



RTA Route 200 bus



I-215/Newport Road Interchange Improvement Project

FISCAL YEAR ENDED JUNE 30, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Riverside County Transportation Commission
Riverside County, California



I-15/Railroad Canyon Interchange



91 Toll Road Operations Center



Riverside Downtown Metrolink Station



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**
RIVERSIDE COUNTY, CA



Downtown Riverside

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended
June 30, 2018

Submitted by:
Theresa Treviño,
Chief Financial Officer
Michele Cisneros,
Deputy Director of Finance



Corona - North Main Station

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RCTC

**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

INTRODUCTORY SECTION

Introductory Section

SR-91 at Green River Road



October 30, 2018

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 Comprehensive Annual Financial Report (CAFR) of the Commission for the fiscal year ended June 30, 2018.

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.

Macias Gini & O'Connell LLP has issued an unmodified opinion on the Commission's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

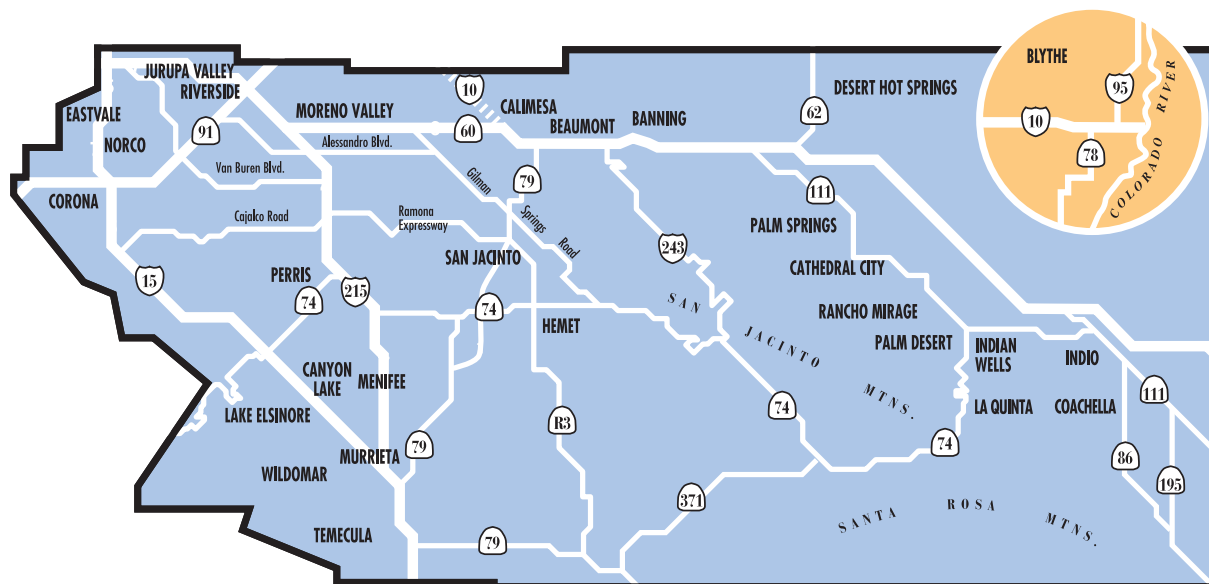
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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 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, the Commission provides motorist aid services designed to expedite traffic flow. These services include the Service Authority for Freeway Emergencies (SAFE), a program that provides call box service for motorists, 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 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.

Riverside County's local economy is experiencing significant improvement since the nationwide recession, which had a significant impact on the Inland Empire (i.e., San Bernardino and Riverside counties). According to the 2018 Inland Empire Forecast issued by the Center for Economic Forecasting and Development at

the University of California Riverside School of Business, “the Inland Empire economy showed resiliency through the first half of 2018.” Notable areas of growth include employment, population, and a more diverse economic base. Sales tax revenues have rebounded from the economic downturn’s low point in 2010, with Measure A and LTF growing each year through FY 2017/18. While the local economy is one of the fastest growing in California, the FY 2017/18 growth in sales tax revenues was lower than recent years due to the California Department of Tax and Fee Administration’s (CDTFA) new automation system implementation in May 2018 and resulting delays in tax return processing. The CDTFA expects these issues to be corrected within the next few months. Transportation Uniform Mitigation Fee (TUMF) revenues increased 21%, reflecting a continued demand for residential single family and multi-family housing.

While the foundation for continued economic growth is in place, the Commission faces formidable ongoing challenges in terms of providing needed infrastructure enhancements to support a population and an economy that has outgrown the capacity of its existing infrastructure. Fortunately, the foundation of the regional economy continues to retain many of the fundamental positive attributes that fueled its earlier growth, including lower priced real estate with proximity to coastal communities, a large pool of skilled workers, and increasing wealth and education levels.

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 revenues and projecting expenditures and expenses ensures that the Commission’s expectations are realistic and goals are achievable. Scarce 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.

At the state level, transportation funding is a source of continuing debate regarding future priorities. Sustainability has become a statewide priority and will likely impact the direction of state funding for many years into the future, and California’s Cap and Trade program (which has been reauthorized) could prove to be a source of funding for transit services.

In 2017 Governor Brown signed Senate Bill (SB) 1, which raises vehicle registrations fees and the state gas tax by 12 cents per gallon to fund transportation projects with a “Fix it First” and public transit orientation that stresses ongoing maintenance over capacity enhancement. As of this writing, the fate of SB 1 is in the hands of California’s voters in November who will decide on whether or not to repeal the gas tax and registration fee hikes. If the repeal, which appears as Proposition 6 on the ballot, were to pass, it would reduce state transportation revenues immediately and would require voter approval of any increase in transportation-related fees in the future.

No matter what happens in the upcoming election, another bill, SB 132, provides \$427 million from the state’s budget to fund five important new transportation projects in Northwest Riverside County. This includes two grade separations in Jurupa Valley and Corona, a new bridge over the Santa Ana River at Hamner Avenue in Norco, improvements to the Interstate 15 (I-15)/Limonite Avenue interchange, and a new express lanes connector between the RCTC 91 Express Lanes and the future I-15 Express Lanes. Construction has already begun on the I-15/Limonite Avenue interchange, and preliminary engineering work has commenced on the other projects. All of the SB 132 projects are required to be completed prior to 2023.

The 15/91 express lanes connector will be especially important to the Commission and will provide a needed direct express lane to express lane connection between State Route 91 (SR-91) and the northern portion of I-15. Additional legislation also provided the Commission with added flexibility in delivering the project by allowing for the use of the design-build or the construction manager general contractor method of procurement. A number of contract amendments and agreements are now in place to ensure timely delivery of the project.

The news on the federal level is somewhat less predictable. In December 2015, the comprehensive transportation bill known as Fixing America’s Surface Transportation Act – or FAST Act – superseded Moving Ahead for Progress in the 21st Century (MAP-21) which originally expired in June 2014. The federal

government will continue to be a source of highway funding through the Surface Transportation Block Grant Program (formerly, Surface Transportation Program) and the Congestion Mitigation Air Quality program, since the FAST Act continues these programs at roughly the same funding level. The Commission's transit partners for capital programs also need federal dollars.

Capital Project Delivery and Implementation—Completing Past Promises for a Better Future

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 currently in the midst of 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 in the near future. There are also a number of notable completed projects – providing tangible examples of the Commission completing promises that were made to voters who approved Measure A. The Commission has developed a track record of success which is taking shape throughout the County as evidenced in the following project types.

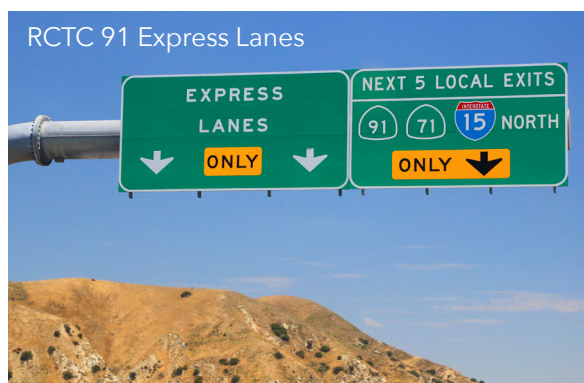
Highways: In February 2012 the Commission amended its Western Riverside County (Western County) Highway Delivery Plan to include a truck climbing lanes safety project on SR-60 in the Badlands area in place of a similar nearby project on I-10. In partnership with Caltrans, the Commission is the project sponsor and Caltrans is the lead agency for preliminary engineering using federal funds. With a total project cost estimated at \$122 million, construction of the project will begin in early 2019 now that litigation challenging the project has been successfully resolved. The project will add truck climbing and deceleration lanes, wider shoulders, and additional safety improvements to a 4.5-mile segment of the highway.

Commuter Rail: Since 1993 the Commission has held title to and managed the 38-mile San Jacinto Branch Line and several adjacent properties in anticipation of offering Metrolink commuter rail service to a wider area of the County, initially including Moreno Valley and Perris and ultimately to Hemet/San Jacinto. The completion of the Perris Valley Line project in June 2016 completed yet another promise made to voters in Measure A. The Perris Valley Line provides Riverside County with a foundation for better transit service involving a combination of commuter rail, local buses and active transportation improvements. It added 24 miles of commuter rail service in Riverside County with stops in Riverside-Hunter Park/University California Riverside (UCR), Moreno Valley/March Field, Perris-Downtown and Perris-South. The project used a combination of federal Small Starts Grant funding, Measure A and STIP dollars. Ridership on the new extension has increased with a targeted marketing campaign and rider discounts.

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 jurisdictions 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 Program Exceeding Expectations

91 Express Lanes Offer a New Choice: The SR-91 Corridor Improvement Project (91 Project) through Corona opened in March 2017. Since that opening, use of the 91 Express Lanes has far exceeded a conservative ramp-up period that was expected for the facility. During its first full year of operation, use of the RCTC 91 Express Lanes exceeded expectations and traffic conditions on the corridor have improved with the addition of the new capacity. While construction on the original 91 Project has been completed, the Commission is evaluating a number of operational



improvements at the Riverside/Orange County line and at the entrances of the RCTC 91 Express Lanes to ease the transition from the mainline freeway corridor and reduce congestion at key “hot spots.”

I-15 Express Lanes—The Next Project: The I-15 Express Lanes Project is now under construction and will add two tolled express lanes of approximately 15 miles in length, in each direction in the median of I-15. The facility is expected to open in mid 2020 and will operate somewhat differently from other toll facilities in the region by offering multiple access points to enter and exit the express lanes. The I-15 Express Lanes will also feature dynamic pricing, which is designed to adjust tolls throughout the day to reflect actual traffic conditions rather than being bound by a set time of day schedule.

Building the Future - Placentia Interchange for Mid County Parkway to Break Ground in 2020

In early 2020, the Commission will start the very first component of the Mid County Parkway (MCP), a new 16 mile east-west corridor between San Jacinto and Perris. This project will add 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.

Another large planning effort affecting the Hemet and San Jacinto communities is the realignment of SR-79. This 2009 Measure A project is undergoing early project development, which was 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 would 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.



TUMF Plays an Important Role

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 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. To date, 15 projects have been completed, six projects are under construction or in pre-construction, and two projects are in the development phase and remain to be programmed for future TUMF funds.

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. Now consisting of seven lines serving six counties, the system carries an average of 42,876 passengers each weekday. The Commission owns and operates nine stations served by the three Metrolink lines operating through the County, including four new stations along the Perris Valley Line that commenced carrying passengers in June 2016.

The Commission's Perris/Downtown station is a multimodal facility also serving Riverside Transit Agency bus operations and providing park and ride spaces. It continues to serve as an important regional bus terminal.

The Riverside Downtown Operations Control Center provides monitoring of closed circuit televisions at the stations as well as facilities for train crews.

- *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. Daily ridership averages 4,059 riders.
- *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, this service was described as the first suburb-to-suburb commuter rail service in the nation. Ridership on the IEOC line remained steady in the past year with an average daily ridership of 4,844. This line also provides weekend service.
- *91/Perris Valley Line*: Provides service from Perris to Los Angeles with stops in South Perris, Downtown Perris, Moreno Valley/March Field, Riverside–Hunter Park/UCR, La Sierra, North Main Corona, West Corona, Fullerton, Buena Park, Norwalk, and Commerce before terminating at Union Station. Daily patronage on the line averages 3,263. A part of this line between Riverside and Los Angeles offers weekend service.

Commuter Services

Acting in its capacity as the regional transportation planning agency (RTPA) and the SAFE for Riverside County, the Commission provides a variety of commuter services to increase mobility, safety, and air quality throughout the region. As the RTPA, the Commission applies Measure A funds to administer the Commuter Assistance Program (CAP) to ease congestion, maximize the efficiency of its transportation investments, and reduce emissions from single occupant vehicle trips with the following programs and services:

Commuter/Employer Rideshare Services: In partnership with San Bernardino County Transportation Authority (SBCTA), the Commission helps Riverside and San Bernardino commuters discover their best commute through IE Commuter, the flagship of the CAP. In just a few clicks, www.iecommuter.org users can access all of their time and money saving transportation options (carpool partners, bus, and rail) and incentives available to them. Additionally, through IE Commuter, the Commission partners heavily with local employers to implement and maintain rideshare activities at work sites throughout Riverside and San Bernardino counties. IE Commuter continues to leverage technology to increase awareness, consideration, and use of alternative modes to improve mobility and air quality throughout the region.

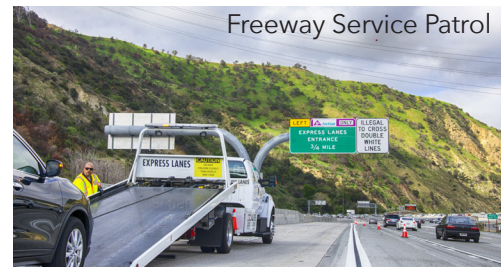
Rideshare Incentives: The most prominent commuter incentive continues to be the Rideshare Incentives, a short-term incentive that offers \$2 per day for each day new ride sharers use an alternate mode of transportation in a three-month period. Long-term ride sharers are recognized and rewarded for their continuing commitment to use alternate modes of transportation to and from work with access to discounts at over 360,000 nationwide merchants through Rideshare Plus.

Vanpool Subsidies: In May 2018, the Commission launched VanClub, which provides ongoing subsidies to eligible vanpools commuting to employer worksites in Western County. In its first five months of operation, VanClub ramped up to 69 vanpools resulting in the reduction of 30,440 trips, 1.1 million miles, and 1.8 tons of emissions throughout the region.

Park and 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 approximately 2,800 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: Celebrating its 25th anniversary in Riverside County, the FSP program is a special team of 20 tow trucks roving along 12 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 2017/18, the FSP provided 41,417 assists. This includes incremental FSP weekend service, funded by the Southern California 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. A cost effective backbone of 241 call box units 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 2017/18, call box operators answered approximately 1,598 calls from motorists.

Traveler Information: To further promote mobility, the Commission in partnership with the SBCTA, provides motorists with access to real-time freeway travel information and incident information on Southern California highways through its IE511 Traveler Information system. IE511 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 or San Bernardino County, online at www.ie511.org, or the IE511 mobile app. To date, the IE511 mobile app has been downloaded by over 64,000 users. IE511 is funded with Riverside County SAFE funds in addition to SBCTA reimbursements. In FY 2017/18, IE511 serviced approximately 408,000 web visits and 142,000 phone calls.

Specialized Transit

The Commission has maintained a long-term commitment to assist in the mobility of those with specialized transit needs. Through its Specialized Transit Program, the Commission has provided millions of dollars to public and nonprofit transit operators to assist in the provision of special transit services to improve the mobility of seniors, persons with disabilities and persons with low incomes. Along with support of 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.

Following the Commission's approval and adoption of the Public Transit-Human Services Coordinated Plan for Riverside County in 2008, the Commission identified additional qualified populations as well as underserved areas of Riverside County in need of transit services. The 2015 Universal Call for Projects for Specialized Transit (Universal Call) provided funding awards in Western County approximating \$8 million to 17 public and nonprofit agencies using Measure A funding over a three-year period through FY 2017/18. During FY 2017/18, public and nonprofit operators provided approximately 345,000 Measure A funded one-way trips in Western County.

Developing a Countywide Plan

Work is underway to develop a comprehensive countywide transportation plan for approval in 2019. Over the course of several months in 2015, the Commission conducted a strategic assessment to ascertain upcoming transportation needs and the Commission's ability to address them. The study was presented to the Commission in January 2016 and identified key funding and project gaps. In addition to the overall long range plan, special emphasis is being placed on studies of next generation rail services and toll facilities.

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 CAFR for the fiscal year ended June 30, 2017. This was the 25th 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 CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The CAFR 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 CAFR.

In closing, without the leadership and the support of the Board, preparation of this report would not have been possible. 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,



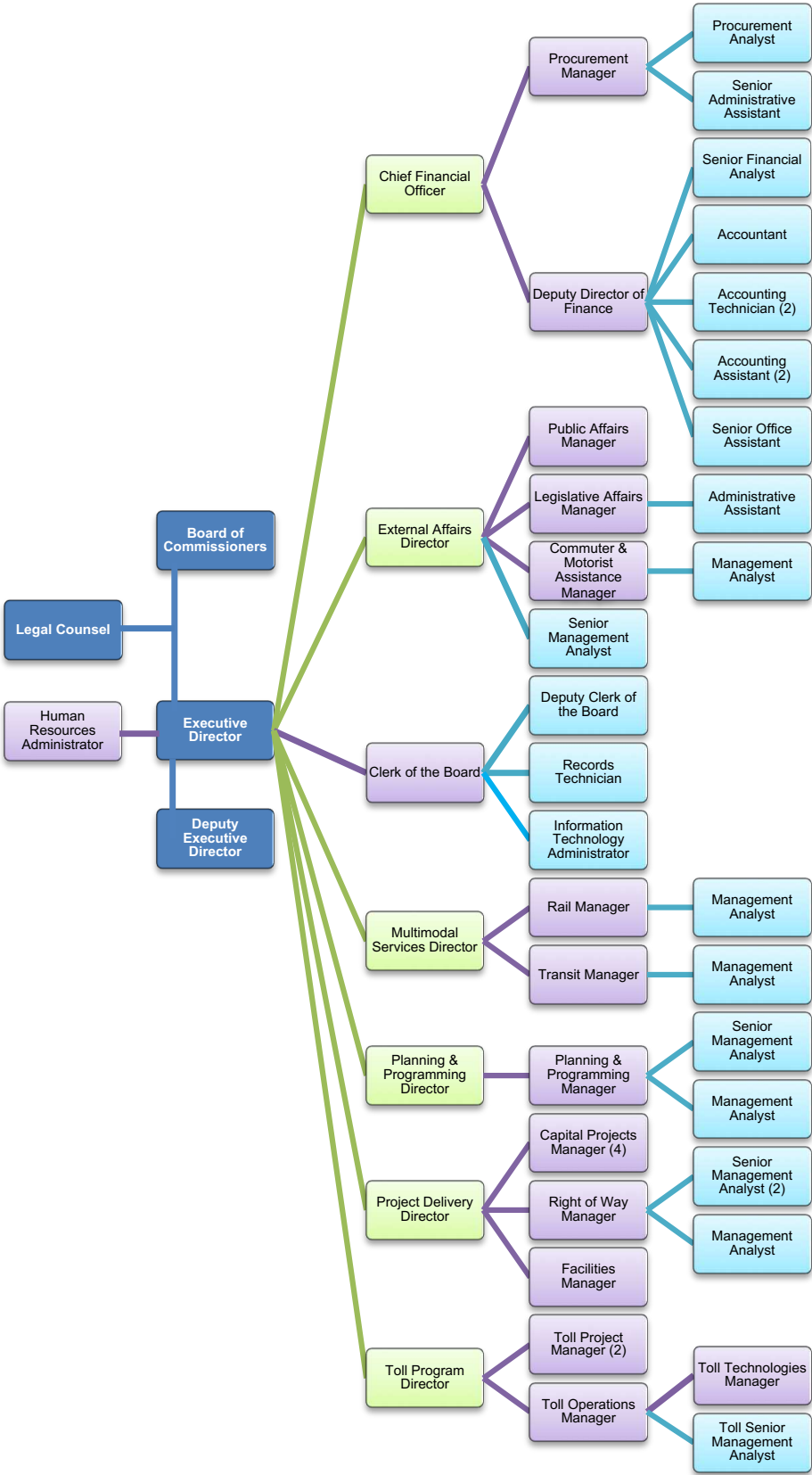
ANNE MAYER
Executive Director



THERESIA TREVIÑO
Chief Financial Officer



Riverside County Transportation Commission Organizational Chart
Fiscal Year 2017/18



Riverside County Transportation Commission
List of Principal Officials
As of June 30, 2018

Board of Commissioners		
Name	Title	Agency
Kevin Jeffries	Member	County of Riverside, District 1
John F. Tavaglione	Member	County of Riverside, District 2
Chuck Washington	Vice Chair (Commission)	County of Riverside, District 3
V. Manuel Perez	Member	County of Riverside, District 4
Marion Ashley	Member	County of Riverside, District 5
Deborah Franklin	Member	City of Banning
Lloyd White	Member	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Jim Hyatt	Member	City of Calimesa
Randall Bonner	Member	City of Canyon Lake
Greg Pettis	Member	City of Cathedral City
Steven Hernandez	Member	City of Coachella
Karen Spiegel	Member	City of Corona
Scott Matas	Member	City of Desert Hot Springs
Adam Rush	Chair (Western Riverside County Programs and Projects Committee)	City of Eastvale
Linda Krupa	Vice Chair (Budget and Implementation Committee)	City of Hemet
Dana Reed	Chair (Commission)	City of Indian Wells
Michael Wilson	Member	City of Indio
Brian Berkson	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Jurupa Valley
Kathleen Fitzpatrick	Member	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
Bill Zimmerman	Member	City of Menifee
Victoria Baca	Member	City of Moreno Valley
Rick Gibbs	Member	City of Murrieta
Berwin Hanna	Member	City of Norco
Jan Harnik	Member	City of Palm Desert
Lisa Middleton	Member	City of Palm Springs
Michael M. Vargas	Member	City of Perris
Ted Weill	Member	City of Rancho Mirage
Rusty Bailey	Chair (Budget and Implementation Committee)	City of Riverside
Andrew Kotyuk	Member	City of San Jacinto
Michael S. Naggar	Member	City of Temecula
Ben Benoît	2 nd Vice Chair (Commission)	City of Wildomar
Janice Benton	Governor's Appointee	Caltrans, Interim District 8 Director
Management Staff		

Anne Mayer, Executive Director
John Standiford, Deputy Executive Director
Michael Blomquist, Toll Program Director
Marlin Feenstra, Project Delivery Director
Aaron Hake, External Affairs Director
Shirley Medina, Planning and Programming Director
Lorelle Moe-Luna, Interim Multimodal Services Director
Theresia Treviño, Chief Financial Officer

RCTC

RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

RTA Bus

Financial Section

FINANCIAL SECTION





Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited the accompanying 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 (the Commission) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons and information related to the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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, as listed in the table of contents as other supplementary information, and other information, such as the introductory and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures and schedule of uses of debt proceeds and fund balances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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.

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



Newport Beach, California
October 30, 2018

Riverside County Transportation Commission
Management's Discussion and Analysis
Year Ended June 30, 2018

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, 2018. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-x and the Commission's financial statements which begin on page 18.

Financial Highlights

- Total net position of the Commission was \$195,326,943 and consisted of net investment in capital assets of \$242,828,909; restricted net position of \$809,983,609; and unrestricted net position (deficit) of (\$857,485,575).
- The governmental activities unrestricted net position (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 \$53,838,450 during fiscal 2018. An increase in net position from governmental activities of \$37,926,944 was primarily due to an increase in operating grants and contributions as well as Transportation Development Act sales taxes, offset by a decrease in governmental program expenses. An increase in net position from business-type activities of \$15,911,506 was primarily due to an increase in charges for services offset by operating and interest expenses stemming from a full year of toll operations as well as internal transfers of capital and intangible assets.
- Total capital and intangible assets, net of accumulated depreciation and amortization, were \$725,578,757 and \$244,045,820 at June 30, 2018, respectively, representing an increase of \$97,354,686, or 11%, from June 30, 2017. The increase in capital assets was primarily related to land acquisition, construction in progress costs for the I-15 Express Lanes project, and rail track costs related to the Perris Valley Line. The increase in intangible assets was related to the transfer of costs for the completed construction of tolled express lanes and direct connector from the governmental activities capital assets to business-type activities intangible assets.
- The long-term liabilities net increase of \$181,875,950 related to the issuance of the 2017A Sales Tax Revenue Bonds and the compounded and accreted interest on the 2013 TIFIA Loan and 2013 Toll Revenue Bonds. During 2018, the Commission also issued \$457,015,000 of sales tax revenue bonds to refund \$480,875,000 of outstanding sales tax bonds, resulting in a significant reduction in future debt payments of approximately \$53 million over the life of the bonds.
- The Commission's governmental funds reported combined ending fund balances of \$776,037,540, an increase of \$69,624,472 compared to fiscal 2017 primarily due to the proceeds from the issuance of debt to fund a portion of the I-15 Express Lanes project and to refund outstanding sales tax revenue bonds. Approximately 69% 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, Community and Environmental Transportation Acceptability Process (CETAP), commuter assistance, regional arterials, commuter rail, transit and specialized transportation services, planning and programming, 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 18-19 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 16 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, Transportation Uniform Mitigation Fee (TUMF), and Local Transportation Fund (LTF) Special Revenue funds; Commercial Paper and Bonds Capital Projects funds; and Debt Service fund. Data from the other eight 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, all Special Revenue funds, all 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 20-25 of this report.

The proprietary fund consists of an enterprise fund, which is used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses an enterprise fund 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, which is a major enterprise fund of the Commission.

