upon our knowledge. We are responsible for establishing and maintaining controls and procedures related to these operations and activities. We have designed such controls and procedures to ensure that material information is made known to us, particularly during the year ended June 30, 2023. The controls and procedures have been effective for the year ended June 30, 2023 and through the date of this letter. There have been and are no significant deficiencies in the design or operation of internal controls regarding financial reporting for the same period which could adversely affect the Commission's ability to record, process, summarize and report financial data. There have been and are no material weaknesses in internal controls. There have been no significant changes in internal control or in other factors that could significantly affect internal controls subsequent to June 30, 2023.

Management also recognizes its responsibility for fostering a strong ethical climate so that the Commission's affairs are conducted according to the highest standards of personal and organizational conduct. In connection with this responsibility, we are not aware of any fraud, whether or not material, that involves management or other employees who have a significant role in the Commission's internal controls.

Anne Mayer, Executive Director

Sergio Vidal

Sergio Vidal, Chief Financial Officer

Lorelle Moe-Luna

Lorelle Moe-Luna, Multimodal Services Director

Jennifer Crosson

Jennifer Crosson, Toll Operations Director

Erik Galloway

Erik Galloway, Project Delivery Director

Lisa Mobley

Lisa Mobley, Administrative Services Director/Clerk
 of the Board

Aaron Hake

Aaron Hake, Deputy Executive Director

Jillian Guizado

Jillian Guizado, Planning and Programming Director

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Email: jcrosson@rctc.org

Signature: 
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CPAs & BUSINESS ADVISORS

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

Communication With Those Charged With Governance

December 11, 2023

AUDIT SERVICES

- Audits of the following:
 - Annual Comprehensive Financial Report (Annual Report)
 - 91 Express Lanes Fund
 - 15 Express Lanes Fund
 - Local Transportation Fund (LTF)
 - State Transit Assistance Fund (STAF)
 - State of Good Repair Fund (SGR)
 - Proposition 1B Rehabilitation, Safety, and Security Project Accounts (Proposition 1B)
 - Low Carbon Transit Operations Program (LCTOP) Account
- Audit report on compliance over the major federal program, schedule of expenditures of federal awards and internal control in accordance with 2 CFR 200 (Single Audit)
- Reports on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards
- Report on compliance with aspects of contractual agreements – Commercial Paper
- Perform Agreed Upon Procedures (AUP) on the following:
 - Appropriations Limit Calculation
 - Measure A Commuter Assistance Program

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Express an opinion as to whether RCTC complied with direct and material compliance requirements described in the OMB Compliance Supplement for major federal programs.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting and over direct and material compliance requirements for major federal programs. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SUMMARY OF AUDIT RESULTS

Financial Statements

- Unmodified opinion on the Commission's Annual Report and stand-alone reports

Government Auditing Standards

- No material weaknesses or significant deficiencies were reported

Single Audit

- Unmodified opinion on compliance
- No material weaknesses, significant deficiencies or compliance findings were reported

AUDITOR COMMUNICATIONS

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- Summary of significant accounting policies – Note 1
- Adopted GASB 96, *Subscription-Based IT Arrangements (SBITAs)*, effective July 1, 2022- Note 14

Significant Risks Identified

- Management Override
- Revenue Recognition
- SBITAs

AUDITOR COMMUNICATIONS

Significant Estimates/ Sensitive Disclosures

- Net Pension Liability (Note 11)
- Net Other Postemployment Benefit (OPEB) Asset (Note 12)

Uncorrected Misstatements

- Governmental Activities - Net impact on net position and expenses-\$85 thousand (overstatement of lease liabilities and right-to-use assets)

AUDITOR COMMUNICATIONS

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the course of the audit.

THANK YOU

Roger Alfaro

Partner

ralfaro@eidebailly.com

909.466.4410



CPAs & BUSINESS ADVISORS

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

AGENDA ITEM 6C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Sergio Vidal, Chief Financial Officer Michele Cisneros, Deputy Director of Finance
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Quarterly Financial Statements

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 2023.

BACKGROUND INFORMATION:

During the first three months of the fiscal year, staff monitored the revenues and expenditures of the Commission. The first quarter of the fiscal year is primarily directed toward completing fiscal year-end activities for the prior year. Staff expects most categories to present a more realistic outlook beginning in the second quarter.

The operating statement shows the Measure A and Local Transportation Fund (LTF) sales tax revenues for the first quarter at 7 percent of the budget. This is a result of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for nonexchange Transactions*. GASB Statement No. 33 requires sales tax revenues to be accrued for the period in which they are collected at the point of destination or sale, as applicable. The California Department of Tax and Fee Administration collects the sales tax funds and remits these funds to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. Accordingly, these financial statements reflect the revenues related to collections for July 2023.

On a cash basis, the Measure A and LTF sales tax receipts are 2.04 higher and 0.75 lower, respectively, than the same period last fiscal year. State Transit Assistance revenues, including State of Good Repair for the first quarter of Fiscal Year 2023/24, are expected to be received in the second quarter of FY 2023/24. Staff will continue to monitor the trends in the sales taxes and report to the Commission any necessary adjustments in revenue projections.

Federal, state, and local reimbursements are generally on a reimbursement basis. The Commission will receive these revenues as eligible project costs are incurred and invoiced to

the respective agencies. The negative revenue amounts for federal, state, and local reimbursements reflect the reversal of the FY 2022/23 accrued revenues at the beginning of FY 2023/24 in excess of amounts billed during the first quarter. Reimbursement invoices for expenditures for the first quarter will be prepared and submitted in the second quarter.

During the FY 2023/24 budget process, the Commission estimated the Transportation Uniform Mitigation Fee (TUMF) revenues at \$31 million passed through from Western Riverside Council of Governments. During the first quarter of FY 2023/24, the Commission has not received TUMF revenues. The Commission expects to receive the first quarter revenues in the second quarter. The negative TUMF zone revenue reimbursement reflects the reversal of the FY 2022/23 accrued revenues at the beginning of FY 2023/24 in excess of amounts billed during the first quarter for the I-10 Highland Springs Avenue Interchange project.

The RCTC 91 Express Lanes and 15 Express Lanes toll revenues, penalties, and fees are at \$20,620,387 and \$10,514,739, respectively, totaling \$31,135,126 for the first quarter of FY 2023/24. The operating statement shows toll revenues, penalties, and fees at 32 percent of the budget. This reflects periodic toll rate changes made based on traffic volumes according to the approved toll policy on the RCTC 91 Express Lanes. Staff will continue to monitor the toll transactions and/or trips and non-toll revenues.

The operating statement shows other revenues at 42 percent of the \$723,500 budget and reflects property management lease revenues.

During the FY 2023/24 budget process, the Commission estimated investment income at \$13,242,700 due to current market conditions. The operating statement shows investment income, which includes net unrealized investment gains and losses at \$2,673,834.

The expenditures/expenses and other financing sources/uses categories are in line overall with the expectations with the following exceptions:

- Salaries and benefits are under budget primarily due to unfilled positions for an Accounting Technician, IT Administrator, and Senior Capital Projects Manager;
- Professional services are under budget primarily due to unused budget authority for general legal services; financial advisory services; audit services; rail operations and development activities; and highway, commuter assistance, specialized transportation, and regional conservation other professional services;
- Support costs are under budget due to unused budget authority for rail station maintenance and repairs; express lanes operations and maintenance; call box maintenance and repairs; advertising; and software and computer maintenance and repairs;
- Program operations are under budget due to unused budget authority for rail station security; toll operations; motorist and commuter assistance program operations; and highway and rail program management;

- The status of significant Commission capital projects (engineering, construction, design-build, and right of way/land) with budget amounts exceeding \$5 million is discussed within Attachment 1;
- Operating and capital disbursements are made as claims are submitted to the Commission by transit operators;
- Special studies unused budget authority is related to feasibility studies;
- Local street and roads expenditures are related to Measure A sales tax revenues. These financial statements reflect the turnback payments through July 2023;
- Regional arterial expenditures represent expenditures for the highway and regional arterial program administered by the Coachella Valley Association of Governments (CVAG). CVAG requests reimbursements from the Commission based on available funds and sufficient budget authority;
- Debt service principal payments are made annually on June 1, while debt service interest payments are made semiannually on December 1 and June 1. In accordance with the applicable accounting standards related to the Enterprise funds, both the RCTC 91 and 15 Express Lanes Enterprise funds record accrued and compounded interest on its related debt such as the RCTC 91 Express Lanes 2021 Toll Refunding Bonds and 2013 Toll Revenue Bonds, Series B capital appreciation bonds for the 91 Project as well as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the 15 Express Lanes project. Therefore, \$1.4 million of the \$7 million interest cost through the first quarter will not be paid in the current year for the RCTC 91 and 15 Express Lanes Enterprise funds and therefore, not included in the FY 2023/24 budget;
- Capital outlay expenditures are under budget due to unused budget authority for office improvements, property improvements for station rehabilitation, toll operations equipment, and Commission network, hardware, and software improvements;
- Depreciation is recorded as part of the accrual adjustments in the RCTC 91 and 15 Express Lanes Enterprise funds accounting records; however, depreciation is considered a non-cash transaction and not included in the FY 2023/24 budget; and
- Transfers in and out include the first quarter administrative cost allocation process, Measure A Sales Tax Bonds debt funding, and LTF disbursements for planning and programming activities.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachments:

- 1) Quarterly Project Status – September 2023
- 2) Quarterly Financial Statements – September 2023

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY PROJECT STATUS
1st QUARTER
FOR THREE MONTHS ENDED 9/30/2023**

Project Description	FY 2023/24 through 1 st Quarter Budget	Expenditures through 1 st Quarter Actuals	Project Status
<p>91 Express Lanes (P009103 & P009104) These projects provide repair and rehabilitation of SR-91 general purpose and express lanes, as well as the implementation of a new back-office system. The FY2023/24 budget amount is \$8,516,200.</p>	\$2,181,550	\$1,240,638	The under run of the FY 2023/24 budget at the first quarter is due to lower than anticipated expended costs for Phase 2 corridor improvements and associated project construction management (\$0.2 million) and back-office system implementation (\$0.6 million).
<p>I-15 Express Lanes Southern Extension (P003044) The project will add express lanes between SR-74 and Cajalco Road. The estimated project cost is \$544 million with the Project Approval and Environmental Document (PA/ED) phase of work funded by federal Congestion Mitigation and Air Quality (CMAQ) funds and Measure A. The FY 2023/24 budget amount is \$13,439,000.</p>	2,041,950	366,459	The under run of the FY 2023/24 budget at the first quarter is due to lower than anticipated expended costs for the preliminary engineering and environmental document contract (\$1.0 million), program management, staff labor, legal, and other professional services (\$0.6 million).
<p>15/91 Express Lanes Connector (P003039) The 15/91 Express Lane Connector (ELC) project constructs an express lanes median direct connector from southbound I-15 to westbound SR-91 and from eastbound SR-91 to northbound I-15 in the city of Corona. The project also adds tolled express lanes in each direction of I-15 from the 15/91 ELC to Hidden Valley Parkway; adds a tolled express lane in each direction of SR-91 from east of Lincoln Avenue to the 15/91 ELC; extends the tolled express lane along eastbound SR-91 from I-15 to west of Promenade Avenue; and extends an eastbound auxiliary lane along SR-91 from west of I-15 to west of Promenade Avenue. The project also includes the addition of a toll collection system infrastructure along I-15 and SR-91. The estimated project cost is \$270 million and the project is partially funded by state funds allocated under Senate Bill (SB) 132 legislation. The connector is expected to open to traffic in 2023. The FY 2023/24 budget amount is \$38,389,000.</p>	8,835,550	3,320,578	The under run of the FY 2023/24 budget at the first quarter is due to delayed invoicing from the design builder (\$4.3 million) and lower than anticipated expended costs from the project construction management contract (\$0.8 million), and toll marketing (\$0.2 million).

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY PROJECT STATUS
 1st QUARTER
 FOR THREE MONTHS ENDED 9/30/2023**

Project Description	FY 2023/24 through 1 st Quarter Budget	Expenditures through 1 st Quarter Actuals	Project Status
<p>Mid County Parkway (MCP) (P002302, P002317, P002320, P002324, & P002328) The environmental document for a new corridor from I-215 to SR-79 was approved in April 2015. The first design package is under construction. Construction of this new facility will be completed over many years as funding becomes available; the total project cost is estimated at \$1.3 to \$2.1 billion. <i>The FY 2023/24 budget amount is \$33,694,700.</i></p>	2,493,950	675,917	<p>The under run of the FY 2023/24 budget at the first quarter is primarily due to the following for each project:</p> <ul style="list-style-type: none"> • MCP: The minimal under run is due to right of way (ROW) acquisition and ROW support (\$0.05 million). • MCP I-215/Placentia Interchange: The over run for this project was due to construction and construction management (\$0.07 million), that was slightly offset by the under runs in construction support services (\$0.03 million) and general legal services (\$0.03 million). • MCP Mitigation: The first year of plant establishment was completed at the beginning of the third quarter in FY 2020/21 and the under run in the first quarter of FY 2023/24 was due to mitigation property monitoring (\$0.5 million). • MCP2 and MCP3: The Commission approved the shift from MCP2 to MCP3 at the May 2022 Commission meeting. The under run was due to unused ROW acquisition/support services on MCP2 (\$0.06 million) and final design on MCP3 (\$0.9 million).
<p>71/91 Connector Project (P003021) The project includes ROW acquisition, utility relocation, and environmental revalidation work for improvements to the 71/91 connector. The estimated project cost is \$118 million. <i>The FY 2023/24 budget amount is \$66,221,900.</i></p>	11,060,475	8,237,669	<p>The under run of the FY 2023/24 budget at the first quarter is due to construction (\$1.8 million), construction management services (\$0.7 million), less than anticipated costs for construction support (\$0.2 million) and program management (\$0.2 million).</p>
<p>Smart Freeways (P003051) The project includes environmental clearance, design, and commence construction of a pilot project to install a smart freeway system on northbound I-15 in the city of Temecula. <i>The FY 2023/24 budget amount is \$16,180,000.</i></p>	1,040,000	(284,228)	<p>The under run of the FY 2023/24 budget at the first quarter is due to FY 2022/23 accrual reversal, delayed invoicing from the preliminary design firm (\$0.5 million), engineering & environmental support services (\$0.4 million), and lower than expected costs for construction management (\$0.4 million). Construction is not scheduled to commence until the second half of FY 2023/24.</p>

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY PROJECT STATUS
 1st QUARTER
 FOR THREE MONTHS ENDED 9/30/2023**

Project Description	FY 2023/24 through 1st Quarter Budget	Expenditures through 1st Quarter Actuals	Project Status
<p>Santa Ana River Trail Extension (SART) (P007201 & P007202) The Commission provides support to the Riverside County Regional Park and Open Space District (District) for the projects under a cooperative planning and development agreement. The District is the lead agency for environmental compliance for NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction. The projects are a joint effort with several public and private agencies including the county of Orange and the United States Army Corps of Engineers. The District is responsible for 100% of costs. The FY 2023/24 budget amount is \$6,756,700.</p>	1,623,000	177,222	The under run of the FY 2023/24 budget at the first quarter is due to final design (\$0.1 million) and preliminary engineering (\$0.05 million) for SART 1. Additionally, the underrun in SART 2 is due to ROW acquisition and support (\$1.1 million) and final design (\$0.1 million).
<p>Moreno Valley-March Field station upgrade (P004026) The project will remove and replace approximately 2.5 miles of existing rail and wood ties with new rail and concrete ties, remove / replace / regrade track ballast, improve track drainage, install new track signals and Positive Train Control system, connect to existing signals and communication systems, build a new second passenger loading platform, extend the existing passenger loading platform to current Metrolink station standards, and perform other improvements necessary to bring the tracks into compliance with Metrolink standards. The FY 2023/24 budget amount is \$17,610,100.</p>	3,199,725	1,301,132	The under run of the FY 2023/24 budget at the first quarter is due to construction (\$0.9 million), construction support (\$0.8 million) and construction management (\$0.1 million).

This list discusses the significant capital projects (i.e., total budgeted costs in excess of \$5 million) and related status. Capital project expenditures are generally affected by lags in invoices submitted by contractors and consultants, as well as issues encountered during certain phases of the projects. The capital projects budgets tend to be based on aggressive project schedules.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY BUDGET TO ACTUAL
1ST QUARTER
FOR THREE MONTHS ENDED 9/30/2023

	FY 2023/24 BUDGET	1 ST QUARTER ACTUAL	REMAINING BALANCE	PERCENT UTILIZATION
Revenues				
Sales tax	\$ 473,394,500	\$ 33,395,842	\$ 439,998,658	7%
Federal reimbursements	89,308,100	(985,770)	90,293,870	-1%
State reimbursements	82,343,100	(5,461,744)	87,804,844	-7%
Local reimbursements	30,075,000	2,745,999	27,329,001	9%
Transportation Uniform Mitigation Fee	31,000,000	(481,189)	31,481,189	-2%
Tolls, penalties, and fees	97,989,000	31,135,126	66,853,874	32%
Other revenues	723,500	302,465	421,035	42%
Investment income	13,242,700	2,673,834	10,568,866	20%
Total revenues	818,075,900	63,324,563	754,751,337	8%
Expenditures/Expenses				
Salaries and benefits	17,563,900	3,547,840	14,016,060	20%
Professional and support				
Professional services	24,592,600	1,709,065	22,883,535	7%
Support costs	21,582,000	5,014,680	16,567,320	23%
Total Professional and support costs	46,174,600	6,723,745	39,450,855	15%
Projects and operations				
Program operations	49,525,000	3,362,538	46,162,462	7%
Engineering	34,591,600	242,616	34,348,984	1%
Construction	272,322,900	5,200,463	267,122,437	2%
Design Build	37,161,000	2,762,020	34,398,980	7%
Right of way/land	45,974,200	(17,082,897)	63,057,097	-37%
Operating and capital disbursements	252,272,300	45,887,885	206,384,415	18%
Special studies	14,890,000	26,343	14,863,657	0%
Local streets and roads	84,545,100	6,557,177	77,987,923	8%
Regional arterials	30,000,000	(2,814,996)	32,814,996	-9%
Total projects and operations	821,282,100	44,141,149	777,140,951	5%
Debt service				
Principal	32,635,000	-	32,635,000	N/A
Interest	58,781,200	7,010,087	51,771,113	12%
Total debt service	91,416,200	7,010,087	84,406,113	8%
Capital outlay	7,842,200	1,689,733	6,152,467	22%
Depreciation	-	4,724,773	(4,724,773)	N/A
Total Expenditures/Expenses	984,279,000	67,837,327	916,441,673	7%
Excess revenues over (under) expenditures/expenses	(166,203,100)	(4,512,764)	(161,690,336)	3%
Other financing sources/(uses)				
Transfer in	212,463,600	37,826,206	174,637,394	18%
Transfer out	(212,463,600)	(37,826,206)	(174,637,394)	18%
Total financing sources/(uses)	-	-	-	N/A
Net change in fund balances	(166,203,100)	(4,512,764)	161,690,336	3%
Fund balance July 1, 2023	1,382,220,300	1,200,727,959	(181,492,341)	87%
Fund balance September 30, 2023	\$ 1,216,017,200	\$ 1,196,215,195	\$ (19,802,005)	98%

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY BUDGET TO ACTUAL BY FUND
 1ST QUARTER
 FOR THREE MONTHS ENDED 9/30/2023