The proprietary fund financial statements can be found on pages 28-31 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 32-72 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) liability and related ratios, and OPEB contributions. Required supplementary information can be found on pages 75-82 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 87-99 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, 2018, the Commission's assets exceeded liabilities by \$195,326,943, a \$53,838,450 increase from June 30, 2017. 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 124%, compared to 53% in 2017, of the Commission's net position reflects its net investment in capital assets (i.e., construction in progress; land and improvements; toll infrastructure; buildings; construction and rail operating easements; rail stations; rail tracks; office improvements; 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.

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 represented approximately 169% and 137% of the total net position at June 30, 2018 and 2017, respectively. Restricted net position from governmental activities increased by \$205,187,740, as a result of the issuance of sales tax revenue bonds and refunding bonds offset by decreased highways expenses and increased regional arterial and transit and specialized transportation revenues net of related program expenses.

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 changed from a \$538,356,445 deficit at June 30, 2017 to a \$857,485,575 deficit at June 30, 2018. 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 are transferred to Caltrans or the local jurisdiction. Accordingly, such projects are not assets of the Commission that offset the long-term debt in the statement of net position.

Certain reclassifications have been made to 2017 amounts to conform to the 2018 presentation. Such reclassifications had no effect on the previous reported change in net position.



Specialized Transit

The following is condensed financial data related to net position at June 30, 2018 and June 30, 2017:

Net Position	Governmental-Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 844,630,845	\$ 795,312,825	\$ 89,085,530	\$ 35,002,755	\$ 933,716,375	\$ 830,315,580
Capital assets not being depreciated	379,768,175	285,178,007	43,207,039	44,658,207	422,975,214	329,836,214
Capital assets, net of depreciation	280,571,027	281,674,658	22,032,516	26,683,530	302,603,543	308,358,188
Intangible assets, net of amortization	-	-	244,045,820	234,075,489	244,045,820	234,075,489
Total assets	1,504,970,047	1,362,165,490	398,370,905	340,419,981	1,903,340,952	1,702,585,471
Deferred outflows of resources	42,863,182	15,870,375	310,156	84,567	43,173,338	15,954,942
Total assets and deferred outflows of resources	1,547,833,229	1,378,035,865	398,681,061	340,504,548	1,946,514,290	1,718,540,413
Long-term obligations	953,564,990	832,825,964	648,538,612	628,567,908	1,602,103,602	1,461,393,872
Other liabilities	120,668,602	109,496,846	27,877,895	5,613,197	148,546,497	115,110,043
Total liabilities	1,074,233,592	942,322,810	676,416,507	634,181,105	1,750,650,099	1,576,503,915
Deferred inflows of resources	505,360	545,722	31,888	2,283	537,248	548,005
Total liabilities and deferred inflows of resources	1,074,738,952	942,868,532	676,448,395	634,183,388	1,751,187,347	1,577,051,920
Net position:						
Net investment in capital assets	529,178,100	377,309,766	(286,349,191)	(301,737,495)	242,828,909	75,572,271
Restricted	801,401,752	596,214,012	8,581,857	8,058,655	809,983,609	604,272,667
Unrestricted (deficit)	(857,485,575)	(538,356,445)	-	-	(857,485,575)	(538,356,445)
Net position at end of year	\$ 473,094,277	\$ 435,167,333	\$ (277,767,334)	\$ (293,678,840)	\$ 195,326,943	\$ 141,488,493

Changes in Net Position

The Commission's total program and general revenues were \$461,593,431, while the total cost of all programs was \$407,754,981. Total revenues increased by 35%, and the total cost of all programs decreased by 24%. Those who directly benefited from the programs or other governments that subsidized certain programs with grants and contributions paid approximately 40% of the costs of the Commission's programs in 2018, compared to 12% of the costs in 2017. Sales taxes ultimately financed a significant portion of the programs' net costs.

Governmental and business-type activities increased the Commission's net position by \$53,838,450, 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 \$39,747,900 or 361%, due to a full year of toll operations on the RCTC 91 Express Lanes;
- Operating grants and contributions increased by \$9,750,614, or 27%, primarily due to federal and state reimbursements related to the I-15 Express Lanes and the 15/91 Express Lanes Connector projects;
- Capital grants and contributions increased by \$50,458,382, or 307%, primarily due to federal and state reimbursements related to the I-15 Express Lanes and the 15/91 Express Lanes Connector projects;
- Measure A sales tax revenues increased by \$981,449, or less than 1%. This slight increase is not consistent with the positive economic indicators in the region. Based on correspondence from the California Department of Tax and Fee Administration (CDTFA), it implemented a new system in May 2018 and the CDTFA has experienced unusual delays in the processing of sales tax returns for the first two quarters of calendar year 2018. CDTFA anticipates resolving the backlog in the second quarter of FY 2018/19;

- Transportation Development Act (TDA) sales taxes increased by \$16,239,043, or 17%, as a result of an increase in State Transit Assistance (STA) revenues and the new State of Good Repair (SGR) revenues related to the Senate Bill 1 raise in vehicle registration fees and state gas tax for various transportation programs;
- Unrestricted investment earnings increased \$4,617,901, or 108%, as a result of higher cash and investment balances primarily due to the issuance of debt and rising interest rates and investment yields;
- Other miscellaneous revenues decreased \$3,361,877, or 57%, due to the sale of surplus highway property in the previous year;

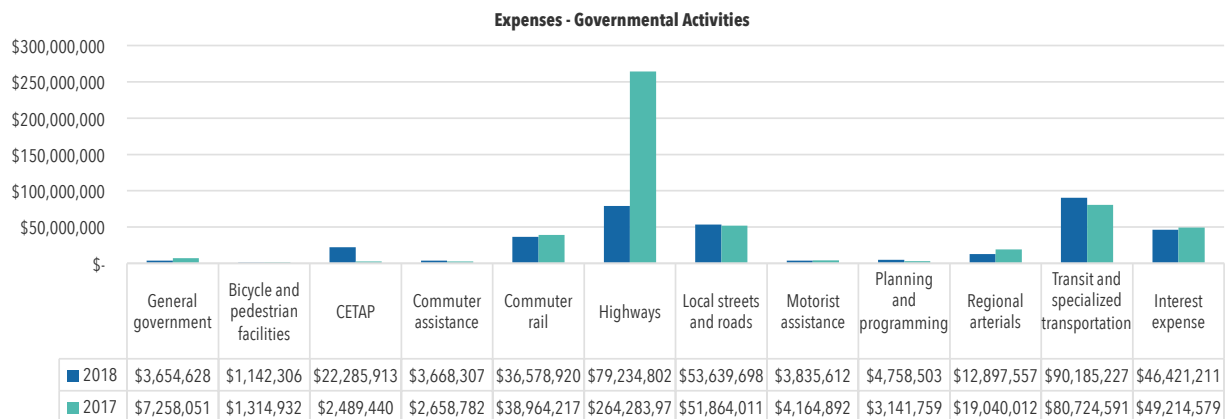
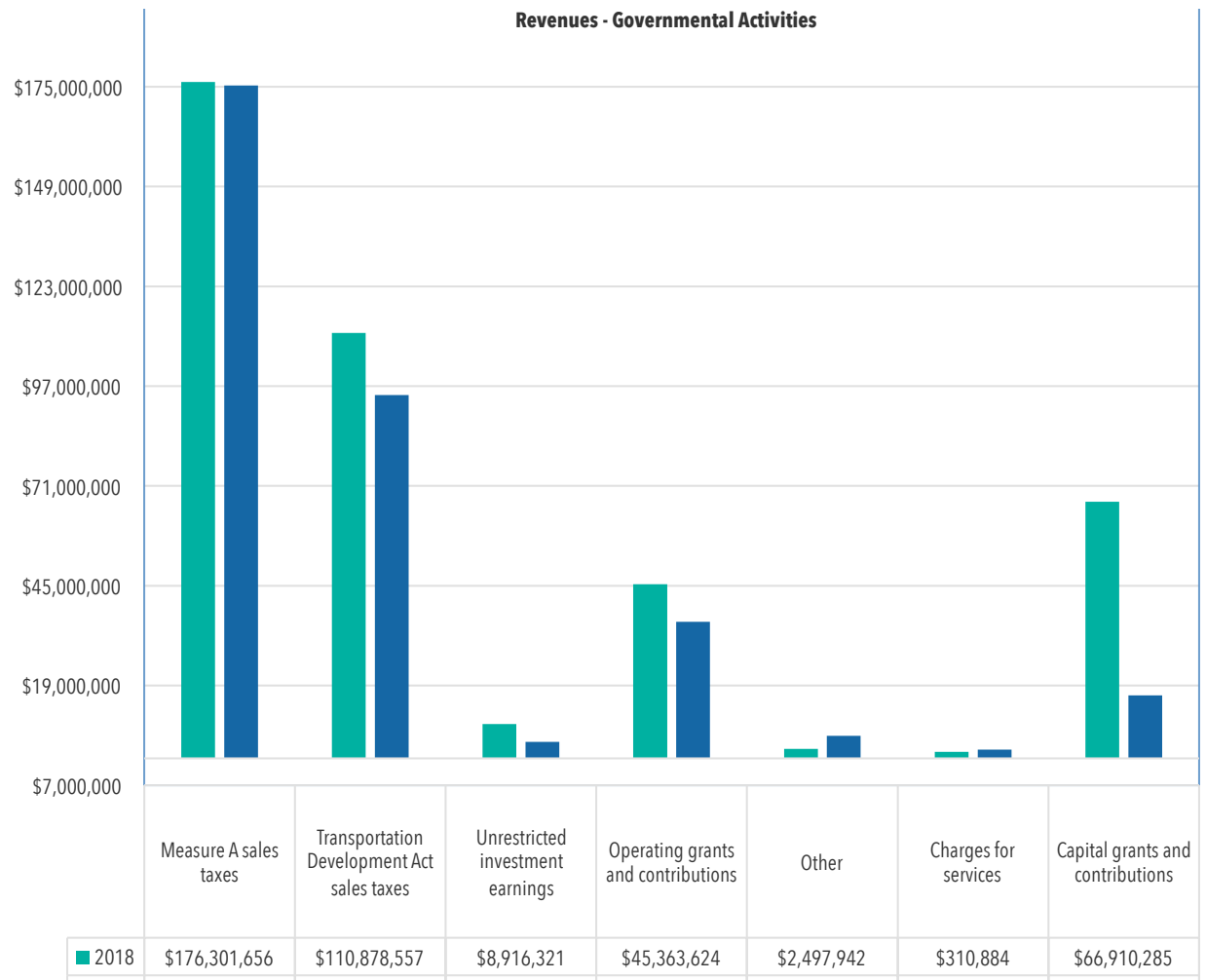
Changes in Net Position	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 310,884	\$886,236	\$ 50,446,824	\$ 10,123,572	\$ 50,757,708	\$ 11,009,808
Operating grants and contributions	45,363,624	35,611,287	-	1,723	45,363,624	35,613,010
Capital grants and contributions	66,910,285	16,451,903	-	-	66,910,285	16,451,903
General revenues:						
Measure A sales taxes	176,301,656	175,320,207	-	-	176,301,656	175,320,207
TDA sales taxes	110,878,557	94,639,514	-	-	110,878,557	94,639,514
Unrestricted investment earnings (loss)	8,916,321	4,262,323	(32,662)	3,435	8,883,659	4,265,758
Other miscellaneous revenue	2,497,942	5,859,819	-	-	2,497,942	5,859,819
Total revenues	411,179,269	333,031,289	50,414,162	10,128,730	461,593,431	343,160,019
Expenses						
General government	3,654,628	7,258,051	-	-	3,654,628	7,258,051
Bicycle and pedestrian facilities	1,142,306	1,314,932	-	-	1,142,306	1,314,932
CETAP	22,285,913	2,489,440	-	-	22,285,913	2,489,440
Commuter assistance	3,668,307	2,658,782	-	-	3,668,307	2,658,782
Commuter rail	36,578,920	38,964,217	-	-	36,578,920	38,964,217
Highways	79,234,802	264,283,974	-	-	79,234,802	264,283,974
Local streets and roads	53,639,698	51,864,011	-	-	53,639,698	51,864,011
Motorist assistance	3,835,612	4,164,892	-	-	3,835,612	4,164,892
Planning and programming	4,758,503	3,141,759	-	-	4,758,503	3,141,759
Regional arterials	12,897,557	19,040,012	-	-	12,897,557	19,040,012
Toll operations	-	-	49,452,297	13,260,254	49,452,297	13,260,254
Transit and specialized transportation	90,185,227	80,724,591	-	-	90,185,227	80,724,591
Interest expense	46,421,211	49,214,579	-	-	46,421,211	49,214,579
Total expenses	358,302,684	525,119,240	49,452,297	13,260,254	407,754,981	538,379,494
Excess (deficiency) of revenues over (under) expenses	52,876,585	(192,087,951)	961,865	(3,131,524)	53,838,450	(195,219,475)
Transfers	(14,949,641)	290,547,316	14,949,641	(290,547,316)	-	-
Increase (decrease) in net position	37,926,944	98,459,365	15,911,506	(293,678,840)	53,838,450	(195,219,475)
Net position at beginning of year	435,167,333	336,707,968	(293,678,840)	-	141,488,493	336,707,968
Net position at end of year	\$ 473,094,277	\$ 435,167,333	\$ (277,767,334)	\$ (293,678,840)	\$ 195,326,943	\$ 141,488,493

- General government expenses decreased by \$3,603,423, or 50%, primarily due to a new administrative cost allocation process, offset by debt issuance costs;
- Bicycle and pedestrian facilities expenses decreased by \$172,626, or 13%, due to a decrease in claims submitted for approved projects;

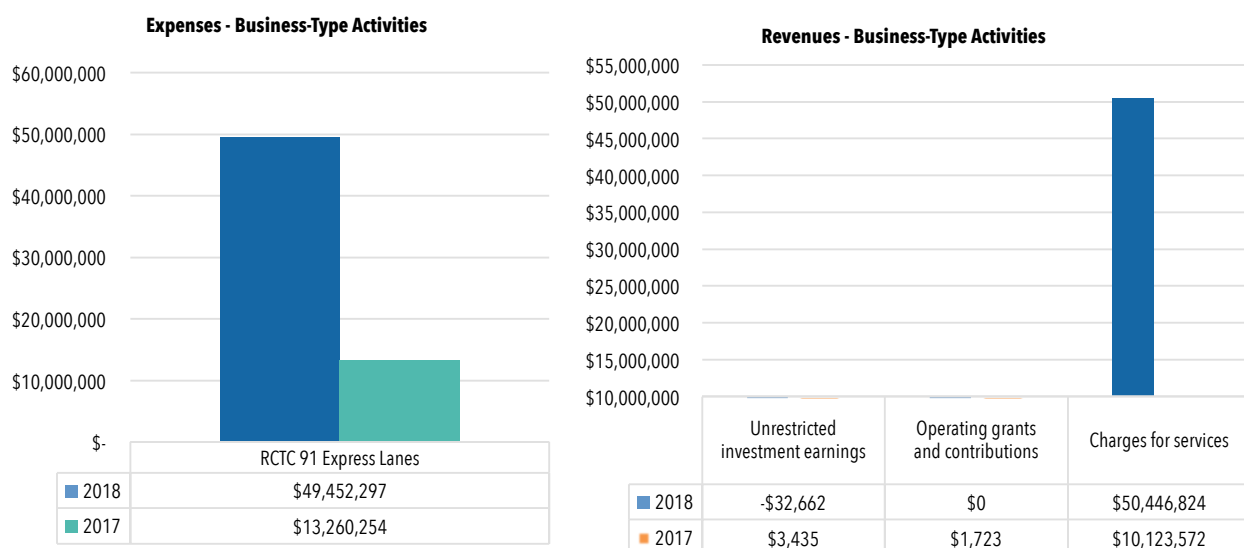
- CETAP expenses increased by \$19,796,473, or 795%, primarily due to a settlement agreement on the Mid County Parkway project;
- Commuter assistance expenses increased by \$1,009,525 or 38%, due to the program management activities;
- Commuter rail expenses decreased by \$2,385,297, or 6%, as a result of completion of the Perris Valley Line extension project in the prior year offset by an increase in commuter rail station operating and rehabilitation costs;
- Highway expenses decreased by \$185,049,172, or 70%, due to substantial completion of the 91 Project in the prior year;
- Local streets and roads expenses increased by \$1,775,687 or 3%, because of distributions to a local jurisdiction that became eligible for these funds in FY 2017/18;
- Motorist assistance expenses decreased by \$329,280, or 8%, due to decreased construction freeway service patrol and call box maintenance;
- Planning and programming expenses increased by \$1,616,744, or 51%, primarily due to feasibility studies;
- Regional arterial expenses decreased by \$6,142,455, or 32%, as a result of a decrease in reimbursements to local jurisdictions for approved regional arterial projects;
- Toll operations expenses increased by \$36,192,043, or 273%, as a result of the first full year of operations for the RCTC 91 Express Lanes after opening to motorists in March 2017;
- Transit and specialized transportation expenses increased by \$9,460,636, or 12%, due to an increase in bus transit operating and capital claims in all three geographic areas; and
- Interest expenses related to governmental activities decreased by \$2,793,368 or 6%, primarily as a result of the impacts of the issuance of sales tax revenue refunding bonds; and
- Internal transfers decreased \$275,597,675, or 95%, due to the transfer of long-term debt, cash and investments, and capital and intangible assets from governmental activities to business-type activities in the prior year as a result of the substantial completion of the 91 Project and opening of the RCTC 91 Express Lanes in March 2017.



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, 2018 and June 30, 2017:



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, 2018 and June 30, 2017:



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, 2018, the Commission's governmental funds reported combined ending fund balances of \$776,037,540, an increase of \$69,624,472 compared to 2017. Less than 1%, or \$4,860,033, is nonspendable fund balance related to prepaid amounts; \$3,337,343 is assigned fund balance for general government administration activities; an unassigned deficit of \$268,754 is related to a deficit fund balance in a nonmajor governmental fund. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- \$7,565,006 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- \$35,212,795 of TUMF funds for new CETAP corridors in Western County;
- \$16,515,124 for 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;
- \$50,499,542 in TDA, Measure A, and Proposition 1B funds for commuter rail operations and capital projects and \$3,266,323 in TDA and Proposition 1B funds for the Coachella Valley/San Gorgonio Pass rail corridor;
- \$11,082,909 in 2009 Measure A funds available to pay sales tax revenue bonds debt service over the next year;
- \$338,871,951 for highway, economic development, and new corridor projects related to the 1989 Measure A and 2009 Measure A programs;
- \$2,831 for local streets and roads programs that are returned to the jurisdictions within the County for maintenance of their roads and local arterials under the 2009 Measure A program;
- \$9,238,957 in state funds for motorist assistance services;
- \$4,932,446 of TDA funds for planning and programming activities and \$3,142 of intergovernmental revenues for other agency projects;

- \$42,288,115 and \$43,197,192 for regional arterial projects in Western County related to the 2009 Measure A and TUMF programs, respectively;
- \$9,157,388 of Measure A funds for transit and specialized transportation in the Western County and \$1,561,616 for specialized transportation in the Coachella Valley; and
- \$194,713,581 in TDA funds available to the commuter rail and bus transit operations and capital in the County.

The following table presents the changes in fund balances for the governmental funds for the fiscal years ended June 30, 2018 and 2017:

	Fund Balances			% Change
	Year Ended June 30			
	2018	2017		
General fund	\$ 26,040,494	\$ 19,126,100		36%
Special Revenue major funds:				
Measure A Western County	276,997,302	221,510,954		25%
Measure A Coachella Valley	52,068,076	47,791,274		9%
Transportation Uniform Mitigation Fee	78,409,987	81,473,550		(4)%
Local Transportation Fund	110,435,854	115,175,281		(4)%
Capital Projects major funds:				
Commercial Paper	21,576,316	46,951,913		(54)%
Bonds	95,343,644	64,660,068		47%
Debt Service fund	11,082,909	21,982,515		(50)%
Nonmajor governmental funds	104,082,958	87,741,413		19%

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

- The 36% increase in the General fund resulted from increased transfers from the Local Transportation Fund and 2009 Measure A Western County Special Revenue Fund for Perris Valley Line commuter rail and related station operations;
- The 25% increase in Measure A Western County Special Revenue fund was attributed to transfers from capital project funds for highway and rail projects;
- The 9% increase in the Measure A Coachella Valley Special Revenue fund was attributed to excess 2009 Measure A revenues over expenditures for Coachella Valley highway and regional arterial projects;
- The 4% decrease in the TUMF Special Revenue fund was attributable to increased reimbursements to local jurisdictions for approved projects;
- The 4% decrease in the Local Transportation Fund resulted from the excess of claims of allocations for transit operations and capital projects and for bicycle and pedestrian facility projects over sales tax revenues;
- The 54% decrease in the Commercial Paper Capital Projects fund was attributed to the use of commercial paper notes proceeds for the I-15 Express Lanes project costs;
- The 47% increase in Bonds Capital Projects fund was attributed to \$735,488,807 of debt proceeds from the issuance of sales tax bonds, including refunding bonds, net of transfers out for project costs;
- The 50% decrease in the Debt Service fund was attributable to increased principal payments on sales tax revenue bonds; and
- The 19% increase in nonmajor governmental funds resulted primarily from the excess of sales tax revenues over claims of allocations for transit capital projects.

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 \$277,767,334 at June 30, 2018. The deficit is related to the RCTC 91 Express Lanes toll-supported debt in excess of capital and intangible assets.

General Fund Budgetary Highlights

General fund intergovernmental revenues in the original budget increased \$73,587 for reimbursements for commuter rail and planning, programming, and monitoring expenditures. The \$152,100 increase in expenditure appropriations between the original budget and the final amended budget for the General fund was related to the following changes:

- \$201,800 increase to general government for various operations support services;
- \$74,300 decrease to the commuter rail program for program management activities;
- \$600 decrease to the planning and programming activities support costs;
- \$42,800 increase for transit and specialized transportation activities support costs;
- \$25,000 increase for debt service for capital lease payments; and
- \$42,600 decrease to capital outlay for furniture and equipment.

During the year, General fund revenues were below budgetary estimates by \$3,045,680; expenditures were less than budgetary estimates by \$21,467,212. General fund budgetary variances between the final amended budget and actual amounts are as follows:

General Fund Budgetary Variances	Original Budget	Year Ended June 30, 2018		
		Final Amended Budget	Actual	% Variance
Revenues				
Intergovernmental	\$ 8,702,400	\$ 8,775,987	\$ 5,674,843	(35)%
Investment income	76,400	76,400	138,417	81%
Other	293,200	293,200	286,647	(2)%
Total revenues	9,072,000	9,145,587	6,099,907	(33)%
Expenditures				
Current				
General government	7,554,400	7,756,200	11,699	100%
Commuter rail	30,594,900	30,520,600	22,682,717	26%
Planning and programming	8,690,400	8,689,800	3,433,172	60%
Transit and specialized transportation	516,300	559,100	498,790	11%
Debt service	-	25,000	24,858	0%
Capital outlay	1,040,000	997,400	429,652	57%
Total expenditures	48,396,000	48,548,100	27,080,888	44%
Other financing sources (uses)				
Transfers in	39,411,600	41,103,600	28,549,875	(31)%
Transfers out	(1,551,800)	(1,551,800)	(654,500)	58%
Net change in fund balance	\$ (1,464,200)	\$ 149,287	\$ 6,914,394	4532%

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

- \$3,101,144 negative variance for intergovernmental revenues primarily related to lower intergovernmental reimbursements for commuter rail and planning, programming and monitoring expenditures;
- \$62,017 positive variance for increased investment income related to conservative investment yield estimates;

- \$7,744,501 positive variance for general government expenditures primarily related to a new administrative cost allocations process and lower professional services and other expenditures such as maintenance, training, and travel;
- \$7,837,883 positive variance for commuter rail expenditures related to lower station maintenance and repairs and Metrolink operations;
- \$5,256,628 positive variance for planning and programming expenditures related to lower special studies, grade separation project claims, and allocations to local jurisdictions for various projects;
- \$60,310 positive variance for transit and specialized transportation expenditures related to lower professional services and other expenditures such as training and travel;
- \$567,748 positive variance for capital outlay expenditures due to delayed acquisition of Commission hardware and software improvements and station improvements;
- \$12,553,725 negative variance for transfers in related to the change in the administrative cost allocations process as well as lower commuter rail and planning and programming activities than anticipated; and
- \$897,300 positive variance for transfers out related to the change in administrative cost allocations process that affected commuter rail and planning and programming activities.

Capital and Intangible Assets

Capital Assets

As of June 30, 2018, the Commission had \$725,578,757, net of accumulated depreciation, 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; and office improvements, furniture, equipment, and vehicles. The total increase in the Commission's total capital assets, net for FY 2017/18 was 14%.

Major capital asset additions during 2018 included land acquisition for the 91 Project; construction in progress related to preliminary engineering, construction, and design-build costs for the I-15 Express Lanes and rail station improvements; rail track improvements; office improvements; furniture, equipment and vehicles; toll infrastructure; and transponders.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital assets not being depreciated:						
Land and land improvements	\$ 172,084,889	\$ 162,102,279	\$ 43,032,888	\$ 44,658,207	\$ 215,117,777	\$ 206,760,486
Construction easements	1,189,671	1,167,671	-	-	1,189,671	1,167,671
Rail operating easements	63,846,199	63,846,199	-	-	63,846,199	63,846,199
Construction in progress	142,647,416	58,061,858	174,151	-	142,821,567	58,061,858
Total capital assets not being depreciated	379,768,175	285,178,007	43,207,039	44,658,207	422,975,214	329,836,214
Capital assets being depreciated, net of accumulated depreciation:						
Rail stations	132,656,945	137,929,888	-	-	132,656,945	137,929,888
Rail tracks	144,341,460	140,127,881	-	-	144,341,460	140,127,881
Temporary construction easements	-	63,365	-	-	-	63,365
Buildings	3,100,272	3,287,508	444,408	484,809	3,544,680	3,772,317
Toll infrastructure	-	-	21,211,466	26,071,062	21,211,466	26,071,062
Transponders	-	-	360,181	109,743	360,181	109,743
Office improvements, furniture, equipment, and vehicles	472,350	266,016	16,461	17,916	488,811	283,932
Total capital assets, net of accumulated depreciation	280,571,027	281,674,658	22,032,516	26,683,530	302,603,543	308,358,188
Total capital assets	\$ 660,339,202	\$ 566,852,665	\$ 65,239,555	\$ 71,341,737	\$ 725,578,757	\$ 638,194,402

More detailed information about the Commission's capital assets is presented in Note 4 to the financial statements.