	SPECIAL REVENUE FUNDS												
	GENERAL FUND	MEASURE A SALES TAX			TRANSPORTATION DEVELOPMENT ACT				TRANSPORTATION UNIFORM MITIGATION FEE (TUMF)	COACHELLA VALLEY RAIL	OTHER AGENCY PROJECTS	REGIONAL CONSERVATION	SB132
		FSP/SAFE	WESTERN COUNTY	COACHELLA VALLEY	PALO VERDE VALLEY	LOCAL TRANSPORTATION FUND	STATE TRANSIT ASSISTANCE	STATE OF GOOD REPAIR					
Revenues													
Sales tax	\$ -	\$ -	\$ 17,367,972	\$ 4,172,015	\$ 83,004	\$ 11,772,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal reimbursements	(1,948,629)	-	962,859	-	-	-	-	-	-	-	-	-	-
State reimbursements	(43,238)	560,409	(4,178,924)	-	-	-	-	(143,169)	(250,000)	-	-	-	(1,406,822)
Local reimbursements	20	434	635,219	-	-	-	-	-	-	177,235	1,933,091	-	-
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-	(481,189)	-	-	-	-
Tolls, penalties, and fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	271,220	-	-	-	-	-	6,000	-	-	-	-
Investment income	-	-	214,023	39,798	-	-	79,597	-	79,597	-	-	-	-
Total revenues	(1,991,847)	560,843	15,272,369	4,211,813	83,004	11,772,851	79,597	(143,169)	(645,592)	-	177,235	1,933,091	(1,406,822)
Expenditures/Expenses													
Salaries and benefits	1,701,988	24,153	630,483	-	-	-	-	-	34,779	11,089	17,005	679,792	82,127
Professional and support													
Professional services	451,227	(36,165)	462,659	1,468	-	-	2,937	(25,000)	42,903	16,796	1,687	510,438	3,497
Support costs	1,411,771	12,618	940,260	-	-	-	-	-	232	692	(13)	265,145	1,928
Total Professional and support costs	1,862,998	(23,547)	1,402,919	1,468	-	-	2,937	(25,000)	43,135	17,488	1,674	775,583	5,425
Projects and operations													
Program operations	9,644	681,251	1,401,805	-	-	-	-	-	35,032	1,836	24,460	6,971	81,750
Engineering	-	-	260,398	-	-	-	-	-	(135,314)	-	117,532	-	-
Construction	-	-	6,420,689	-	-	-	-	-	(450,106)	-	-	-	(1,183,056)
Design Build	-	-	(647,243)	-	-	-	-	-	-	-	-	-	2,880,135
Right of way/land	-	-	(17,011,219)	-	-	-	-	-	(288,505)	-	16,994	152,458	47,375
Operating and capital disbursements	36,852	-	247,336	2,068,750	-	44,572,074	(946,528)	(90,599)	-	-	-	-	-
Special studies	26,343	-	-	-	-	-	-	-	-	-	-	-	-
Local streets and roads	-	-	5,013,968	1,460,205	83,004	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	(2,814,996)	-	-	-	-	-	-	-	-	-
Total projects and operations	72,839	681,251	(4,314,266)	713,959	83,004	44,572,074	(946,528)	(90,599)	(838,893)	1,836	158,966	159,429	1,826,204
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay													
Depreciation	13,853	369	1,675,511	-	-	-	-	-	-	-	-	-	-
Total Expenditures/Expenses	3,651,678	682,226	(605,353)	715,427	83,004	44,572,074	(943,591)	(115,599)	(760,979)	30,413	177,665	1,614,804	1,913,756
Excess revenues over (under)	(5,643,525)	(121,383)	15,877,722	3,496,386	-	(32,799,223)	1,023,188	(27,570)	115,387	(30,413)	(430)	318,287	(3,320,578)
Other financing sources/(uses)													
Transfer in	15,275,258	-	1,912,772	-	-	-	-	-	13,634	-	-	-	3,320,578
Transfer out	(258,500)	(66,500)	(18,458,394)	(156,900)	(6,500)	(12,758,758)	(6,500)	-	(21,200)	(5,300)	-	(318,900)	-
Total financing sources/(uses)	15,016,758	(66,500)	(16,545,622)	(156,900)	(6,500)	(12,758,758)	(6,500)	-	(7,566)	(5,300)	-	(318,900)	3,320,578
Net change in fund balances	9,373,233	(187,883)	(667,900)	3,339,486	(6,500)	(45,557,981)	1,016,688	(27,570)	107,821	(35,713)	(430)	(613)	-
Fund balance July 1, 2023	37,100,151	13,328,700	438,154,128	96,210,303	-	336,576,925	142,158,549	12,661,636	148,270,737	2,257,390	28,174	(2,362)	1,003,665
Fund balance September 30, 2023	\$ 46,473,384	\$ 13,140,817	\$ 437,486,228	\$ 99,549,789	\$ (6,500)	\$ 291,018,944	\$ 143,175,237	\$ 12,634,066	\$ 148,378,558	\$ 2,221,677	\$ 27,744	\$ (2,975)	\$ 1,003,665

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY BUDGET TO ACTUAL BY FUND
 1ST QUARTER
 FOR THREE MONTHS ENDED 9/30/2023

	ENTERPRISE FUND		CAPITAL PROJECTS FUNDS			COMBINED TOTAL
	15 EXPRESS LANES	91 EXPRESS LANES	COMMERCIAL PAPER	SALES TAX BONDS	DEBT SERVICE	
Revenues						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,395,842
Federal reimbursements	-	-	-	-	-	(985,770)
State reimbursements	-	-	-	-	-	(5,461,744)
Local reimbursements	-	-	-	-	-	2,745,999
Transportation Uniform Mitigation Fee	-	-	-	-	-	(481,189)
Tolls, penalties, and fees	10,514,739	20,620,387	-	-	-	31,135,126
Other revenues	25,245	-	-	-	-	302,465
Investment income	893,273	846,379	201,295	228,530	91,342	2,673,834
Total revenues	11,433,257	21,466,766	201,295	228,530	91,342	63,324,563
Expenditures/Expenses						
Salaries and benefits	107,666	258,758	-	-	-	3,547,840
Professional and support						
Professional services	99,270	177,348	-	-	-	1,709,065
Support costs	1,151,818	1,230,229	-	-	-	5,014,680
Total Professional and support costs	1,251,088	1,407,577	-	-	-	6,723,745
Projects and operations						
Program operations	1,074,491	45,298	-	-	-	3,362,538
Engineering	-	-	-	-	-	242,616
Construction	-	412,936	-	-	-	5,200,463
Design Build	-	529,128	-	-	-	2,762,020
Right of way/land	-	-	-	-	-	(17,082,897)
Operating and capital disbursements	-	-	-	-	-	45,887,885
Special studies	-	-	-	-	-	26,343
Local streets and roads	-	-	-	-	-	6,557,177
Regional arterials	-	-	-	-	-	(2,814,996)
Total projects and operations	1,074,491	987,362	-	-	-	44,141,149
Debt service						
Principal	-	-	-	-	-	-
Interest	771,528	6,238,559	-	-	-	7,010,087
Total debt service	771,528	6,238,559	-	-	-	7,010,087
Capital outlay						
Depreciation	3,117,766	1,607,007	-	-	-	4,724,773
Total Expenditures/Expenses	6,322,539	10,499,263	-	-	-	67,837,327
Excess revenues over (under)	5,110,718	10,967,503	201,295	228,530	91,342	(4,512,764)
Other financing sources/(uses)						
Transfer in	204	-	-	-	17,303,760	37,826,206
Transfer out	(114,600)	(3,741,178)	-	(1,912,976)	-	(37,826,206)
Total financing sources/(uses)	(114,396)	(3,741,178)	-	(1,912,976)	17,303,760	-
Net change in fund balances	4,996,322	7,226,325	201,295	(1,684,446)	17,395,102	(4,512,764)
Fund balance July 1, 2023	262,717,804	(333,152,076)	13,392,732	18,149,828	11,871,675	1,200,727,959
Fund balance September 30, 2023	\$ 267,714,126	\$ (325,925,751)	\$ 13,594,027	\$ 16,465,382	\$ 29,266,777	\$ 1,196,215,195

AGENDA ITEM 6D

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Megan Kavand, Senior Financial Analyst Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Monthly Investment Report

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Monthly Investment Report for the month ended November 30, 2023.

BACKGROUND INFORMATION:

The Commission’s investment reports have generally reflected investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

As a result of significant project financings such as the State Route 91 Corridor Improvement Project (91 Project or 91 CIP) and the Interstate 15 Express Lanes Project (I-15 ELP), the Commission engaged MetLife Investment Management, LLC, formerly Logan Circle Partners, L.P. (MetLife), as the investment manager for the bond proceeds and other required funds. Additionally, the Commission engaged Payden & Rygel Investment Management (Payden & Rygel) to make specific investments for Commission operating funds. The Commission approved initial agreements with the investment managers in May 2013 following a competitive procurement and has extended the agreements through the annual recurring contracts process.

MetLife invested the debt proceeds and subsequent other required contributions for the 91 Project and I-15 ELP in separate accounts of the Short-Term Actively Managed Program (STAMP). The Commission completed the 91 Project financing in 2013, the I-15 ELP and 91 Project completion financing (2017 Financing) in July 2017 and the 2021 91 Project refinancing (2021 Financing) in November 2021. Consistent with financing expectations, the Commission expended all 91 Project debt proceeds and equity contributions, except for the toll revenue bonds debt service reserve, and subsequent to commencement of operations, established other required accounts. The Commission continues to expend the 2017 Financing bond proceeds on the I-15 ELP and funded required reserve accounts.

The monthly investment report for November 2023, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project, 2017 Financing, 2021 Financing and available operating cash. As of November 30, 2023, the Commission’s cash and investments were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS ¹
Operating	\$ 845,532,820
Trust	298,065,346
Commission-managed	237,652,793
STAMP for 91 CIP	58,951,595
STAMP for 2017 Financing	29,930,430
Total	\$ 1,470,132,984
Note: ¹ Unreconciled and unaudited	

As of November 30, 2023, the Commission’s cash and investments are in compliance with both the Commission’s investment policy adopted on November 11, 2023, and permitted investments described in the indenture for the Commission’s sales tax revenue bonds and the master indentures for the Commission’s toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

FISCAL IMPACT:

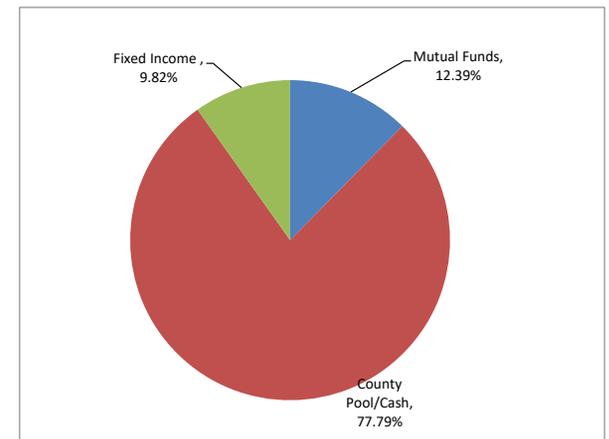
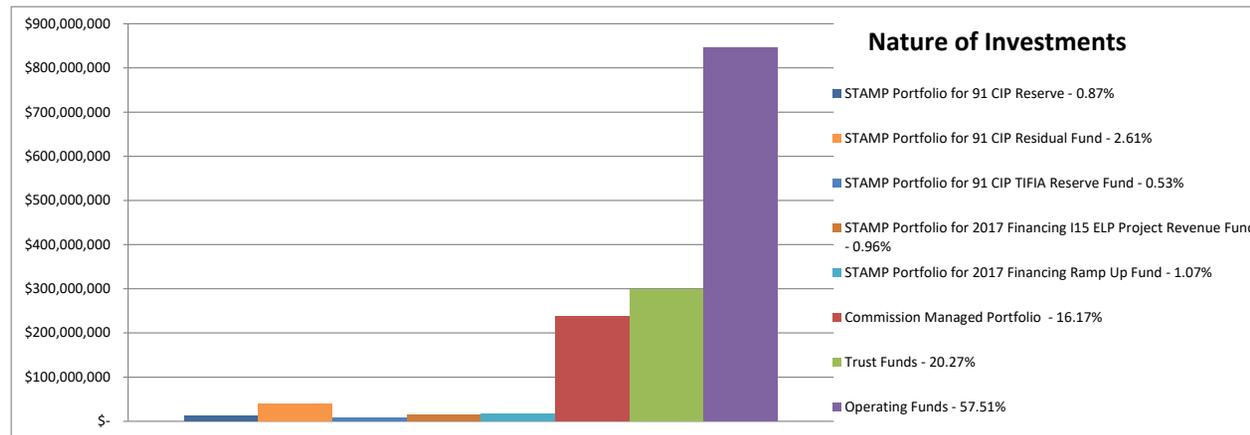
This is an information item. There is no fiscal impact.

Attachment: Investment Portfolio Report

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: November 30, 2023

	STATEMENT BALANCE ¹	FINANCIAL INSTUTION	STATEMENTS	RATING MOODY'S / S&P	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
OPERATING FUNDS												
City National Bank Deposits	10,483,087	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	835,049,733	County Treasurer	Available upon request					Available upon request				
Subtotal Operating Funds	845,532,820											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund: Local Transportation Fund	298,065,346	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	298,065,346											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	55,552,263	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	182,100,530	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	237,652,793											
STAMP PORTFOLIO for 91 CIP												
2013 Series A & Series B Reserve Fund	12,849,459	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	38,359,109	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	7,743,028	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 91 CIP	58,951,595											
STAMP PORTFOLIO for 2017 Financing												
Sales Tax I15 ELP Project Revenue Fund	14,143,997	US Bank	Available upon request					Available upon request				
Ramp Up Fund	15,786,433	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 2017 Financing	29,930,430											
TOTAL All Cash and Investments	\$ 1,470,132,984											

Notes:
¹ Unreconciled and unaudited



AGENDA ITEM 6E

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Gary Ratliff, Facilities Administrator Erik Galloway, Project Delivery Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Agreements for On-Call Maintenance and Repair Services for the Commuter Rail Stations and Toll Facilities

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Award the following agreements to provide on-call maintenance and repair services for the commuter rail stations and toll facilities for a three-year term, with a one-year option to extend the agreement, for a total aggregate amount not to exceed \$16,850,000
 - a) Agreement No. 24-24-034-00 to 4D Surface Management;
 - b) Agreement No. 24-24-049-00 to Joshua Grading & Excavating;
 - c) Agreement No. 24-24-050-00 to Real Estate Consulting & Services
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and
- 3) Authorize the Executive Director, or designee, to execute task orders awarded to the contractors under the terms of the agreements.

BACKGROUND INFORMATION:

The Commission owns and operates nine commuter rail stations, (Riverside Downtown, Jurupa Valley-Pedley, Riverside -La Sierra Metrolink, Riverside-La Sierra RTA, Coron-West, Corona-North Main, Riverside- Hunter Park/UCR, Moreno Valley/March Field, Perris-Downtown, and Perris South), Operational Control Center for security operations, and two bus depots located at the La Sierra and Perris-Downtown Stations. Station maintenance, repair, and construction improvement services are essential to preserve and maintain the Commission’s property investments as well as provide safe, operational, and functional facilities for the train commuters. On-call maintenance services efficiently and effectively respond to building repairs, emergencies, and safety measures generally related to construction and preservation of pavement surfaces, gates and fencing, safety rail, pathways, shelters, and structures.

As an established toll operator for the RCTC 91 Express Lanes and the 15 Express Lanes, the Commission owns five toll facilities, consisting of a warehouse/maintenance building and two

adjacent office buildings for toll business operations. Additionally, there are two utility buildings located within the RCTC 91 Express Lanes. Each of these facilities requires routine maintenance, inspection, and repair services to maintain and preserve the Commission's property and provide toll patrons services and staff a base of operations.

The 17 Commission owned and operated facilities require an on-call certified licensed construction contractor/contractors to provide maintenance, repair, and construction services. Maintenance services are essential for day-to-day operations of these facilities, safety and security of patrons, employees, and contracted services: as well as persevering and maintaining Commission property.

Pricing for on-call maintenance, repair and station construction services of Commission owned facilities will be based upon fixed labor rates and pre-established mark-up on material. To maximize competitive pricing and the sizable and varied workload, staff recommends the establishment on an on-call bench of three qualified contractors. The competitive task order format ensures that the Commission is getting a fair and reasonable price for services. Facility maintenance and repair emergencies will be handled on a rotation and availability of vendor response to individual incidents. Pricing of emergency event will be validated with contract rates and current industry cost.

Since 2016, staff has used state and federal grant funds whenever possible to upgrade, replace and improve infrastructure and preserve systems throughout station properties. These grant funds have allowed staff to enhance station amenities, ADA access improvements and current standards, bicycle improvement, new asphalt and concrete parking lots, new security fencing, new shelters, elevator upgrades, new canopies, replacement of pathways, surface treatments, and new signage. Utilizing these grant funds has reduced maintenance and repair cost, preserved Commission property, reduced tort liability of properties, and extended service life of inventory. Implementing planned maintenance construction projects and maintenance strategies has reduced Measure A expenditures.

Staff continues to plan and identify upgrades, improvements, and replacement of station inventory that grant funds can be utilized for, thus reducing maintenance and operational cost. Upgrades will be funded by state and federal sources as available. Upgrades and improvements will be contingent on review and approval by the Project Delivery Director and lowest proposal price of on-call bench contractors. A task order will be issued for each project and coded to specific federal or state grant accounts as applicable.

Procurement Process

Staff determined the weighted factor method of source selection to be the most appropriate for this procurement, as it allows the Commission to identify the most advantageous proposals with price and other factors considered. Non-price factors include elements such as qualifications of firm, personnel, and the ability to respond to the Commission's needs for on-call maintenance

and repair services as set forth under the terms of the Request for Proposals (RFP) No. 24-24-034-00.

RFP No. 24-24-0034-00 for on-call maintenance and repair services was released by staff on October 5, 2023. The RFP was posted on the Commission’s PlanetBids website, which is accessible through the Commission’s website. Through PlanetBids, 21 firms downloaded the RFP; 11 of these firms are located in Riverside County. Staff responded to all questions submitted by potential proposers prior to the October 26, 2023, clarification deadline date. Five firms - 4D Surface Management, Inc. (Yucaipa); Joshua Grading & Excavating, Inc. (Phelan); MBE Construction (Beaumont); Real Estate Consulting & Services, Inc. (Lake Elsinore), and D’ybanag Construction Company (Perris) – submitted responsive and responsible proposals prior to the submittal deadline on November 14, 2023. Utilizing the evaluation criteria set forth in the RFP, all proposals were evaluated and scored by an evaluation committee comprised of Commission and Bechtel staff.

As a result of the evaluation committee’s assessment of the written proposals, the evaluation committee determined three firms to be qualified firms to provide on-call maintenance and repair services. The evaluation committee recommends contract awards to these three firms for a three-year term, with a one-year option to extend the agreement, for a total aggregate amount not to exceed \$16,850,000 of which \$850,000 dollars for routine services and a possible of \$16 million dollars for anticipated projects over the four-year contract period.

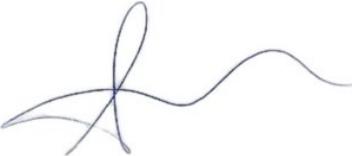
A summary of the proposed costs submitted with the written proposals and the total evaluation score rankings following the evaluation are summarized below:

Contractor	Proposed Cost			Total Evaluation Score Rank
	First 3 Years	Option Year (4 th Year)	Total	
4D Surface Management	\$2,468,808	\$922,512	\$3,391,320	1
Joshua Grading & Excavating	\$2,953,680	\$1,117,468	\$4,071,148	2
Real Estate Consulting & Services	\$1,544,640	\$633,720	\$2,178,360	3

The multiple award, on-call, indefinite delivery/indefinite quantity task order type contracts do not guarantee work to any of the awardees; therefore, no funds are guaranteed to any contractor. Services under the task order type contracts shall be competitively solicited on an as-needed basis amongst the pre-qualified contractors pursuant to a task order request for bid process. The pre-qualified contractors will be selected for specific tasks based on qualification information contained in their proposals and/or competitive fee proposals for the specific tasks. If the pre-qualified contractor’s bid is selected for a specific task, the Commission shall issue a purchase order for the services. The task order request for bid process ensures the Commission is competitively bidding the services to the pre-qualified contractors; and the Commission is

establishing a fair and reasonable price for each specific task. The contracts include a statement of services that include a non-exhaustive list of tasks that the contractor may be requested to provide at rail stations and toll facilities. The statement of services also outlines requirements of the contractors for performing the work pertaining to hours during which the maintenance shall be performed, storm water pollution prevention, and use of chemicals.

The Commission’s model on-call professional services agreement will be entered into with each consultant firm, pursuant to legal counsel review. Staff oversight of the contracts and task orders will maximize the effectiveness of the consultants and minimize costs to the Commission.

Financial Information					
In Fiscal Year Budget:		Year:	FY 2023/24 FY 2024/25+	Amount:	\$ 3,500,000 \$ \$13,350,000
Source of Funds:	2009 Measure A Western County Rail, Toll Revenues, State of Good Repair, Federal Transit Administration Section 5307 grant, FEMA Funds		Budget Adjustment:	No	
GL/Project Accounting No.:	244001-733XX-00000-0000 265-24-73301 244002-733XX-00000-0000 265-24-73301 244003-733XX-00000-0000 265-24-73301 244004-733XX-00000-0000 265-24-73301 244006-733XX-00000-0000 265-24-73301 244010-7330X-00000-0000 265-24-73301 244021-7330X-00000-0000 265-24-73301 244022-733XX-00000-0000 265-24-73301 244024-733XX-00000-0000 265-24-73301 004011-90701-00000-0000 265-24-90501 001599-733XX-00000-0000 515-31-73301 009199-733XX-00000-0000 591-31-73301				
Fiscal Procedures Approved:			Date:	12/12/2023	

Attachments:

- 1) Draft Agreement No. 24-24-034-00 to 4D Surface Management, Inc.
- 2) Draft Agreement No. 24-24-049-00 to Joshua Grading & Excavating, Inc.
- 3) Draft Agreement No. 24-24-050-00 to Real Estate Consulting & Services.

Agreement 24-24-034-00**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
ON-CALL
MAINTENANCE AND REPAIR SERVICES AGREEMENT****1. PARTIES AND DATE.**

This Agreement is made and entered into this _____ day of _____, 2024 by and between the Riverside County Transportation Commission (“Commission”) and 4D Surface Management, Inc., a Corporation, with its principal place of business at P.O. Box 123, Yucaipa, CA 92501 (“Contractor”). Commission and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Commission is the Transportation Commission for the County of Riverside and organized under the laws of the State of California with the power to contract for services necessary to achieve its purpose.

2.2 Commission owns and operates nine (9) commuter rail stations, one (1) security command center, one (1) transit center, and five (5) toll facilities serving Riverside County, the addresses and descriptions of which are set forth in Exhibit “A”, attached hereto and incorporated herein by reference (“Commuter Rail Stations and Toll Facilities”).

2.3 On or about October 5, 2023, Commission issued a Request for Proposals No. 24-24-034-00 (“RFP”), pursuant to which Commission sought proposals for on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities.

2.4 Contractor desires to perform and assume responsibility for the provision of on-call maintenance and repair services required by Commission on the terms and conditions set forth in this Agreement and in the task order(s) to be solicited, awarded and authorized by Commission Purchase Orders as further described in this Agreement (“Task Order”).

2.5 The work generally includes the maintenance and repair of the Commuter Rail Stations and Toll Facilities. Contractor represents that it is a professional Contractor, experienced in providing on-call maintenance and repair services to public clients, and is familiar with the plans of Commission.

2.6 Commission desires to engage Contractor to render on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities. On-call maintenance and repair services shall be generally as set forth in Exhibit “A”, attached hereto and incorporated herein by reference. On-call maintenance and repair services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein. The services set

forth in Exhibit "A" and each individual project ordered under a Task Order shall be referred to, herein, collectively, as the "Project".

2.7 Services procured under a Task Order may be funded, in whole or in part, with state and/or federal funds. Contractor shall comply with all applicable funding requirements.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work, as necessary, to fully and adequately provide the on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities required by Commission, as shall be generally described in Exhibit "A" and as more specifically described in each Task Order, collectively referred to herein as the "Services". On-call Services shall be more particularly described in the individual Task Orders issued by the Commission's Executive Director or designee.

No Services shall be performed unless authorized by a Commission Purchase Order for Task Order Services, as further detailed herein. All Services shall be subject to, and performed in accordance with, this Agreement, the relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations

3.1.2 Term. The term of this Agreement shall be from July 1, 2023 to June 30, 2026, unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Commission retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of Commission and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Task Orders; Commencement and Schedule of Services.

Services under this Agreement shall be competitively solicited amongst Contractor and the other firms identified in Section 3.3.2 of this Agreement pursuant to a Task Order request for bid process. If Contractor's Task Order bid is selected for a Project, the Commission shall issue a Purchase Order for the Services. Contractor's agreement to the final terms of a proposed Task Order, Commission's issuance of a Purchase Order and Contractor's commencement of the Services following issuance of the Purchase Order shall indicate the Parties' agreement to the terms of the relevant Task Order.

Contractor shall commence Services under a Task Order within five (5) days of receiving a Purchase Order for the Task Order Services from the Commission. Each request for Task Order bids shall identify the funding source(s) to be used to fund the Services under the relevant Task Order, and Contractor shall comply with the requirements specified herein, and in the attached exhibits, applicable to the identified funding source(s).

Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with each Schedule, the Commission shall respond to Contractor's submittals in a timely manner. Upon the Commission's request, Contractor shall provide a more detailed schedule of anticipated performance to meet the relevant Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of Commission.

3.2.4 Commission's Representative. The Commission hereby designates the Executive Director, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's Representative shall have the power to act on behalf of the Commission for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the Commission's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates Mike Doucette or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional

calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the Commission, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the Commission to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Commission, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance. Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in each Task Order. Contractor agrees that if the Services are not completed within the aforementioned performance time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement and included in any Task Order, it is understood, acknowledged and agreed that the Commission will suffer damage.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the Commission. If Contractor disputes the Commission's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the Commission, Contractor shall be solely responsible for all costs arising therefrom. Commission is a public entity of the State of California subject to, among other rules and regulations, the Public Utilities Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a county transportation commissions are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold Commission, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the Commission or its representatives for inspection and copy at any time during normal business hours. The Commission shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the Commission to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of

Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify Commission against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the Commission's rules regarding discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or Commission to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the Commission, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by Commission, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, Commission will provide Contractor with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.2.11.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Contractor has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent contractors coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(v) The policy shall not include any restrictions related to indemnity for work performed within fifty (50) feet of Commission’s railroad right-of-way/tracks.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Contractor’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

(i) Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) Railroad Protective Liability. In addition to the policies specified above, prior to commencing any Task Order work within (50) feet of Commission’s railroad right-of-way/tracks, Contractor shall acquire and keep in force during the period of such

work \$2,000,000 (combined single limit)/ \$6,000,000 (aggregate limit) of railroad protective liability insurance naming only Commission as the insured.

(E) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Contractor shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Contractor shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Contractor shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Contractor shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance

by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Contractor or Commission will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Contractor to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.2.11.4 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Contractor shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.2.11.6 Verification of Coverage. Contractor shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.7 Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors or subcontractors to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subcontractors shall be endorsed to name the Commission as an additional

insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Contractor, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subcontractors.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments; Labor Code Requirements; Bonds

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference, or at the lump sum set forth in a Task Order, in accordance with the terms of the relevant Task Order. The total compensation per Task Order shall be set forth in the relevant Task Order, and shall not exceed said amount without the written approval of the Commissioner's Executive Director. The total value each Task Order shall be set forth in the relevant Task Order. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 NTE Sum. Commission has or will enter into three (3) task order contracts for the Services generally identified in Exhibit "A" ("On-Call Maintenance and Repair Services Task Order Contracts"). The other On-Call Maintenance and Repair Services Task Order Contract is Agreement No. 24-24-049-00 to Joshua Grading & Excavating and Agreement No. 24-24-050-00 to Real Estate Management and Services. The total amount payable by Commission for the On-Call Maintenance and Repair Services Task Order Contracts shall not exceed a cumulative maximum total value of \$XXXXXXXX ("NTE Sum"). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under the On-Call Maintenance and Repair Services Task Order Contracts through Task Orders. Each time a Task Order is awarded under any of the On-Call Maintenance and Repair Services Task Order Contracts, the Commission shall send written notification to

Contractor and each of the other Contracts. The notice shall identify the total funds allocated under issued Task Orders, and the remaining unencumbered amount of the NTE Sum. Contractor acknowledges and agrees that Commission shall not pay any amount under this Agreement that would exceed the NTE Sum, and Contractor shall not knowingly enter into a Task Order that exceeds the NTE Sum.

3.3.3 Payment of Compensation. Contractor shall submit to Commission a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.4 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.3.5 Extra Work. At any time during the term of this Agreement, Commission may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Representative.

3.3.6 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Commission shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Payroll Records. In accordance with the requirements of California Labor Code Section 1776, Contractor shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Responsibility for compliance with California Labor Code Section 1776 shall rest solely with Contractor, and Contractor shall make all such records available for inspection at all reasonable hours.

3.3.7 Registration. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractor. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements.

3.3.8 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

If California Labor Code Section 1777.5 applies to the Services, Contractor and any subcontractor hereunder who employs workers in any apprenticeable craft or trade shall apply to the joint apprenticeship council administering applicable standards for a certificate approving Contractor or any sub-contractor for the employment and training of apprentices. Upon issuance of this certificate, Contractor and any sub-contractor shall employ the number of apprentices provided for therein, as well as contribute to the fund to administer the apprenticeship program in each craft or trade in the area of the work hereunder.

The parties expressly understand that the responsibility for compliance with provisions of this Section and with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code in regard to all apprenticeable occupations lies with Contractor.

3.3.9 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Contractor or the Services are not subject to the Eight-Hour Law. Contractor shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-contractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Services are not subject to the Eight-Hour Law.

3.3.10 Bonds.

3.3.10.1 Payment Bond. If requested by the Commission as part of a Task Order proposal request, Contractor shall execute and provide to the Commission concurrently with the executed Task Order a payment bond in an amount required by the Commission and in a form provided or approved by the Commission. If such bond is required,

no payment will be made to Contractor until the bond has been received and approved by the Commission.

3.3.10.2 Bond Provisions. Should, in the Commission's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within (ten) 10 days of receiving notice from Commission. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the Commission, and Contractor shall post an acceptable replacement bond at least ten (10) days prior to expiration of the original bond. No further payments shall be deemed due or will be made under the relevant Task Order until any replacement bond required by this section are accepted by the Commission. To the extent, if any, that the total price under a Task Order requiring a bond is increased in accordance with this Agreement, the Contractor shall, upon request of the Commission, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the Commission.

3.3.10.3 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety and satisfactory to the Commission. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the Commission.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. Commission may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to Commission, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 General Provisions.

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
4D Surface Management, Inc.
P.O. Box 123
Yucaipa, CA 92399

Attn: Mike Doucette

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, contractors or agents in connection with the performance of the Services, the Project, this Agreement or any Task Order, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

3.5.2.2 Additional Indemnity Obligations. Contractor shall defend, with Counsel of Commission's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against Commission or its officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse Commission for the cost of any settlement paid by Commission or its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Commission's attorneys' fees and costs, including expert witness fees. Contractor shall reimburse Commission and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the Commission, its officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions,

Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the Commission. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the Commission.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 Commission's Right to Employ Other Contractors. Commission reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to Commission include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the Commission's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.17 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.18 Federal Provisions. Funding for Services under a Task Order may be provided, in whole or in part, by the Federal Transportation Administration ("FTA"), by the California Department of Transportation (Caltrans), or by the South Coast Air Quality Management District ("SCAQMD"). Contractor shall also fully and adequately comply with the FTA, Caltrans and SCAQMD provisions included in Exhibit "C" (Funding Agency Requirements) attached hereto and incorporated herein by reference ("Funding Agency Requirements"), as applicable based on the funding source for the relevant Task Order. With respect to any conflict between such Funding Agency Requirements and the terms of this Agreement and/or the provisions of state law, the more stringent requirement shall control.

**SIGNATURE PAGE FOR ON-CALL MAINTENANCE AND REPAIR SERVICES
AGREEMENT
BETWEEN THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND 4D SURFACE MANAGEMENT, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first set forth above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CONTRACTOR

Anne Mayer
Executive Director

Signature

Name

Title

Approved as to form:

ATTEST:

Best Best & Krieger LLP

Signature

General Counsel

Name

Title

A corporation requires the signatures of two corporate officers. One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above referenced persons are not the intended signators, evidence of signature authority shall be provided to Commission.

EXHIBIT "A" - SCOPE OF SERVICES

DRAFT

STATEMENT OF SERVICES

A. SCHEDULING OF WORK

The Contractor shall accomplish all routine maintenance required under this Contract between the hours of 8:00 a.m. and 3:30 p.m. Monday through Friday unless otherwise authorized or directed by the Commission. The Commission may provide, on an individual basis, permission to perform maintenance at other hours or on the weekends.

B. PROCEDURES FOR THE DEVELOPMENT OF TASK ORDERS

1. The Commission will provide the Contractor with a description of Work it wishes Contractor to perform under this Contract. The description shall include sufficient detail to permit the Contractor to provide a Task Order Price, including the ability to cost any special insurance, bonding or other costs associated with the requested Work.
2. As needs arise, the Commission will develop a brief scope of work and select a consultant from the list of bench consultants depending on the type of support needed and the qualifications of the firm. The selected consultant will respond by providing information about the level of effort required to perform the required services. This will be documented on a pre-approved Contract Task Order (CTO). Rates and cost for each CTO will be in accordance with rates indicated in the price schedules. Upon approval by the Commission's Project Manager, a CTO will be issued on a time and expense basis. The consultant will be required to commence work within five days or sooner after receiving a fully executed CTO.
3. The Commission and Contractor will work cooperatively to address any issues and negotiate a final Task Order and Task Order Price. Such negotiations shall be limited to the price and the scope of Work to be performed.
4. The Commission shall prepare, sign and deliver to the Contractor for signature a Task Order consistent with the negotiations and include sufficient exhibits and documentation to fully memorialize the understanding of the parties with respect to price and the Scope of Work to be performed under the Task Order.
5. The Contractor shall sign and deliver to the Commission the signed copies of the Task Order within two (2) days of receipt of a Task Order executed by an authorized representative of the Commission.
6. Unless otherwise provided for within the Task Order, the Contractor shall commence the Work provided for in the Task Order within five (5) days

of Contractor's delivery of the fully executed Task Order to Commission, and without the need for further notice or authorization by the Commission.

C. STORM WATER POLLUTION PREVENTION PROGRAM (SWPPP)

1. Contractor shall ensure that all employees and subcontractor employees are trained and are aware of the following Site Specific Storm Water Pollution Prevention Requirements:
 - a. No discharge of fertilizers, pesticide, and wastes into street or storm drains;
 - b. No blowing or sweeping debris into street or storm drains;
 - c. No hosing down of the parking lot;
 - d. No vehicle washing or maintenance on site;
 - e. Close dumpster lids at all time;
 - f. No disposing of wash water into street or storm drains; and
 - g. Remove all foreign objects (leaves, cans, cigarette butts, paper etc.) from in front of drainage inlets and gutter areas.
2. The Contractor shall provide annual refresher training on the Site Specific Storm Water Pollution Prevention Requirements to its employees and subcontractors.
3. The Contractor shall document the training on the attached Site Specific Storm Water Pollution Prevention Training Log and provide it annually to RCTC. Form included.

D. CHEMICALS

1. Contractor shall provide a list of all chemicals that are proposed to be used on the project. This list shall be submitted to RCTC for review and approval, prior to use of the chemicals.
2. Contractor shall provide Material Safety Data Sheets (MSDS) for all chemicals that are to be used on the project.
3. Contractor shall ensure the field crews carry copies of the MSDS for all chemicals they have while on-site.
4. Contractor is encouraged to use bio-degradable or environmentally friendly chemicals.
5. Contractor shall ensure that all employees are properly trained in the use and handling of the approved chemicals.
6. Contractor shall ensure that all employees, including subcontractors, utilize the proper PPE as specified by the chemical or the Contractor's safety plan, whichever is most stringent.

ON-CALL MAINTENANCE

The following list is a non-exhaustive list of tasks that may be requested to be provided by the Contractor:

A. POTENTIAL FUTURE MAINTENANCE OUTSIDE OF RAILROAD RIGHT-OF-WAY AND TOLL FACILITIES

1. Asphalt repairs within parking lot or bus lane-cold patch or saw cut, removal and placement of hot mix, place guard top slurry seal.
2. Parking stalls striping or stenciling.
3. Concrete curb painting.
4. Concrete wheel stop removal, replacement, purchase, and installation.
5. Miscellaneous painting touch up on canopies, towers, benches, handrail/guardrail, trash cans, trash dumpster gates, walls inside of the pedestrian overcrossings, light poles, monuments and other areas as necessary.
6. Repairs to the walls inside of the pedestrian overcrossings.
7. Repairs to Stucco walls and columns.
8. Clean out plugged drains- toilet, sink, platform, and drinking faucets.
9. Repair, patch, or replace damaged concrete curb, gutter, platform, sidewalk, handicap ramps, mini-ramps, stairs, color concrete, etc.
10. Repair or patch roofing.
11. Remove, replace, purchase, and install Station Signage on post, light poles, CCTV poles, columns, and walls
12. Perform various plumbing maintenance/repairs - locate water leaks, repair leaking pipe, replace old or damaged bathroom fixtures, replace old or damaged drinking fountains and hose bibs, and other work as necessary
13. Remove, clean, and place anti -slip floor treatment.
14. Remove or relocate bike lockers and racks.
15. Repair and or replace bike storage facilities and racks.
16. Replace or repair trash receptacles.
17. Place new concrete or asphalt as directed.
18. Repair and replace ADA ramps, pathways using current standards
19. Remove, replace, relocate, or install new bollards - steel and concrete.
20. Provide forces and equipment to unload and place heavy or large items purchased for use at the stations i.e. kiosks, benches, bike racks, bike lockers, furniture, etc.
21. Paint Canopies and Canopy columns.
22. Repair, or perform maintenance on Storm Drain Curb Inlets and manholes.
23. Maintenance or repairs to Water main lines and laterals.

24. Maintenance or repairs to sewer main lines and laterals.
25. Maintenance or repairs to the Station fire hydrants.
26. Purchase and install box drains and place drain lines in landscape planters at Downtown Riverside Station.
27. Purchase and install window treatments - solar shades or window tint in security room.
28. Maintain, Install, Repair Solar Panels, carport structures, flagpoles, Guard Shacks, and Doors.
29. Maintenance, repairs, or painting of Light Poles.
30. Concrete pour inspections, roadway maintenance/repair, and sign installation as needed and allowable.
31. Other repairs/replacement and maintenance as requested.
32. Repair and service Commission owned assets as needed: Generators, Solar equipment, Elevators, Parking structures and other equipment
33. Modernize/Improve station equipment assets as required and needed: Elevators, Generators, Parking structures, Solar equipment for Commission owned assets, and other equipment

B. POTENTIAL FUTURE MAINTENANCE WITHIN THE RAILROAD RIGHT- OF-WAY OR WORK WITH THE POTENTIAL TO FOUL THE TRACK

1. Repair or replace at-grade pedestrian crossings at the ends of the platforms.
2. Repair rolling or sliding gates at the Stations at-grade pedestrian crossings.
3. Perform maintenance or repairs on the outside of Pedestrian Bridge and Towers.
4. Perform electrical maintenance or repairs on light poles near the railroad tracks, on neon signs located on the Pedestrian Bridges, etc.
5. Repair or patch roofing on Pedestrian Bridges.
6. Paint or touch up Pedestrian Bridge and Towers.
7. Remove, purchase, and install new windows or revised window system within Pedestrian Bridge.
8. Install anti-bird devices on Pedestrian Bridge and Towers.
9. Pressure wash and/or clean Pedestrian Bridge and Towers.
10. Remove CCTV Camera Poles from between the tracks.
11. Repair Damaged Platform Canopies.
12. Repair or replace Tactile Tile along Station platforms.
13. Repair / Maintenance to concrete platforms.
14. Repair / Maintenance and painting of handrail/guardrail.
15. Repair / Maintenance and painting of center line track fence between Main Line 1 and Main Line 2 tracks.