Intangible Assets

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.

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

	Business-Type Activities	
	2018	2017
Toll facility franchise, net of accumulated amortization	\$ 244,045,820	\$ 234,075,489

More detailed information about the intangible assets and service concession arrangements is presented in Note 5 to the financial statements.

Debt Administration

As of June 30, 2018, the Commission had \$1,636,313,303 outstanding in sales tax and toll revenue bonds and TIFIA loans. The total debt increased from the \$1,451,467,794 outstanding as of June 30, 2017, primarily due to the following:

- Issuance of the 2017 Series A Sales Tax Revenue Bonds, including premium, of \$187,691,909 for the I-15 Express Lanes project, 91 Project completion, and retirement of the outstanding commercial paper notes of \$30,000,000;
- Issuance of the 2017 Series B Sales Tax Refunding Bonds, including premium, of \$472,788,109 to refund all of the outstanding 2010 Series A Sales Tax Revenue Bonds of \$37,630,000 and a portion of the 2013 Series A Sales Tax Revenue Bonds of \$372,445,000; and
- Issuance of the 2018 Sales Tax Refunding Bonds, including premium, of \$75,008,789 to refund all of the outstanding 2009 Series B and Series C Bonds of \$70,800,000.

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 received ratings of "BBB" from S&P and "BBB-" from Fitch. The TIFIA loan related to the 91 Project received a rating of "BBB-" from Fitch, and 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, 2018, the Commission had \$0 in commercial paper notes outstanding.

The sales tax revenue debt limitation for the Commission under the 2009 Measure A program is \$975,000,000 which exceeds the total outstanding debt of \$859,020,000. The Commission has also authorized the issuance of toll revenue bonds, including a TIFIA loan, for the 91 Project not to exceed \$900,000,000, which is in excess of the total outstanding debt of \$648,503,036. TIFIA loans provided federal funding up to \$421,054,409 for the 91 Project and \$152,214,260 for the I-15 Express Lanes project on a subordinate lien basis and a senior lien basis, respectively.

Additional information on the Commission's long-term debt can be found in Note 7 to the financial statements.

Economic Factors and Other Factors

During its March 2018 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2018/19 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 2018/19 annual budget on June 13, 2018. Approximately 50% of the \$881,329,400 balanced budget is related to capital project expenditures, including:

- \$27,132,900 for 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;
- \$145,852,500 for preliminary engineering services, right of way support services, construction, and design-build activities related to the I-15 Express Lanes project;
- \$53,754,600 for construction and design-build activities related to the 15/91 express lanes connector project;
- \$62,050,000 for preliminary engineering, right of way acquisition/support services, and construction related to the Western County SB 132 projects;
- \$26,200,000 for preliminary engineering services, right of way acquisition/support services, and construction related to the SR-60 truck climbing lanes project;
- \$13,473,000 preliminary engineering, right of way acquisition/support services, and construction related to the Pachappa Underpass project;
- \$17,742,300 for various Western County Measure A and TUMF regional arterial projects; and
- \$34,425,000 for preliminary engineering, construction, and right of way acquisition/support services for the Mid County Parkway project.

Distributions to the local jurisdictions for local streets and roads are budgeted at \$56,951,500. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate \$159,303,300, and budgeted transfers out related to funding of commuter rail operations and capital are \$22,100,000. Debt service costs are \$76,675,600, or 9% of the budget.

Leading economic indicators show that the local economic outlook is encouraging with the stabilization of sales tax revenues. However, the state and federal budget issues continue to affect funding of the Commission's capital projects and programs. These factors were considered in preparing the Commission's 2019 fiscal year budget, including the sales tax and TUMF fee revenue projections.

There are obvious variables in terms of project financing available from federal and state funds. There is continuing uncertainty regarding long-term federal transportation funding. 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.



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

SR-60 in the Badlands Area



Basic Financial Statements

Riverside County Transportation Commission

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 579,904,612	\$ 33,950,063	\$ 613,854,675
Receivables:			
Accounts	132,796,176	25,285,773	158,081,949
Advances to other governments	25,559,386	-	25,559,386
Interest	2,727,963	148,492	2,876,455
Internal balances	294,509	(294,509)	-
Due from other governments	232,853	-	232,853
Prepaid expenses and other assets	4,860,033	166,966	5,026,999
Restricted investments held by trustee	98,255,313	29,828,745	128,084,058
Capital assets not being depreciated	379,768,175	43,207,039	422,975,214
Capital assets, net of accumulated depreciation	280,571,027	22,032,516	302,603,543
Intangible asset, net of amortization	-	244,045,820	244,045,820
Total assets	1,504,970,047	398,370,905	1,903,340,952
Deferred outflows of resources			
Loss on refunding of bonds	37,948,048	-	37,948,048
Pension changes in assumptions	1,298,635	81,947	1,380,582
Pension differences between contributions and proportionate share of contributions	458,647	28,942	487,589
Pension differences between expected and actual experiences	10,467	660	11,127
Pension changes in Commission's proportion	823,142	51,942	875,084
Pension contributions subsequent to measurement date	1,231,187	77,690	1,308,877
Pension net differences between projected and actual earnings on plan investments	293,698	18,533	312,231
Other post-employment benefits net differences between projected and actual earnings on plan investments	117,392	7,408	124,800
Other post-employment benefits contributions subsequent to measurement date	681,966	43,034	725,000
Total assets and deferred outflows of resources	1,547,833,229	398,681,061	1,946,514,290
Liabilities			
Accounts payable	65,205,784	1,517,652	66,723,436
Interest payable	3,632,562	1,888,106	5,520,668
Other liabilities	2,251,776	23,920,941	26,172,717
Pension liabilities	8,203,780	517,676	8,721,456
Other post-employment benefits liabilities	227,636	14,364	242,000
Long-term liabilities:			
Due within one year	41,147,064	19,156	41,166,220
Due in more than one year	953,564,990	648,538,612	1,602,103,602
Total liabilities	1,074,233,592	676,416,507	1,750,650,099
Deferred inflows of resources			
Pension changes in assumptions	99,023	6,248	105,271
Pension changes in Commission's proportion	54,712	3,452	58,164
Pension differences between expected and actual experiences	149,951	9,462	159,413
Other post-employment benefits net differences between projected and actual earnings on plan investments	201,674	12,726	214,400
Total liabilities and deferred inflows of resources	1,074,738,952	676,448,395	1,751,187,347
Net position			
Net investment in capital assets	529,178,100	(286,349,191)	242,828,909
Restricted for:			
Bicycle and pedestrian facilities	7,565,006	-	7,565,006
CETAP	35,212,795	-	35,212,795
Commuter assistance	16,515,124	-	16,515,124
Commuter rail	53,938,592	-	53,938,592
Debt service	11,082,909	-	11,082,909
Highways	371,991,421	-	371,991,421
Local streets and roads	2,831	-	2,831
Motorist assistance	9,238,957	-	9,238,957
Toll operations	-	8,581,857	8,581,857
Planning and programming	4,935,588	-	4,935,588
Regional arterials	85,485,307	-	85,485,307
Transit and specialized transportation	205,433,222	-	205,433,222
Unrestricted (deficit)	(857,485,575)	-	(857,485,575)
Total net position	\$ 473,094,277	\$ (277,767,334)	\$ 195,326,943

See notes to financial statements

Riverside County Transportation Commission

Statement of Activities Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 3,654,628	\$ 479	\$ -	\$ -	\$ (3,654,149)	\$ -	\$ (3,654,149)
Bicycle and pedestrian facilities	1,142,306	-	-	-	(1,142,306)	-	(1,142,306)
CETAP	22,285,913	-	11,849,882	-	(10,436,031)	-	(10,436,031)
Commuter assistance	3,668,307	-	2,992,178	-	(676,129)	-	(676,129)
Commuter rail	36,578,920	254,627	4,136,406	7,639,680	(24,548,207)	-	(24,548,207)
Highways	79,234,802	51,629	7,239,363	59,270,605	(12,673,205)	-	(12,673,205)
Local streets and roads	53,639,698	-	-	-	(53,639,698)	-	(53,639,698)
Motorist assistance	3,835,612	4,149	4,147,112	-	315,649	-	315,649
Planning and programming	4,758,503	-	1,743,122	-	(3,015,381)	-	(3,015,381)
Regional arterials	12,897,557	-	13,164,879	-	267,322	-	267,322
Transit and specialized transportation	90,185,227	-	90,682	-	(90,094,545)	-	(90,094,545)
Interest expense	46,421,211	-	-	-	(46,421,211)	-	(46,421,211)
Total governmental activities	# 358,302,684	310,884	45,363,624	66,910,285	(245,717,891)	-	(245,717,891)
Business-type Activities:							
RCTC 91 Express Lanes	49,452,297	50,446,824	-	-	-	994,527	994,527
Total Primary Government	- \$ 407,754,981	\$ 50,757,708	\$ 45,363,624	\$ 66,910,285	\$ (245,717,891)	\$ 994,527	\$ (244,723,364)

General Revenues:

Measure A sales taxes	176,301,656	-	176,301,656
Transportation Development Act sales taxes	110,878,557	-	110,878,557
Unrestricted investment earnings (loss)	8,916,321	(32,662)	8,883,659
Other miscellaneous revenue	2,497,942	-	2,497,942
Transfers	(14,949,641)	14,949,641	-
Total general revenues and transfers	283,644,835	14,916,979	298,561,814
Change in net position	37,926,944	15,911,506	53,838,450
Net position at beginning of year	435,167,333	(293,678,840)	141,488,493
Net position at end of year	\$ 473,094,277	\$ (277,767,334)	\$ 195,326,943

See notes to financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds

June 30, 2018

	Major Funds					
	Special Revenue					
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	
Assets						
Cash and investments	\$ 18,214,884	\$ 212,501,856	\$ 50,085,596	\$ 93,309,795	\$ 94,736,015	
Receivables						
Accounts	3,597,828 -	87,391,368 -	6,442,274 -	5,716,353 -	14,928,400 -	
Advances	- -	116,503 -	- -	- -	- -	
Interest	66,953 -	996,019 -	197,603 -	331,667 -	368,480 -	
Due from other funds	6,358,347 -	9,171,454 -	159,403 -	235,942 -	654,500 -	
Prepaid expenditures and other assets	232,793 -	4,627,240 -	- -	- -	- -	
Restricted investments held by trustee	- -	- -	- -	- -	- -	
Total assets	\$ 28,470,805	\$ 314,804,440	\$ 56,884,876	\$ 99,593,757	\$ 110,687,395	
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 1,600,128	\$ 35,189,953	\$ 3,979,965	\$ 20,861,633	\$ 213,641	
Due to other funds	654,500 -	1,882,614 -	836,835 -	317,585 -	37,900 -	
Other liabilities	175,683 -	734,571 -	- -	4,552 -	- -	
Total liabilities	2,430,311 -	37,807,138 -	4,816,800 -	21,183,770 -	251,541 -	
Fund balances						
Nonspendable-prepaid amounts	232,793 -	4,627,240 -	- -	- -	- -	
Restricted for						
Bicycle and pedestrian facilities	- -	- -	- -	- -	7,565,006 -	
CETAP	- -	- -	- -	35,212,795 -	- -	
Commuter assistance	- -	16,515,124 -	- -	- -	- -	
Commuter rail	17,537,912 -	32,961,630 -	- -	- -	- -	
Debt service	- -	- -	- -	- -	- -	
Highways	- -	171,446,847 -	50,505,144 -	- -	- -	
Local streets and roads	- -	958 -	1,316 -	- -	- -	
Motorist assistance	- -	- -	- -	- -	- -	
Planning and programming	4,932,446 -	- -	- -	- -	- -	
Regional arterials	- -	42,288,115 -	- -	43,197,192 -	- -	
Transit and specialized transportation	- -	9,157,388 -	1,561,616 -	- -	102,870,848 -	
Assigned						
General government	3,337,343 -	- -	- -	- -	- -	
Unassigned	- -	- -	- -	- -	- -	
Total fund balances	26,040,494 -	276,997,302 -	52,068,076 -	78,409,987 -	110,435,854 -	
Total liabilities and fund balances	\$ 28,470,805	\$ 314,804,440	\$ 56,884,876	\$ 99,593,757	\$ 110,687,395	

See notes to financial statements

Riverside County Transportation Commission
Balance Sheet - Governmental Funds, Continued
June 30, 2018

	Major Funds					
	Capital Projects					
	Commercial Paper	Bonds	Debt Service	Other Nonmajor Governmental Funds	Total	
Assets						
Cash and investments	\$ 295,696	\$ 8,686,331	\$ 5,030,583	\$ 97,043,856	\$ 579,904,612	
Receivables						
Accounts	- -	- -	-	14,719,953	132,796,176	
Advances	22,091,372 -	3,351,511 -	-	-	25,559,386	
Interest	6,884 -	387,718 -	22,646	349,993	2,727,963	
Due from other funds	585,744 -	67,894 -	-	1,426,800	18,660,084	
Prepaid expenditures and other assets	- -	- -	-	-	4,860,033	
Restricted investments held by trustee	- -	92,066,230 -	6,189,083	-	98,255,313	
Total assets	\$ 22,979,696	\$ 104,559,684	\$ 11,242,312	\$ 113,540,602	\$ 862,763,567	
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	3,360,464	\$ 65,205,784	
Due to other funds	- -	9,062,890 -	159,403	5,413,848	18,365,575	
Other liabilities	1,403,380 -	153,150 -	-	683,332	3,154,668	
Total liabilities	1,403,380 -	9,216,040	159,403	9,457,644	86,726,027	
Fund balances						
Nonspendable-prepaid amounts	- -	- -	-	-	4,860,033	
Restricted for						
Bicycle and pedestrian facilities	- -	- -	-	-	7,565,006	
CETAP	- -	- -	-	-	35,212,795	
Commuter assistance	- -	- -	-	-	16,515,124	
Commuter rail	- -	- -	-	3,266,323	53,765,865	
Debt service	- -	- -	11,082,909	-	11,082,909	
Highways	21,576,316 -	95,343,644 -	-	-	338,871,951	
Local streets and roads	- -	- -	-	557	2,831	
Motorist assistance	- -	- -	-	9,238,957	9,238,957	
Planning and programming	- -	- -	-	3,142	4,935,588	
Regional arterials	- -	- -	-	-	85,485,307	
Transit and specialized transportation	- -	- -	-	91,842,733	205,432,585	
Assigned						
General government	- -	- -	-	-	3,337,343	
Unassigned	- -	- -	-	(268,754)	(268,754)	
Total fund balances	21,576,316 -	95,343,644	11,082,909	104,082,958	776,037,540	
Total liabilities and fund balances	\$ 22,979,696	\$ 104,559,684	\$ 11,242,312	\$ 113,540,602	\$ 862,763,567	

See notes to financial statements



Riverside County Transportation Commission
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

Total fund balances - Governmental funds page 21	\$ 776,037,540
Amounts reported for governmental activities in the statement of net position page 18 are different because:	
Amounts due from other governments are not an available resource and therefore, are not reported in the funds.	232,853
Deferred outflows of resources related to the pension contributions subsequent to the measurement date.	1,231,187
Deferred outflows of pension resources related to the differences between contributions and proportionate share of contributions, net differences	2,884,589
Deferred inflows of pension resources related to differences between expected and actual experiences, changes in Commission's proportion, and changes in assumptions.	(303,686)
Deferred outflows of other post-employment benefits resources related to the net differences between projected and actual earnings on plan investments and contributions subsequent to the measurement date.	799,358
Deferred inflows of resources related to net differences between projected and actual earnings on other post employment benefits investments.	(201,674)
Capital assets, less related accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	660,339,202
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unearned revenue in the funds.	902,892
Interest payable on bonds outstanding is not due and payable in the current period and therefore is not reported in the funds.	(3,632,562)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Net pension liability	(8,203,780)
Net other post employment liability	(227,636)
Compensated absences	(893,822)
Capital lease obligation	(7,965)
Multi-Species Habitat Conservation Plan funding liability	(6,000,000)
Sales tax bonds payable	(859,020,000)
Loss on refunding of sales tax bonds	37,948,048
Premium on sales tax revenue bonds payable	(128,790,267)
Net adjustment	(965,195,422)
Net position of governmental activities page 18	\$ 473,094,277

See notes to financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2018

	Major Funds				
	Special Revenue				Local Transportation Fund
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	
Revenues					
Sales taxes	\$ -	\$ 136,852,833	\$ 38,512,321	\$ -	\$ 89,557,646
Transportation Uniform Mitigation Fee	-	-	-	23,699,764	-
Intergovernmental	5,674,843	68,412,271	-	1,314,998	185
Investment income	138,417	2,474,963	434,803	664,023	825,116
Other	286,647	2,515,887	-	25,155	-
Total revenues	6,099,907	210,255,954	38,947,124	25,703,940	90,382,947
Expenditures					
Current:					
General government	11,699	954,199	-	-	12,000
Bicycle and pedestrian facilities	-	-	-	-	1,142,306
CETAP	-	1,687	-	22,273,742	-
Commuter assistance	-	3,647,662	-	-	-
Commuter rail	22,682,717	14,118,997	-	-	-
Highways	-	164,579,201	15,984,413	-	-
Local streets and roads	-	39,223,884	13,479,312	-	-
Motorist assistance	-	-	-	-	-
Planning and programming	3,433,172	-	-	-	773,000
Regional arterials	-	6,158,736	-	6,729,703	-
Transit and specialized transportation	498,790	6,184,197	5,366,000	-	72,799,693
Total programs	26,626,378	234,868,563	34,829,725	29,003,445	74,726,999
Debt service:					
Principal	20,974	-	-	-	-
Interest	3,884	-	-	-	-
Cost of issuance	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Total debt service	24,858	-	-	-	-
Capital outlay	429,652	2,177,199	-	-	-
Total expenditures	27,080,888	237,045,762	34,829,725	29,003,445	74,726,999
Excess (deficiency) of revenues over (under) expenditures	(20,980,981)	(26,789,808)	4,117,399	(3,299,505)	15,655,948
Other financing sources (uses):					
Refunding debt issuance	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-
Transfers in	28,549,875	162,784,421	159,403	235,942	654,500
Transfers out	(654,500)	(80,508,265)	-	-	(21,049,875)
Total other financing sources (uses)	27,895,375	82,276,156	159,403	235,942	(20,395,375)
Net change in fund balances	6,914,394	55,486,348	4,276,802	(3,063,563)	(4,739,427)
Fund balances at beginning of year	19,126,100	221,510,954	47,791,274	81,473,550	115,175,281
Fund balances at end of year	\$ 26,040,494	\$ 276,997,302	\$ 52,068,076	\$ 78,409,987	\$ 110,435,854

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2018

	Major Funds					
	Capital Projects					
	Commercial Paper	Bonds	Debt Service	Other Nonmajor Governmental Funds	Total	
Revenues						
Sales taxes	\$ -	\$ -	\$ -	\$ 22,257,413	\$ 287,180,213	
Transportation Uniform Mitigation Fee	-	-	-	-	23,699,764	
Intergovernmental	-	-	2,785,292	10,019,422	88,207,011	
Investment income	1,657,775	1,988,693	240,501	725,381	9,149,672	
Other	-	-	-	371,794	3,199,483	
Total revenues	1,657,775	1,988,693	3,025,793	33,374,010	411,436,143	
Expenditures						
Current:						
General government	-	-	-	-	977,898	
Bicycle and pedestrian facilities	-	-	-	-	1,142,306	
CETAP	-	-	-	-	22,275,429	
Commuter assistance	-	-	-	-	3,647,662	
Commuter rail	-	-	-	898,443	37,700,157	
Highways	-	929,220	-	5,594,787	187,087,621	
Local streets and roads	-	-	-	936,502	53,639,698	
Motorist assistance	-	-	-	3,825,722	3,825,722	
Planning and programming	-	-	-	471,768	4,677,940	
Regional arterials	-	-	-	-	12,888,439	
Transit and specialized transportation	-	-	-	5,305,243	90,153,923	
Total programs	-	929,220	-	17,032,465	418,016,795	
Debt service:						
Principal	30,000,000	-	32,120,000	-	62,140,974	
Interest	37,485	7,526,000	43,039,543	-	50,606,912	
Cost of issuance	-	2,256,061	-	-	2,256,061	
Payment to escrow agent	-	66,966,667	3,833,333	-	70,800,000	
Total debt service	30,037,485	76,748,728	78,992,876	-	185,803,947	
Capital outlay	-	-	-	-	2,606,851	
Total expenditures	30,037,485	77,677,948	78,992,876	17,032,465	606,427,593	
Excess (deficiency) of revenues over (under) expenditures	(28,379,710)	(75,689,255)	(75,967,083)	16,341,545	(194,991,450)	
Other financing sources (uses):						
Refunding debt issuance	-	457,015,000	-	-	457,015,000	
Debt issuance	-	158,760,000	-	-	158,760,000	
Premium on debt issuance	-	119,713,807	-	-	119,713,807	
Payment to refunded bonds escrow agent	-	(471,089,840)	-	-	(471,089,840)	
Transfers in	30,000,000	8,916,955	68,012,174	1,310,400	300,623,670	
Transfers out	(26,995,887)	(166,943,091)	(2,944,697)	(1,310,400)	(300,406,715)	
Total other financing sources (uses)	3,004,113	106,372,831	65,067,477	-	264,615,922	
Net change in fund balances	(25,375,597)	30,683,576	(10,899,606)	16,341,545	69,624,472	
Fund balances at beginning of year	46,951,913	64,660,068	21,982,515	87,741,413	706,413,068	
Fund balances at end of year	\$ 21,576,316	\$ 95,343,644	\$ 11,082,909	\$ 104,082,958	\$ 776,037,540	

See notes to financial statements



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, 2018

Net change in fund balances - Total governmental funds page 25 \$ 69,624,472

Amounts reported for governmental activities in the statement of activities page 19 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	120,748,221
Net loss on sale of assets	(13,278)
Depreciation expense	(12,081,810)
Net adjustments	108,653,133

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (232,605)

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 commercial paper notes	30,000,000
Principal payments for sales tax revenue refunding bonds	5,450,000
Principal payment for sales tax revenue bonds	26,670,000
Redemption of 2009 Bonds series B and C	70,800,000
Redemption of 2010 Bonds series A	37,630,000
Redemption of 2013 Bonds series A	372,445,000
Issuance of sales tax revenue bonds	(158,760,000)
Issuance of sales tax revenue refunding bonds	(457,015,000)
Premium on sales tax revenue bonds	(119,713,807)
Write off of sales tax revenue bonds premium	19,743,316
Amortization of sales tax revenue bonds premium	8,363,510
Amortization of sales tax revenue bonds discount	(35,833)
Write off sales tax revenue bonds discount	(471,329)
Loss on 2017B Refunding Bonds	41,742,853
Amortization of loss on 2017B Refunding Bonds	(3,794,805)
Capital lease payments	20,974
Change in accrued interest	(347,171)
Change in Multi-Species Habitat Conservation Plan funding liability	3,000,000
Net pension liability	(610,047)
Pension change in deferred outflows of resources	(514,444)
Pension change in deferred inflows of resources	242,036
Net other post-employment benefits liability	435,857
Other post-employment benefits change in deferred outflows of resources	(17,975)
Other post-employment benefits change in deferred inflows of resources	(201,674)
Net adjustments	(124,938,539)

The effect of transfers of capital assets between the Governmental and Business-type activities do not require the use of current financial resources and are not reported as transfers in governmental funds. (15,166,596)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as (12,921)

Change in net position of governmental activities page 19 \$ 37,926,944

See notes to financial statements

Riverside County Transportation Commission
Statement of Net Position
Proprietary Fund
June 30, 2018

	RCTC 91 Express Lanes Enterprise Fund
Assets	
Current assets:	
Cash and investments	\$ 33,950,063
Receivables	
Accounts	25,285,773
Interest	148,492
Prepaid expenses	166,966
Total current assets	<u>59,551,294</u>
Noncurrent assets:	
Restricted investments held by trustee	29,828,745
Capital assets, net:	
Nondepreciable	43,207,039
Depreciable	22,032,516
Intangible assets, net	244,045,820
Total noncurrent assets	<u>339,114,120</u>
Total assets	<u>398,665,414</u>
Deferred outflows of resources	
Pension benefits	259,714
Other post-employment benefits	50,442
Total deferred outflows of resources	<u>310,156</u>
Total assets and deferred outflows of resources	<u>398,975,570</u>
Liabilities	
Current liabilities:	
Accounts payable	1,517,652
Interest payable	1,888,106
Due to governmental funds	294,509
Unearned revenues	23,545,891
Other liabilities	375,050
Compensated absences liability	19,156
Total current liabilities	<u>27,640,364</u>
Noncurrent liabilities:	
Net pension liabilities	517,676
Other-post employment benefits liabilities	14,364
Compensated absences liability	35,576
Bonds payable - due in more than one year	648,503,036
Total noncurrent liabilities	<u>649,070,652</u>
Total liabilities	<u>676,711,016</u>
Deferred inflows of resources	
Pension benefits	19,162
Other-post employment benefits	12,726
Total deferred inflows of resources	<u>31,888</u>
Total liabilities and deferred inflows of resources	<u>676,742,904</u>
Net position	
Net investment in capital assets	(286,349,191)
Restricted for toll operations	8,581,857
Total net position (deficit)	<u>\$ (277,767,334)</u>

See notes to financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	RCTC 91 Express Lanes
	Enterprise Fund
Operating revenues	
Tolls, penalties, and fees	\$ 50,446,824
Operating expenses	
Management and operational services	9,136,307
Administrative overhead	532,600
Other operating expenses	464,119
Professional services	815,345
General and administrative expenses	826,558
Depreciation and amortization	10,185,622
Total operating expenses	<u>21,960,551</u>
Operating income	<u>28,486,273</u>
Nonoperating revenues (expenses)	
Investment earnings (loss)	(32,662)
Interest expense	(27,115,090)
Loss on sale of capital asset	(376,656)
Total nonoperating revenues (expenses)	<u>(27,524,408)</u>
Income before transfers	961,865
Transfers in from governmental activities	15,166,596
Transfers out to governmental funds	(216,955)
Total Transfers	<u>14,949,641</u>
Change in net position	15,911,506
Net position at beginning of year	(293,678,840)
Net position at end of year	<u><u>\$ (277,767,334)</u></u>

See notes to financial statements

Riverside County Transportation Commission
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	RCTC 91 Express Lanes Enterprise Fund
Cash flows from operating activities	
Receipts from customers and users	\$ 49,702,640
Payments to vendors	(10,087,808)
Payments to employees	(426,598)
Payments for RCTC interfund services used	(345,162)
Reimbursements received for shared costs	255,756
Net cash provided by operating activities	<u>39,098,828</u>
Cash flows from noncapital financing activities	
Transfers to governmental activities for excess investment earnings	(1,344,509)
Net cash used for capital and related financing activities	<u>(1,344,509)</u>
Cash flows from capital and related financing activities	
Interest paid on long-term debt	(7,119,938)
Acquisition of capital assets, net of reimbursements from other governments	(553,487)
Deposits received related to pending sale of land	250,756
Proceeds from sale of capital assets	1,248,662
Net cash used for capital and related financing activities	<u>(6,174,007)</u>
Cash flows from investing activities	
Interest received	87,051
Net cash used for investing activities	<u>87,051</u>
Net increase in cash and cash equivalents	31,667,363
Cash and cash equivalents at beginning of year	32,289,383
Cash and cash equivalents at end of year	<u><u>\$ 63,956,746</u></u>
Reconciliation of cash and cash equivalents to statement of net position	
Cash and investments	\$ 33,950,063
Add: fair value adjustment	177,938
	34,128,001
Restricted cash and investments	29,828,745
Total cash and cash equivalents	<u><u>\$ 63,956,746</u></u>

See notes to financial statements

Riverside County Transportation Commission

Statement of Cash Flows, Continued

Proprietary Fund

For the Year Ended June 30, 2018

	RCTC 91 Express Lanes
	Enterprise Fund
Reconciliation of operating income (loss) to net cash	
provided by (used for) operating activities	
Operating income	\$ 28,486,273
Adjustments to reconcile operating income to net cash	
provided by (used for) operating activities	
Depreciation and amortization expense	10,185,622
(Increase) Decrease in violations receivables	(20,896,980)
(Increase) Decrease in other receivables, net	(496,995)
(Increase) Decrease in prepaid assets	(35,631)
Increase (Decrease) in pension and other-post employment benefits liabilities, net of deferred items	277,643
Increase (Decrease) in accounts payable	373,186
Increase (Decrease) in due to other funds	270,843
Increase (Decrease) in unearned revenue	20,896,323
Increase (Decrease) in deposits payable	50
Increase (Decrease) in compensated absences liability	38,494
Total adjustments	10,612,555
Net cash provided by operating activities	\$ 39,098,828
Noncash capital, financing and investing activities	
Amortization of bond discount	\$ 73,073
Accreted and compounded interest	19,878,293

See notes to financial statements

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

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. 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.