16. Maintenance to ballast at end of platforms or around at-grade pedestrian crossings.
17. Repair, clean, maintenance to Platform drains.
18. Remove, replace, or place new Signage at the ends of the Station platforms.
19. Remove, replace, or place new Painted striping and lettering on concrete platform within railroad right-of-way.
20. Repair plumbing leaks within concrete platforms.
21. Power wash sidewalks, platforms, and canopies
22. Other repairs/maintenance as requested.

STATION LOCATIONS

West Corona Metrolink Station

155 S. Auto Center Drive
Corona, CA 92880

North Main Corona Station

250 E. Blaine Street
Corona, CA 92879

La Sierra Station

10901-A Indiana Ave
Riverside, CA 92503

La Sierra Bus Station

10901-B Indiana Ave
Riverside, CA 92503

Pedley Station

6001 Pedley Road
Riverside, CA 92509

Perris Downtown Station

121 South C Street
Perris, CA 92570

Hunter Park Station

1101 Marlborough Avenue
Riverside, CA 92507

Moreno Valley/MF Station

14160 Meridian Parkway
Riverside, CA 92518

South Perris Station

1304 Case Road
Perris, CA 92510

Riverside Downtown

4066 Vine Street
Riverside, CA 92507

Operations Control Center

4344 Vine Street
Riverside CA, 92507

TOLL FACILITIES

FAM

120 N. Joy Street
Corona, CA 92879

ROC

301 Corporate Terrace
Corona, CA 92879

15 Toll Rd Office

291 Corporate Terrace
Corona, CA 92879

Toll TUB Eastbound 91

East Bound 91
Center divide

Toll TUB Westbound 91

West Bound 91
Center Divide

DRAFT

EXHIBIT “B” –COMPENSATION RATES

DRAFT

EXHIBIT “C”- FUNDING AGENCY REQUIREMENTS

DRAFT

Agreement 24-24-049-00**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
ON-CALL
MAINTENANCE AND REPAIR SERVICES AGREEMENT****1. PARTIES AND DATE.**

This Agreement is made and entered into this _____ day of _____, 2024 by and between the Riverside County Transportation Commission (“Commission”) and Joshua Grading & Excavating, Inc., a Corporation, with its principal place of business at 8450B White Road, Phelan, CA 92371 (“Contractor”). Commission and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Commission is the Transportation Commission for the County of Riverside and organized under the laws of the State of California with the power to contract for services necessary to achieve its purpose.

2.2 Commission owns and operates nine (9) commuter rail stations, one (1) security command center, one (1) transit center, and five (5) toll facilities serving Riverside County, the addresses and descriptions of which are set forth in Exhibit “A”, attached hereto and incorporated herein by reference (“Commuter Rail Stations and Toll Facilities”).

2.3 On or about October 5, 2023, Commission issued a Request for Proposals No. 24-24-034-00 (“RFP”), pursuant to which Commission sought proposals for on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities.

2.4 Contractor desires to perform and assume responsibility for the provision of on-call maintenance and repair services required by Commission on the terms and conditions set forth in this Agreement and in the task order(s) to be solicited, awarded and authorized by Commission Purchase Orders as further described in this Agreement (“Task Order”).

2.5 The work generally includes the maintenance and repair of the Commuter Rail Stations and Toll Facilities. Contractor represents that it is a professional Contractor, experienced in providing on-call maintenance and repair services to public clients, and is familiar with the plans of Commission.

2.6 Commission desires to engage Contractor to render on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities. On-call maintenance and repair services shall be generally as set forth in Exhibit “A”, attached hereto and incorporated herein by reference. On-call maintenance and repair services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein. The services set

forth in Exhibit "A" and each individual project ordered under a Task Order shall be referred to, herein, collectively, as the "Project".

2.7 Services procured under a Task Order may be funded, in whole or in part, with state and/or federal funds. Contractor shall comply with all applicable funding requirements.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work, as necessary, to fully and adequately provide the on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities required by Commission, as shall be generally described in Exhibit "A" and as more specifically described in each Task Order, collectively referred to herein as the "Services". On-call Services shall be more particularly described in the individual Task Orders issued by the Commission's Executive Director or designee.

No Services shall be performed unless authorized by a Commission Purchase Order for Task Order Services, as further detailed herein. All Services shall be subject to, and performed in accordance with, this Agreement, the relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations

3.1.2 Term. The term of this Agreement shall be from July 1, 2023 to June 30, 2026, unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Commission retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of Commission and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Task Orders; Commencement and Schedule of Services.

Services under this Agreement shall be competitively solicited amongst Contractor and the other firms identified in Section 3.3.2 of this Agreement pursuant to a Task Order request for bid process. If Contractor's Task Order bid is selected for a Project, the Commission shall issue a Purchase Order for the Services. Contractor's agreement to the final terms of a proposed Task Order, Commission's issuance of a Purchase Order and Contractor's commencement of the Services following issuance of the Purchase Order shall indicate the Parties' agreement to the terms of the relevant Task Order.

Contractor shall commence Services under a Task Order within five (5) days of receiving a Purchase Order for the Task Order Services from the Commission. Each request for Task Order bids shall identify the funding source(s) to be used to fund the Services under the relevant Task Order, and Contractor shall comply with the requirements specified herein, and in the attached exhibits, applicable to the identified funding source(s).

Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with each Schedule, the Commission shall respond to Contractor's submittals in a timely manner. Upon the Commission's request, Contractor shall provide a more detailed schedule of anticipated performance to meet the relevant Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of Commission.

3.2.4 Commission's Representative. The Commission hereby designates the Executive Director, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's Representative shall have the power to act on behalf of the Commission for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the Commission's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates Jordan Gibson or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional

calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the Commission, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the Commission to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Commission, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance. Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in each Task Order. Contractor agrees that if the Services are not completed within the aforementioned performance time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement and included in any Task Order, it is understood, acknowledged and agreed that the Commission will suffer damage.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the Commission. If Contractor disputes the Commission's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the Commission, Contractor shall be solely responsible for all costs arising therefrom. Commission is a public entity of the State of California subject to, among other rules and regulations, the Public Utilities Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a county transportation commissions are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold Commission, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the Commission or its representatives for inspection and copy at any time during normal business hours. The Commission shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the Commission to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of

Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify Commission against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the Commission's rules regarding discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or Commission to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the Commission, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by Commission, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, Commission will provide Contractor with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.2.11.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Contractor has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent contractors coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(v) The policy shall not include any restrictions related to indemnity for work performed within fifty (50) feet of Commission’s railroad right-of-way/tracks.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Contractor’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

(i) Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) Railroad Protective Liability. In addition to the policies specified above, prior to commencing any Task Order work within (50) feet of Commission’s railroad right-of-way/tracks, Contractor shall acquire and keep in force during the period of such

work \$2,000,000 (combined single limit)/ \$6,000,000 (aggregate limit) of railroad protective liability insurance naming only Commission as the insured.

(E) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Contractor shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Contractor shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Contractor shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Contractor shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance

by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Contractor or Commission will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Contractor to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.2.11.4 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Contractor shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.2.11.6 Verification of Coverage. Contractor shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.7 Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors or subcontractors to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subcontractors shall be endorsed to name the Commission as an additional

insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Contractor, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subcontractors.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments; Labor Code Requirements; Bonds

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference, or at the lump sum set forth in a Task Order, in accordance with the terms of the relevant Task Order. The total compensation per Task Order shall be set forth in the relevant Task Order, and shall not exceed said amount without the written approval of the Commissioner's Executive Director. The total value each Task Order shall be set forth in the relevant Task Order. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 NTE Sum. Commission has or will enter into three (3) task order contracts for the Services generally identified in Exhibit "A" ("On-Call Maintenance and Repair Services Task Order Contracts"). The other On-Call Maintenance and Repair Services Task Order Contract is Agreement No. 24-24-034-00 to 4D Surface Management and Agreement No. 24-24-050-00 to Real Estate Consulting and Services. The total amount payable by Commission for the On-Call Maintenance and Repair Services Task Order Contracts shall not exceed a cumulative maximum total value of \$XXXXXXX ("NTE Sum"). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under the On-Call Maintenance and Repair Services Task Order Contracts through Task Orders. Each time a Task Order is awarded under any of the On-Call Maintenance and Repair Services Task Order Contracts, the Commission shall send written notification to Contractor and

each of the other contractors entering into the On-Call Maintenance and Repair Services Task Order Contracts. The notice shall identify the total funds allocated under issued Task Orders, and the remaining unencumbered amount of the NTE Sum. Contractor acknowledges and agrees that Commission shall not pay any amount under this Agreement that would exceed the NTE Sum, and Contractor shall not knowingly enter into a Task Order that exceeds the NTE Sum.

3.3.3 Payment of Compensation. Contractor shall submit to Commission a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.4 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.3.5 Extra Work. At any time during the term of this Agreement, Commission may request that Contractor perform Extra Work. As used herein, “Extra Work” means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from Commission’s Representative.

3.3.6 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Commission shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Payroll Records. In accordance with the requirements of California Labor Code Section 1776, Contractor shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Responsibility for compliance with California Labor Code Section 1776 shall rest solely with Contractor, and Contractor shall make all such records available for inspection at all reasonable hours.

3.3.7 Registration. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractor. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements.

3.3.8 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

If California Labor Code Section 1777.5 applies to the Services, Contractor and any subcontractor hereunder who employs workers in any apprenticeable craft or trade shall apply to the joint apprenticeship council administering applicable standards for a certificate approving Contractor or any sub-contractor for the employment and training of apprentices. Upon issuance of this certificate, Contractor and any sub-contractor shall employ the number of apprentices provided for therein, as well as contribute to the fund to administer the apprenticeship program in each craft or trade in the area of the work hereunder.

The parties expressly understand that the responsibility for compliance with provisions of this Section and with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code in regard to all apprenticeable occupations lies with Contractor.

3.3.9 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Contractor or the Services are not subject to the Eight-Hour Law. Contractor shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-contractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Services are not subject to the Eight-Hour Law.

3.3.10 Bonds.

3.3.10.1 Payment Bond. If requested by the Commission as part of a Task Order proposal request, Contractor shall execute and provide to the Commission concurrently with the executed Task Order a payment bond in an amount required by the Commission and in a form provided or approved by the Commission. If such bond is required,

no payment will be made to Contractor until the bond has been received and approved by the Commission.

3.3.10.2 Bond Provisions. Should, in the Commission's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within (ten) 10 days of receiving notice from Commission. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the Commission, and Contractor shall post an acceptable replacement bond at least ten (10) days prior to expiration of the original bond. No further payments shall be deemed due or will be made under the relevant Task Order until any replacement bond required by this section are accepted by the Commission. To the extent, if any, that the total price under a Task Order requiring a bond is increased in accordance with this Agreement, the Contractor shall, upon request of the Commission, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the Commission.

3.3.10.3 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety and satisfactory to the Commission. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the Commission.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. Commission may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to Commission, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 General Provisions.

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
Joshua Grading & Excavating, Inc.
8450B White Road
Phelan, CA 92371

Attn: Kim Carpenter

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, contractors or agents in connection with the performance of the Services, the Project, this Agreement or any Task Order, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

3.5.2.2 Additional Indemnity Obligations. Contractor shall defend, with Counsel of Commission's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against Commission or its officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse Commission for the cost of any settlement paid by Commission or its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Commission's attorneys' fees and costs, including expert witness fees. Contractor shall reimburse Commission and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the Commission, its officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions,

Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the Commission. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the Commission.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 Commission's Right to Employ Other Contractors. Commission reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to Commission include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the Commission's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.17 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.18 Federal Provisions. Funding for Services under a Task Order may be provided, in whole or in part, by the Federal Transportation Administration ("FTA"), by the California Department of Transportation (Caltrans), or by the South Coast Air Quality Management District ("SCAQMD"). Contractor shall also fully and adequately comply with the FTA, Caltrans and SCAQMD provisions included in Exhibit "C" (Funding Agency Requirements) attached hereto and incorporated herein by reference ("Funding Agency Requirements"), as applicable based on the funding source for the relevant Task Order. With respect to any conflict between such Funding Agency Requirements and the terms of this Agreement and/or the provisions of state law, the more stringent requirement shall control.

**SIGNATURE PAGE FOR ON-CALL MAINTENANCE AND REPAIR SERVICES
AGREEMENT
BETWEEN THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND JOSHUA GRADING & EXCAVATING, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first set forth above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CONTRACTOR

Anne Mayer
Executive Director

Signature

Name

Title

Approved as to form:

ATTEST:

Best Best & Krieger LLP

Signature

General Counsel

Name

Title

A corporation requires the signatures of two corporate officers. One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above referenced persons are not the intended signators, evidence of signature authority shall be provided to Commission.

EXHIBIT "A" - SCOPE OF SERVICES

DRAFT

STATEMENT OF SERVICES

A. SCHEDULING OF WORK

The Contractor shall accomplish all routine maintenance required under this Contract between the hours of 8:00 a.m. and 3:30 p.m. Monday through Friday unless otherwise authorized or directed by the Commission. The Commission may provide, on an individual basis, permission to perform maintenance at other hours or on the weekends.

B. PROCEDURES FOR THE DEVELOPMENT OF TASK ORDERS

1. The Commission will provide the Contractor with a description of Work it wishes Contractor to perform under this Contract. The description shall include sufficient detail to permit the Contractor to provide a Task Order Price, including the ability to cost any special insurance, bonding or other costs associated with the requested Work.
2. As needs arise, the Commission will develop a brief scope of work and select a consultant from the list of bench consultants depending on the type of support needed and the qualifications of the firm. The selected consultant will respond by providing information about the level of effort required to perform the required services. This will be documented on a pre-approved Contract Task Order (CTO). Rates and cost for each CTO will be in accordance with rates indicated in the price schedules. Upon approval by the Commission's Project Manager, a CTO will be issued on a time and expense basis. The consultant will be required to commence work within five days or sooner after receiving a fully executed CTO.
3. The Commission and Contractor will work cooperatively to address any issues and negotiate a final Task Order and Task Order Price. Such negotiations shall be limited to the price and the scope of Work to be performed.
4. The Commission shall prepare, sign and deliver to the Contractor for signature a Task Order consistent with the negotiations and include sufficient exhibits and documentation to fully memorialize the understanding of the parties with respect to price and the Scope of Work to be performed under the Task Order.
5. The Contractor shall sign and deliver to the Commission the signed copies of the Task Order within two (2) days of receipt of a Task Order executed by an authorized representative of the Commission.
6. Unless otherwise provided for within the Task Order, the Contractor shall commence the Work provided for in the Task Order within five (5) days

of Contractor's delivery of the fully executed Task Order to Commission, and without the need for further notice or authorization by the Commission.

C. STORM WATER POLLUTION PREVENTION PROGRAM (SWPPP)

1. Contractor shall ensure that all employees and subcontractor employees are trained and are aware of the following Site Specific Storm Water Pollution Prevention Requirements:
 - a. No discharge of fertilizers, pesticide, and wastes into street or storm drains;
 - b. No blowing or sweeping debris into street or storm drains;
 - c. No hosing down of the parking lot;
 - d. No vehicle washing or maintenance on site;
 - e. Close dumpster lids at all time;
 - f. No disposing of wash water into street or storm drains; and
 - g. Remove all foreign objects (leaves, cans, cigarette butts, paper etc.) from in front of drainage inlets and gutter areas.
2. The Contractor shall provide annual refresher training on the Site Specific Storm Water Pollution Prevention Requirements to its employees and subcontractors.
3. The Contractor shall document the training on the attached Site Specific Storm Water Pollution Prevention Training Log and provide it annually to RCTC. Form included.

D. CHEMICALS

1. Contractor shall provide a list of all chemicals that are proposed to be used on the project. This list shall be submitted to RCTC for review and approval, prior to use of the chemicals.
2. Contractor shall provide Material Safety Data Sheets (MSDS) for all chemicals that are to be used on the project.
3. Contractor shall ensure the field crews carry copies of the MSDS for all chemicals they have while on-site.
4. Contractor is encouraged to use bio-degradable or environmentally friendly chemicals.
5. Contractor shall ensure that all employees are properly trained in the use and handling of the approved chemicals.
6. Contractor shall ensure that all employees, including subcontractors, utilize the proper PPE as specified by the chemical or the Contractor's safety plan, whichever is most stringent.

ON-CALL MAINTENANCE

The following list is a non-exhaustive list of tasks that may be requested to be provided by the Contractor:

A. POTENTIAL FUTURE MAINTENANCE OUTSIDE OF RAILROAD RIGHT-OF-WAY AND TOLL FACILITIES

1. Asphalt repairs within parking lot or bus lane-cold patch or saw cut, removal and placement of hot mix, place guard top slurry seal.
2. Parking stalls striping or stenciling.
3. Concrete curb painting.
4. Concrete wheel stop removal, replacement, purchase, and installation.
5. Miscellaneous painting touch up on canopies, towers, benches, handrail/guardrail, trash cans, trash dumpster gates, walls inside of the pedestrian overcrossings, light poles, monuments and other areas as necessary.
6. Repairs to the walls inside of the pedestrian overcrossings.
7. Repairs to Stucco walls and columns.
8. Clean out plugged drains- toilet, sink, platform, and drinking faucets.
9. Repair, patch, or replace damaged concrete curb, gutter, platform, sidewalk, handicap ramps, mini-ramps, stairs, color concrete, etc.
10. Repair or patch roofing.
11. Remove, replace, purchase, and install Station Signage on post, light poles, CCTV poles, columns, and walls
12. Perform various plumbing maintenance/repairs - locate water leaks, repair leaking pipe, replace old or damaged bathroom fixtures, replace old or damaged drinking fountains and hose bibs, and other work as necessary
13. Remove, clean, and place anti -slip floor treatment.
14. Remove or relocate bike lockers and racks.
15. Repair and or replace bike storage facilities and racks.
16. Replace or repair trash receptacles.
17. Place new concrete or asphalt as directed.
18. Repair and replace ADA ramps, pathways using current standards
19. Remove, replace, relocate, or install new bollards - steel and concrete.
20. Provide forces and equipment to unload and place heavy or large items purchased for use at the stations i.e. kiosks, benches, bike racks, bike lockers, furniture, etc.
21. Paint Canopies and Canopy columns.
22. Repair, or perform maintenance on Storm Drain Curb Inlets and manholes.
23. Maintenance or repairs to Water main lines and laterals.

24. Maintenance or repairs to sewer main lines and laterals.
25. Maintenance or repairs to the Station fire hydrants.
26. Purchase and install box drains and place drain lines in landscape planters at Downtown Riverside Station.
27. Purchase and install window treatments - solar shades or window tint in security room.
28. Maintain, Install, Repair Solar Panels, carport structures, flagpoles, Guard Shacks, and Doors.
29. Maintenance, repairs, or painting of Light Poles.
30. Concrete pour inspections, roadway maintenance/repair, and sign installation as needed and allowable.
31. Other repairs/replacement and maintenance as requested.
32. Repair and service Commission owned assets as needed: Generators, Solar equipment, Elevators, Parking structures and other equipment
33. Modernize/Improve station equipment assets as required and needed: Elevators, Generators, Parking structures, Solar equipment for Commission owned assets, and other equipment

B. POTENTIAL FUTURE MAINTENANCE WITHIN THE RAILROAD RIGHT- OF-WAY OR WORK WITH THE POTENTIAL TO FOUL THE TRACK

1. Repair or replace at-grade pedestrian crossings at the ends of the platforms.
2. Repair rolling or sliding gates at the Stations at-grade pedestrian crossings.
3. Perform maintenance or repairs on the outside of Pedestrian Bridge and Towers.
4. Perform electrical maintenance or repairs on light poles near the railroad tracks, on neon signs located on the Pedestrian Bridges, etc.
5. Repair or patch roofing on Pedestrian Bridges.
6. Paint or touch up Pedestrian Bridge and Towers.
7. Remove, purchase, and install new windows or revised window system within Pedestrian Bridge.
8. Install anti-bird devices on Pedestrian Bridge and Towers.
9. Pressure wash and/or clean Pedestrian Bridge and Towers.
10. Remove CCTV Camera Poles from between the tracks.
11. Repair Damaged Platform Canopies.
12. Repair or replace Tactile Tile along Station platforms.
13. Repair / Maintenance to concrete platforms.
14. Repair / Maintenance and painting of handrail/guardrail.
15. Repair / Maintenance and painting of center line track fence between Main Line 1 and Main Line 2 tracks.

16. Maintenance to ballast at end of platforms or around at-grade pedestrian crossings.
17. Repair, clean, maintenance to Platform drains.
18. Remove, replace, or place new Signage at the ends of the Station platforms.
19. Remove, replace, or place new Painted striping and lettering on concrete platform within railroad right-of-way.
20. Repair plumbing leaks within concrete platforms.
21. Power wash sidewalks, platforms, and canopies
22. Other repairs/maintenance as requested.

STATION LOCATIONS

West Corona Metrolink Station

155 S. Auto Center Drive
Corona, CA 92880

North Main Corona Station

250 E. Blaine Street
Corona, CA 92879

La Sierra Station

10901-A Indiana Ave
Riverside, CA 92503

La Sierra Bus Station

10901-B Indiana Ave
Riverside, CA 92503

Pedley Station

6001 Pedley Road
Riverside, CA 92509

Perris Downtown Station

121 South C Street
Perris, CA 92570

Hunter Park Station

1101 Marlborough Avenue
Riverside, CA 92507

Moreno Valley/MF Station

14160 Meridian Parkway
Riverside, CA 92518

South Perris Station

1304 Case Road
Perris, CA 92510

Riverside Downtown

4066 Vine Street
Riverside, CA 92507

Operations Control Center

4344 Vine Street
Riverside CA, 92507

TOLL FACILITIES

FAM

120 N. Joy Street
Corona, CA 92879

ROC

301 Corporate Terrace
Corona, CA 92879

15 Toll Rd Office

291 Corporate Terrace
Corona, CA 92879

Toll TUB Eastbound 91

East Bound 91
Center divide

Toll TUB Westbound 91

West Bound 91
Center Divide

DRAFT

EXHIBIT “B” –COMPENSATION RATES

DRAFT

EXHIBIT “C”- FUNDING AGENCY REQUIREMENTS

DRAFT

Agreement 24-24-050-00**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
ON-CALL
MAINTENANCE AND REPAIR SERVICES AGREEMENT****1. PARTIES AND DATE.**

This Agreement is made and entered into this _____ day of _____, 2024 by and between the Riverside County Transportation Commission (“Commission”) and Real Estate Consulting and Services, Inc., a Corporation, with its principal place of business at 18345 Pasadena Street, Lake Elsinore, CA 92530 (“Contractor”). Commission and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Commission is the Transportation Commission for the County of Riverside and organized under the laws of the State of California with the power to contract for services necessary to achieve its purpose.

2.2 Commission owns and operates nine (9) commuter rail stations, one (1) security command center, one (1) transit center, and five (5) toll facilities serving Riverside County, the addresses and descriptions of which are set forth in Exhibit “A”, attached hereto and incorporated herein by reference (“Commuter Rail Stations and Toll Facilities”).

2.3 On or about October 5, 2023, Commission issued a Request for Proposals No. 24-24-034-00 (“RFP”), pursuant to which Commission sought proposals for on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities.

2.4 Contractor desires to perform and assume responsibility for the provision of on-call maintenance and repair services required by Commission on the terms and conditions set forth in this Agreement and in the task order(s) to be solicited, awarded and authorized by Commission Purchase Orders as further described in this Agreement (“Task Order”).

2.5 The work generally includes the maintenance and repair of the Commuter Rail Stations and Toll Facilities. Contractor represents that it is a professional Contractor, experienced in providing on-call maintenance and repair services to public clients, and is familiar with the plans of Commission.

2.6 Commission desires to engage Contractor to render on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities. On-call maintenance and repair services shall be generally as set forth in Exhibit “A”, attached hereto and incorporated herein by reference. On-call maintenance and repair services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein. The services set

forth in Exhibit "A" and each individual project ordered under a Task Order shall be referred to, herein, collectively, as the "Project".

2.7 Services procured under a Task Order may be funded, in whole or in part, with state and/or federal funds. Contractor shall comply with all applicable funding requirements.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work, as necessary, to fully and adequately provide the on-call maintenance and repair services for the Commuter Rail Stations and Toll Facilities required by Commission, as shall be generally described in Exhibit "A" and as more specifically described in each Task Order, collectively referred to herein as the "Services". On-call Services shall be more particularly described in the individual Task Orders issued by the Commission's Executive Director or designee.

No Services shall be performed unless authorized by a Commission Purchase Order for Task Order Services, as further detailed herein. All Services shall be subject to, and performed in accordance with, this Agreement, the relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations

3.1.2 Term. The term of this Agreement shall be from July 1, 2023 to June 30, 2026, unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Commission retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of Commission and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Task Orders; Commencement and Schedule of Services.

Services under this Agreement shall be competitively solicited amongst Contractor and the other firms identified in Section 3.3.2 of this Agreement pursuant to a Task Order request for bid process. If Contractor's Task Order bid is selected for a Project, the Commission shall issue a Purchase Order for the Services. Contractor's agreement to the final terms of a proposed Task Order, Commission's issuance of a Purchase Order and Contractor's commencement of the Services following issuance of the Purchase Order shall indicate the Parties' agreement to the terms of the relevant Task Order.

Contractor shall commence Services under a Task Order within five (5) days of receiving a Purchase Order for the Task Order Services from the Commission. Each request for Task Order bids shall identify the funding source(s) to be used to fund the Services under the relevant Task Order, and Contractor shall comply with the requirements specified herein, and in the attached exhibits, applicable to the identified funding source(s).

Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with each Schedule, the Commission shall respond to Contractor's submittals in a timely manner. Upon the Commission's request, Contractor shall provide a more detailed schedule of anticipated performance to meet the relevant Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of Commission.

3.2.4 Commission's Representative. The Commission hereby designates the Executive Director, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's Representative shall have the power to act on behalf of the Commission for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the Commission's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates Jeffery A. Coss or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional

calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the Commission, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the Commission to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Commission, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance. Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in each Task Order. Contractor agrees that if the Services are not completed within the aforementioned performance time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement and included in any Task Order, it is understood, acknowledged and agreed that the Commission will suffer damage.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the Commission. If Contractor disputes the Commission's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the Commission, Contractor shall be solely responsible for all costs arising therefrom. Commission is a public entity of the State of California subject to, among other rules and regulations, the Public Utilities Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a county transportation commissions are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold Commission, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the Commission or its representatives for inspection and copy at any time during normal business hours. The Commission shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the Commission to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of

Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify Commission against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the Commission's rules regarding discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or Commission to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the Commission, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by Commission, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, Commission will provide Contractor with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.2.11.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Contractor has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent contractors coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(v) The policy shall not include any restrictions related to indemnity for work performed within fifty (50) feet of Commission’s railroad right-of-way/tracks.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Contractor’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

(i) Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) Railroad Protective Liability. In addition to the policies specified above, prior to commencing any Task Order work within (50) feet of Commission’s railroad right-of-way/tracks, Contractor shall acquire and keep in force during the period of such

work \$2,000,000 (combined single limit)/ \$6,000,000 (aggregate limit) of railroad protective liability insurance naming only Commission as the insured.

(E) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Contractor shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Contractor shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Contractor shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Contractor shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance

by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Contractor or Commission will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Contractor to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.2.11.4 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Contractor shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.2.11.6 Verification of Coverage. Contractor shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.7 Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors or subcontractors to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subcontractors shall be endorsed to name the Commission as an additional

insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Contractor, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subcontractors.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments; Labor Code Requirements; Bonds

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference, or at the lump sum set forth in a Task Order, in accordance with the terms of the relevant Task Order. The total compensation per Task Order shall be set forth in the relevant Task Order, and shall not exceed said amount without the written approval of the Commissioner's Executive Director. The total value each Task Order shall be set forth in the relevant Task Order. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 NTE Sum. Commission has or will enter into three (3) task order contracts for the Services generally identified in Exhibit "A" ("On-Call Maintenance and Repair Services Task Order Contracts"). The other On-Call Maintenance and Repair Services Task Order Contract is Agreement No. 24-24-034-00 to 4D Surface Management, Inc. and Agreement No. 24-24-049-00 to Joshua Grading & Excavating. The total amount payable by Commission for the On-Call Maintenance and Repair Services Task Order Contracts shall not exceed a cumulative maximum total value of \$XXXXXXX ("NTE Sum"). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under the On-Call Maintenance and Repair Services Task Order Contracts through Task Orders. Each time a Task Order is awarded under any of the On-Call Maintenance and Repair Services Task Order Contracts, the Commission shall send written notification to Contractor and

each of the other Contracts. The notice shall identify the total funds allocated under issued Task Orders, and the remaining unencumbered amount of the NTE Sum. Contractor acknowledges and agrees that Commission shall not pay any amount under this Agreement that would exceed the NTE Sum, and Contractor shall not knowingly enter into a Task Order that exceeds the NTE Sum.

3.3.3 Payment of Compensation. Contractor shall submit to Commission a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.4 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.3.5 Extra Work. At any time during the term of this Agreement, Commission may request that Contractor perform Extra Work. As used herein, “Extra Work” means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from Commission’s Representative.

3.3.6 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Commission shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Payroll Records. In accordance with the requirements of California Labor Code Section 1776, Contractor shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Responsibility for compliance with California Labor Code Section 1776 shall rest solely with Contractor, and Contractor shall make all such records available for inspection at all reasonable hours.

3.3.7 Registration. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractor. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements.

3.3.8 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

If California Labor Code Section 1777.5 applies to the Services, Contractor and any subcontractor hereunder who employs workers in any apprenticeable craft or trade shall apply to the joint apprenticeship council administering applicable standards for a certificate approving Contractor or any sub-contractor for the employment and training of apprentices. Upon issuance of this certificate, Contractor and any sub-contractor shall employ the number of apprentices provided for therein, as well as contribute to the fund to administer the apprenticeship program in each craft or trade in the area of the work hereunder.

The parties expressly understand that the responsibility for compliance with provisions of this Section and with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code in regard to all apprenticeable occupations lies with Contractor.

3.3.9 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Contractor or the Services are not subject to the Eight-Hour Law. Contractor shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-contractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Services are not subject to the Eight-Hour Law.

3.3.10 Bonds.

3.3.10.1 Payment Bond. If requested by the Commission as part of a Task Order proposal request, Contractor shall execute and provide to the Commission concurrently with the executed Task Order a payment bond in an amount required by the Commission and in a form provided or approved by the Commission. If such bond is required,

no payment will be made to Contractor until the bond has been received and approved by the Commission.

3.3.10.2 Bond Provisions. Should, in the Commission's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within (ten) 10 days of receiving notice from Commission. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the Commission, and Contractor shall post an acceptable replacement bond at least ten (10) days prior to expiration of the original bond. No further payments shall be deemed due or will be made under the relevant Task Order until any replacement bond required by this section are accepted by the Commission. To the extent, if any, that the total price under a Task Order requiring a bond is increased in accordance with this Agreement, the Contractor shall, upon request of the Commission, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the Commission.

3.3.10.3 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety and satisfactory to the Commission. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the Commission.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. Commission may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to Commission, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 General Provisions.

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
Real Estate Consulting & Services, Inc.
18345 Pasadena St
Lake Elsinore, CA 92530

Attn: Jeffery A. Coss

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Commission, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, contractors or agents in connection with the performance of the Services, the Project, this Agreement or any Task Order, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

3.5.2.2 Additional Indemnity Obligations. Contractor shall defend, with Counsel of Commission's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against Commission or its officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse Commission for the cost of any settlement paid by Commission or its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Commission's attorneys' fees and costs, including expert witness fees. Contractor shall reimburse Commission and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the Commission, its officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions,

Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the Commission. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the Commission.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 Commission's Right to Employ Other Contractors. Commission reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to Commission include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the Commission's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.17 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.18 Federal Provisions. Funding for Services under a Task Order may be provided, in whole or in part, by the Federal Transportation Administration ("FTA"), by the California Department of Transportation (Caltrans), or by the South Coast Air Quality Management District ("SCAQMD"). Contractor shall also fully and adequately comply with the FTA, Caltrans and SCAQMD provisions included in Exhibit "C" (Funding Agency Requirements) attached hereto and incorporated herein by reference ("Funding Agency Requirements"), as applicable based on the funding source for the relevant Task Order. With respect to any conflict between such Funding Agency Requirements and the terms of this Agreement and/or the provisions of state law, the more stringent requirement shall control.

**SIGNATURE PAGE FOR ON-CALL MAINTENANCE AND REPAIR SERVICES
AGREEMENT
BETWEEN THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND REAL ESTATE CONSULTING & SERVICES, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first set forth above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CONTRACTOR

Anne Mayer
Executive Director

Signature

Name

Title

Approved as to form:

ATTEST:

Best Best & Krieger LLP

Signature

General Counsel

Name

Title

A corporation requires the signatures of two corporate officers. One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above referenced persons are not the intended signators, evidence of signature authority shall be provided to Commission.

EXHIBIT "A" - SCOPE OF SERVICES

DRAFT

STATEMENT OF SERVICES

A. SCHEDULING OF WORK

The Contractor shall accomplish all routine maintenance required under this Contract between the hours of 8:00 a.m. and 3:30 p.m. Monday through Friday unless otherwise authorized or directed by the Commission. The Commission may provide, on an individual basis, permission to perform maintenance at other hours or on the weekends.

B. PROCEDURES FOR THE DEVELOPMENT OF TASK ORDERS

1. The Commission will provide the Contractor with a description of Work it wishes Contractor to perform under this Contract. The description shall include sufficient detail to permit the Contractor to provide a Task Order Price, including the ability to cost any special insurance, bonding or other costs associated with the requested Work.
2. As needs arise, the Commission will develop a brief scope of work and select a consultant from the list of bench consultants depending on the type of support needed and the qualifications of the firm. The selected consultant will respond by providing information about the level of effort required to perform the required services. This will be documented on a pre-approved Contract Task Order (CTO). Rates and cost for each CTO will be in accordance with rates indicated in the price schedules. Upon approval by the Commission's Project Manager, a CTO will be issued on a time and expense basis. The consultant will be required to commence work within five days or sooner after receiving a fully executed CTO.
3. The Commission and Contractor will work cooperatively to address any issues and negotiate a final Task Order and Task Order Price. Such negotiations shall be limited to the price and the scope of Work to be performed.
4. The Commission shall prepare, sign and deliver to the Contractor for signature a Task Order consistent with the negotiations and include sufficient exhibits and documentation to fully memorialize the understanding of the parties with respect to price and the Scope of Work to be performed under the Task Order.
5. The Contractor shall sign and deliver to the Commission the signed copies of the Task Order within two (2) days of receipt of a Task Order executed by an authorized representative of the Commission.
6. Unless otherwise provided for within the Task Order, the Contractor shall commence the Work provided for in the Task Order within five (5) days

of Contractor's delivery of the fully executed Task Order to Commission, and without the need for further notice or authorization by the Commission.

C. STORM WATER POLLUTION PREVENTION PROGRAM (SWPPP)

1. Contractor shall ensure that all employees and subcontractor employees are trained and are aware of the following Site Specific Storm Water Pollution Prevention Requirements:
 - a. No discharge of fertilizers, pesticide, and wastes into street or storm drains;
 - b. No blowing or sweeping debris into street or storm drains;
 - c. No hosing down of the parking lot;
 - d. No vehicle washing or maintenance on site;
 - e. Close dumpster lids at all time;
 - f. No disposing of wash water into street or storm drains; and
 - g. Remove all foreign objects (leaves, cans, cigarette butts, paper etc.) from in front of drainage inlets and gutter areas.
2. The Contractor shall provide annual refresher training on the Site Specific Storm Water Pollution Prevention Requirements to its employees and subcontractors.
3. The Contractor shall document the training on the attached Site Specific Storm Water Pollution Prevention Training Log and provide it annually to RCTC. Form included.

D. CHEMICALS

1. Contractor shall provide a list of all chemicals that are proposed to be used on the project. This list shall be submitted to RCTC for review and approval, prior to use of the chemicals.
2. Contractor shall provide Material Safety Data Sheets (MSDS) for all chemicals that are to be used on the project.
3. Contractor shall ensure the field crews carry copies of the MSDS for all chemicals they have while on-site.
4. Contractor is encouraged to use bio-degradable or environmentally friendly chemicals.
5. Contractor shall ensure that all employees are properly trained in the use and handling of the approved chemicals.
6. Contractor shall ensure that all employees, including subcontractors, utilize the proper PPE as specified by the chemical or the Contractor's safety plan, whichever is most stringent.

ON-CALL MAINTENANCE

The following list is a non-exhaustive list of tasks that may be requested to be provided by the Contractor:

A. POTENTIAL FUTURE MAINTENANCE OUTSIDE OF RAILROAD RIGHT-OF-WAY AND TOLL FACILITIES

1. Asphalt repairs within parking lot or bus lane-cold patch or saw cut, removal and placement of hot mix, place guard top slurry seal.
2. Parking stalls striping or stenciling.
3. Concrete curb painting.
4. Concrete wheel stop removal, replacement, purchase, and installation.
5. Miscellaneous painting touch up on canopies, towers, benches, handrail/guardrail, trash cans, trash dumpster gates, walls inside of the pedestrian overcrossings, light poles, monuments and other areas as necessary.
6. Repairs to the walls inside of the pedestrian overcrossings.
7. Repairs to Stucco walls and columns.
8. Clean out plugged drains- toilet, sink, platform, and drinking faucets.
9. Repair, patch, or replace damaged concrete curb, gutter, platform, sidewalk, handicap ramps, mini-ramps, stairs, color concrete, etc.
10. Repair or patch roofing.
11. Remove, replace, purchase, and install Station Signage on post, light poles, CCTV poles, columns, and walls
12. Perform various plumbing maintenance/repairs - locate water leaks, repair leaking pipe, replace old or damaged bathroom fixtures, replace old or damaged drinking fountains and hose bibs, and other work as necessary
13. Remove, clean, and place anti -slip floor treatment.
14. Remove or relocate bike lockers and racks.
15. Repair and or replace bike storage facilities and racks.
16. Replace or repair trash receptacles.
17. Place new concrete or asphalt as directed.
18. Repair and replace ADA ramps, pathways using current standards
19. Remove, replace, relocate, or install new bollards - steel and concrete.
20. Provide forces and equipment to unload and place heavy or large items purchased for use at the stations i.e. kiosks, benches, bike racks, bike lockers, furniture, etc.
21. Paint Canopies and Canopy columns.
22. Repair, or perform maintenance on Storm Drain Curb Inlets and manholes.
23. Maintenance or repairs to Water main lines and laterals.