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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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 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 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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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 from the Riverside/Orange County line to Interstate (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.

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. 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 and claims and judgments are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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, charges for services, and fines and fees.

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.

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 2017. 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

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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.

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%	Aa3/AA-
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%	Aa3/AA-
Commercial paper	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	None	Set by LAIF	Not applicable
Negotiable certificates of deposit	180 days	15%	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

LAIF is regulated by Code Section 16429 and is under the management of the State Treasurer with oversight provided by the Local Agency Investment Advisory Board. 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 and the LAIF are 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 Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Investments in U.S. government, federal agency, mortgage and asset-backed, municipal, corporate, 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 RCIPF represent cash and cash equivalents for cash flow purposes.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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, 2018 and an estimate for outstanding unpaid violations of the RCTC 91 Express Lanes that the Commission anticipates to collect. Unpaid violations of \$23,546,548 as of June 30, 2018 are not recognized as revenue until payment is received and therefore are reflected as unearned revenue. 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.

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; and office furniture and equipment, vehicles, toll infrastructure, 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 \$5,000 and an estimated useful life in excess of three years and are primarily included within the function of current expenditures in the fund financial statements. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets excluding those received in a service concession arrangement are recorded at acquisition value at the date of donation. Donated capital assets and capital assets received in a service concession arrangement are reported at acquisition value.

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, and transponders are depreciated using the straight-line method over the following estimated useful lives:

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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 infrastructure	5 to 10 years
Transponders	5 years

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 service concession arrangement 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, 2018, 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.

Intangible assets: In May 2012 the Commission entered into a toll facility agreement with Caltrans and obtained authority to toll the State Route (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.

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.

Postemployment Benefits Other Than Pensions: For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows/inflows of resources related to the OPEB liability 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

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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). Settled claims have not exceeded insurance coverage in any of the past three fiscal years. The RCTC 91 Express Lanes Enterprise fund has purchased commercial property insurance, including business interruption, earthquake and flood coverage related to the RCTC 91 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 position that applies to a future period and will not be recognized as an outflow of resources, or expenditure, until then. The Commission has nine items – loss on refunding of bonds, changes in pension assumptions, pension contributions subsequent to measurement date, differences between expected and actual pension experiences, differences between Commission's pension contributions and the proportionate share of pension contributions, pension changes in Commission's proportion, net differences between projected and actual earnings on pension plan investments, net differences between projected and actual earnings on OPEB plan investments, and OPEB contributions subsequent to measurement date—which qualify for 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 position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Commission has four items—changes in pension assumptions, pension changes in Commission's proportion, and differences between actual and expected pension experience, 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.

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 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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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.

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

Net investment in capital assets consists of capital and intangible 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 of \$1,591,110 allocated to Measure A in 2018 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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. Cash and Investments

Cash and investments at June 30, 2018 consist of the following:

	Unrestricted			Restricted	
	Cash	Investments	Total	Investments	Total
Cash in bank	\$ 14,901,566	\$ -	\$ 14,901,566	\$ -	\$ 14,901,566
Petty cash	1,018	-	1,018	-	1,018
RCPIF	-	544,244,040	544,244,040	-	544,244,040
Operations pooled investments	-	50,998,641	50,998,641	-	50,998,641
LAIF	-	3,709,410	3,709,410	-	3,709,410
Investments with fiscal agents	-	-	-	128,084,058	128,084,058
Total cash and investments	<u>\$ 14,902,584</u>	<u>\$ 598,952,091</u>	<u>\$ 613,854,675</u>	<u>\$ 128,084,058</u>	<u>\$ 741,938,733</u>

Total cash and investments are reported in the following funds:

Unrestricted cash and investments	
Governmental funds	\$ 579,904,612
Enterprise fund	<u>33,950,063</u>
Subtotal	613,854,675
Restricted cash and investments	
Governmental funds	98,255,313
Enterprise fund	<u>29,828,745</u>
Subtotal	<u>128,084,058</u>
Total cash and investments	<u>\$ 741,938,733</u>

Restricted investments at June 30, 2018 represent investments held by bond trustees for project costs and debt service.

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 significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Commission as of June 30, 2018:

		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:	June 30, 2018		
Investments subject to fair value hierarchy:			
U.S. Treasury obligations	\$ 51,547,232	\$ 32,592,124	\$ 18,955,108
U.S. agency securities	9,944,354	-	9,944,354
Commercial paper	7,473,190	-	7,473,190
Corporate notes	44,280,037	-	44,280,037
Money market mutual funds	19,072,093	-	19,072,093
Mortgage and asset-backed securities	37,481,816	-	37,481,816
Municipal bonds	9,283,977	-	9,283,977
Total investments measured at fair value	179,082,699	\$ 32,592,124	\$ 146,490,575
Investments not subject to fair value hierarchy:			
LAIF	3,709,410		
RCPIF	544,244,040		
Total investments	\$ 727,036,149		

Investments classified in Level 1 of the value hierarchy, valued at \$32,592,124 are valued using quoted prices in active markets.

U.S. Treasury obligations totaling \$18,955,108, U.S. agency securities totaling \$9,944,354, commercial paper totaling \$7,473,190, corporate notes totaling \$44,280,037, money market funds totaling \$19,072,093, mortgage and asset-backed securities totaling \$37,481,816, and municipal bonds totaling \$9,283,977 in 2018, 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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. Cash and Investments, Continued

As of June 30, 2018, the Commission had the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Year)
Unrestricted:					
RCPIF	\$ 544,244,040	\$ 547,259,829	0.726% - 3.1%	07/01/18 - 06/29/23	1.173
LAIF	3,709,410	3,716,371	1.07% - 1.90%	193 days	193 days or 0.529
Operations pooled investments:					
Corporate notes	12,701,450	12,805,765	1.319% - 8.108%	01/15/19 - 03/03/22	1.871
Money market mutual funds	247,009	247,010	0.000% - 1.502%	N/A	35 days or 0.096
Mortgage and asset-backed securities	4,906,830	4,953,431	1.169% - 3.519%	09/25/18 - 04/07/22	2.742
Municipal bonds	6,764,433	6,829,081	1.053% - 6.050%	11/01/18 - 03/01/22	1.688
U.S. agency securities	7,423,811	7,464,044	0.889% - 2.914%	06/27/19 - 09/06/22	2.176
U.S. Treasury obligations	18,955,108	19,090,007	1.267% - 2.635%	08/31/19 - 05/15/21	1.665
Total unrestricted investments	<u>\$ 598,952,091</u>	<u>\$ 602,365,538</u>			
			Unrestricted investment portfolio weighted average		1.493

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Year)
Restricted:					
Commercial paper	\$ 7,473,190	\$ 7,472,766	0.000% - 1.753%	07/02/18 - 07/13/18	0.017
Corporate notes	31,578,587	31,843,060	2.493% - 3.405%	07/15/18 - 06/11/21	2.334
Money market mutual funds	18,825,084	18,825,084	0.000% - 1.480%	N/A	35 days or 0.096
Mortgage and asset-backed securities	32,574,986	32,889,884	-3.395% - 5.963%	07/06/18 - 09/16/55	7.378
Municipal bonds	2,519,546	2,529,175	1.800% - 2.862%	08/01/18 - 11/15/52	23.966
U.S. agency securities	2,520,541	2,550,714	1.095% - 2.767%	07/02/18 - 01/13/22	0.912
U.S. Treasury obligations	32,592,124	32,870,190	0.613% - 2.809%	07/05/18 - 01/15/27	4.231
Total restricted investments	<u>\$ 128,084,058</u>	<u>\$ 128,980,873</u>			
			Restricted investment portfolio weighted average		5.548

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

As of June 30, 2018, mortgage and asset-backed securities totaled \$37,481,816. 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, except for \$16,592,399 which is rated AA+ by S&P.

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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. Cash and Investments, Continued

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 Commission has deposits with a bank balance of \$16,066,000 with a financial institution; 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 Depositary 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, 2018; 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	AAAf/S1	74.86%
LAIF	NR	NR	0.51%
Commercial paper			
Various	P-1	A-1	0.53%
Various	P-2	A-1	0.19%
Various	P-1	A-2	0.19%
Various	P-2	A-2	0.11%
Corporate			
Notes	A1	A	0.53%
Notes	A2	A	0.59%
Notes	A3	A	0.37%
Notes	Baa1	A	0.21%
Notes	Baa2	A	0.21%
Notes	A2	A-	0.23%
Notes	A3	A-	0.67%
Notes	Baa1	A-	0.15%
Notes	A1	A+	0.31%
Notes	AA2	A+	0.14%
Notes	AA3	A+	0.33%
Notes	A1	AA	0.14%
Notes	AA2	AA	0.14%
Notes	AA3	AA	0.06%
Notes	A1	AA-	0.44%
Notes	AA2	AA-	0.35%
Notes	AA3	AA-	0.02%
Notes	AA1	AA+	0.13%

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. Cash and Investments, Continued

Investments	Moody's	S&P	% of Portfolio
Notes	AAA	AA+	0.07%
Notes	AAA	AAA	0.10%
Notes	A3	BBB+	0.46%
Notes	Baa1	BBB+	0.21%
Notes	Aaa	NR	0.23%
Money market mutual funds			
Funds	Aaa	AAAm	2.59%
Funds	NR	NR	0.03%
Mortgage and asset-backed securities			
Securities	Aaa	AA+	2.28%
Securities	AAA	AAA	0.98%
Securities	NR	AAA	0.17%
Securities	NR	AAA	0.80%
Securities	AAA	NR	0.70%
Securities	NR	NR	0.07%
Securities	P-1	NR	0.16%
Municipal bonds			
Alameda County	AA1	AA	0.07%
California State University	AA2	AA-	0.02%
Colorado Housing and Finance Authority	Aaa	AAA	0.01%
City of Franklin	Aa2	NR	0.05%
Greater Orlando Aviation Authority	AA3	AA-	0.10%
Inland Valley California Development Agency Successor	NR	AA	0.03%
Los Angeles Community College District	Aa1	NR	0.11%
Los Angeles County	AA2	AA	0.01%
Los Angeles County Department of Airports	AA3	AA	0.03%
Los Angeles County Redevelopment	AA3	AA	0.04%
Maine State Housing Authority	Aa1	AA+	0.01%
North Dakota Housing Finance Agency	Aa1	NR	0.01%
Pasadena Unified School District	AA3	A+	0.03%
Sacramento Suburban Water District	NR	AA+	0.02%
San Diego Public Facilities Financing Authority	NR	AA-	0.10%
San Francisco Bay Area Rapid Transit District	NR	AA+	0.01%
San Francisco Redevelopment Agency	NR	AA-	0.04%
San Jose Redevelopment Agency	NR	AA	0.07%
San Marcos Redevelopment Agency	NR	AA-	0.01%
State of California	AA1	AA	0.01%
State of California	AA3	AA-	0.19%
State of California High Speed Passenger Train	AA3	AA-	0.05%
State of Mississippi	AA2	AA	0.01%
State of Texas	AAA	AAA	0.03%
State of New York	AA1	AA+	0.10%
The Port Authority of New York and New Jersey	AA3	AA-	0.03%
University of California	AA2	AA	0.05%
University of California	AA3	AA-	0.03%
Wisconsin Housing and Economic Development Authority	Aa2	AA	0.01%
U.S. agency notes			
Notes			1.37%
U.S. Treasuries			
Treasury			7.09%
Total			100.00%

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 2. 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, 2018, 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 has approved interest-bearing advances to other governments, which may be funded by debt proceeds, to the cities of Blythe, Canyon Lake, and Indio and the Coachella Valley Association of Governments (CVAG) in the amounts of \$1,500,000, \$600,000, \$4,000,000, and \$43,300,000, respectively. The cities have pledged their share of 2009 Measure A local streets and roads revenues, and CVAG has 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 cities of Blythe and Indio advances are due on or before September 1, 2019; the final maturity of the city of Canyon Lake advance is due on or before December 1, 2019; and 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 7) that may be received by CVAG to reduce its repayment obligations. The available advances to CVAG are \$0 as of June 30, 2018.

The outstanding interest-bearing advances, including capitalized interest of \$902,990, as of June 30, 2018 were as follows:

City of Blythe	\$ 266,395
City of Canyon Lake	116,503
City of Indio	759,430
Coachella Valley Associated Governments	24,417,058
Total interest-bearing advances receivable	<u>\$ 25,559,386</u>



Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

Governmental activities	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets not being depreciated:					
Land and land improvements	\$ 162,102,279	\$ 10,151,213	\$ (168,603)	\$ -	\$ 172,084,889
Construction in progress	58,061,858	99,752,154	-	(15,166,596)	142,647,416
Rail operating easements	63,846,199	-	-	-	63,846,199
Construction easements	1,167,671	22,000	-	-	1,189,671
Total capital assets not being depreciated	285,178,007	109,925,367	(168,603)	(15,166,596)	379,768,175
Capital assets being depreciated:					
Rail stations	191,036,556	1,216,597	-	-	192,253,153
Rail tracks	145,159,852	9,384,019	-	-	154,543,871
Construction easements	980,670	-	-	-	980,670
Buildings	3,315,135	-	-	-	3,315,135
Office improvements	94,332	211,179	-	-	305,511
Office furniture, equipment and vehicles	1,602,427	166,384	(26,129)	-	1,742,682
Total capital assets being depreciated	342,188,972	10,978,179	(26,129)	-	353,141,022
Less accumulated depreciation for:					
Rail stations	(53,106,668)	(6,489,540)	-	-	(59,596,208)
Rail tracks	(5,031,971)	(5,170,440)	-	-	(10,202,411)
Construction easements	(917,305)	(63,365)	-	-	(980,670)
Buildings	(27,627)	(187,236)	-	-	(214,863)
Office improvements	(85,949)	(14,008)	-	-	(99,957)
Office furniture, equipment and vehicles	(1,344,794)	(157,221)	26,129	-	(1,475,886)
Total accumulated depreciation	(60,514,314)	(12,081,810)	26,129	-	(72,569,995)
Total capital assets being depreciated, net	281,674,658	(1,103,631)	-	-	280,571,027
Governmental activities capital assets, net	\$ 566,852,665	\$ 108,821,736	\$ (168,603)	\$ (15,166,596)	\$ 660,339,202

Business-type activities	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets not being depreciated:					
Land and land improvements	\$ 44,658,207	\$ -	\$ (1,625,319)	\$ -	\$ 43,032,888
Construction in progress	-	174,151	-	-	174,151
Total capital assets not being depreciated	44,658,207	174,151	(1,625,319)	-	43,207,039
Capital assets being depreciated:					
Toll infrastructure	27,408,768	-	(2)	491,230	27,899,996
Transponders	122,506	331,313	-	-	453,819
Buildings	686,813	-	-	-	686,813
Office furniture, equipment and vehicles	18,428	7,032	-	-	25,460
Total capital assets being depreciated	28,236,515	338,345	(2)	491,230	29,066,088
Less accumulated depreciation for:					
Toll infrastructure	(1,337,706)	(5,350,824)	-	-	(6,688,530)
Transponders	(12,763)	(80,875)	-	-	(93,638)
Buildings	(202,004)	(40,401)	-	-	(242,405)
Office furniture, equipment and vehicles	(512)	(8,487)	-	-	(8,999)
Total accumulated depreciation	(1,552,985)	(5,480,587)	-	-	(7,033,572)
Total capital assets being depreciated, net	26,683,530	(5,142,242)	(2)	491,230	22,032,516
Business-type activities capital assets, net	\$ 71,341,737	\$ (4,968,091)	\$ (1,625,321)	\$ 491,230	\$ 65,239,555

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 4. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the Commission's governmental and business-type activities during the year ended June 30, 2018 as follows:

Governmental activities:	
General government	\$ 166,611
Commuter rail	11,664,598
Highway	250,601
Total depreciation expense – governmental activities	<u>\$ 12,081,810</u>
Business-type activities:	
RCTC 91 Express Lanes	\$ 5,480,587
Total depreciation expense – business-type activities	<u>\$ 5,480,587</u>

Note 5. Intangible Assets and Service Concession Arrangements

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 leasehold rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the RCTC 91 Express Lanes.

Intangible asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Transfers	Balance June 30, 2018
Toll facility franchise	\$ 235,251,748	\$ -	\$ 14,675,366	\$ 249,927,114
Less accumulated amortization	(1,176,259)	(4,705,035)	-	(5,881,294)
Total toll facility franchise, net	<u>\$ 234,075,489</u>	<u>\$ (4,705,035)</u>	<u>\$ 14,675,366</u>	<u>\$ 244,045,820</u>



RCTC 91 Express Lanes

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 6. Interfund Transactions

Due from/to other funds: The composition of balances related to due from other funds and due to other funds at June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Nonmajor Governmental funds	\$ 68,348	Fringe benefits allocation
General fund	Nonmajor Governmental funds	290,900	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	277,900	Administrative cost allocation
General fund	Measure A Western County Special Revenue fund	1,152,301	Administrative cost allocation
General fund	Measure A Coachella Valley Special Revenue fund	113,700	Administrative cost allocation
General fund	RCTC 91 Express Lanes Enterprise fund	211,100	Administrative cost allocation
General fund	Local Transportation Fund	37,900	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	39,685	Fringe benefits allocation
General fund	Measure A Western County Special Revenue fund	494,371	Fringe benefits allocation
General fund	Measure A Coachella Valley Special Revenue fund	301	Fringe benefits allocation
General fund	RCTC 91 Express Lanes Enterprise fund	83,409	Fringe benefits allocation
General fund	Nonmajor Governmental funds	3,588,432	Cash deficit
Measure A Western County Special Revenue fund	Bonds Capital Projects fund	9,062,890	Highway project costs allocations
Measure A Western County Special Revenue fund	Measure A Coachella Valley Special Revenue fund	108,564	Local streets and roads payment correction
Measure A Coachella Valley Special Revenue fund	Debt Service fund	159,403	Advance loan payment adjustment
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	235,942	Regional arterial project costs allocations
Local Transportation Fund	General fund	654,500	Administrative cost allocation reconciliation
Commercial Paper Capital Projects fund	Nonmajor Governmental funds	39,368	Advance loan payment adjustment
Commercial Paper Capital Projects fund	Measure A Coachella Valley Special Revenue fund	546,376	Advance loan payment adjustment
Bonds Capital Projects fund	Measure A Coachella Valley Special Revenue fund	67,894	Advance loan payment adjustment
Nonmajor Governmental funds	Nonmajor Governmental funds	1,426,800	Call box program augmentation of freeway service patrol operations
Total due from/to other funds		<u>\$ 18,660,084</u>	

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 6. Interfund Transactions, Continued

Interfund transfers: During 2018, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
General fund	Local Transportation Fund	\$ 654,500	Administrative cost allocation reconciliation
Measure A Western County Special Revenue fund	General fund	7,500,000	Commuter rail costs allocations
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	235,942	Highway project costs allocations
Measure A Western County Special Revenue fund	Debt Service fund	64,072,323	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	Bonds Capital Projects fund	8,700,000	TIFIA ramp-up for I-15 Express Lanes project
Local Transportation Fund	General fund	21,049,875	Administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs allocations
Commercial Paper Capital Projects fund	Debt Service fund	3,530,610	Debt service related to advance agreements for Coachella Valley and Palo Verde Valley jurisdictions
Commercial Paper Capital Projects fund	Measure A Western County Special Revenue fund	23,465,277	Highway project costs allocations
Bonds Capital Projects fund	Measure A Western County Special Revenue fund	135,083,914	Highway project costs allocations
Bonds Capital Projects fund	Measure A Western County Special Revenue fund	1,449,936	Cost of issuance related to the 2017A Sales Tax Bonds and 2017B and 2018 Refunding Bonds
Bonds Capital Projects fund	Commercial Paper Capital Projects fund	30,000,000	Transfer of bond proceeds for retirement of outstanding commercial paper notes
Bonds Capital Projects fund	Debt Service fund	409,241	Debt service related to advance agreements for Coachella Valley and Palo Verde Valley jurisdictions
Debt Service fund	Measure A Western County Special Revenue fund	2,785,294	Cash subsidies available after debt service payment
Debt Service fund	Measure A Coachella Valley Special Revenue fund	159,403	Share of cash subsidy related to CVAG advance agreement
Nonmajor Governmental funds	Nonmajor Governmental funds	226,800	Coachella Valley commuter rail costs allocations
Nonmajor Governmental funds	Nonmajor Governmental funds	1,083,600	Call box program augmentation of freeway service patrol operations
RCTC 91 Express Lanes Enterprise fund	Bonds Capital Projects fund	216,955	Excess interest earnings
Total transfers		<u>\$ 300,623,670</u>	

In connection with the substantial completion of the 91 Project in March 2017 and the commencement of toll operations on the RCTC 91 Express Lanes, the Commission transferred \$15,166,596 of capital and intangible costs from the governmental activities to the RCTC 91 Express Lanes Enterprise fund.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations

The following is a summary of the changes in long-term obligations for the year ended June 30, 2018:

Governmental activities	Balance June 30, 2017	Additions / Accretion	Reductions	Balance June 30, 2018	Due Within One Year
Sales tax revenue bonds:					
2009 Bonds	\$ 70,800,000	\$ -	\$ (70,800,000)	\$ -	\$ -
2010 Bonds	150,000,000	-	(37,630,000)	112,370,000	-
2013 Bonds	462,200,000	-	(395,405,000)	66,795,000	12,090,000
2016 Refunding Bonds	73,240,000	-	(4,705,000)	68,535,000	4,940,000
2017 Bonds, series A	-	158,760,000	(3,710,000)	155,050,000	4,470,000
2017 Refunding Bonds, series B	-	392,730,000	-	392,730,000	-
2018 Refunding Bonds	-	64,285,000	(745,000)	63,540,000	4,465,000
Commercial Paper	30,000,000	-	(30,000,000)	-	-
Total bonds payable	786,240,000	615,775,000	(542,995,000)	859,020,000	25,965,000
Sales tax revenue bonds discount	(507,162)	-	507,162	-	-
Sales tax revenue bonds premium	37,183,286	119,713,807	(28,106,826)	128,790,267	11,841,860
Total bonds payable, net	822,916,124	735,488,807	(570,594,664)	987,810,267	37,806,860
MSHCP funding liability	9,000,000	-	(3,000,000)	6,000,000	3,000,000
Capital lease	28,939	-	(20,974)	7,965	7,967
Compensated absences liability	880,901	36,623	(23,702)	893,822	332,237
Total long-term obligations	\$ 832,825,964	\$ 735,525,430	\$ (573,639,340)	\$ 994,712,054	\$ 41,147,064

Business-type activities	Balance June 30, 2017	Additions / Accretion	Reductions	Balance June 30, 2018	Due Within One Year
Toll revenue bonds:					
2013 Bonds	\$ 192,070,770	\$ 4,525,846	\$ -	\$ 196,596,616	\$ -
Toll revenue bonds discount	(2,147,519)	-	73,073	(2,074,446)	-
Total bonds payable, net	189,923,251	4,525,846	73,073	194,522,170	-
TIFIA loan	438,628,419	15,352,447	-	453,980,866	-
Compensated absences liability	16,238	109,110	(70,616)	54,732	19,156
Total long-term obligations	\$ 628,567,908	\$ 19,987,403	\$ 2,457	\$ 648,557,768	\$ 19,156

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

The Commission has pledged a portion of future sales tax revenues through maturities of the bonds to repay \$859,020,000 in sales tax revenue bonds payable issued in November 2010 (2010 Bonds), July 2013 (2013 Sales Tax 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, 2018 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 less than 38% of 2009 Measure A revenues. For the current year, interest paid on the bonds and commercial paper notes was \$43,039,543 and \$37,485, respectively. Cash subsidies of \$2,785,292 related to the bonds were received from the U.S. Treasury during the current year and were recorded as intergovernmental revenues.

The toll revenue bonds issued in July 2013 (2013 Toll Bonds) are secured by a senior lien on the trust estate, which consists primarily of toll revenues and account revenues less operating and maintenance expenses of the RCTC 91 Express Lanes, which opened in March 2017. The Commission also executed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement for up to \$421,054,409 in July 2013 secured on a subordinate basis to the 2013 Toll Bonds, except in the case of any bankruptcy related event, as defined in the toll indenture and TIFIA loan agreement, when the TIFIA loan automatically becomes a senior lien obligation. The TIFIA loan is evidenced by a toll revenue bond issued pursuant to the toll bond indentures; the amount outstanding under the TIFIA loan at June 30, 2018 is \$453,980,866, including compounded interest of \$32,926,457.

Additionally, 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 I-15 Express Lanes, which are expected to open in 2020. No amounts are outstanding under the TIFIA loan at June 30, 2018.

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, 2018:

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>

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

During 2018 the cash subsidy related to the 2010 Bonds that was received from the U.S. Treasury was approximately \$2,785,300, or \$196,800 less than the amount anticipated. The subsidy reduction resulted from federal sequestration cuts of 6.6% for federal fiscal year ended September 30, 2018. The federal sequestration cuts may continue for an unknown duration.

In accordance with the bond maturity schedule, and assuming no subsidy reduction, 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
2019	\$ -	\$ 7,649,000	\$ 7,649,000	\$ (2,982,100)	\$ 4,666,900
2020	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2021	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2022	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2023	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2024-2028	-	38,245,200	38,245,200	(14,910,500)	23,334,700
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	(9,470,700)	93,266,800
2039	17,980,000	1,223,900	19,203,900	(551,200)	18,652,700
	<u>\$ 112,370,000</u>	<u>\$ 138,810,700</u>	<u>\$ 251,180,700</u>	<u>\$ (54,740,800)</u>	<u>\$ 196,439,900</u>

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

Outstanding

In July 2013, the Commission issued \$462,200,000 principal amount of serial bonds at a premium of \$38,328,775 to retire all, or \$60,000,000, of the outstanding principal amount of commercial paper notes, fund a portion of the 91 Project costs, pay capitalized interest during construction, and pay cost of issuance. In December 2017, the Commission refunded the callable portion of the outstanding 2013 Sales Tax Bonds. The remaining 2013 Sales Tax Bonds mature in annual installments ranging from \$12,090,000 to \$14,695,000 on various dates from June 1, 2019 through June 1, 2023 at an interest rate of 5.00%.

\$ 66,795,000

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

Year Ending June 30	Principal	Interest	Total
2019	\$ 12,090,000	\$ 3,339,800	\$ 15,429,800
2020	12,690,000	2,735,300	15,425,300
2021	13,325,000	2,100,800	15,425,800
2022	13,995,000	1,434,500	15,429,500
2023	14,695,000	734,600	15,429,600
	<u>\$ 66,795,000</u>	<u>\$ 10,345,000</u>	<u>\$ 77,140,000</u>

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

2016 Sales Tax Revenue Refunding 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 with Deutsche Bank AG (Deutsche Bank), and pay costs of issuance. The outstanding 2016 Refunding Bonds mature in annual installments ranging from \$4,940,000 to \$7,305,000 on various dates from June 1, 2019 through June 1, 2029 at interest rates ranging from 2.00% to 5.00%.

\$ 68,535,000

In accordance with the bond maturity schedule, 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
2019	\$ 4,940,000	\$ 2,513,100	\$ 7,453,100
2020	5,185,000	2,266,100	7,451,100
2021	5,445,000	2,006,900	7,451,900
2022	5,720,000	1,734,600	7,454,600
2023	6,005,000	1,448,600	7,453,600
2024-2028	33,935,000	3,335,200	37,270,200
2029	7,305,000	146,100	7,451,100
	<u>\$ 68,535,000</u>	<u>\$ 13,450,600</u>	<u>\$ 81,985,600</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 \$4,470,000 to \$11,440,000 on various dates from June 1, 2019 to June 1, 2039 at interest rates ranging from 3.00% to 5.00%.

\$ 155,050,000

In accordance with the bond maturity schedule, 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
2019	\$ 4,470,000	\$ 7,545,500	\$ 12,015,500
2020	4,690,000	7,322,000	12,012,000
2021	4,835,000	7,181,300	12,016,300
2022	5,075,000	6,939,600	12,014,600
2023	5,280,000	6,736,600	12,016,600
2024-2028	30,620,000	29,450,100	60,070,100
2029-2033	39,050,000	21,022,800	60,072,800
2034-2038	49,590,000	10,477,100	60,067,100
2039-2043	11,440,000	572,000	12,012,000
	<u>\$ 155,050,000</u>	<u>\$ 97,247,000</u>	<u>\$ 252,297,000</u>

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

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
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 \$30,980,000 on various dates from June 1, 2024 to June 1, 2039 at interest rates ranging from 4.00% to 5.00%.	
	<u>\$ 392,730,000</u>

In accordance with the bond maturity schedule, 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
2019	\$ -	\$ 19,366,400	\$ 19,366,400
2020	-	19,366,400	19,366,400
2021	-	19,366,400	19,366,400
2022	-	19,366,300	19,366,300
2023	-	19,366,300	19,366,300
2024-2028	83,140,000	88,923,000	172,063,000
2029-2033	143,745,000	62,225,000	205,970,000
2034-2038	134,865,000	27,783,300	162,648,300
2039-2043	30,980,000	1,549,000	32,529,000
	<u>\$ 392,730,000</u>	<u>\$ 277,312,100</u>	<u>\$ 670,042,100</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, 2018, the unamortized deferred amount on refunding was \$37,948,048. The transaction also resulted in an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of approximately \$39,936,000 and a reduction in future debt payments of approximately \$52,013,000.

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 outstanding 2018 Refunding Bonds mature in annual installments ranging from \$4,465,000 to \$7,290,000 on various dates from June 1, 2019 through June 1, 2029 at interest rates ranging from 4.00% to 5.00%.	
	<u>\$ 63,540,000</u>

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

In accordance with the bond maturity schedule, 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
2019	\$ 4,465,000	\$ 3,177,000	\$ 7,642,000
2020	4,680,000	2,953,800	7,633,800
2021	4,890,000	2,719,800	7,609,800
2022	5,205,000	2,475,200	7,680,200
2023	5,425,000	2,215,000	7,640,000
2024-2028	31,585,000	6,713,700	38,298,700
2029-2033	7,290,000	364,500	7,654,500
	<u>\$ 63,540,000</u>	<u>\$ 20,619,000</u>	<u>\$ 84,159,000</u>

This refunding was undertaken to eliminate certain risks associated with managing the Commission's variable rate debt. The transaction resulted in a decrease in future debt payments of approximately \$802,000 and an economic gain of approximately \$746,000 (difference between the present value of the debt service payments on the old debt and the new debt). The reacquisition price and the net carrying amount of the old debt were the same.

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 May 2017, the Commission authorized the issuance and sale of not to exceed \$165,000,000 of toll revenue bonds, including a TIFIA loan related to the I-15 Express Lanes project.

2013 Toll Revenue Bonds, Series A (Current Interest Obligation):

Outstanding

In July 2013, the Commission issued \$123,825,000 principal amount of serial current interest bonds (CIBs) at a discount of \$2,433,315 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. The CIBs consist of a serial bond maturing on June 1, 2044 in the amount of \$39,315,000 at an interest rate of 5.75% and a term bond due on June 1, 2048 in the amount of \$84,510,000 with annual sinking funds payments of \$42,255,000 on June 1, 2047 and June 1, 2048 at an interest rate of 5.75%.

\$ 123,825,000

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

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

Year Ending June 30	Principal	Interest	Total
2019	\$ -	\$ 7,119,900	\$ 7,119,900
2020	-	7,119,900	7,119,900
2021	-	7,119,900	7,119,900
2022	-	7,119,900	7,119,900
2023	-	7,119,900	7,119,900
2024-2028	-	35,599,700	35,599,700
2029-2033	-	35,599,700	35,599,700
2034-2038	-	35,599,700	35,599,700
2039-2043	-	35,599,700	35,599,700
2044-2048	123,825,000	24,127,700	147,952,700
	<u>\$ 123,825,000</u>	<u>\$ 202,126,000</u>	<u>\$ 325,951,000</u>

2013 Toll Revenue Bonds, Series B (Capital Appreciation Obligation):

Outstanding

In July 2013, the Commission issued \$52,829,600 principal amount of serial capital appreciation bonds (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. The CABs will not pay current interest as interest will be compounded commencing December 2013 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 \$3,440,000 to \$34,220,000 on various dates from June 1, 2022 through June 1, 2043. Interest rates and yield to maturity range from 5.30% to 7.15%. During 2018, the accretion amount was \$4,525,846.

\$ 72,771,616

In accordance with the bond maturity schedule, 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	Accreted Interest	Total
2022	\$ 2,396,700	\$ 1,423,300	\$ 3,820,000
2023	3,098,000	2,231,900	5,329,900
2024-2028	18,364,800	22,490,300	40,855,100
2029-2033	15,215,000	34,850,000	50,065,000
2034-2038	1,963,300	6,196,700	8,160,000
2039-2043	11,791,800	78,458,200	90,250,000
	<u>\$ 52,829,600</u>	<u>\$ 145,650,400</u>	<u>\$ 198,480,000</u>

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

2013 TIFIA Loan Agreement - 91 Project:

Outstanding

In July 2013, the Commission executed a TIFIA loan of up to \$421,054,409, which proceeds financed a portion of the costs for the 91 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, 2021, which is five years after substantial completion of the 91 Project, through June 1, 2051. The interest rate of the TIFIA loan is 3.47%.

\$ 453,980,866

The TIFIA loan is a toll revenue bond that is subordinate to the senior toll revenue bonds per the 91 Project indenture.

In accordance with the TIFIA loan maturity schedule, the approximate annual mandatory debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

Year ending June 30	Mandatory		
	Principal	Interest	Total
2022	\$ -	\$ 1,921,000	\$ 1,921,000
2023	-	1,921,000	1,921,000
2024-2028	-	23,604,000	23,604,000
2029-2033	200,000	73,743,000	73,943,000
2034-2038	97,548,000	81,787,000	179,335,000
2039-2043	99,208,000	61,359,000	160,567,000
2044-2048	177,427,000	41,287,000	218,714,000
2049-2051	128,955,000	6,519,000	135,474,000
Total	503,338,000	\$ 292,141,000	\$ 795,479,000
Future compounded interest	(49,357,100)		
Total TIFIA loan	\$ 453,980,900		

Pursuant to the 91 Project toll indenture and TIFIA loan agreement, the Commission deposited with the trustee \$136,451,515 through 2017 into an equity account for payment of 91 Project costs.

In connection with the issuance of the 2013 Toll Bonds consisting of the CIBs and CABs, a debt service reserve of \$17,665,460 and an operations and maintenance fund of \$3,137,666 were established. Additionally, the toll indenture and TIFIA loan agreement require the Commission to establish a subordinate obligations reserve fund of \$20,000,000 with Measure A sales tax revenues no later than July 1, 2019, to the extent that the proceeds from the sales of excess right of way acquired by the Commission in connection with the 91 Project are insufficient.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

2017 TIFIA Loan Agreement - I-15 Express Lanes:	Outstanding
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, 2053. The interest rate of the TIFIA loan is 2.84%. During 2018, there were no draws on the TIFIA loan.	\$ -

The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes project indenture.

Pursuant to the I-15 Express Lanes project toll indenture, the Commission will establish the following to support the I-15 Express Lanes:

- A \$16.5 million ramp-up reserve prior to substantial completion and commencement of express lanes operations anticipated in 2020;
- An \$18 million TIFIA loan reserve from an initial loan of Measure A sales tax revenues up to \$3 million per year from 2019 through 2024 to the extent that I-15 Express Lanes revenues are not sufficient to fund the TIFIA loan reserve; 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 I-15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest.

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, 2018, \$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%.

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 2019. The commitment fees paid to State Street were \$241,368 in 2018.

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, 2018, nor were there any amounts outstanding under the remaining letter of credit agreement at June 30, 2018.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

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.

Capital lease obligation: The Commission has entered into a lease agreement for financing the acquisition of office equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments. The office equipment book value of \$78,606 is recorded as a capital asset in the governmental activities. Total future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

Year Ending June 30	Total
2019	\$ 8,298
Total minimum lease payments	8,298
Less amount representing interest	(333)
Present value of minimum lease payments	<u>\$ 7,965</u>

Interest rate swaps: As a means to achieve a greater level of interest rate stability, specifically rising interest rates that would negatively impact cash flows, the Commission entered into two forward-starting interest rate swaps in August 2006 for a total original notional amount of \$185,000,000 whereby it swapped obligations to pay fixed rates for those that pay a floating rate. The swaps were part of a synthetic fixed rate financing with the Commission's 2009 Bonds. The floating rate receipts under the swaps corresponded to the floating rate payments on the 2009 Bonds. The fixed rate payment remained for the Commission as its primary interest obligation.

The counterparty for the first swap (\$100,000,000 original notional amount) was Bank of America, N.A. (Bank of America), and the counterparty for the second swap (\$85,000,000 original notional amount) was Deutsche Bank. Under the swap agreements which became effective on October 1, 2009, the Commission paid Bank of America and Deutsche Bank (Counterparties or each a Counterparty) a fixed rate of 3.679% and 3.206%, respectively, for twenty years, the term of the 2009 Bonds; the Counterparties paid the Commission a floating rate equal to 67% of the one-month London Interbank Offer Rate (LIBOR).

In September 2016, the Commission terminated the swap with Deutsche Bank and paid a termination payment of \$10,292,000. In March 2018, the Commission terminated the swap with Bank of America and paid a termination payment of \$7,526,000.

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, 2018.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 7. Long-term Obligations, Continued

MSHCP funding liability: Under the 2009 Measure A, the Commission is required to provide \$153,000,000 of Measure A funding under the Western County MSHCP. Through the current year, the Commission has fulfilled approximately \$147,000,000 of the funding requirement. In March 2012, the Commission authorized a \$24,000,000 commitment to the Western Riverside County Regional Conservation Authority (RCA) to provide funding for its remaining obligation to the MSHCP for its covered activities. Under the terms of the agreement, the commitment will be paid over eight years at \$3,000,000 per year through December 2019. However, if, within the first two years of the agreement, the RCA received a federal loan guarantee related to the MSHCP or its revenues have returned to 2005 levels, the Commission may modify its commitment. The Commission did not modify its commitment within the first two-year period, and, accordingly, the remaining liability of \$6,000,000 is recorded as a liability in the government-wide financial statements.

Note 8. Net Position and Fund Balances

Net position: Net investment in capital assets of \$242,828,909, as reported on the statement of net position, represents capital and intangible assets, net of accumulated depreciation and amortization, of \$969,624,577 less the related debt of \$726,795,668. 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.

Net Investment in Capital Assets	Governmental Activities	Business-Type Activities	Total
Capital assets, net	\$ 660,339,202	\$ 309,285,375	\$ 969,624,577
Less: related debt	(131,161,102)	(595,634,566)	(726,795,668)
Total	\$ 529,178,100	\$ (286,349,191)	\$ 242,828,909

Additionally, the statement of net position reports \$809,983,609 of restricted net position, of which \$485,734,398 is restricted by enabling legislation.

Fund balances:

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 Measure A 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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 8. Net Position and Fund Balances, Continued

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 Geronio 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 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.

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, 2018 are as follows:

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 8. Net Position and Fund Balances, Continued

	Local Transportation Fund	State Transit Assistance	State of Good Repair	Total
Bicycle and pedestrian facilities	\$ 7,565,006	\$ -	\$ -	\$ 7,565,006
Transit and specialized transportation Western County:				
Bus transit:				
City of Banning	-	324,506	2,328	326,834
City of Beaumont	4,221	1,693,431	19,122	1,716,774
City of Corona	-	1,301,586	4,848	1,306,434
City of Riverside	-	255,690	3,995	259,685
Riverside Transit Agency	3,126,866	6,093,543	159,505	9,379,914
Apportioned and unallocated	65,373,121	39,907,169	1,967,334	107,247,624
Commuter rail:				
Commission	2,000,000	-	197,812	2,197,812
Apportioned and unallocated	11,985,261	22,298,020	554,889	34,838,170
Total Western County	82,489,469	71,873,945	2,909,833	157,273,247
Coachella Valley:				
SunLine Transit Agency	82,138	14,094,513	141,155	14,317,806
Commuter Rail	-	(30,809)	-	(30,809)
Apportioned and unallocated	10,649,567	2,051,934	612,966	13,314,467
Total Coachella Valley	10,731,705	16,115,638	754,121	27,601,464
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	49,069	1,208	50,277
Apportioned and unallocated for transit and local streets and roads	1,133,716	104,689	34,230	1,272,635
Total Palo Verde Valley	1,133,716	153,758	35,438	1,322,912
Unapportioned funds	8,515,958	-	-	8,515,958
Total transit and specialized transportation	\$ 110,435,854	\$ 88,143,341	\$ 3,699,392	\$ 202,278,587

Commuter rail: Restricted fund balance in the General fund represents 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.

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

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 8. Net Position and Fund Balances, Continued

Motorist assistance: Funds in the Service Authority for Freeway Emergencies and Freeway Service Patrol Special Revenue funds, which are reported as nonmajor governmental funds, of \$740,055 and \$8,498,902, 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.

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.

Unassigned: A nonmajor governmental fund reported a negative unassigned fund balance of \$268,754.

Note 9. Commitments and Contingencies

Operating lease: The Commission has entered into an operating lease agreement for office facilities. The term of the lease, as amended, is for a period of 10 years expiring in October 2027. Rental expenditures for the fiscal year ended June 30, 2018 were approximately \$423,700.

Year Ending June 30	Amount
2019	\$ 541,454
2020	557,698
2021	574,429
2022	591,662
2023	609,412
2024-2027	2,626,037
Total minimum rental commitment	<u>\$ 5,500,692</u>

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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

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 \$15,405,400 and \$3,313,388 during 2018 for its share of Metrolink operating and capital costs, respectively. As of June 30, 2018, cumulative capital contributions were \$51,181,486. Other funds for 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 One Gateway Plaza, 12th Floor, Los Angeles, California 90012.

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 2018 the Commission contributed \$0 for administration efforts.

Riverside Orange Corridor Authority cooperative agreement: In May 2006 the Commission entered into a cooperative agreement, Riverside Orange Corridor Authority, with OCTA and the Transportation Corridor Agencies to jointly exercise the common powers of the parties to manage geotechnical studies regarding the Riverside Orange Corridor, which have been completed. The Commission was the recipient and administering entity of federal and state funds as necessary to accomplish this work, and the three agencies shared in meeting the local agency matching requirements. As of June 30, 2018, the Commission was not required to make any contributions.

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 Cofiroute USA, LLC (Cofiroute), as the operator, for the operations of the 91 Express Lanes. This will ensure 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. Cofiroute provides operating services in the annual amount of \$6,942,600 plus inflation for three initial years with two one-year extension options, subject to Board of Commissioners approval. Cofiroute is responsible for the day-to-day operations of the toll facility. The agreement with Cofiroute expires on June 30, 2021.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 11. Employees' Pension Plans

General Information about the CalPERS Pension Plan: The Commission contracts with the 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.

The Plan provisions and benefits in effect at June 30, 2018, 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%	7.25%
Required Commission contribution rates	14.053%	7.262%

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.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 11. Employees' Pension Plans, Continued

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan were as follows:

Miscellaneous	
Contributions - Commission	\$ 1,308,877
Contributions - Employee	440,294

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

As of June 30, 2018, 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	\$ 8,721,456

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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 is as follows:

Miscellaneous	
Proportion - June 30, 2016	0.08829%
Proportion - June 30, 2017	0.08794%
Change - Increase (Decrease)	(0.00035%)

For the year ended June 30, 2018, the Commission recognized pension expense of \$2,489,767. At June 30, 2018, 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	\$ 1,308,877	\$ -
Differences between actual and expected experiences	11,127	159,413
Changes in assumptions	1,380,582	105,271
Differences between contributions and the proportionate share of contributions	487,589	-
Changes in Commission's proportion	875,084	58,164
Net differences between projected and actual earnings on plan investments	312,231	-
Total	\$ 4,375,490	\$ 322,848

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 11. Employees' Pension Plans, Continued

The \$1,308,877 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 year ending June 30, 2018. 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	
2019	\$ 1,106,312
2020	1,121,208
2021	701,623
2022	(185,378)
	<u>\$ 2,743,765</u>

Actuarial Assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Miscellaneous	
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15% net of pension plan investment and administrative expenses, includes inflation
Mortality	Derived using CalPERS' membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2016 actuarial experience study for the period 1998 to 2012. Further details of the experience study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the Plan compared to 7.65% in 2017 due to a decrease in the long-term expected rate of return. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. The long-term expected rate of return was 7.15% for the Plan compared to 7.50% in 2017.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 11. Employees' Pension Plans, Continued

In determining the long-term expected rate of return, CalPERS took into account 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 single equivalent expected rate 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	4.90%	5.38%
Global Debt Securities	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
Total	100%		

(a) An expected inflation rate of 2.5% used for this period.

(b) An expected inflation rate of 3.0% used for this period.

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

Miscellaneous	
1% Decrease	6.15%
Net Pension Liability	\$13,272,247
Current Discount Rate	7.15%
Net Pension Liability	\$8,721,456
1% Increase	8.15%
Net Pension Liability	\$4,952,408

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

Payable to the Pension Plan - At June 30, 2018, the Commission reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 11. Employees' Pension Plans, Continued

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 \$5,653,205. The Commission's contributions to the Plan were \$420,746 for the year ended June 30, 2018.

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

Plan description - The Commission's OPEB plan through the CERBT, is a single-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 is currently at \$600. 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, 2018 are as follows:

Inactive employees or beneficiaries currently receiving benefit payments	16
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	47
Total	<u>63</u>

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, 2018, the Commission's average contribution rate was 12.4% of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability - The Commission's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions - The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 12. Postemployment Benefits Other Than Pensions (OPEB), Continued

Actuarial Assumptions	June 30, 2016 Measurement Date
Inflation	2.75% per annum
Salary increases	3.00% aggregate
Investment rate of return	6.00%
Healthcare cost trend rates	Non-Medicare: 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare: 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years

Mortality rates are based on projected fully generational with Scale MP-16.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation Strategy 2	Expected Real Rate of Return
Global equity	40%	4.82%
Fixed income	39%	1.47%
TIPS	10%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed long-term rate of inflation		2.75%
Expected long-term net rate of return		6.00%

Discount rate – The discount rate to measure the total OPEB liability was 6.00%. 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 liability.

Changes in the Net OPEB Liability – The changes in the net OPEB liability from the measurement date of June 30, 2016 to June 30, 2017 are as follows:

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 12. Postemployment Benefits Other Than Pensions (OPEB), Continued

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2016 (measurement date)	\$ 5,911,000	\$ 5,235,000	\$ 676,000
Changes for the year:			
Service cost	449,000	-	449,000
Interest	377,000	-	377,000
Contributions – employer	-	666,000	(666,000)
Net investment income	-	597,000	(597,000)
Benefit payments	(172,000)	(172,000)	-
Administrative expense	-	(3,000)	3,000
Net changes	654,000	1,088,000	(434,000)
Balances at June 30, 2017 (measurement date)	\$ 6,565,000	\$ 6,323,000	\$ 242,000

Sensitivity of the net OPEB liability to changes in the discount rate – The following table presents the Commission's net OPEB liability, 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	5.00%
Net OPEB Liability	\$1,249,000
Current Discount Rate	6.00%
Net OPEB Liability	\$242,000
1% Increase	7.00%
Net OPEB Asset	(\$574,000)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following table presents the net OPEB liability 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	(\$655,000)
Current Healthcare Trend Rate	Current Trend
Net OPEB Liability	\$242,000
1% Increase	1% Increase
Net OPEB Liability	\$1,346,000

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial reports.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2018, the Commission recognized OPEB expense of \$488,000. At June 30, 2018 the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Riverside County Transportation Commission
Notes to Financial Statements
June 30, 2018

Note 12. Postemployment Benefits Other Than Pensions (OPEB), Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 725,000	\$ -
Net differences between projected and actual earnings on plan investments	124,800	214,400
Total	<u>\$ 849,800</u>	<u>\$ 214,400</u>

The \$725,000 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 year ending June 30, 2019. 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	
2019	\$ (12,000)
2020	(12,000)
2021	(14,000)
2022	(51,600)
	<u>\$ (89,600)</u>

Payable to the OPEB Plan – At June 30, 2018 the Commission reported a payable of \$0 for the outstanding amount of contributions to CERBT required for the year ended June 30, 2018.