24. Maintenance or repairs to sewer main lines and laterals.
25. Maintenance or repairs to the Station fire hydrants.
26. Purchase and install box drains and place drain lines in landscape planters at Downtown Riverside Station.
27. Purchase and install window treatments - solar shades or window tint in security room.
28. Maintain, Install, Repair Solar Panels, carport structures, flagpoles, Guard Shacks, and Doors.
29. Maintenance, repairs, or painting of Light Poles.
30. Concrete pour inspections, roadway maintenance/repair, and sign installation as needed and allowable.
31. Other repairs/replacement and maintenance as requested.
32. Repair and service Commission owned assets as needed: Generators, Solar equipment, Elevators, Parking structures and other equipment
33. Modernize/Improve station equipment assets as required and needed: Elevators, Generators, Parking structures, Solar equipment for Commission owned assets, and other equipment

B. POTENTIAL FUTURE MAINTENANCE WITHIN THE RAILROAD RIGHT- OF-WAY OR WORK WITH THE POTENTIAL TO FOUL THE TRACK

1. Repair or replace at-grade pedestrian crossings at the ends of the platforms.
2. Repair rolling or sliding gates at the Stations at-grade pedestrian crossings.
3. Perform maintenance or repairs on the outside of Pedestrian Bridge and Towers.
4. Perform electrical maintenance or repairs on light poles near the railroad tracks, on neon signs located on the Pedestrian Bridges, etc.
5. Repair or patch roofing on Pedestrian Bridges.
6. Paint or touch up Pedestrian Bridge and Towers.
7. Remove, purchase, and install new windows or revised window system within Pedestrian Bridge.
8. Install anti-bird devices on Pedestrian Bridge and Towers.
9. Pressure wash and/or clean Pedestrian Bridge and Towers.
10. Remove CCTV Camera Poles from between the tracks.
11. Repair Damaged Platform Canopies.
12. Repair or replace Tactile Tile along Station platforms.
13. Repair / Maintenance to concrete platforms.
14. Repair / Maintenance and painting of handrail/guardrail.
15. Repair / Maintenance and painting of center line track fence between Main Line 1 and Main Line 2 tracks.

16. Maintenance to ballast at end of platforms or around at-grade pedestrian crossings.
17. Repair, clean, maintenance to Platform drains.
18. Remove, replace, or place new Signage at the ends of the Station platforms.
19. Remove, replace, or place new Painted striping and lettering on concrete platform within railroad right-of-way.
20. Repair plumbing leaks within concrete platforms.
21. Power wash sidewalks, platforms, and canopies
22. Other repairs/maintenance as requested.

STATION LOCATIONS

West Corona Metrolink Station

155 S. Auto Center Drive
Corona, CA 92880

North Main Corona Station

250 E. Blaine Street
Corona, CA 92879

La Sierra Station

10901-A Indiana Ave
Riverside, CA 92503

La Sierra Bus Station

10901-B Indiana Ave
Riverside, CA 92503

Pedley Station

6001 Pedley Road
Riverside, CA 92509

Perris Downtown Station

121 South C Street
Perris, CA 92570

Hunter Park Station

1101 Marlborough Avenue
Riverside, CA 92507

Moreno Valley/MF Station

14160 Meridian Parkway
Riverside, CA 92518

South Perris Station

1304 Case Road
Perris, CA 92510

Riverside Downtown

4066 Vine Street
Riverside, CA 92507

Operations Control Center

4344 Vine Street
Riverside CA, 92507

TOLL FACILITIES

FAM

120 N. Joy Street
Corona, CA 92879

ROC

301 Corporate Terrace
Corona, CA 92879

15 Toll Rd Office

291 Corporate Terrace
Corona, CA 92879

Toll TUB Eastbound 91

East Bound 91
Center divide

Toll TUB Westbound 91

West Bound 91
Center Divide

DRAFT

EXHIBIT “B” –COMPENSATION RATES

DRAFT

EXHIBIT “C”- FUNDING AGENCY REQUIREMENTS

DRAFT

AGENDA ITEM 6F

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Martha Masters, Senior Management Analyst Jenny Chan, Planning and Programming Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Riverside County 2025 Federal Transportation Improvement Program Financial Resolution

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Adopt Resolution No. 24-001, *“Resolution of the Riverside County Transportation Commission Certifying Riverside County has Resources to Fund Projects in the Federal Fiscal Years 2024/25 Through 2029/30 Transportation Improvement Program and Affirming Commitment to Implement All Projects and Phases as Applicable in the Program”*.

BACKGROUND INFORMATION:

The Federal Transportation Improvement Program (FTIP) is a federally required document that lists transportation projects funded with federal, state, and local funds for the next six-year period. The Southern California Association of Governments (SCAG) is responsible for preparing the FTIP every two years for the six counties within the SCAG region and for performing the following five conformity tests:

- Consistency with SCAG’s Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS);
- Regional Emission Analysis;
- Timely Implementation of Transportation Control Measures (TCM);
- Financial Constraint; and
- Interagency Consultation and Public Involvement.

The 2025 FTIP update covers Federal Fiscal Years (FFYs) 2024/25 through 2029/30 and reflects projects listed in the 2024 RTP/SCS. All federal- and state-funded projects must be included in the FTIP prior to spending federal funds.

The attached resolution must be included in the 2025 FTIP to certify the Riverside County portion of the FTIP is financially constrained and to affirm the commitment to implement the projects. Financial constraint and project commitment is defined as follows:

1. Financial Constraint: The Commission must certify the Riverside County Transportation Improvement Program is financially constrained (projects are not programmed in excess of funding levels) and the funding may be reasonably expected to carry out the program.
2. Project Commitment: The Commission must affirm its highest priorities for funding are the projects in the 2025 FTIP. The affirmation is specifically targeted to enforceable TCMs, which are critical to meeting air quality and transportation conformity, as required by federal and state law.

Over the past three months, staff reviewed projects submitted by Caltrans, local agencies, and transit operators in Riverside County. This review included projects on freeways, state highways, arterials, routes that provide access to major activity centers, goods movement routes, intermodal facilities, and fixed transit routes. Projects that have completed construction were identified and removed from the 2025 FTIP, while other projects were added, deleted, or modified at the request of project sponsors. All project programming was reviewed with project sponsors to ensure each project clearly identifies funding sources and schedules.

There are 19 TCM projects in the 2025 FTIP with completion dates ranging from 2025 to 2029, at an estimated cost of \$773 million. TCMs are specific transportation projects and programs committed to help improve air quality, regardless of the source of funding. Project sponsors have been notified that TCMs must be operational or implemented by the completion date committed to in the FTIP. If not, these projects must be substituted by another TCM-eligible project.

The SCAG Regional Council is scheduled to approve the 2025 FTIP by September 2024. SCAG subsequently will pursue the necessary state and federal approvals for the 2025 FTIP. These approvals are anticipated to occur by early December 2024, at which point the 2025 FTIP takes effect. SCAG allows submittal of minor changes to projects through amendments that occur throughout the two-year cycle; staff coordinates amendments with the appropriate local agencies.

FISCAL IMPACT:

This item does not have a financial impact; separate actions have been or will be taken to fund specific projects as necessary.

Attachments:

- 1) RCTC Resolution No. 24-001
- 2) 2025 FTIP Funding Summary – FFY 2024/25 – FFY 2029/30

RESOLUTION NO. 24-001**RESOLUTION OF THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION CERTIFYING RIVERSIDE COUNTY HAS RESOURCES TO FUND PROJECTS IN THE FEDERAL FISCAL YEARS 2024/25 THROUGH 2029/30 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMING COMMITMENT TO IMPLEMENT ALL PROJECTS IN THE PROGRAM**

WHEREAS, Riverside County is located within the metropolitan planning boundaries of the Southern California Association of Governments (SCAG); and

WHEREAS, the Infrastructure Investment & Jobs Act (IIJA) requires SCAG to adopt a regional transportation improvement program for the metropolitan area; and

WHEREAS, the IIJA also requires that the regional transportation improvement program include a financial plan that demonstrates how the transportation improvement program can be implemented; and

WHEREAS, the Riverside County Transportation Commission (RCTC) is the agency responsible for short-range capital and service planning and programming for the Riverside County area within SCAG; and

WHEREAS, as the responsible agency for short-range transportation planning, the RCTC is responsible for developing the Riverside County Transportation Improvement Program (TIP), including all projects utilizing federal and state highway and transit funds; and

WHEREAS, the RCTC must determine, on an annual basis, the total amount of funds that could be available for transportation projects within its boundaries; and

WHEREAS, the RCTC has adopted the FFY 2024/25 through FFY 2029/30 Riverside County TIP with funding for FFY 2024/25 and FFY 2025/26 available and committed, and reasonably committed for FFY 2026/27 through FFY 2027/2028.

NOW, THEREFORE, BE IT RESOLVED by the RCTC that it affirms its continuing commitment to the projects in the FFY 2024/25 through FFY 2029/30 Riverside County TIP; and

BE IT FURTHER RESOLVED, that the FFY 2024/25 through FFY 2029/30 Riverside County TIP Financial Plan identifies the resources that are available and committed in the first two years and reasonably available to carry out the program in the last four years, and certifies that:

1. Projects in the FFY 2024/25 through FFY 2029/30 Riverside County TIP are consistent with the proposed 2024 State Transportation Improvement Program (STIP) scheduled to be approved by the California Transportation Commission in March 2024; and

2. All of the projects in the Riverside County TIP have complete funding identified in the Program based on reasonably available funding; and
3. Riverside County has the funding capacity in its county Surface Transportation Block Grant Program (STBG) and Congestion Mitigation and Air Quality Program (CMAQ) allocation to fund all of the projects in the FFY 2024/25 through FFY 2029/30 Riverside County TIP; and
4. The local match for projects funded with federal STBG and CMAQ program funds is identified in the TIP; and
5. All the Federal Transit Administration funded projects are programmed within FAST Act Guaranteed Funding Levels.

APPROVED AND ADOPTED this 10th day of January, 2024.

Lloyd White, Chair
Riverside County Transportation Commission

ATTEST:

Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission



Fund Summary
 Riverside County Transportation Commission
 2025 FTIP (FY 2024/2025 - FY 2029/2030)
 Local Highway, State Highway, Transit
 Cost in Thousands

FUNDING SOURCE	PRIOR	2023	2024	2025	2026	2027	2028	BEYOND	TOTAL
2022 EARMARK REPURPOSING	\$238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238
Carbon Reduction Program (CRP)	\$8,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,466
Community Proj Funding-Congressionally Directed	\$3,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300
National Highway Freight Program	\$0	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000
Railroad Crossing	\$0	\$0	\$17,500	\$0	\$0	\$0	\$0	\$0	\$17,500
FEDERAL SUBTOTAL	\$12,004	\$26,000	\$17,500	\$0	\$0	\$0	\$0	\$0	\$55,504
2016 EARMARK REPURPOSING	\$4,842	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,842
2022 APPROPRIATIONS EARMARKS	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
CMAQ	\$191,002	\$612	\$77,190	\$0	\$0	\$0	\$0	\$0	\$268,804
COVID Relief Funds - STIP	\$10,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,069
Coronavirus Response-Relief Supp Appropriations Act	\$16,891	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,891
DEMO - TEA 21	\$7,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,918
DEMO-SAFETEA-LU	\$19,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,287
FFY 2006 APPROPRIATIONS EARMARKS	\$1,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,841
FFY 2009 Appropriations Earmarks	\$950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$950
HIGHWAY INFRASTRUCTURE PROGRAM (HIP)	\$35,114	\$16,100	\$4,500	\$0	\$0	\$0	\$0	\$0	\$55,714
INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) GRANT	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Port Infrastructure Development Program	\$0	\$0	\$22,000	\$0	\$0	\$0	\$0	\$0	\$22,000
RECREATIONAL TRAILS	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400
STP LOCAL	\$135,646	\$45,391	\$31,729	\$0	\$0	\$0	\$0	\$0	\$212,766
STP RAILROAD LOCAL	\$5,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,122
SURFACE TRANS BLK GRNT LOCAL	\$51,989	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,989
SURFACE TRANS PROG	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
SURFACE TRANS PROG - HR4818	\$739	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$739
FEDERAL HIGHWAY SUBTOTAL	\$538,810	\$62,103	\$135,419	\$0	\$0	\$0	\$0	\$0	\$736,332

5307H-Hemet Urbanized Area	\$16,617	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,617
5307IC-Indio-Cathedral City Urbanized Area	\$42,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,401
5307LA-LOS ANGELES/LONG BEACH/SANTA ANA URBANIZED AREA	\$272	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$272
5307MT-Murrieta-Temecula Urbanized Area	\$19,084	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,084
5307RS-Riverside/San Bernardino Urbanized Area	\$120,478	\$5,378	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,856
5310IC-Indio-Cathedral City Urbanized Area - EM	\$869	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$869
5310MT-Murrieta-Temecula Urbanized Area - EM	\$1,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,097
5310RS-Riverside/San Bernardino Urbanized Area - EM	\$1,873	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,873
5311 - NONURBANIZED AREA FORMULA PROGRAM	\$5,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,510
5311F - INTERCITY BUS	\$1,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,466
5337RS-Riverside/San Bernardino Urbanized Area	\$51,724	\$20,742	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,466
5339C-LOW OR NO EMISSION VEHICLE PROGRAM – 5339(C)	\$20,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,120
5339H-Hemet Urbanized Area - BFG	\$3,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,067
5339IC-Indio-Cathedral City Urbanized Area - BFG	\$7,335	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,335
5339LA-LOS ANGELES -LONG BEACH-ANAHEIM URBANIZED AREA - BFG	\$91	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91
5339MT-Murrieta-Temecula Urbanized Area - BFG	\$5,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,320
5339RS-Riverside/San Bernardino Urbanized Area - BFG	\$25,203	\$310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,513

FEDERAL RAILROAD ADMINISTRATION EARMARK	\$2,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,982
FTA 5307 (FHWA TRANSFER FUNDS)	\$4,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,125
FTA 5307 UZA FORMULAR	\$545	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$545
FTA 5309(a) GUIDEWY	\$12,649	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,649
FTA 5309(c) BUS	\$7,145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,145
FTA 5339b - Bus and Bus Facilities Discretionary Program	\$21,316	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,316
NATIONAL RESEARCH AND TECHNOLOGY	\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37
TRANS ORIENTED DEV PLANNING PILOT PROGRAM	\$700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700
FEDERAL TRANSIT SUBTOTAL	\$372,026	\$26,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$398,456
AGENCY	\$232,077	\$264,302	\$1,100,189	\$1,311,542	\$313,650	\$114,793	\$192,638	\$3,000	\$3,532,191	
AIR BOARD	\$27,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,436	
BONDS - LOCAL	\$36,520	\$209,000	\$710,000	\$0	\$0	\$0	\$0	\$0	\$955,520	
CITY FUNDS	\$202,651	\$175,001	\$89,799	\$178,013	\$146,901	\$48,894	\$42,067	\$87,000	\$970,326	
COUNTY	\$9,189	\$1,200	\$0	\$0	\$99,800	\$0	\$0	\$0	\$110,189	
DEVELOPER FEES	\$11,250	\$0	\$0	\$5,000	\$23,000	\$56,000	\$4,200	\$22,000	\$121,450	
EASTERN RIV TUMF	\$14,712	\$19,054	\$900	\$3,276	\$150,000	\$0	\$0	\$0	\$187,942	
FARE REVENUE	\$7,243	\$220	\$0	\$0	\$0	\$0	\$0	\$0	\$7,463	
Gas Tax (Subvention to cities)	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64	
LOCAL - ADVANCED CONSTRUCTION	\$60,047	(\$11,581)	\$0	\$0	\$0	(\$48,284)	\$0	\$0	\$182	
LOCAL ADVANCE CONSTRUCTION	\$375	\$0	(\$557)	\$0	\$0	\$0	\$0	\$0	(\$182)	
LOCAL TRANS FUNDS	\$252,410	\$4,635	\$0	\$0	\$0	\$0	\$0	\$0	\$257,045	
Measure A Regional Arterial	\$48,701	\$15,000	\$12,000	\$0	\$0	\$0	\$0	\$0	\$75,701	
PRIVATE FUNDS	\$15,510	\$4,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$21,510	
RIV CO SALES TAX	\$87,571	\$34,304	\$46,176	\$901,681	\$0	\$0	\$0	\$0	\$1,069,732	
TDA ARTICLE #3	\$338	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$338	
TDA ARTICLE #4	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	
TUMF Regional Arterial	\$28,896	\$10,700	\$0	\$0	\$0	\$0	\$0	\$0	\$39,596	
TUMF Zone	\$29,762	\$24,868	\$0	\$0	\$20,000	\$14,618	\$27,500	\$81,500	\$198,248	
WESTERN RIV TUMF	\$283,739	\$41,000	\$1,000	\$10,802	\$10,500	\$7,400	\$62,000	\$11,500	\$427,941	
LOCAL SUBTOTAL	\$1,350,491	\$791,703	\$1,961,507	\$2,410,314	\$763,851	\$193,421	\$328,405	\$205,000	\$8,004,692	

ACTIVE TRANSPORTATION PROGRAM	\$32,519	\$40,153	\$4,032	\$0	\$0	\$0	\$0	\$0	\$76,704
ACTIVE TRANSPORTATION PROGRAM - MPO	\$20,827	\$6,846	\$23,235	\$9,386	\$0	\$0	\$0	\$0	\$60,294
BRIDGE - LOCAL	\$174,444	\$37,813	\$69,673	\$5,671	\$2,909	\$189,994	\$67,663	\$0	\$548,167
CEC-ALTERNATIVE FUEL	\$5,236	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,236
LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT	\$415	\$0	\$0	\$0	\$0	\$2,684	\$0	\$0	\$3,099
NATIONAL HWY SYSTEM - HM	\$8,490	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,490
PUBLIC TRANS MODERINAZATION IMP AND SERV. ENHANCEMENT ACCT.	\$18,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,234
SB1 LOCAL PARTNERSHIP COMPETITIVE FUNDS	\$13,222	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,222
SB1 LOCAL PARTNERSHIP FORMULA FUNDS	\$7,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,686
SB1 SOLUTIONS FOR CONGESTED CORRIDORS	\$0	\$44,500	\$0	\$0	\$0	\$0	\$0	\$0	\$44,500
SB1 STATE OF GOOD REPAIR	\$2,688	\$52	\$0	\$0	\$0	\$0	\$0	\$0	\$2,740
SB1TRADE CORRIDOR ENHANCEMENT	\$68,408	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0	\$75,908
SECTION 190 GRADE SEPARATION PROGRAM	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$10,000
SENATE BILL 132	\$199,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$199,172
SHOPP - ADVANCE CONSTRUCTION	\$151,973	\$168,837	\$75,431	\$0	\$0	\$0	\$0	\$0	\$396,241
SHOPP AC-PRIOR	\$476	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$476
STATE CASH	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80
STATE CASH (AB 3090)	\$53,102	\$13,275	\$0	\$0	\$0	\$0	\$0	\$0	\$66,377
STATE CASH - CT MINOR PROGRAM	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
STATE CASH - RIP	\$5,273	\$0	\$0	\$13,000	\$0	\$0	\$0	\$0	\$18,273
STATE PARK FUNDS	\$400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400
STATE TRANSIT ASSIST	\$68,920	\$471	\$0	\$0	\$0	\$0	\$0	\$0	\$69,391
STIP ADVANCE CON-IIP	\$18,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,655
STIP ADVANCE CON-PIIP	\$47,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,600
STIP ADVANCE CON-RIP	\$10,082	\$8,800	\$33,208	\$14,698	\$0	\$0	\$0	\$0	\$66,788
State match	\$1,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,602
TRADE CORRIDOR PROGRAM	\$13,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,235
TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM	\$27,473	\$0	\$0	\$15,500	\$0	\$0	\$0	\$0	\$42,973
STATE SUBTOTAL	\$956,412	\$328,247	\$210,579	\$58,255	\$2,909	\$192,678	\$67,663	\$0	\$1,816,743
TOTAL	\$3,229,743	\$1,234,483	\$2,325,005	\$2,468,569	\$766,760	\$386,099	\$396,068	\$205,000	\$11,011,727

AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Sheldon Peterson, Rail Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Amendment to the Metrolink Memorandum of Understanding for Fiscal Year 2023/24

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve an advance of Local Transportation Funds (LTF) of \$7,365,769 for the Commission’s share of preventative maintenance operating expenses for the Southern California Regional Rail Authority (SCRRA) in Fiscal Year (FY) 2023/24; and
- 2) Authorize the Executive Director to finalize and execute Memorandum of Understanding (MOU) Amendment No. 1 No. 23-25-079-01, pursuant to legal counsel review, with SCRRA regarding the advance of funds.