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. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2018 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 83, *Certain Assets Retirement Obligations*, effective for fiscal years beginning after June 15, 2018;
- GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018;
- GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019;
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for fiscal years beginning after June 15, 2018; and
- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019.



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

Moreno Valley/March Field Metrolink Station



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, 2018

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 8,702,400	\$ 8,775,987	\$ 5,674,843	\$ (3,101,144)
Investment income	76,400	76,400	138,417	62,017
Other	293,200	293,200	286,647	(6,553)
Total revenues	9,072,000	9,145,587	6,099,907	(3,045,680)
Expenditures				
Current:				
General government	7,554,400	7,756,200	11,699	7,744,501
Commuter rail	30,594,900	30,520,600	22,682,717	7,837,883
Planning and programming	8,690,400	8,689,800	3,433,172	5,256,628
Transit and specialized transportation	516,300	559,100	498,790	60,310
Total programs	47,356,000	47,525,700	26,626,378	20,899,322
Debt service:				
Principal	-	21,000	20,974	26
Interest	-	4,000	3,884	116
Total debt service	-	25,000	24,858	142
Capital outlay	1,040,000	997,400	429,652	567,748
Total expenditures	48,396,000	48,548,100	27,080,888	21,467,212
Excess (deficiency) of revenues over (under) expenditures	(39,324,000)	(39,402,513)	(20,980,981)	18,421,532
Other financing sources (uses)				
Transfers in	39,411,600	41,103,600	28,549,875	(12,553,725)
Transfers out	(1,551,800)	(1,551,800)	(654,500)	897,300
Total other financing sources (uses)	37,859,800	39,551,800	27,895,375	(11,656,425)
Net change in fund balances	\$ (1,464,200)	\$ 149,287	6,914,394	\$ 6,765,107
Fund balances at beginning of year			19,126,100	
Fund balances at end of year			<u>\$ 26,040,494</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, 2018

	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	\$ 136,042,000	\$ 139,907,000	\$ 136,852,833	\$ (3,054,167)	\$ 38,923,000	\$ 40,029,000	\$ 38,512,321	\$ (1,516,679)
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	74,012,900	74,912,900	68,412,271	(6,500,629)	-	-	-	-
Investment income	623,300	623,300	2,474,963	1,851,663	112,300	112,300	434,803	322,503
Other	1,828,500	1,828,500	2,515,887	687,387	-	-	-	-
Total revenues	212,506,700	217,271,700	210,255,954	(7,015,746)	39,035,300	40,141,300	38,947,124	(1,194,176)
Expenditures								
Current:								
General government	1,747,300	1,064,800	954,199	110,601	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	1,487	1,687	(200)	-	-	-	-
Commuter assistance	3,368,000	4,148,100	3,647,662	500,438	-	-	-	-
Commuter rail	46,308,500	46,715,300	14,118,997	32,596,303	-	-	-	-
Highways	304,134,400	294,074,713	164,579,201	129,495,512	30,008,500	30,464,500	15,984,413	14,480,087
Local streets and roads	38,311,500	39,150,500	39,223,884	(73,384)	13,589,300	13,880,300	13,479,312	400,988
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	3,668,100	8,673,300	6,158,736	2,514,564	-	-	-	-
Transit and specialized transportation	7,865,500	7,712,100	6,184,197	1,527,903	5,000,000	5,153,400	5,366,000	(212,600)
Total programs	405,403,300	401,540,300	234,868,563	166,671,737	48,597,800	49,498,200	34,829,725	14,668,475
Capital outlay	3,940,000	5,221,300	2,177,199	3,044,101	-	-	-	-
Total expenditures	409,343,300	406,761,600	237,045,762	169,715,838	48,597,800	49,498,200	34,829,725	14,668,475
Excess (deficiency) of revenues over (under) expenditures	(196,836,600)	(189,489,900)	(26,789,808)	162,700,092	(9,562,500)	(9,356,900)	4,117,399	13,474,299
Other financing sources (uses)								
Debt issuance	88,000,000	81,810,000	-	(81,810,000)	-	-	-	-
Transfers in	156,715,900	157,305,900	162,784,421	5,478,521	188,000	188,000	159,403	(28,597)
Transfers out	(113,591,000)	114,551,100	(80,508,265)	(195,059,365)	(124,800)	(399,400)	-	399,400
Total other financing sources (uses)	131,124,900	353,667,000	82,276,156	(271,390,844)	63,200	(211,400)	159,403	370,803
Net change in fund balances	\$ (65,711,700)	\$ 164,177,100	55,486,348	\$ (108,690,752)	\$ (9,499,300)	\$ (9,568,300)	4,276,802	\$ 13,845,102
Fund balances at beginning of year			221,510,954				47,791,274	
Fund balances at end of year			<u>\$ 276,997,302</u>				<u>\$ 52,068,076</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, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ 88,000,000	\$ 91,000,000	\$ 89,557,646	\$ (1,442,354)
Transportation Uniform Mitigation Fee	21,250,000	22,250,000	23,699,764	1,449,764	-	-	-	-
Intergovernmental	-	-	1,314,998	1,314,998	-	-	185	185
Investment income	390,600	390,600	664,023	273,423	435,300	435,300	825,116	389,816
Other	-	-	25,155	25,155	-	-	-	-
Total revenues	21,640,600	22,640,600	25,703,940	3,063,340	88,435,300	91,435,300	90,382,947	(1,052,353)
Expenditures								
Current:								
General government	-	-	-	-	12,000	12,000	12,000	-
Bicycle and pedestrian facilities	-	-	-	-	4,000,000	5,063,600	1,142,306	3,921,294
CETAP	11,587,000	27,112,900	22,273,742	4,839,158	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	660,000	1,433,000	773,000	660,000
Regional arterials	12,424,200	10,269,100	6,729,703	3,539,397	-	-	-	-
Transit and specialized transportation	-	-	-	-	83,180,000	81,456,400	72,799,693	8,656,707
Total programs	24,011,200	37,382,000	29,003,445	8,378,555	87,852,000	87,965,000	74,726,999	13,238,001
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	24,011,200	37,382,000	29,003,445	8,378,555	87,852,000	87,965,000	74,726,999	13,238,001
Excess (deficiency) of revenues over (under) expenditures	(2,370,600)	(14,741,400)	(3,299,505)	11,441,895	583,300	3,470,300	15,655,948	12,185,648
Other financing sources (uses)								
Debt issuance	-	-	-	-	-	-	-	-
Transfers in	435,000	435,000	235,942	(199,058)	-	-	654,500	654,500
Transfers out	(1,119,000)	(1,709,000)	-	1,709,000	(23,783,300)	(24,233,300)	(21,049,875)	3,183,425
Total other financing sources (uses)	(684,000)	(1,274,000)	235,942	1,509,942	(23,783,300)	(24,233,300)	(20,395,375)	3,837,925
Net change in fund balances	\$ (3,054,600)	\$ (16,015,400)	(3,063,563)	\$ 12,951,837	\$ (23,200,000)	\$ (20,763,000)	(4,739,427)	\$ 16,023,573
Fund balances at beginning of year			81,473,550				115,175,281	
Fund balances at end of year			\$ 78,409,987				\$ 110,435,854	

See notes to required supplementary inform.

Riverside County Transportation Commission
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years¹
June 30, 2018

Measurement Date Fiscal Year	Fiscal Year			
	2018 2017	2017 2016	2016 2015	2015 ¹ 2014
Proportion of the net pension liability/(asset)	0.08794%	0.08829%	0.09176%	0.08559%
Proportionate share of the net pension liability/(asset)	\$ 8,721,456	\$ 7,639,639	\$ 6,298,052	\$ 5,325,565
Covered payroll (measurement year)	\$ 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	157.52%	144.49%	131.42%	123.38%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	78.21%

See notes to required supplementary information

¹ Fiscal year 2015 was the first year of implementation, therefore, only four years are shown. Represents most recent data available.

Riverside County Transportation Commission

Schedule of Pension Contributions

Last Ten Fiscal Years¹

June 30, 2018

	Fiscal Year			
	2018	2017	2016	2015 ¹
Contractually required contribution (actuarially determined)	\$ 1,301,958	\$ 1,211,922	\$ 1,101,641	\$ 1,044,018
Contributions in relation to the actuarially determined contributions	(1,308,877)	(1,238,891)	(1,132,393)	(1,125,317)
Contribution deficiency (excess)	<u>\$ (6,919)</u>	<u>\$ (26,969)</u>	<u>\$ (30,752)</u>	<u>\$ (81,299)</u>
Covered payroll	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151	\$ 4,792,270
Contributions as a percentage of covered payroll	23.15%	22.38%	21.42%	23.48%
Valuation date	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	19 years as of valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Discount rate	7.50% (net of administrative expenses)
Retirement age	55 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

See notes to required supplementary information

¹ Fiscal year 2015 was the first year of implementation, therefore, only four years are shown. Represents most recent data available.

Riverside County Transportation Commission
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years¹
June 30, 2018

	Fiscal Year	
	2018	2017 ¹
	2017	2016
Measurement date fiscal year		
Total OPEB liability		
Service cost	\$ 449,000	\$ 437,000
Interest	377,000	338,000
Benefit payments	(172,000)	(155,000)
Net change in total OPEB liability	654,000	620,000
Beginning total OPEB liability	5,911,000	5,291,000
Ending total OPEB liability	<u>\$ 6,565,000</u>	<u>\$ 5,911,000</u>
Plan fiduciary net position		
Employer contributions	\$ 666,000	\$ 634,000
Net investment income	597,000	86,000
Benefit payments	(172,000)	(155,000)
Administrative expense	(3,000)	(2,000)
Net change in plan fiduciary net position	1,088,000	563,000
Beginning fiduciary net position	5,235,000	4,672,000
Ending fiduciary net position	<u>\$ 6,323,000</u>	<u>\$ 5,235,000</u>
Ending net OPEB liability	<u>\$ 242,000</u>	<u>\$ 676,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	96.31%	88.56%
Covered payroll (measurement year)	\$ 5,536,781	\$ 5,287,151
Net OPEB liability as a percentage of covered-employee payroll	4.37%	12.79%

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation, therefore, only two years are shown. Represents most recent data available.

Riverside County Transportation Commission

Schedule of OPEB Contributions

Last Ten Fiscal Years¹

June 30, 2018

	Fiscal Year	
	2018	2017 ¹
Actuarially determined contribution	\$ 533,000	\$ 494,000
Contributions in relation to the actuarially determined contribution	725,000	666,000
Contribution deficiency (excess)	\$ (192,000)	\$ (172,000)
Covered payroll	\$ 5,653,205	\$ 5,536,781
Contributions as a percentage of covered-employee payroll	12.82%	12.03%

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two 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	Eight years
Asset valuation method	Investment gains and losses spread over five-year rolling period
Inflation	3.00%
Healthcare cost trend rates	Non-Medicare: 7.0% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years Medicare: 7.2% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years
Salary increases	3.00% aggregate
Investment rate of return	6.75%
Retirement age	Classic employees: 50 - 55 Public Employees' Pension Reform Act: 52 - 62
Mortality	Mortality projected fully generational with Scale MP-14

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation, therefore, only two years are shown. Represents most recent data available.

Riverside County Transportation Commission
Notes to Required Supplementary Information
June 30, 2018

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, proportionate share (amount) of the collective net pension liability, the Commission's covered-employee payroll, proportionate share (amount) of the collective net pension liability as a percentage of Commission's covered-employee payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

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-employee payroll.

Postemployment Benefits Other Than Pensions

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



RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION

IE511



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 Transit Assistance: This fund is used to account for revenues from sales taxes on gasoline restricted for transit projects.

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 Geronio Pass corridor rail service.

SB 132: 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.

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.

Riverside County Transportation Commission
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	State of Good Repair
Assets					
Cash and investments	\$ 557	\$ 1,370,698	\$ 6,887,100	\$ 83,044,463	\$ 2,461,760
Receivables:					
Accounts	156,657	1,073,962	506,197	5,584,017	1,237,632
Interest	-	3,628	27,239	307,971	-
Due from other funds	-	-	1,200,000	-	-
Total assets	<u>\$ 157,214</u>	<u>\$ 2,448,288</u>	<u>\$ 8,620,536</u>	<u>\$ 88,936,451</u>	<u>\$ 3,699,392</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 104,989	\$ 428,767	\$ 109,382	\$ 528,410	\$ -
Due to other funds	51,668	1,279,466	12,252	264,700	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>156,657</u>	<u>1,708,233</u>	<u>121,634</u>	<u>793,110</u>	<u>-</u>
Fund balances:					
Restricted for:					
Commuter rail	-	-	-	-	-
Local streets and roads	557	-	-	-	-
Motorist assistance	-	740,055	8,498,902	-	-
Planning and programming	-	-	-	-	-
Transit and specialized transportation	-	-	-	88,143,341	3,699,392
Unassigned:	-	-	-	-	-
Total fund balances	<u>557</u>	<u>740,055</u>	<u>8,498,902</u>	<u>88,143,341</u>	<u>3,699,392</u>
Total liabilities and fund balances	<u>\$ 157,214</u>	<u>\$ 2,448,288</u>	<u>\$ 8,620,536</u>	<u>\$ 88,936,451</u>	<u>\$ 3,699,392</u>

Riverside County Transportation Commission
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2018

	Special Revenue			Total Nonmajor Governmental Funds
	Coachella Valley Rail	SB 132	Other Agency Projects	
Assets				
Cash and investments	\$ 2,914,464	\$ -	\$ 364,814	\$ 97,043,856
Receivables:				
Accounts	320,195	5,341,293	500,000	14,719,953
Interest	10,877	-	278	349,993
Due from other funds	226,800	-	-	1,426,800
Total assets	<u>\$ 3,472,336</u>	<u>\$ 5,341,293</u>	<u>\$ 865,092</u>	<u>\$ 113,540,602</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 186,468	\$ 1,834,550	\$ 167,898	\$ 3,360,464
Due to other funds	19,545	3,775,497	10,720	5,413,848
Other liabilities	-	-	683,332	683,332
Total liabilities	<u>206,013</u>	<u>5,610,047</u>	<u>861,950</u>	<u>9,457,644</u>
Fund balances:				
Restricted for:				
Commuter rail	3,266,323	-	-	3,266,323
Local streets and roads	-	-	-	557
Motorist assistance	-	-	-	9,238,957
Planning and programming	-	-	3,142	3,142
Transit and specialized transportation	-	-	-	91,842,733
Unassigned:	-	(268,754)	-	(268,754)
Total fund balances	<u>3,266,323</u>	<u>(268,754)</u>	<u>3,142</u>	<u>104,082,958</u>
Total liabilities and fund balances	<u>\$ 3,472,336</u>	<u>\$ 5,341,293</u>	<u>\$ 865,092</u>	<u>\$ 113,540,602</u>

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	State of Good Repair
Revenues					
Sales taxes	\$ 936,502	\$ -	\$ -	\$ 17,608,016	\$ 3,712,895
Intergovernmental	-	1,613,144	2,167,579	-	-
Investment income (loss)	1	5,543	64,120	634,536	(13,503)
Other	-	366,776	5,018	-	-
Total revenues	936,503	1,985,463	2,236,717	18,242,552	3,699,392
Expenditures					
Current:					
Commuter rail	-	-	-	-	-
Highways	-	-	-	-	-
Local streets and roads	936,502	-	-	-	-
Motorist assistance	-	3,241,816	583,906	-	-
Planning and programming	-	-	-	-	-
Transit and specialized transportation	-	-	-	5,305,243	-
Total expenditures	936,502	3,241,816	583,906	5,305,243	-
Excess (deficiency) of revenues over (under) expenditures	1	(1,256,353)	1,652,811	12,937,309	3,699,392
Other financing sources (uses):					
Transfers in	-	1,083,600	-	-	-
Transfers out	-	-	(1,083,600)	(226,800)	-
Total other financing sources (uses)	-	1,083,600	(1,083,600)	(226,800)	-
Net change in fund balances	1	(172,753)	569,211	12,710,509	3,699,392
Fund balances at beginning of year	556	912,808	7,929,691	75,432,832	-
Fund balances at end of year	\$ 557	\$ 740,055	\$ 8,498,902	\$ 88,143,341	\$ 3,699,392

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds, Continued
Year Ended June 30, 2018

	Special Revenue			Total Nonmajor Governmental Funds
	Coachella Valley Rail	SB 132	Other Agency Projects	
Revenues				
Sales taxes	\$ -	\$ -	\$ -	\$ 22,257,413
Intergovernmental	602,224	5,341,294	295,181	10,019,422
Investment income (loss)	27,324	7,793	(433)	725,381
Other	-	-	-	371,794
Total revenues	629,548	5,349,087	294,748	33,374,010
Expenditures				
Current:				
Commuter rail	898,443	-	-	898,443
Highways	-	5,594,787	-	5,594,787
Local streets and roads	-	-	-	936,502
Motorist assistance	-	-	-	3,825,722
Planning and programming	-	-	471,768	471,768
Transit and specialized transportation	-	-	-	5,305,243
Total expenditures	898,443	5,594,787	471,768	17,032,465
Excess (deficiency) of revenues over (under) expenditures	(268,895)	(245,700)	(177,020)	16,341,545
Other financing sources (uses):				
Transfers in	226,800	-	-	1,310,400
Transfers out	-	-	-	(1,310,400)
Total other financing sources (uses)	226,800	-	-	-
Net change in fund balances	(42,095)	(245,700)	(177,020)	16,341,545
Fund balances at beginning of year	3,308,418	(23,054)	180,162	87,741,413
Fund balances at end of year	\$ 3,266,323	\$ (268,754)	\$ 3,142	\$ 104,082,958

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual–Nonmajor Special Revenue Funds
Year Ended June 30, 2018

	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	\$ 1,035,000	\$ 1,064,000	\$ 936,502	\$ (127,498)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,200,000	2,200,000	1,613,144	(586,856)
Investment income (loss)	-	-	1	1	-	-	5,543	5,543
Other	-	-	-	-	675,000	675,000	366,776	(308,224)
Total revenues	1,035,000	1,064,000	936,503	(127,497)	2,875,000	2,875,000	1,985,463	(889,537)
Expenditures								
Current:								
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Local streets and roads	1,032,200	1,054,200	936,502	117,698	-	-	-	-
Motorist assistance	-	-	-	-	3,934,800	3,929,800	3,241,816	687,984
Planning and programming	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total programs	1,032,200	1,054,200	936,502	117,698	3,934,800	3,929,800	3,241,816	687,984
Excess (deficiency) of revenues over (under) expenditures	2,800	9,800	1	(9,799)	(1,059,800)	(1,054,800)	(1,256,353)	(201,553)
Other financing sources (uses)								
Transfers in	-	-	-	-	1,083,600	1,083,600	1,083,600	-
Transfers out	(2,800)	(10,100)	-	10,100	(112,900)	(112,900)	-	112,900
Total other financing sources (uses)	(2,800)	(10,100)	-	10,100	970,700	970,700	1,083,600	112,900
Net change in fund balances	\$ -	\$ (300)	1	\$ 301	\$ (89,100)	\$ (84,100)	(172,753)	\$ (88,653)
Fund balances at beginning of year			556				912,808	
Fund balances at end of year			\$ 557				\$ 740,055	

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, 2018

	Service Authority for Freeway Emergencies				State Transit Assistance				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)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues												
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 10,469,000	\$ 10,469,000	\$ 17,608,016	\$ 7,139,016	\$ -	\$ -	\$ 3,712,895	\$ 3,712,895
Intergovernmental	2,029,600	2,029,600	2,167,579	137,979	-	-	-	-	-	-	-	-
Investment income (loss)	39,100	39,100	64,120	25,020	327,900	327,900	634,536	306,636	-	-	(13,503)	(13,503)
Other	7,000	7,000	5,018	(1,982)	-	-	-	-	-	-	-	-
Total revenues	2,075,700	2,075,700	2,236,717	161,017	10,796,900	10,796,900	18,242,552	7,445,652	-	-	3,699,392	3,699,392
Expenditures												
Current:												
Commuter rail	-	-	-	-	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-	-	-	-	-
Motorist assistance	809,100	804,100	583,906	220,194	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	21,336,300	21,336,600	5,305,243	16,031,357	-	-	-	-
Total programs	809,100	804,100	583,906	220,194	21,336,300	21,336,600	5,305,243	16,031,357	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,266,600	1,271,600	1,652,811	381,211	(10,539,400)	(10,539,700)	12,937,309	23,477,009	-	-	3,699,392	3,699,392
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,144,600)	(1,144,600)	(1,083,600)	61,000	(272,900)	(272,900)	(226,800)	46,100	-	-	-	-
Total other financing sources (uses)	(1,144,600)	(1,144,600)	(1,083,600)	61,000	(272,900)	(272,900)	(226,800)	46,100	-	-	-	-
Net change in fund balances	<u>\$ 122,000</u>	<u>\$ 127,000</u>	<u>569,211</u>	<u>\$ 442,211</u>	<u>\$ (10,812,300)</u>	<u>\$ (10,812,600)</u>	<u>12,710,509</u>	<u>\$ 23,523,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,699,392</u>	<u>\$ 3,699,392</u>
Fund balances at beginning of year			<u>7,929,691</u>				<u>75,432,832</u>				<u>-</u>	
Fund balances at end of year			<u>\$ 8,498,902</u>				<u>\$ 88,143,341</u>				<u>\$ 3,699,392</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, 2018

	Coachella Valley Rail				SB 132				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)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues												
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,400,000	2,400,000	602,224	(1,797,776)	-	8,756,970	5,341,294	(3,415,676)	4,001,000	4,001,000	295,181	(3,705,819)
Investment income (loss)	-	-	27,324	27,324	-	-	7,793	7,793	1,000	1,000	(433)	(1,433)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	2,400,000	2,400,000	629,548	(1,770,452)	-	8,756,970	5,349,087	(3,407,883)	4,002,000	4,002,000	294,748	(3,707,252)
Expenditures												
Current:												
Commuter rail	5,814,600	5,714,600	898,443	4,816,157	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	10,763,570	5,594,787	5,168,783	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	3,873,500	4,438,300	471,768	3,966,532
Transit and specialized transportation	-	-	-	-	-	-	-	-	-	-	-	-
Total programs	5,814,600	5,714,600	898,443	4,816,157	-	10,763,570	5,594,787	5,168,783	3,873,500	4,438,300	471,768	3,966,532
Excess (deficiency) of revenues over (under) expenditures	(3,414,600)	(3,314,600)	(268,895)	3,045,705	-	(2,006,600)	(245,700)	1,760,900	128,500	(436,300)	(177,020)	259,280
Other financing sources (uses)												
Transfers in	322,400	322,400	226,800	(95,600)	-	-	-	-	208,000	208,000	-	(208,000)
Transfers out	(165,000)	(165,000)	-	165,000	-	-	-	-	(208,000)	(208,000)	-	208,000
Total other financing sources (uses)	157,400	157,400	226,800	69,400	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (3,257,200)</u>	<u>\$ (3,157,200)</u>	<u>(42,095)</u>	<u>\$ 3,115,105</u>	<u>\$ -</u>	<u>\$ (2,006,600)</u>	<u>(245,700)</u>	<u>\$ 1,760,900</u>	<u>\$ 128,500</u>	<u>\$ (436,300)</u>	<u>(177,020)</u>	<u>\$ 259,280</u>
Fund balances at beginning of year			3,308,418				(23,054)				180,162	
Fund balances at end of year			<u>\$ 3,266,323</u>				<u>\$ (268,754)</u>				<u>\$ 3,142</u>	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Capital Projects Funds
Year Ended June 30, 2018

	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	105,800	105,800	1,657,775	1,551,975	1,028,700	1,028,700	1,988,693	959,993
Total revenues	105,800	105,800	1,657,775	1,551,975	1,028,700	1,028,700	1,988,693	959,993
Expenditures								
Current:								
Highways	-	-	-	-	400,000	1,287,000	929,220	357,780
Total programs	-	-	-	-	400,000	1,287,000	929,220	357,780
Debt service:								
Principal	30,000,000	30,000,000	30,000,000	-	-	-	-	-
Interest	172,500	172,500	37,485	135,015	-	7,526,000	7,526,000	-
Cost of issuance	-	-	-	-	5,500,000	5,057,016	2,256,061	2,800,955
Payment to escrow agent	-	-	-	-	-	66,966,708	66,966,667	41
Total debt service	30,172,500	30,172,500	30,037,485	135,015	5,500,000	79,549,724	76,748,728	2,800,996
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	30,172,500	30,172,500	30,037,485	135,015	5,900,000	80,836,724	77,677,948	3,158,776
Excess (deficiency) of revenues over (under) expenditures	(30,066,700)	(30,066,700)	(28,379,710)	1,686,990	(4,871,300)	(79,808,024)	(75,689,255)	4,118,769
Other financing sources (uses)								
Refunding debt issuance	20,000,000	20,000,000	-	(20,000,000)	-	457,490,000	457,015,000	(475,000)
Debt issuance	-	-	-	-	158,760,000	158,760,000	158,760,000	-
Premium on debt issuance	-	-	-	-	18,892,000	119,722,000	119,713,807	(8,193)
Payment to refunded bonds escrow agent	-	-	-	-	-	(471,089,800)	(471,089,840)	(40)
Transfers in	30,000,000	30,000,000	30,000,000	-	6,100,000	6,100,000	8,916,955	2,816,955
Transfers out	(40,100,000)	(40,100,000)	(26,995,887)	13,104,113	(123,009,000)	(123,009,000)	(166,943,091)	(43,934,091)
Total other financing sources (uses)	9,900,000	9,900,000	3,004,113	(6,895,887)	60,743,000	147,973,200	106,372,831	(41,600,369)
Net change in fund balances	\$ (20,166,700)	\$ (20,166,700)	(25,375,597)	\$ (5,208,897)	\$ 55,871,700	\$ 68,165,176	30,683,576	\$ (37,481,600)
Fund balances at beginning of year			46,951,913				64,660,068	
Fund balances at end of year			\$ 21,576,316				\$ 95,343,644	

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Debt Service Fund
Year Ended June 30, 2018

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,746,500	\$ 2,746,500	\$ 2,785,292	\$ 38,792
Investment income	206,600	206,600	240,501	33,901
Total revenues	2,953,100	2,953,100	3,025,793	72,693
Expenditures				
Current:				
Highways	-	-	-	-
Total programs	-	-	-	-
Debt service:				
Principal	36,045,000	32,120,000	32,120,000	-
Interest	33,830,800	43,039,543	43,039,543	-
Cost of issuance	-	-	-	-
Payment to escrow agent	-	3,833,333	3,833,333	-
Total debt service	69,875,800	78,992,876	78,992,876	-
Capital outlay	-	-	-	-
Total expenditures	69,875,800	78,992,876	78,992,876	-
Excess (deficiency) of revenues over (under) expenditures	(66,922,700)	(76,039,776)	(75,967,083)	72,693
Other financing sources (uses)				
Refunding debt issuance	-	-	-	-
Debt issuance	-	-	-	-
Premium on debt issuance	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Transfers in	73,960,000	73,960,000	68,012,174	(5,947,826)
Transfers out	(2,746,500)	(2,746,500)	(2,944,697)	(198,197)
Total other financing sources (uses)	71,213,500	71,213,500	65,067,477	(6,146,023)
Net change in fund balances	\$ 4,290,800	\$ (4,826,276)	(10,899,606)	\$ (6,073,330)
Fund balances at beginning of year			21,982,515	
Fund balances at end of year			\$ 11,082,909	

Riverside County Transportation Commission
Schedule of Expenditures for Local Streets and Roads
by Geographic Area - All Special Revenue Funds
Year Ended June 30, 2018

Western County:	
City of Banning	\$ 563,927
City of Beaumont	601,889
City of Calimesa	160,323
City of Canyon Lake	177,749
City of Corona	3,985,329
City of Eastvale	1,266,707
City of Hemet	1,700,088
City of Jurupa Valley	1,938,244
City of Lake Elsinore	1,303,137
City of Menifee	1,664,930
City of Moreno Valley	3,871,953
City of Murrieta	2,338,740
City of Norco	653,147
City of Perris	1,568,415
City of Riverside	7,372,116
City of San Jacinto	845,657
City of Temecula	3,062,870
City of Wildomar	616,835
Riverside County	5,313,428
Other	218,400
	<hr/>
	39,223,884
Coachella Valley:	
City of Cathedral City	1,418,893
City of Coachella	578,871
City of Desert Hot Springs	454,537
City of Indian Wells	253,043
City of Indio	1,864,232
City of La Quinta	-
City of Palm Desert	2,665,356
City of Palm Springs	2,017,700
City of Rancho Mirage	879,700
Riverside County	1,687,061
Coachella Valley Association of Governments, including	
\$726,209 due to City of La Quinta	1,452,419
Other	207,500
	<hr/>
	13,479,312
Palo Verde Valley:	
City of Blythe	724,303
Riverside County	175,199
Other	37,000
	<hr/>
	936,502
Total local streets and roads expenditures	<hr/>
	\$ 53,639,698
	<hr/>

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, 2018

	Sales Taxes			Total
	Measure A	Local Transportation Fund	State Transit Assistance	
Western County:				
Blindness Support Services, Inc.	\$ 65,353	\$ -	\$ -	\$ 65,353
Boys and Girls Club of Southwest County	208,265	-	-	208,265
Care-A-Van	324,870	-	-	324,870
Care Connexus	293,598	-	-	293,598
City of Banning	-	1,416,829	21,550	1,438,379
City of Beaumont	-	2,350,846	117,016	2,467,862
City of Corona	-	1,306,283	-	1,306,283
City of Norco	60,000	-	-	60,000
City of Riverside	-	3,334,851	23	3,334,874
Community Connect	46,723	-	-	46,723
Friends of Moreno Valley Center, Inc	66,262	-	-	66,262
Forest Folk	55,000	-	-	55,000
Independent Living Partnership	483,399	-	-	483,399
Operation Safehouse	29,304	-	-	29,304
Riverside University Health Systems	307,659	-	-	307,659
Riverside County Department of Mental Health	200,000	-	-	200,000
Riverside Transit Agency	3,423,973	44,665,663	2,936,764	51,026,400
United States Veterans Initiative	32,028	-	-	32,028
Voices for Children	95,478	-	-	95,478
Other	492,285	218,400	119,342	830,027
	6,184,197	53,292,872	3,194,695	62,671,764
Coachella Valley:				
SunLine Transit Agency	5,153,400	18,630,403	1,996,420	25,780,223
Other	212,600	-	-	212,600
	5,366,000	18,630,403	1,996,420	25,992,823
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	876,418	114,128	990,546
	-	876,418	114,128	990,546
Total transit and specialized transportation expenditures	\$ 11,550,197	\$ 72,799,693	\$ 5,305,243	\$ 89,655,133

Riverside County Transportation Commission
Schedule of Uses of Debt Proceeds and Fund Balances
Year Ended June 30, 2018

	Capital Projects			
	Sales Tax Revenue			
	Commercial Paper Notes	Bonds	Toll Revenue Bonds	
	I-15 Express Lanes, advance agreements, and other	I-15 Express Lanes, 91 Project, advance agreements, and other	91 Project	Total
Revenues				
Investment income	\$ 1,657,775	\$ 1,987,869	\$ 824	\$ 3,646,468
Total revenues	1,657,775	1,987,869	824	3,646,468
Expenditures				
Professional services	-	924,577	-	924,577
Support services	-	4,643	-	4,643
Highways — design-build	-	-	-	-
Swap termination payment	-	7,526,000	-	7,526,000
Debt service	30,037,485	69,222,728	-	99,260,213
Total expenditures	30,037,485	77,677,948	-	107,715,433
Excess (deficiency) of revenues over (under) expenditures	(28,379,710)	(75,690,079)	824	(104,068,965)
Other financing sources (uses)				
Refunding debt issuance	-	457,015,000	-	457,015,000
Debt issuance	-	158,760,000	-	158,760,000
Premium	-	119,713,807	-	119,713,807
Payment to refunded bonds escrow agent	-	(471,089,840)	-	(471,089,840)
Transfers in				
Retirement of outstanding commercial paper note	30,000,000	-	-	30,000,000
I-15 Express Lanes ramp-up reserve	-	8,700,000	-	8,700,000
Excess earnings	-	-	216,955	216,955
Transfers out				
Debt service on advance agreements	(3,530,610)	-	-	(3,530,610)
Debt service offset	-	(409,240)	-	(409,240)
Retirement of commercial paper notes	-	(30,000,000)	-	(30,000,000)
Requisitions to reimburse Commission funds				
Salaries and benefits	(1,465,519)	(180,412)	-	(1,645,931)
Professional services	(2,408,789)	(4,611,756)	-	(7,020,545)
Support services	(27,301)	(244,203)	(132)	(271,636)
Program operations	(966,816)	(6,274,568)	-	(7,241,384)
Engineering	(6,537,841)	(20,483)	-	(6,558,324)
Construction	-	(4,450,546)	-	(4,450,546)
Right of way	(1,199,301)	(20,699,211)	-	(21,898,512)
Design-build	(7,544,575)	(98,196,845)	(1,345,201)	(107,086,621)
Other	(3,315,135)	(510,494)	-	(3,825,629)
Total other financing sources (uses)	3,004,113	107,501,209	(1,128,378)	109,376,944
Net change in fund balance	(25,375,597)	31,811,130	(1,127,554)	5,307,979
Fund balances at beginning of year	46,951,913	63,532,514	1,127,554	111,611,981
Fund balances at end of year	\$ 21,576,316	\$ 95,343,644	\$ -	\$ 116,919,960



RCTC

**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

Future I-15/SR-79 Interchange

Statistical Section



STATISTICAL SECTION

Riverside County Transportation Commission Statistical Section Overview

This part of the Riverside County Transportation Commission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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				
	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 ⁴
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	<u>\$ 473,094,277</u>	<u>\$ 435,167,333</u>	<u>\$ 336,707,968</u>	<u>\$ 463,544,547 ⁵</u>	<u>\$ 553,854,373</u>
Business-type activities:					
Net Investment in capital assets	\$ (286,349,191)	\$ (301,737,495)			
Restricted	8,581,857 ⁷	242,134,144			
Unrestricted (deficit)	\$ - ⁷	\$ (234,075,489)			
Total business-type activities net position	<u>\$ (277,767,334)</u>	<u>\$ (293,678,840) ⁶</u>			

Source: Finance Department

¹ Net investment in capital assets increased in 2009 primarily as a result of right of way purchases related to the Mid County Parkway project, the planning and development of toll projects, and the construction of a multimodal transit facility and a commuter rail station parking structure.

² Net investment in capital assets increased in 2010 primarily as a result of the planning and development of toll projects and the completion of construction of the Perris Transit Center and North Main Corona station parking structure.

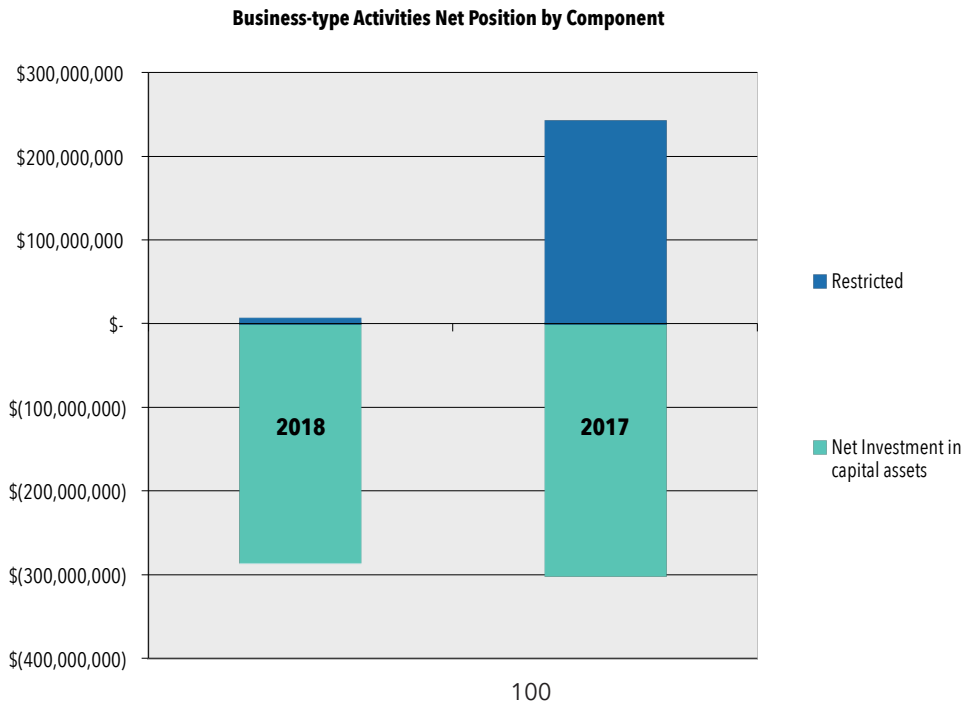
³ Net investment in capital assets increased in 2011 primarily as a result of the planning and development of toll projects and right of way acquisition for the 91 Project and Perris Valley Line extension project.

⁴ Net investment in capital assets increased in 2014 primarily as a result of construction related to the Perris Valley Line project.

⁵ 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.

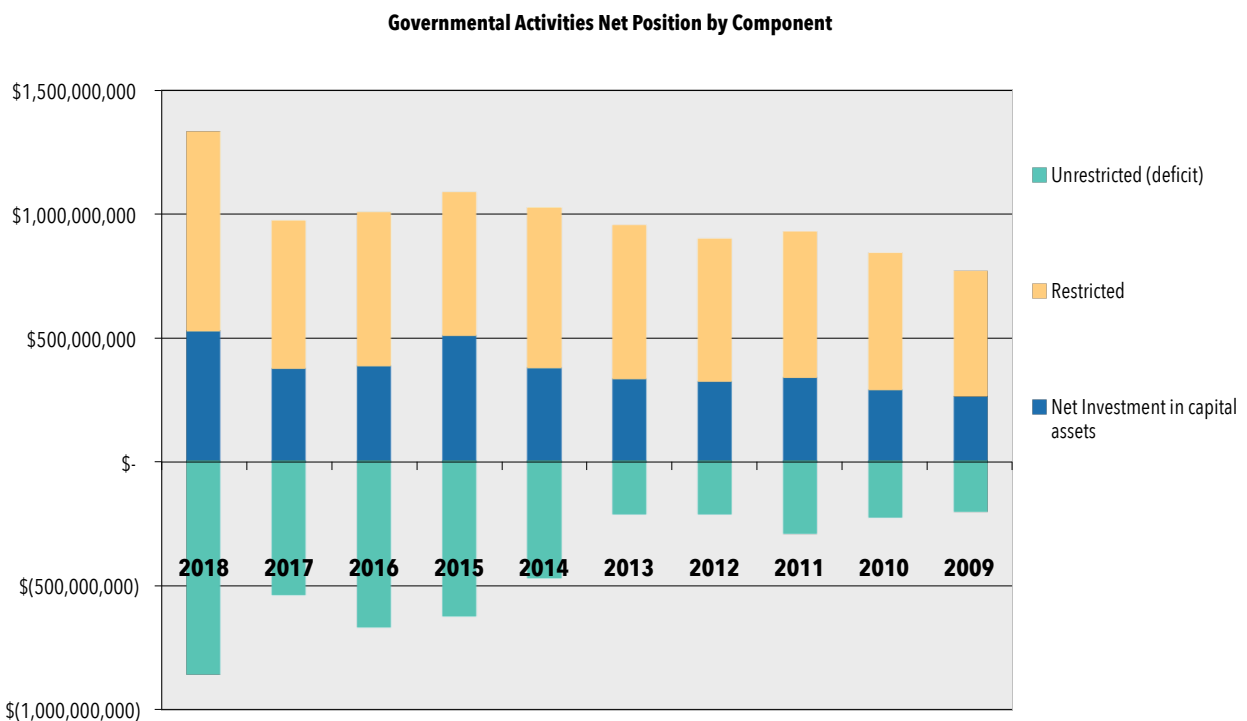
⁶ In FY 2017, the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists.

⁷ In FY 2018, the Commission changed its presentation of net position related to intangible assets.



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

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental activities:					
Net Investment in capital assets	\$ 336,834,025	\$ 327,277,502	\$ 341,912,094 ³	\$ 294,218,263 ²	\$ 266,647,382 ¹
Restricted	619,089,707	572,183,941	587,098,179	549,781,414	505,474,075
Unrestricted (deficit)	(216,162,697)	(215,929,362)	(293,146,251)	(229,888,408)	(205,658,986)
Total governmental activities net position	<u>\$ 739,761,035</u>	<u>\$ 683,532,081</u>	<u>\$ 635,864,022</u>	<u>\$ 614,111,269</u>	<u>\$ 566,462,471</u>



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

	Fiscal Year Ended June 30				
	2018	2017 ²	2016	2015 ¹	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
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	358,302,684	525,119,240	503,638,636	479,263,927	578,820,248
Business-type activities:					
RCTC 91 Express Lanes	49,452,297	13,260,254	-	-	-
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					
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	16,451,903	54,062,314	70,133,121	71,744,926
Total governmental activities program revenues	112,584,793	52,949,426	97,964,193	128,816,640	134,238,853
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	50,446,824	10,123,572	-	-	-
Operating grants and contributions	-	1,723	-	-	-
Total business-type activities program revenues	50,446,824	10,125,295	-	-	-
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
Gain on sale of capital assets	-	-	738,335	-	14,574
Transfers	(14,949,641)	290,547,316	-	-	-
Total governmental activities	283,644,835	570,629,179	278,837,864	265,613,068	258,674,733
Business-type activities:					
Unrestricted investment earnings	(32,662)	3,435	-	-	-
Transfers	14,949,641	(290,547,316)	-	-	-
Total business-type activities	14,916,979	(290,543,881)	-	-	-
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

¹ 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.

² 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*.

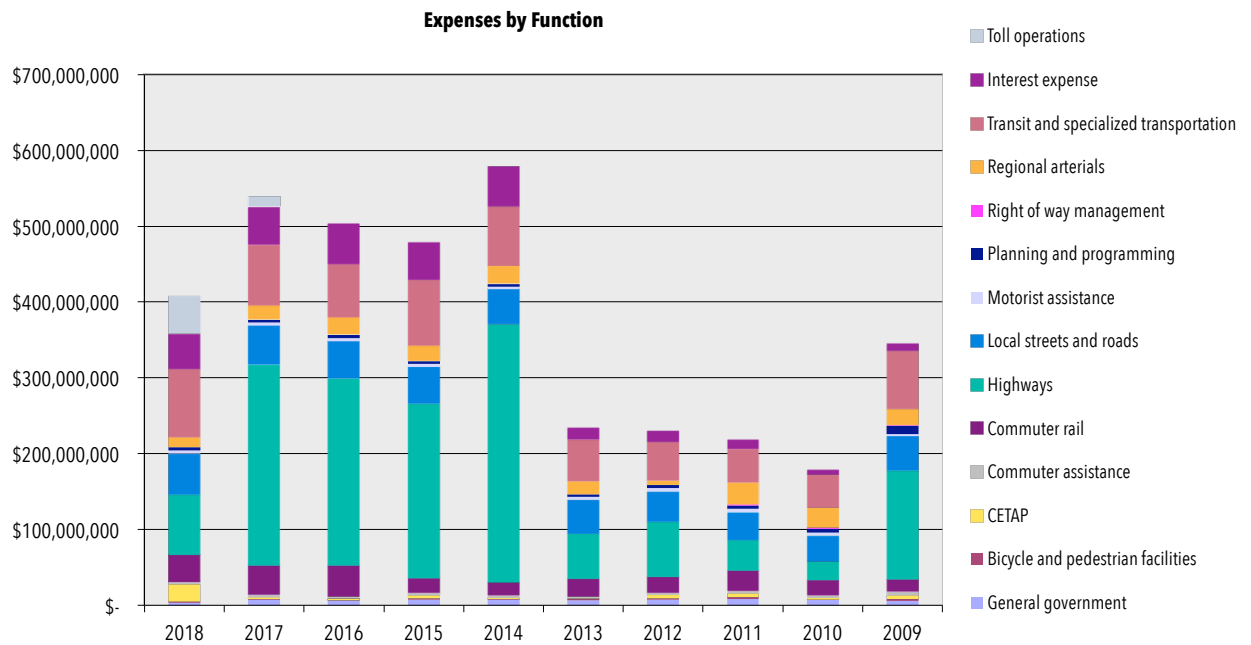
Riverside County Transportation Commission
Changes in Primary Government Net Position, Continued
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30				
	2013	2012	2011	2010	2009
Expenses					
Governmental activities:					
General government	\$ 6,959,827	\$ 7,780,478	\$ 8,453,876	\$ 7,024,517	\$ 5,525,963
Bicycle and pedestrian projects	956,308	1,389,567	1,940,499	317,048	2,747,151
CETAP	954,700	4,464,387	5,490,993	2,362,393	4,832,008
Commuter assistance	2,904,048	3,193,172	2,868,630	3,266,834	5,199,032
Commuter rail	23,531,252	21,480,248	27,792,375	20,544,634	16,038,028
Highways	59,604,916	72,341,578	40,113,092	24,828,958	143,532,009
Local streets and roads	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155
Motorist assistance	3,563,581	3,846,245	3,530,695	2,987,136	2,623,184
Planning and programming	3,725,703	3,924,413	4,683,272	5,321,121	10,126,142
Right of way management	-	- ³	1,270,487	1,428,066	1,399,316
Regional arterials	17,047,135	5,816,666	29,362,894	26,371,339	20,948,530
Transit and specialized transportation	55,659,188	51,221,772	44,699,650	43,820,225	77,417,741
Interest expense	15,364,677	15,221,031	11,799,586	7,099,038	9,515,282
Total governmental activities expenses	<u>234,866,226</u>	<u>230,807,447</u>	<u>218,862,974</u>	<u>179,629,622</u>	<u>345,565,541</u>
Business-type activities:					
RCTC 91 Express Lanes	-	-	-	-	-
Total primary government expenses	<u>\$ 234,866,226</u>	<u>\$ 230,807,447</u>	<u>\$ 218,862,974</u>	<u>\$ 179,629,622</u>	<u>\$ 345,565,541</u>
Program Revenues					
Governmental activities:					
Charges for services					
Commuter assistance	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Commuter rail	107,194	145,735	-	-	2,525,314
Right of way management	-	-	184,010	196,527	421,738
Highways	796,385	-	-	-	-
Motorist assistance	13,915	-	-	-	19,778
Planning and programming	-	-	-	-	-
Other	14,873	-	27,681	-	46
Operating grants and contributions	46,567,900	54,641,955	39,886,648	23,130,456	90,280,426
Capital grants and contributions	4,897,301	5,228,621	9,199,268	12,257,099	25,321,886
Total governmental activities program revenues	<u>52,399,068</u>	<u>60,016,311</u>	<u>49,297,607</u>	<u>35,584,082</u>	<u>118,569,188</u>
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>52,399,068</u>	<u>60,016,311</u>	<u>49,297,607</u>	<u>35,584,082</u>	<u>118,569,188</u>
Net Revenues (Expenses)					
Governmental activities	(182,467,158)	(170,791,136)	(169,565,367)	(144,045,540)	(226,996,353)
Business-type activities	-	-	-	-	-
Total primary government net expense	<u>\$ (182,467,158)</u>	<u>\$ (170,791,136)</u>	<u>\$ (169,565,367)</u>	<u>\$ (144,045,540)</u>	<u>\$ (226,996,353)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Measure A sales taxes	\$ 149,428,124	\$ 134,984,307	\$ 123,439,833	\$ 114,526,254	\$ 119,688,289
Transportation Development Act sales taxes	86,999,018	80,044,131	60,772,795	69,499,841	77,920,485
Unrestricted investment earnings	1,664,789	4,196,452	4,411,122	5,987,921	14,211,197
Other miscellaneous revenue	604,181	1,287,981	2,694,370	1,680,322	1,454,611
Gain on sale of capital assets	-	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>238,696,112</u>	<u>220,512,871</u>	<u>191,318,120</u>	<u>191,694,338</u>	<u>213,274,582</u>
Business-type activities:					
Unrestricted investment earnings	-	-	-	-	-
Transfers	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 238,696,112</u>	<u>\$ 220,512,871</u>	<u>\$ 191,318,120</u>	<u>\$ 191,694,338</u>	<u>\$ 213,274,582</u>
Changes in Net Position					
Governmental activities	\$ 56,228,954	\$ 49,721,735	\$ 21,752,753	\$ 47,648,798	\$ (13,721,771)
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ 56,228,954</u>	<u>\$ 49,721,735</u>	<u>\$ 21,752,753</u>	<u>\$ 47,648,798</u>	<u>\$ (13,721,771)</u>
Source: Finance Department					

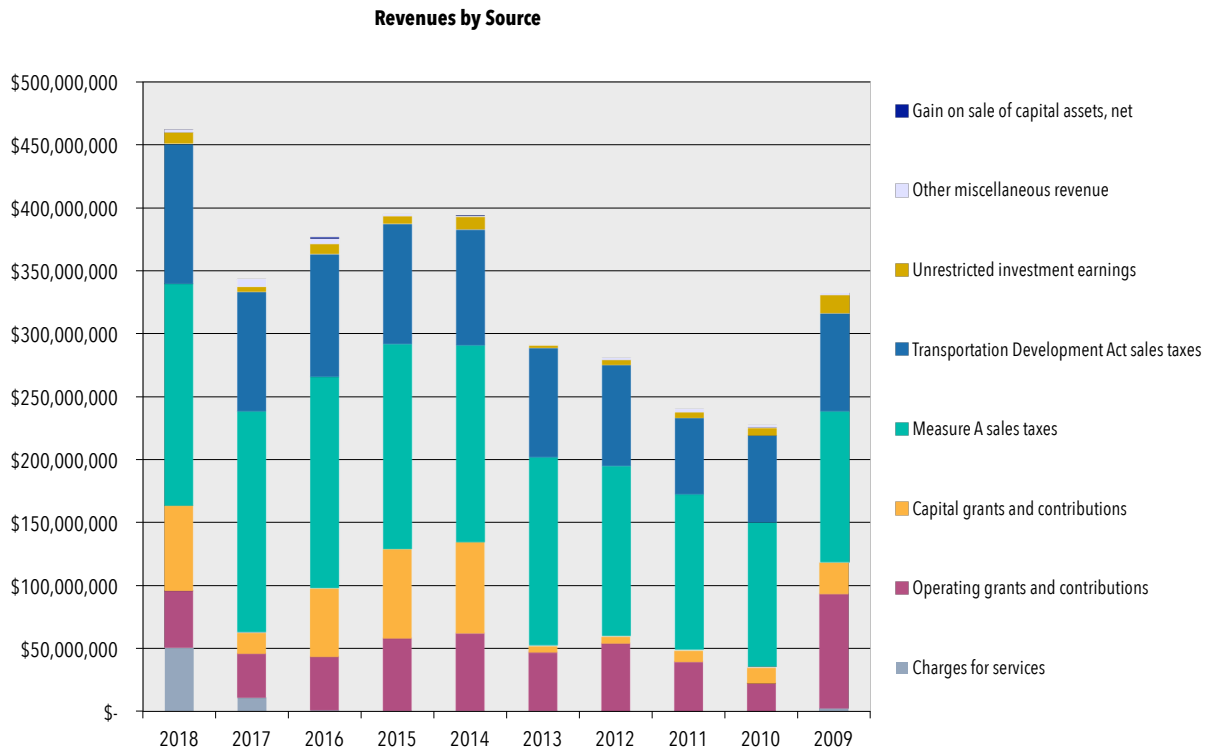
³ Right of way expenditures were classified as highways or commuter rail expenditures beginning in 2012.