BACKGROUND INFORMATION:

Metrolink is the brand name for the services operated by SCRRA. The Commission is one of the five member agencies that comprises the SCRRA joint powers authority. All member agencies must formally commit to fund their proportionate shares of commuter rail operating and capital costs on an annual basis. On June 14, 2023, the Commission approved the annual operating and capital subsidy budget for SCRRA, which included an operating subsidy of \$28,231,736, with an operating contingency of \$1,658,651, for a not to exceed total of \$29,890,387, and a capital subsidy of \$15,624,704. The funding plan for RCTC’s operating subsidy was based on the allocations shown in Table 1.

Table 1: FY 2023/24 Operating Subsidy by Revenue Source

Revenue Source	Amount
Local Transportation Fund (LTF)	\$20,865,967
Federal Transit Administration Section 5337 (Preventative Maintenance, drawn down by SCRRA)	\$ 7,365,769
Requested Total	\$28,231,736
Added Contingency – LTF Funds	\$ 1,658,651
Revised Total	\$29,890,387

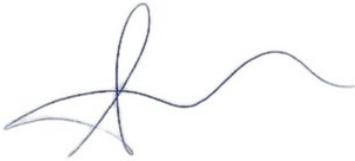
Metrolink staff has requested that the Commission provide a local subsidy funding advance for federal funds based on the 2017 Metrolink board approved “Principles for Use of Federal Funds

for Preventative Maintenance and New Transportation Services” which identifies the need for member agencies to provide up-front local subsidies when utilizing federal funding for cash flow purposes as they await federal reimbursement (Attachment 1). Metrolink staff estimates that the federal grants will be executed and available for draw down by March 2024.

Staff recommends approval of the proposed Amendment 1 of MOU No. 23-25-079-00 (Attachment 2) to provide an LTF cash advance to Metrolink in the amount of \$7,365,769. The MOU amendment will increase the contract authority to allow the Commission to provide Metrolink the additional LTF advance funding. This will allow the Commission to provide Metrolink the total subsidy amount required for each quarterly installment to meet their cash flow needs. Metrolink will initiate the Federal Transit Administration (FTA) preventative maintenance grant for operations on the Commission’s behalf as identified in the original MOU. Once the grant is approved, Metrolink will submit expense reimbursements to FTA in a timely manner. Within 30 days of receipt of the Commission’s portion of the FTA funds, Metrolink will reimburse the LTF advance amount to the Commission. Once all the invoices are approved and submitted to FTA, it is anticipated that the entire LTF advance will be returned to the Commission no later than September 30, 2024.

FISCAL IMPACT:

A budget amendment is not required as there is sufficient budget authority in the existing FY 2023/24 Commission budget for this action.

Financial Information for SCRRRA Budget Subsidy				
In Fiscal Year Budget:	Yes	Year:	FY 2023/24	Amount: FY24 Operations \$7,365,769
Source of Funds:	Operating: LTF Western County Rail Funds		Budget Adjustment:	No
GL/Project Accounting No.:	103 12301 (loans receivable)		\$7,365,769	
	254199 86101 00000 0000 103 25 86101		\$7,365,769	
Fiscal Procedures Approved:			Date:	12/14/2023

Attachments:

- 1) Metrolink Principles for Use of Federal Funds for Preventative Maintenance and New Transportation Services,
- 2) Draft Amendment MOU No. 23-25-079-01 for FY 2023/24 SCRRRA Funding



SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

TRANSMITTAL DATE: February 3, 2017

MEETING DATE: February 10, 2017

ITEM 8

TO: Board of Directors

FROM: Arthur T. Leahy *ATL*

SUBJECT: Adoption of Principles for Use of Federal Funds for Preventive Maintenance and New Transportation Services

Issue

To enable use of Member Agency federal funds for preventative maintenance and new transportation services, it was necessary to develop guiding principles for programming and use of federal funds in the Authority's operating budget. A draft principles document was submitted to the Board on December 9, 2016. The final principles document is being submitted to the Board at this time.

Recommendation

It is recommended that the Board approve and adopt the principles for use of federal funds for preventative maintenance and new transportation services.

Alternative

The Board may request revisions to the principles document.

Strategic Goal Alignment

This report aligns with the strategic goal to *maintain fiscal sustainability*.

Background

At the request of the member agencies, a working group comprised of staff and member agency representatives initiated discussions to explore the use of federal funds to support operations within the Metrolink system. The initial goal was to identify eligible expenditures within the operating budget that could be funded with federal funds. Two types of federally-eligible expenses were identified:

- 1) preventive maintenance, and
- 2) new transportation services.

For both types of expenses, permissible expenditures and vendors were selected in such a way as to comply with federal requirements and reduce administrative burden to the extent possible.

The working group evaluated use of federal formula funds, specifically Federal Transit Administration (FTA) Section 5307 funds and FTA Section 5337 funds, for eligible preventive maintenance costs on the Metrolink system. Consistent with FTA rules, preventive maintenance can include all maintenance costs related to vehicles, equipment and facilities, provided that the maintenance contracts comply with Federal procurement requirements.

The working group also evaluated use of Congestion Mitigation and Air Quality (CMAQ) funds for new transportation services, defined as new service on new routes, or expanded services on existing routes. CMAQ is focused on start-up operations and may be used for up to five sequential years from startup. At the conclusion of the startup period, operating costs will have to be paid with non-CMAQ funds.

A draft principles document was developed to capture ideas and concepts discussed within the working group, and was presented to the Board as information at its December 9, 2016 meeting. A final principles document is now being presented to the Board for adoption.

The final principles document is consistent with the December 9, 2016 draft document, with additional clarification in the following areas:

- The Funding Strategy section was revised to clarify that up to 80% of budgeted federally-eligible activities may be funded with federal funds. Individual Member Agency shares are not subject to the 80% maximum.
- The 80% maximum may be reviewed and revised as necessary during the annual budget process.
- Member Agencies and the Authority may agree to reallocate funding types between budgeted shares for federally-eligible items in the Authority's operating budget.
- If an expense is invoiced to the FTA and is later disallowed, the funding agency(ies) will be responsible for the expense.

This principles document is required to build consensus for introducing federal funds in the Authority's operating budget. Since the Authority currently does not use federal funds for operations, implementation may require additional agency resources in the areas of labor compliance, Disadvantaged Business Enterprise (DBE) monitoring, labor protection, budget and expense segregation, cash management, financial reporting, federal billing, federal grant applications, and federal reporting. Additional resources will be requested as needed in the Agency's annual operating budget through the annual budget development process.

It will be important for member agencies to balance their federal funds across a number of uses on the Metrolink system, including service expansion, preventive maintenance, and state of good repair to ensure that the highest priority funding requirements are being addressed.

The use of federal funds for preventative maintenance and new transportation services will allow member agencies greater flexibility in programming their streams of revenue to support overall train operations. The approach will also allow member agencies to meet operating subsidy obligations with federal funds if local revenue sources are insufficient.

Next Steps

Staff will work with member agencies to determine planned funding sources for the FY2017-18 budget and will continue to hold working group meetings to discuss specific implementation steps such as Federal Transportation Improvement Program (FTIP) programming, cash flow, and accounting processes. FTA grant applications will be developed and submitted after approval of the Authority's budget by its Member Agencies and Board.

Budget Impact

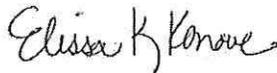
Adoption of the principles and using federal funds for preventative maintenance and new transportation services will allow member agencies more flexibility in allocation funds to support train operations as future annual budgets are developed.

There is no budgetary impact as a result of this report. Funding for additional resources to implement and maintain compliance with federal regulations may be requested as necessary through the annual budget process for subsequent years.

Prepared by: Karen Sakoda, Planning Manager
Ronnie Campbell, Chief Financial Officer



Gary Lettengarver
Chief Operating Officer



Elissa K. Konove
Deputy Chief Executive Officer


METROLINK

Southern California Regional Rail Authority

Principles for SCRRA Member Agency Use of Federal Funds for Metrolink Preventive Maintenance and New Transportation Services

I. General Principles

Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA), supports its Member Agencies in optimizing use of federal funding available for commuter rail Preventive Maintenance, rehabilitation, and service expansion.

Based on characteristics of the Metrolink system and size of urbanized areas served, Metrolink's use of federal funds for operating functions is limited to Preventive Maintenance and New Transportation Services.

Each Member Agency will determine eligible funding sources for Metrolink's annual operating expenses, which may include federal funds, local funds, or a combination of eligible funding sources.

Member agencies desiring to use federal funds for Preventive Maintenance or New Transportation Services will collaborate with SCRRA to identify and program funding sources for federally-eligible expenses.

Use of federal funds will commence in Fiscal Year (FY) 2018 for Preventive Maintenance. Use of Congestion Mitigation and Air Quality (CMAQ) funds from RCTC for New Transportation Services will commence in FY 2017.

II. Objectives of allowing Member Agencies to Use Federal Funds for Metrolink Operations

1. To preserve participation of all Member Agencies in the Metrolink JPA.
2. To allow flexibility of funding source(s) from each Member Agency towards eligible Preventive Maintenance, and/or New Transportation Services.
3. To allow Member Agencies to use federal funds for eligible operating costs to prevent funds from lapsing.



4. To allow SCRRRA and Member Agencies to reallocate fund types as necessary through SCRRRA's operating and maintenance budgets, subject to grantor guidelines.

III. Definitions

Member Agencies shall mean Los Angeles County Transportation Authority (LACMTA) also known as Metro, Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), San Bernardino County Transportation Authority (SBCTA) successor to the interests of SANBAG effective January 1, 2017, and Ventura County Transportation Commission (VCTC).

New Transportation Services shall mean the start up of new transportation services, or the incremental expanding of such services, consistent with Revised Interim Guidance on CMAQ Operating Assistance under MAP-21, section a.

Preventive Maintenance shall mean all maintenance costs, related to vehicles and non-vehicles. Specifically, it is defined as all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner, up to and including the current state of the art for maintaining such an asset, consistent with FTA Circular 5010.1D, Chapter 1, Section 5.rr, or successor FTA guidance.

IV. Eligibility for Federal Preventive Maintenance Funds

During Metrolink's annual budget development cycle, SCRRRA will assess the upcoming year's projected Preventive Maintenance expenses for federal eligibility, and Member Agencies will provide eligible sources of funding for Preventive Maintenance expenses in Metrolink's Operating budget.

1. Permissible costs for use of federal Preventive Maintenance funds include:
 - Equipment Maintenance, vehicles and non-vehicles
 - Maintenance of Way Line Segments
2. Service and procurement contracts must contain federal terms and conditions, and must be awarded through a federal procurement process to be eligible for reimbursement with federal funds.

V. Eligibility for Federal Funds for New Transportation Services



During SCRRRA's annual budget development cycle, SCRRRA will assess the upcoming year's proposed new service expenses for federal eligibility, and Member Agencies will provide eligible sources of funding for the New Transportation Services contained in Metrolink's Operating budget. SCRRRA will estimate costs related to new service so that efforts to federally fund new services can be accomplished.

1. Permissible functions for use of CMAQ funds are for New Transportation Services on the Metrolink system.
2. Use of CMAQ funds for New Transportation Services is limited to a maximum of five (5) sequential years from start of new service. Funding amounts for years three (3) through five (5) must conform to the taper-down approach described in CMAQ Program Guidance.
3. Service and procurement contracts must contain federal terms and conditions, and must be awarded through a federal procurement process to be eligible for reimbursement with federal funds.

VI. Funding Strategy

1. Member Agencies will be permitted to fund budgeted Preventive Maintenance and/or New Transportation Services for any given Fiscal Year with up to 80% from federal sources. The maximum percentage may be reviewed and revised as necessary during the annual budget development process.
2. If necessary to meet operating subsidy obligations or to prevent funds from lapsing, SCRRRA and Member Agencies may agree to re-allocate funding types between budgeted shares of federally-eligible activities in Metrolink's operating budget to the extent possible subject to grantor guidelines for fund types and apportionment locations. If Member Agencies provide federal funding amounts that collectively exceed the maximum allowed federal funding level, best efforts will be made to reach an agreeable solution between the Member Agencies.
3. SCRRRA will be the grant applicant for federal funds unless otherwise notified by the Member Agencies. The grant applicant(s) will make every effort to apply for and expend funds in a timely manner to prevent funds from lapsing.
4. SCRRRA will not submit grant applications to the FTA until each Member Agency Board approves its share of the Metrolink budget, and SCRRRA's Board of Directors approves the overall Metrolink budget. Member Agencies will apply for grants according to individual Agency policies and practices.
5. Funding shares will remain consistent with SCRRRA's Budget and FTA grant applications throughout the applicable fiscal year, unless revised through a budget or grant amendment.

6. Member Agencies may choose to program and authorize federal funding for multiple fiscal years. Each fiscal year will be subject to a year-end reconciliation process to determine status of all fund types at the end of the fiscal year. Funds remaining or fund deficits will be handled as agreed between SCRRA and the Member Agencies.

VII. Approval Process

1. Each Member Agency desiring to use federal funds to support Preventive Maintenance or New Transportation Services would initiate the process and notify SCRRA at the start of SCRRA's annual budget development process.
2. Each Member Agency desiring to use federal funds is responsible for identifying and programming applicable federal funds in its own agency budgets. Federal funding allocations will be communicated to SCRRA as soon as possible during the budget development process.
3. Each Member Agency desiring to use federal funds is responsible for executing necessary planning documents such as the Federal Transportation Improvement Plan (FTIP), and will obtain FTIP approval by June 30th, one day prior to the effective fiscal year.
4. Each Member Agency desiring to use federal funds is responsible for determining its approval process and obtaining necessary approvals from its own agency management or governing boards.
5. Member Agencies using federal funds will provide funding support letters to SCRRA describing funding amounts, types or funds provided, intended purpose of funds (i.e. Preventive Maintenance or New Transportation Services), fund apportionment years, and apportionment Urbanized Areas (UZAs).

VIII. Accounting and Cash Flow

1. Accounting for allocation and use of funds will follow and be consistent with generally accepted accounting principles (GAAP) as promulgated by GASB. The accepted standard setting body for establishing governmental accounting and financial reporting principles, and the State Controller's Minimum Audit Requirements and Reporting Guidelines.
2. If federal funds are not accessible for invoicing or drawdown at the start of the fiscal year, Member Agencies that choose to provide federal funds for Preventive Maintenance or New Transportation Services will be required to front-load their quarterly subsidy contributions to provide cash flow for Metrolink Quarterly payment amounts and due dates will be determined by SCRRA Finance Department annually prior to the start of the upcoming fiscal year.

3. Member Agency shares of Metrolink's operating and maintenance budgets will not change solely as a result of federal funding.
4. Funding patterns established during the budget process will govern the billing and draw-down ratios between Member Agencies and fund types, unless amended. Member Agency federal funding will be subject to SCRRA's year-end reconciliation process.
5. SCRRA will take necessary steps to budget and invoice federally-funded expenses. If an expense is invoiced to the FTA and is later disallowed, the funding Member Agency or Agencies will be responsible for the expense.

IX. Financial Reporting

1. Financial reporting for any use of federal funds for Preventive Maintenance or New Transportation Services will follow the normal cycle of monthly analysis with presentation to the Board on a quarterly basis. Such presentation would be reflected in the Operating Statement for the quarter presented.
2. SCRRA Grants & Capital Development will provide required quarterly reports to FTA for grants executed by SCRRA. SCRRA will assist Member Agencies with FTA quarterly reporting for grants executed by Member Agencies.
3. SCRRA Finance will perform year-end reconciliations for operating and federal funds and will provide expenditure detail reports to the Member Agencies upon request.

X. Administrative Costs

1. During the annual budget development process, SCRRA will estimate increases to administrative costs resulting from the use of federal funds for Preventive Maintenance and/or new transportation service. Any increases in SCRRA staff for administration of federal funding for Preventive Maintenance or New Transportation Service will be shared by all Member Agencies according to reasonable cost allocation formulae. A non-exhaustive list of additional administrative costs includes contract administration, labor compliance, DBE compliance, grants finance and billing, budgeting and financial analysis, grants development, grants reporting, and legal expenses.
2. If receipt of federal funds for Preventive Maintenance or New Transportation Service leads to a labor claim under Section 5333(b) of Title 49, Chapter 53 (formerly 13(c)), the cost of addressing the claim, and the cost of resolving the claim (if any), will be shared by all Member Agencies according to a reasonable cost allocation formula.

**AMENDMENT NO. 1 TO FUNDING AGREEMENT
MEMORANDUM OF UNDERSTANDING NO. 23-25-079**

This Amendment No. 1 to Memorandum of Understanding (this "Amendment No. 1") is made and entered into by and between the Southern California Regional Rail Authority ("SCRRA") and the Riverside County Transportation Commission ("RCTC") and is effective upon signature of both parties.

RECITALS:

- A. WHEREAS, SCRRA and RCTC entered into that certain Memorandum of Understanding No. 23-25-079, effective as of July 1, 2023 (the "Existing Memorandum of Understanding"), which Existing Memorandum of Understanding provides for funding the 2023-24 operating budget and rehabilitation/renovation and new capital budget (collectively, the "BUDGET").
- B. WHEREAS, SCRRA and RCTC now desire to amend the Existing Memorandum of Understanding to increase the LTF funding for an advance by RCTC by Seven Million, Three Hundred Sixty Five Thousand, Seven Hundred and Sixty-Nine Dollars (\$7,365,769). These funds will be used to by Metrolink for Preventative Maintenance until the funding can be reimbursed by FTA grants.

TERMS:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Section III. A of the Existing Memorandum of Understanding is hereby amended, in part, to read as follows:

"Establish an LTF cash advance to Metrolink in the amount of \$7,365,769. Metrolink will initiate and execute the Federal Transit Administration (FTA) Section 5337 Preventative Maintenance grant. Metrolink will submit expense reimbursements to the FTA in a timely manner. Within 30 days of every receipt of the Commission's portion of the FTA funds, Metrolink will reimburse the LTF advance amount to the Commission. Once all the invoices are approved and submitted to FTA, it is anticipated that the entire LTF advance will be returned to the Commission no later than September 30, 2024."

2. Except as expressly amended hereby, the Existing Memorandum of Understanding remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing Memorandum of Understanding that are not expressly amended by this Amendment No. 1 shall remain unchanged.

3. A manually signed copy of this Amendment No. 1 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 1 for all purposes. This Amendment No. 1 may be signed using an electronic signature.

[Signatures on following page]

SIGNATURE PAGE TO AMENDMENT NO. 1 TO FUNDING AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be duly executed and delivered as of the date set forth below.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____
Anne Mayer
Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

SCRRA:

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

By: _____
Darren Kettle
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

By: _____
Don O. Del Rio
General Counsel

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	David Lewis, Capital Projects Manager Erik Galloway, Project Delivery Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Draft Cooperative Agreement with the City of Wildomar and Western Riverside Council of Governments for the preparation of the Bundy Canyon Road and Wildomar Trail Interstate 15 Interchanges Project Study Reports

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve Cooperative Agreement No. 24-31-055-00 with the city of Wildomar and Western Riverside Council of Governments (WRCOG) for the preparation of two separate Project Study Reports (PSR's) for the Bundy Canyon Road and Wildomar Trail Interstate 15 Interchange projects (project); and
- 2) Authorize the Executive Director, pursuant to legal counsel review, to execute the agreement and future non-funding agreements and/or amendments on behalf of the Commission.

BACKGROUND INFORMATION:

The city of Wildomar has identified a need for two independent PSRs for the I-15/Bundy Canyon Road and I-15/Wildomar Trail interchanges located in the city of Wildomar. The studies will analyze potential alternatives for modifying the existing local roads, interchanges, and ramps to provide improved traffic circulation. In preparation for the PSRs, the city of Wildomar, as the project proponent, and WRCOG, as the funding agency, have executed Transportation Uniform Mitigation Fee Program (TUMF) reimbursement agreements, allocating \$1,000,000 for each project, for a total of \$2,000,000.

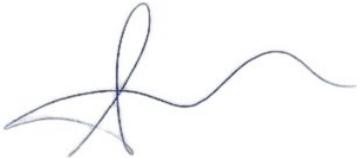
Cooperative Agreement

The city of Wildomar and WRCOG have requested that the Commission be the lead agency for the PSRs and wish to enter into a three-party cooperative agreement. This draft cooperative agreement details the project funding, the Commission's authority to act as the lead agency to procure professional services for the preparation of the PSRs, reimbursement to the Commission for all project cost, and other general matters related to the delivery of the projects.

At this time, draft Cooperative Agreement No. 24-31-055-00 with the city of Wildomar, WRCOG, and the Commission is under review by each agency and legal concurrence is pending. It is not anticipated that notable changes will be required as a result of the pending reviews. The agreement will not be executed until legal counsel approval is received.

FISCAL IMPACT:

Funding for the projects consists of TUMF program funds allocated by WRCOG for development of a PSR for each project. WRCOG and the city of Wildomar have a previously executed agreement for reimbursement of these TUMF funds. Both projects have \$1,000,000 each allocated for the preparation of the PSRs.

Financial Information					
In Fiscal Year Budget:	N/A	Year:	FY 2024/25+	Amount:	\$2,000,000
Source of Funds:	TUMF Regional Arterial			Budget Adjustment:	No
GL/Project Accounting No.:	005224 81101 00019 0000 210 72 81101 005225 81101 00019 0000 210 72 81101				
Fiscal Procedures Approved:				Date:	12/12/2023

Attachment: Draft Cooperative Agreement No. 24-31-055-00 – Agreement with City of Wildomar and WRCOG

**COOPERATIVE AGREEMENT
BETWEEN**

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION,
CITY OF WILDOMAR, AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**

**FOR THE PREPARATION OF THE BUNDY CANYON ROAD AND WILDOMAR TRAIL
INTERCHANGES AT INTERSTATE 15
PROJECT STUDY REPORTS**

1. Parties and Date. This Agreement is made and entered into this ____ day of _____, 2024, by and between the Riverside County Transportation Commission (RCTC), City of Wildomar, and Western Riverside Council of Governments.

2. Recitals.

2.1 The Western Riverside Council of Governments (WRCOG) has allocated \$2 Million for the preparation of a Project Study Report (PSR) for the Bundy Canyon Road and Wildomar Trail Interchanges at Interstate 15 (The Projects).

WRCOG and the City of Wildomar have entered into Funding Agreements allocating said \$2 Million for the preparation of a PSR for the Projects.

2.2 The Projects are located adjacent to and within the jurisdictional boundaries of the City of Wildomar.

2.3 The City of Wildomar has requested that RCTC be the lead agency for the preparation of the PSR for the Project.

2.4 RCTC has agreed to act as the lead agency for the preparation of the PSR for the Project.

2.5 The purpose of this Cooperative Agreement is to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds for the Project and to outline the administration roles and responsibilities for each agency.

3. Terms.

Preparation of two separate PSR’s for Bundy Canyon Road and Wildomar Trail Interchanges

3.1 Administration of the PSR’s. RCTC shall prepare a separate PSR for each of the Projects solely using funds allocated by WRCOG. RCTC shall be the lead agency for the preparation of the PSR. The Parties agree that RCTC shall not have any obligation to fund the

preparation of the PSR using its own funds. In the case that additional funds are needed to complete the PSR, the source of funding for the PSR needed beyond the funding described in Section 2.2 or any other phases of the Project, or construction of any portion or all of the Project, shall be by an amendment.

3.2 Funding. WRCOG hereby agrees to distribute to RCTC, on the terms and conditions set forth herein, a sum not to exceed, \$2,000,000 to be used by RCTC for the PSR's of the Project ("Funding Amount") to be used for reimbursing RCTC for Project expenses. The Funding Amount shall consist of the \$2,000,000 in TUMF Program Funds for the projects. The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project.

Procedures for Distribution of TUMF Program Funds to RCTC and CITY. RCTC shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, RCTC shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the RCTC, and documents evidencing RCTC's payment of the invoices or demands for payment. Documents evidencing RCTC'S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. RCTC shall submit invoices not more often than monthly and not less often than quarterly. Procedures for Distribution of TUMF Program Funds to CTY shall follow procedures set forth in the separate TUMF Agreement between City and WRCOG for the applicable interchanges

Review and Reimbursement by WRCOG. Upon receipt of an invoice from RCTC, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Procedures for Review and Reimbursement by WRCOG to the CITY shall follow procedures set forth in the separate TUMF Agreement between City and WRCOG for the applicable interchanges

Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to RCTC in an amount in excess of the amount outlined in Section 3.2 of this Agreement or has provided reimbursement of ineligible Project costs, RCTC shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

RCTC shall complete preparation of the PSR within the Terms of this Agreement, as provided in Section 4, unless extended by mutual agreement of the Parties.

4. Term of Agreement.

The term of this Cooperative Agreement shall extend from the Effective date (as set forth above) and will remain in effect through January _____, 2027, or until written agreement by the Parties that the Project has been completed, unless earlier terminated as provided in this Cooperative Agreement.

4.1 Use of PSR. The Parties understand and agree that the PSR's, upon completion, may be used by Wildomar and/or Caltrans for completion of other phases of the Project.

4.2 Cooperation. RCTC, Wildomar, and WRCOG agree to cooperate in the development of the PSR for the Project and the implementation of this Cooperative Agreement.

4.3 Reporting. RCTC shall, in a timely manner, provide milestone reports to Wildomar and/or WRCOG, detailing the progress of preparation of the PSR.

4.4 Mutual Indemnification.

A. RCTC shall, at its sole cost and expense, indemnify, defend and hold WILDOMAR, and their respective city councils, elected and appointed officials, officers, employees, agents, those Wildomar agents serving as independent contractors in the role of Wildomar officials, consultants and contractors, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged or threatened, which arise in any manner out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of RCTC, its board, directors, officials, officers, employees, agents, consultants or contractors in the performance of RCTC's obligations under this Cooperative Agreement, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

B. Wildomar shall, at its sole cost and expense, indemnify, defend and hold RCTC, and their respective directors, board, city council, elected or appointed officials, officers, employees, agents, those RCTC or Wildomar agents serving as independent contractors in the role of RCTC or Wildomar officials, consultants and contractors, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged, or threatened, which in any manner arise out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of Wildomar, its city council, elected or appointed officials, officers, employees, agents, those Wildomar agents serving as independent contractors in the role of Wildomar officials, consultants or contractors in the performance of Wildomar obligations under this Cooperative Agreement, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

C. WRCOG shall, at its sole cost and expense, indemnify, defend and hold RCTC, and its directors, board, city council, elected or appointed officials, officers, employees, agents, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity,

to property or persons, including wrongful death, whether actual, alleged or threatened, which in any manner arise out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of WRCOG, its board, elected or appointed officials, officers, employees, agents, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

4.5 Amendments. The terms and conditions of this Cooperative Agreement shall not be altered or modified at any time except by a written amendment executed by the mutual consent of the Parties by an instrument in writing.

4.6 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Cooperative Agreement.

4.7 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Cooperative Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Funding Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

4.8 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Cooperative Agreement, shall survive any such expiration or termination.

4.9 Third Party Beneficiaries. There are no third-party beneficiaries to this Cooperative Agreement.

4.10 Termination. Any Party may terminate this Cooperative Agreement by giving thirty (30) days written notice thereof.

4.11 Assignment or Transfer. The Parties shall not assign, hypothecate, or transfer, either directly or by operation of law, this Cooperative Agreement or any interest herein without the prior written consent of the other Parties. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

4.12 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation

4.13 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To RCTC: Riverside County Transportation Commission
4080 Lemon Street, Third Floor
P.O. Box 12008
Riverside, CA 92502-2208
Attention: Executive Director

Copy to: Best, Best & Krieger, LLP
3390 University Ave. 5fl.
Riverside, CA 92501
Attention: Steven C. DeBaun

To Wildomar: City of Wildomar
23873 Clinton Keith Road, Suite 201
Wildomar, California 92595
Attention: Director of Public Works

Copy to:

To WRCOG : Western Riverside Council of Governments
3390 University Ave, Suite 200
Riverside, California 92501
Attention: Executive Director

Copy to:

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

4.14 Time of Performance. Time is of the essence in the performance of this Agreement.

4.15 Governing Law. This Agreement is in all respects governed by California law and venue for any dispute shall be in Riverside County.

4.16 Insurance. The Parties each verify that they are self-insured or maintain insurance coverage through a Joint Powers Authority in reasonable and customary amounts for their respective operations.

4.17 Authority to Enter into Agreement. Each Party warrants that the individuals who have signed this Cooperative Agreement have the legal power, right and authority to make this Cooperative Agreement and bind each respective Party.

4.18 Counterparts. This Cooperative Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

4.19 Entire Agreement. This Cooperative Agreement contains the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, agreements or understandings.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Agreement on the date first herein above written.

[Signatures on following page]

**SIGNATURE PAGE
TO
BUNDY CANYON ROAD AND WILDOMAR TRAIL INTERCHANGES AT INTERSTATE 15 PROJECT
STUDY REPORT COOPERATIVE AGREEMENT**

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the Effective Date.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

By: _____
Anne Mayer, Executive Director

CITY OF WILDOMAR

By: _____
Title: _____

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Chris Gray, Executive Director

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County Transportation
Commission

APPROVED AS TO FORM:

By: _____
Title: _____

ATTEST:

By: _____

Title: _____

<p>CITY OF WILDOMAR</p> <p>By: _____</p> <p>Title: _____</p>
<p>APPROVED AS TO FORM:</p> <p>By: _____</p> <p>Title: _____</p>
<p>ATTEST:</p> <p>By: _____</p> <p>Title: _____</p>

DRAFT

AGENDA ITEM 9

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 10, 2024
TO:	Riverside County Transportation Commission
FROM:	Andrew Sall, Senior Management Analyst, Legislative Affairs David Knudsen, External Affairs Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	State and Federal Legislative Update

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

State Update

Fiscal Year 2023-2024 Budget Update

The State Legislature reconvened on January 3 following the winter recess with legislators set to begin the Fiscal Year (FY) 2023-24 state budget process. Governor Gavin Newsom is expected to release his budget proposal before the required January 10, 2024, deadline. Governor Newsom and legislators will need to address a larger deficit next fiscal year than previously forecasted. While the 2023 Budget Act signed by Governor Newsom projected a \$14 billion shortfall in FY 2023-24, the Legislative Analyst’s Office (LAO) released a report on December 7 detailing a multi-year \$68 billion budget shortfall. The LAO reports the shortfall is partly related to state tax revenue coming in below projections, the state’s volatile tax revenue structure, and the federally mandated six-month extension of the state’s tax filing deadline in 2023 due to natural disasters. The LAO report further highlights a number of options for the Governor and Legislature to consider, from tapping into nearly \$24 billion in rainy day fund reserves, to clawing back one-time budget expenditures. Among other expenditures, the LAO cited \$2.2 billion in transportation funds that could be reduced in part or entirely.

Staff will closely monitor the Governor’s budget proposal and the ensuing process for threats to transportation funding programs of interest and will advocate appropriately.

State Legislative Leadership Update

On November 21, Assembly Speaker Robert Rivas announced changes to Standing Committees for the second year of the 2023-2024 Regular Session. Notably, Assemblymember Lori Wilson (Suisun City) was appointed Chair of the Assembly Transportation Committee. She replaces Assemblymember Laura Friedman in this position, who was subsequently removed from the committee. RCTC staff intend to engage Chair Wilson and her staff to discuss the Commission's key legislative priorities in Sacramento.

In the Senate, Senator Mike McGuire (Healdsburg) will be sworn in as Speaker Pro Tem on February 5, replacing outgoing Speaker Pro Tem Toni Atkins. This leadership transition was previously announced in August, however no succession date was shared at the time.

CTC Deadlocks on Interstate 15 Project in San Bernardino County

On December 7, Commissioners on the California Transportation Commission (CTC) did not approve CTC staff's recommendation to allocate \$202 million in state funding for San Bernardino County Transportation Authority's (SBCTA) Interstate 15 Corridor Freight Improvement Project: Auxiliary Lanes and Express Lanes. The project seeks to add auxiliary and express lanes along Interstate 15 in both Riverside and San Bernardino Counties, with a direct connection to RCTC's 15 Express Lanes. The vote ended in a 3-3 tie as the CTC struggled to maintain a quorum at the end of their two-day meeting, resulting in the project funding allocation not being approved. The CTC meeting was significantly behind schedule and some Commissioners had to leave before all items on the agenda were heard. By the time SBCTA's agenda item was up for consideration, it was bundled with several other agenda items for a bulk vote. A Commissioner pulled the item to be discussed separately. Dissenting Commissioners raised concerns that this project increases vehicle miles traveled (VMT), induces truck traffic on freeways, and would lead to additional warehouses being built in the Inland Empire due to the additional capacity in the general-purpose lanes created by the express lanes. Concerns were expressed that the project does not align with the Governor's Climate Action Plan for Transportation Infrastructure (CAPTI). While RCTC staff have anticipated impacts to funding approvals from the CTC due to views regarding VMT and CAPTI, this vote is the first instance of the CTC denying funding for a highway project due to concerns that the project adds new capacity or increases VMT. The project will be re-heard by the CTC at its January 25 meeting in Modesto.

The project's failure to receive approval by the CTC on environmental grounds is alarming given the project has an approved environmental document, was already awarded funding by the CTC under state competitive and formula programs prior to the adoption of CAPTI and has been approved by the CTC to be included in the State Transportation Improvement Program for several years. December's CTC vote was merely to allocate previously awarded funds now that the project is ready to go to construction. Additionally, other state, local, and federal funds had been set aside for construction of the project in anticipation that the CTC would approve the \$202 million allocation. SBCTA has spent approximately \$26 million to bring the project to this point.

For the last few years, the Commission has received reports from staff concerned with how the state is implementing CAPTI and its anticipated impact on Inland Southern California highway projects. This implementation combined with a worrying number of bill proposals aimed to severely limit the ability of state or regional transportation agencies to plan or fund roadway projects that add any VMT is intended to make it very difficult to deliver highway improvements. RCTC has taken bold steps to advocate for regional variance noting to State decision-makers that one-size-doesn't-fit all when implementing CAPTI and other transportation policies. RCTC advocacy efforts will continue as the California State Transportation Agency looks to update CAPTI in spring 2024.

RCTC staff will continue to monitor the status of the project and potential future consideration by the CTC, which could have implications for other highway improvements across the region and state.

This is consistent with RCTC's adopted 2024 State and Federal Legislative Platform:

Regional Partnerships

- Collaborate with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the Inland Empire region.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of life in the Inland Empire region.
- Engage in legislative efforts impacting regional transportation agencies, particularly when the efforts have a nexus to the Commission.
- Support implementation of projects in other counties that are contained in the Southern California Association of Governments RTP/Sustainable Communities Strategy when requested by other counties and not in conflict with the Commission's interests.

Federal Update

As of the writing of this report, there has been no agreement regarding topline spending that would enable negotiations for the various Fiscal Year 2024 Appropriations legislation. The Continuing Resolution that passed the Senate on November 15 split the appropriations subcommittee bill extensions into two deadlines, with a set of appropriations at current spending levels—including the Transportation-Housing & Urban Development bill—set to expire after January 19, 2024, and others through February 2, 2024. Staff will continue to monitor negotiations for full Fiscal Year 2024 Appropriations legislation and efforts to keep the government open.

CV Rail Added to the Corridor ID Program

The U.S. Federal Rail Administration (FRA) added the Coachella Valley Rail (CV Rail) Project to the federal Corridor Identification and Development (Corridor ID) Program on December 8, 2023. The

Corridor ID Program is an intercity passenger rail planning and development program that the FRA uses to guide intercity passenger rail development throughout the country. This designation included a \$500,000 grant award to Caltrans, the State's project partner, to create a Service Development Plan outlining the future needs of passenger rail service in southern California and beyond.

Inclusion in the Corridor ID Program is an important step for CV Rail as the project will be more competitive for future federal engineering and construction grants.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachment: Legislative Matrix – January 2024

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – JANUARY 2024

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 6 (Friedman)	This bill provides significant new oversight to the California Air Resources Board in the approval process of a metropolitan planning organization’s Sustainable Communities Strategy and the methodology used to estimate greenhouse gas emissions. These new burdensome requirements will likely result in significant delays to transportation projects.	Passed the Assembly, referred to the Senate Transportation and Environmental Quality Committees on June 14, 2023. Two-year bill. September 15, 2023	<i>Oppose Based on Platform</i>	5/24/2023
AB 7 (Friedman)	This bill requires the California State Transportation Agency, California Department of Transportation, and California Transportation Commission to consider specific goals as part of their processes for project development, selection, and implementation. AB 7 may impact the allocation of billions of dollars in state transportation funding, infringing on RCTC’s ability to deliver critically needed transportation infrastructure in Riverside County.	Ordered to the inactive file. Two-year bill. September 11, 2023	<i>Oppose Based on Platform</i>	5/25/2023
AB 558 (Arambula)	This bill restructures the Fresno County Transportation Authority (FCTA) by increasing its board membership from nine to thirteen members. This restructuring is done without the consensus and support from regional stakeholders and sets a concerning precedent for RCTC and other regional transportation agencies that rely upon a collaborative process to be effective. Additionally, the bill was amended on April 18 to subject a county transportation expenditure plan prepared by the Fresno County Transportation Authority (FCTA) to the requirements of the California Environmental Quality Act.	Hearing postponed by the Local Government Committee on April 24, 2023. Two-year bill. April 28, 2023	<i>Oppose Based on platform</i>	4/10/2023
AB 1385 (Garcia)	This bill would raise RCTC’s maximum tax rate authority from 1% to 1.5%.	Approved by the Governor. October 8, 2023	<i>Support</i>	3/8/2023

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 1525 (Bonta)	This bill significantly narrows the location and types of projects eligible to receive state transportation funding by requiring 60% of funds to be allocated to priority populations.	Held under submission in the Assembly Appropriations Committee on May 18, 2023. Two-year bill. May 18, 2023	<i>Oppose Based on platform</i>	4/11/2023
SB 617 (Newman)	This bill, until January 1, 2029, would authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency, as described, to use the progressive design-build process for up to 10 public works projects in excess of \$5 million for each project. The bill would specify that the authority to use the progressive design-build process.	Approved by the Governor. October 4, 2023	<i>Support Based on platform</i>	4/5/2023