⁴ In FY 2012 the Commission implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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)



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



Riverside County Transportation Commission

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year				
	2018	2017	2016	2015	2014
<u>GENERAL FUND</u>					
General fund:					
Nondisposable	\$ 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
Committed	-	-	-	-	-
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>
General fund:					
Reserved					
Unreserved					
Total general fund					
<u>ALL OTHER GOVERNMENTAL FUNDS</u>					
All other governmental funds:					
Nondisposable	\$ 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

¹ In FY 2010 the Commission implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Prior year amounts in this presentation have not been revised to reflect this change.

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

	Fiscal Year			
	2013	2012	2011	2010
<u>GENERAL FUND</u>				
General fund:				
Nonspendable	\$ 194,794	\$ 157,957	\$ 143,397	\$ 253,819
Restricted	7,412,686	8,114,440	7,110,013	7,266,584 ¹
Committed	-	-	-	1,606,976 ¹
Assigned	5,232,871	5,412,830	6,270,944	4,134,059 ¹
Total general fund	<u>\$ 12,840,351</u>	<u>\$ 13,685,227</u>	<u>\$ 13,524,354</u>	<u>\$ 13,261,438</u>
General fund:				
Reserved				\$ 6,756,708
Unreserved				3,348,711
Total general fund				<u>\$ 10,105,419</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
All other governmental funds:				
Nonspendable	\$ 3,274,483	\$ 1,481,019	\$ 5,389,775	\$ 2,554,136
Restricted	606,072,061	560,412,373	570,450,515	535,752,354 ¹
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 609,346,544</u>	<u>\$ 561,893,392</u>	<u>\$ 575,840,290</u>	<u>\$ 538,306,490</u>
All other governmental funds:				
Reserved				\$ 487,425,652
Unreserved, reported in:				
Special revenue funds				8,289,036
Capital projects funds				(49,576,636)
Total all other governmental funds				<u>\$ 446,138,052</u>

Source: Finance Department

Riverside County Transportation Commission
Changes in Fund Balances of Governmental Funds
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
Vehicle registration user fees	-	-	-	-	-
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
Right of way management	-	-	-	-	-
Regional arterials	12,888,439	19,056,339	23,111,109	21,016,097	23,886,840
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	-	-	-
Intergovernmental distributions	-	-	-	-	-
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):					
Sales of capital assets	-	-	-	-	-
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%⁵</u>	<u>12.2%</u>	<u>10.6%</u>	<u>11.0%</u>	<u>19.1%⁴</u>

Source: Finance Department

¹ Debt service as a percentage of noncapital expenditures in 2010 increased significantly as a result of the retirement of \$53,716,000 of commercial paper, which is included in principal payments.

² Debt service as a percentage of noncapital expenditures in 2011 increased significantly as a result of the retirement of \$103,284,000 of commercial paper, which is included in principal payments.

³ Right of way management expenditures were classified as highways or commuter rail expenditures beginning in 2012.

⁴ 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.

⁵ 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				
	2013	2012	2011	2010	2009
Revenues					
Sales taxes	\$ 236,427,142	\$ 215,028,438	\$ 184,212,628	\$ 184,026,095	\$ 197,608,774
Transportation Uniform Mitigation Fee	12,421,110	8,116,420	9,157,863	8,618,231	10,957,420
Intergovernmental	38,817,347	51,516,775	40,012,488	26,769,324	105,512,656
Investment income	1,769,709	4,308,395	4,524,219	5,663,178	13,567,938
Vehicle registration user fees	-	-	-	-	1,677,374
Other	1,540,542	1,430,195	2,878,380	1,853,641	1,876,349
Total revenues	<u>290,975,850</u>	<u>280,400,223</u>	<u>240,785,578</u>	<u>226,930,469</u>	<u>331,200,511</u>
Expenditures					
Current:					
General Government	6,692,187	7,586,207	8,340,263	6,920,479	5,368,677
Programs:					
Bicycle and pedestrian facilities	956,308	1,389,567	1,940,499	317,048	2,747,151
CETAP	954,700	4,464,387	5,490,993	2,362,393	35,809,396
Commuter assistance	2,868,356	3,157,480	2,816,392	3,228,709	5,155,263
Commuter rail	27,118,480	39,870,670	35,482,511	33,733,888	40,704,106
Highways	118,750,336	111,049,502	75,011,698	45,698,211	165,100,551
Local streets and roads	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155
Motorist assistance	3,563,581	3,846,245	3,530,695	2,987,136	2,623,184
Planning and programming	3,712,596	3,913,520	4,674,397	5,312,246	9,193,944
Right of way management	-	- ³	1,270,487	1,428,066	1,399,316
Regional arterials	17,047,135	5,816,666	29,362,894	26,371,339	20,948,530
Transit and specialized transportation	55,659,188	51,221,772	44,699,650	43,820,225	77,417,741
Debt service:					
Principal	6,824,654	46,523,931	109,607,230	57,738,548	33,646,475
Interest	15,404,719	15,008,695	11,296,268	5,240,307	12,026,942
Cost of Issuance	-	-	1,493,196	675,464	-
Payment to escrow agent	-	-	-	-	-
Intergovernmental distributions	-	-	-	-	975,833
Capital outlay	220,443	209,716	147,297	124,080	1,055,997
Total expenditures	<u>304,367,574</u>	<u>334,186,248</u>	<u>372,021,395</u>	<u>270,216,452</u>	<u>459,834,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,391,724)</u>	<u>(53,786,025)</u>	<u>(131,235,817)</u>	<u>(43,285,983)</u>	<u>(128,633,750)</u>
Other financing sources (uses):					
Sales of capital assets	-	-	-	-	117,127
Refunding debt issuance	-	-	-	-	-
Debt issuance	60,000,000	40,000,000	170,000,000	268,284,000	53,716,000
Discount on debt issuance	-	-	(967,467)	(278,685)	-
Premium on debt issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(129,394,875)	-
Transfers in	133,065,312	123,977,167	185,354,839	104,833,227	33,466,298
Transfers out	(133,065,312)	(123,977,167)	(185,354,839)	(104,833,227)	(33,466,298)
Total other financing sources (uses)	<u>60,000,000</u>	<u>40,000,000</u>	<u>169,032,533</u>	<u>138,610,440</u>	<u>53,833,127</u>
Net change in fund balances	<u>\$ 46,608,276</u>	<u>\$ (13,786,025)</u>	<u>\$ 37,796,716</u>	<u>\$ 95,324,457</u>	<u>\$ (74,800,623)</u>
Debt service as a percentage of noncapital expenditures	<u>9.3%</u>	<u>22.5%</u>	<u>32.5%²</u>	<u>23.3%¹</u>	<u>9.9%</u>

Source: Finance Department

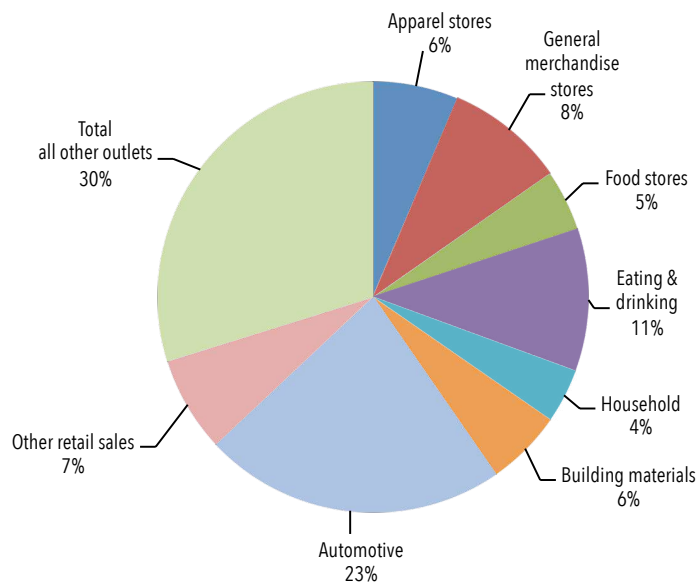
Riverside County Transportation Commission
Sources of County of Riverside Taxable Sales by Business Type
Last Ten Calendar Years (In Thousands)

	2016 ¹	2015	2014	2013	2012
Apparel stores	\$ 2,190,228	\$ 2,136,728	\$ 1,989,623	\$ 1,771,603	\$ 1,672,482
General merchandise stores	3,052,409	3,040,244	3,289,057	3,298,920	3,174,022
Food stores	1,574,030	1,727,518	1,509,404	1,421,590	1,356,148
Eating & drinking	3,648,980	3,384,494	3,093,861	2,836,388	2,668,324
Household	1,386,985	1,135,235	1,030,455	996,484	930,068
Building materials	1,965,101	1,826,294	1,706,184	1,535,178	1,364,513
Automotive	7,751,812	7,693,173	7,844,773	7,421,523	7,009,138
Other retail sales	2,452,591	2,338,039	2,182,987	2,025,088	1,841,973
Total all other outlets	10,209,008	9,629,185	9,389,345	8,758,693	8,079,341
	<u>\$ 34,231,144</u>	<u>\$ 32,910,910</u>	<u>\$ 32,035,689</u>	<u>\$ 30,065,467</u>	<u>\$ 28,096,009</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: State Board of Equalization

¹ Year represents most recent data available.

Sources of County of Riverside Taxable Sales by Business Type for 2016



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

	2011	2010	2009	2008	2007
Apparel stores	\$ 1,505,821	\$ 1,391,174	\$ 1,293,271	\$ 1,121,543	\$ 1,171,013
General merchandise stores	3,051,709	2,947,905	2,855,733	3,389,936	3,593,134
Food stores	1,304,731	1,267,758	1,251,220	1,254,366	1,352,609
Eating & drinking	2,473,339	2,317,486	2,266,853	2,340,554	2,388,039
Household	914,888	412,325	858,098	816,379	843,945
Building materials	1,303,073	1,232,145	1,237,518	1,435,337	1,961,911
Automotive	6,311,272	5,306,408	4,749,994	6,126,512	7,137,075
Other retail sales	1,711,453	1,951,385	1,442,875	3,250,335	2,794,790
Total all other outlets	7,065,212	6,326,194	6,272,315	6,268,633	7,781,093
	<u>\$ 25,641,498</u>	<u>\$ 23,152,780</u>	<u>\$ 22,227,877</u>	<u>\$ 26,003,595</u>	<u>\$ 29,023,609</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: State Board of Equalization

Riverside County Transportation Commission
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Measure A Direct Rate ¹	County of Riverside
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%
2013	0.50%	8.00% ⁴
2012	0.50%	7.75% ³
2011	0.50%	8.75%
2010	0.50%	8.75%
2009	0.50%	8.75% ²

Source: Commission Finance Department and 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.

² The State of California increased the state sales tax rate 1% in April 2009.

³ Effective July 1, 2011, the State of California decreased the state sales tax rate by 1%.

⁴ Effective January 1, 2013, the State of California increased the state sales tax rate by 0.25%.

Riverside County Transportation Commission
Principal Taxable Sales Generation by City
Current Year and Nine Years Ago

	2016 ¹			2007		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Riverside	\$ 5,507,805	2	16.1%	\$ 4,789,554	2	16.5%
City of Corona	3,396,905	3	9.9%	3,478,337	3	12.0%
City of Temecula	3,208,193	4	9.4%	2,583,938	4	8.9%
City of Palm Desert	1,618,078	5	4.7%	1,593,698	5	5.5%
City of Moreno Valley	1,571,730	6	4.6%	1,267,045	6	4.4%
City of Murrieta	1,340,131	7	3.9%	1,098,431	7	3.8%
City of Palm Springs	1,067,028	8	3.1%	852,473	9	3.0%
City of Hemet	1,015,877	9	3.0%	962,919	8	3.3%
City of Indio	986,137	10	2.9%	766,341	12	2.6%
City of Perris	980,763	11	2.9%	554,129	14	1.9%
City of Jurupa Valley ⁵	888,190	12	2.6%	-	-	N/A
City of Lake Elsinore	791,622	13	2.3%	723,996	13	2.5%
City of Cathedral City	790,202	14	2.3%	812,985	11	2.8%
City of La Quinta	724,252	15	2.0%	826,488	10	2.9%
City of Eastvale ⁴	633,526	16	1.9%	-	-	N/A
City of Menifee ³	628,923	17	1.8%	-	-	N/A
City of Norco	565,886	18	1.7%	509,334	15	1.8%
City of Rancho Mirage	459,544	19	1.3%	501,618	16	1.7%
City of Beaumont	414,906	20	1.2%	262,964	18	0.9%
City of Coachella	299,236	21	0.9%	319,336	17	1.1%
City of San Jacinto	244,673	22	0.7%	173,716	21	0.6%
City of Banning	192,449	23	0.6%	232,890	19	0.8%
City of Blythe	150,104	24	0.4%	178,507	20	0.6%
City of Wildomar ²	146,087	25	0.4%	-	-	N/A
City of Desert Hot Springs	125,456	26	0.4%	94,617	22	0.3%
City of Indian Wells	106,587	27	0.3%	94,073	23	0.3%
City of Calimesa	63,982	28	0.2%	51,047	24	0.2%
City of Canyon Lake	20,820	29	0.1%	12,938	25	0.0%
Incorporated	27,939,092		81.6%	22,741,374		78.4%
Unincorporated	6,292,052	1	18.4%	6,282,235	1	21.6%
Countywide	<u>\$ 34,231,144</u>		<u>100.0%</u>	<u>\$ 29,023,609</u>		<u>100.0%</u>
California	<u>\$ 649,079,371</u>			<u>\$ 561,050,149</u>		

Source: California State Board of Equalization for the calendar year indicated.

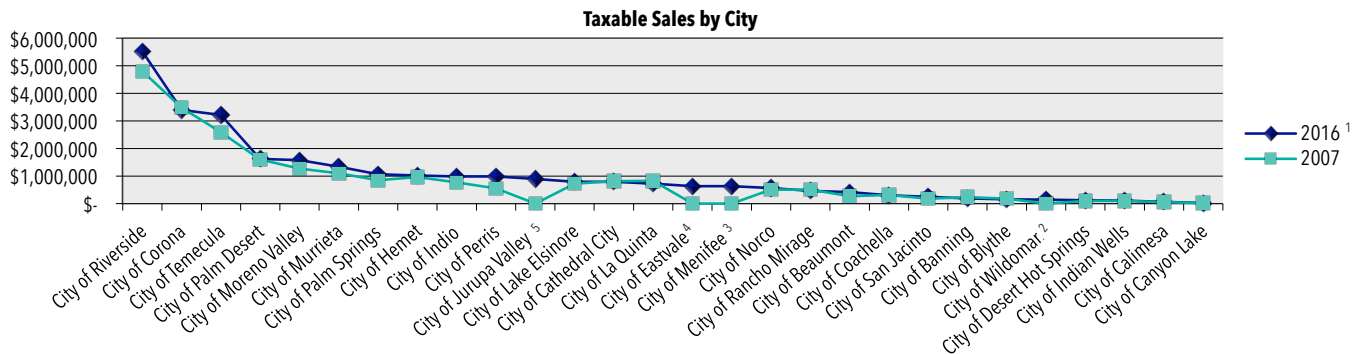
¹ Year represents most recent data available.

² City of Wildomar was incorporated on July 1, 2008.

³ City of Menifee was incorporated on October 1, 2008.

⁴ City of Eastvale was incorporated on October 1, 2010.

⁵ City of Jurupa Valley was incorporated on July 1, 2011.

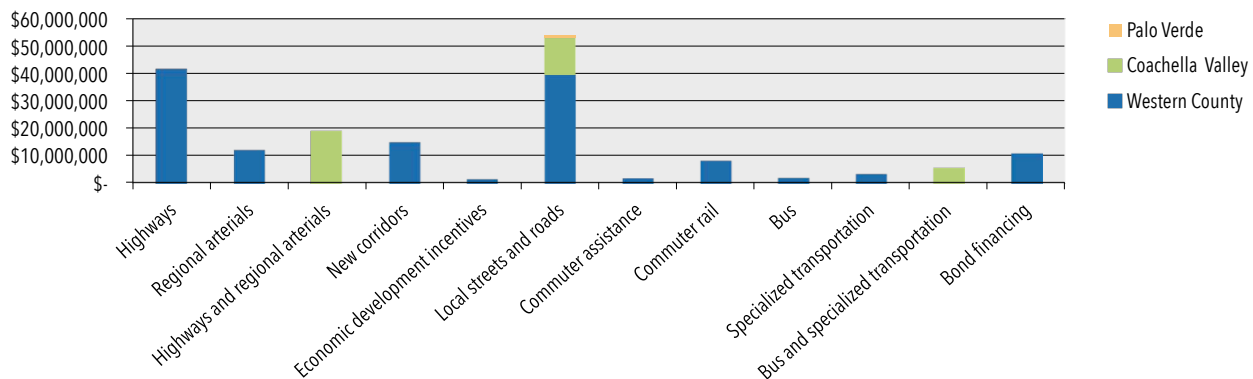


Riverside County Transportation Commission
Measure A Sales Tax Revenues by Program and Geographic Area
Year Ended June 30, 2018

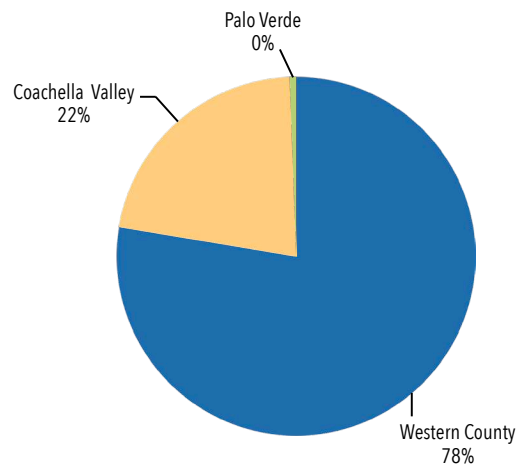
	Special Revenue Funds			Total
	Western County	Coachella Valley	Palo Verde	
Highways	\$ 41,544,610	\$ -	\$ -	\$ 41,544,610
Regional arterials	12,219,003	-	-	12,219,003
Highways and regional arterials	-	19,256,161	-	19,256,161
New corridors	15,070,104	-	-	15,070,104
Economic development incentives	1,629,200	-	-	1,629,200
Local streets and roads	39,508,109	13,479,312	936,502	53,923,923
Public transit:				
Commuter assistance	2,036,501	-	-	2,036,501
Commuter rail	8,308,922	-	-	8,308,922
Bus	2,077,230	-	-	2,077,230
Specialized transportation	3,462,051	-	-	3,462,051
Bus and specialized transportation	-	5,776,848	-	5,776,848
Bond financing	10,997,103	-	-	10,997,103
	<u>\$ 136,852,833</u>	<u>\$ 38,512,321</u>	<u>\$ 936,502</u>	<u>\$ 176,301,656</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									
	2017 ¹	2016	2015	2014	2013	2012	2011	2010	2009	2008
General retail	28.3	28.9	28.8	28.4	28.7	28.8	29.8	30.9	30.9	28.2
Transportation	25.3	25.1	25.9	26.6	27.0	26.9	27.1	25.0	22.8	24.9
Food products	17.6	17.7	17.3	16.6	16.1	16.2	16.4	17.0	17.8	16.0
Business to business	15.6	15.3	15.0	14.4	14.5	15.0	14.1	14.5	15.2	16.4
Construction	10.8	10.8	10.8	12.0	11.8	11.1	10.5	10.5	11.1	12.3
Miscellaneous	2.4	2.2	2.2	2.0	1.9	2.0	2.1	2.1	2.2	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MuniServices LLC. Prior years' information is not available.

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 Revenues ²	Measure A Sales Tax Revenue Growth (Decline) Rate	Senior Lien Debt Service	Senior Lien Coverage Ratio	Subordinate Lien Debt Service	Total Debt Service	Total Debt Service Coverage Ratio
2018	\$ 176,301,656	0.56%	\$ 75,159,543	2.35	\$ -	\$ 75,159,543	2.35
2017	175,320,207	4.59%	51,889,982	3.38	-	51,889,982	3.38
2016	167,630,239	2.78%	53,400,019	3.14	-	53,400,019	3.14
2015	163,092,776	4.31%	53,300,072	3.06	-	53,300,072	3.06
2014	156,355,894	4.64%	50,499,417	3.10	-	50,499,417	3.10
2013	149,428,124	10.70%	22,156,116	6.74	-	22,156,116	6.74
2012	134,984,307	9.35%	21,503,582	6.28	-	21,503,582	6.28
2011	123,439,833	7.78%	12,651,386	9.76	-	12,651,386	9.76
2010 ³	114,526,254	-4.31%	8,918,183	12.84	-	8,918,183	12.84
2009 ⁴	119,688,289	-16.03%	34,020,724	3.52	1,452,634	35,473,358	3.37

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 Board of Equalization fees, during the fiscal year.

³ In FY 2010 the 2008 bonds related to the 2009 Measure A program were current refunded. The payment to escrow agent is excluded from debt service.

⁴ In FY 2009 all bonds related to the 1989 Measure A program matured as the 1989 Measure A program expired on June 30, 2009.



Riverside County Transportation Commission

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Governmental Activities				
Year	Sales Tax Revenue Bonds, net of premium and discount	Commercial Paper	MSHCP Funding Liability	Capital Leases
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
2013	310,435,508	60,000,000	-	6,289
2012	317,138,111	-	-	30,943
2011	323,537,074	-	-	54,874
2010	180,731,699	83,284,000	-	78,104
2009	127,538,888	110,000,000	-	100,652

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 on page 122 for personal income and population data.

Riverside County Transportation Commission
Ratios of Outstanding Debt by Type, Continued
Last Ten Fiscal Years

Business-Type Activities					
Year	Toll Revenue Bonds, net of discount and accretion	TIFIA Loan	Total Primary Government	Percentage of Personal Income ¹	Debt per Capita ¹
2018	\$ 194,522,170	\$ 453,980,866	1,642,321,268	N/A	\$ 689.29
2017	189,923,251	438,628,419	1,460,496,733	N/A	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
2013	-	-	370,441,797	0.49%	167.47
2012	-	-	317,169,054	0.44%	142.38
2011	-	-	323,591,948	0.48%	145.91
2010	-	-	264,093,803	0.41%	121.16
2009	-	-	237,639,540	0.38%	111.01

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				
	2018	2017	2016	2015	2014
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002 ²					
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	859,020,000	786,240,000	771,300,000	759,100,000	766,500,000
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>

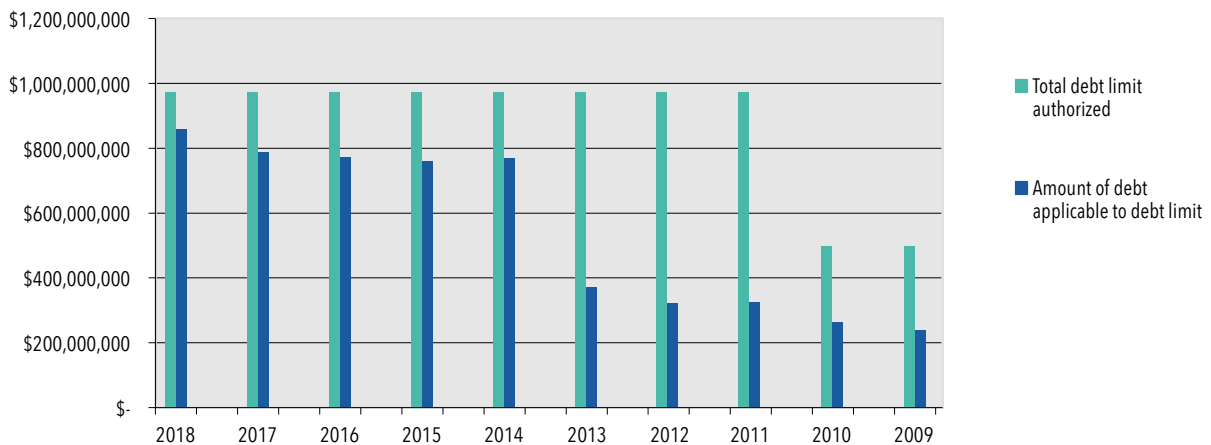
Source: Finance Department

¹ The Commission's debt limits were approved by the voters of Riverside County as part of the sales tax ordinances and are 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.

³ Ordinance No. 88-1 expired on June 30, 2009. All outstanding debt related to Ordinance 88-1 matured prior to the expiration date.

Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002



Riverside County Transportation Commission

Computation of Legal Debt Margin Continued¹

Last Ten Fiscal Years

	Fiscal Year				
	2013	2012	2011	2010	2009
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002 ²					
Total debt limit authorized	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 500,000,000	\$ 500,000,000
Amount of debt applicable to debt limit	371,400,000	318,200,000	324,700,000	264,284,000	236,395,000
Legal debt margin	<u>\$ 603,600,000</u>	<u>\$ 656,800,000</u>	<u>\$ 650,300,000</u>	<u>\$ 235,716,000</u>	<u>\$ 263,605,000</u>
% of debt to legal debt limit	<u>38.1%</u>	<u>32.6%</u>	<u>33.3%</u>	<u>52.9%</u>	<u>47.3%</u>

Measure A Ordinance No. 88-1, as amended by Ordinance 92-1³

Total debt limit authorized	\$ 525,000,000
Amount of debt applicable to debt limit	-
Legal debt margin	<u>\$ 525,000,000</u>
% of debt to legal debt limit	<u>0.0%</u>

Source: Finance Department

Riverside County Transportation Commission
Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years

Calendar Year	Population¹	Personal Income (thousands)²	Per Capita Personal Income²	Unemployment Rate³
2018	2,415,955	N/A	N/A	0.0%
2017	2,382,640	N/A	N/A	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%
2013	2,255,059	76,289,477	33,278	10.3%
2012	2,227,577	72,015,057	31,742	12.2%
2011	2,217,778	67,024,780	29,927	12.4%
2010	2,179,692	64,376,498	29,222	14.7%
2009	2,140,626	63,228,086	29,748	13.4%

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 Riverside County Economic Development Agency. Represents most recent data available.

Riverside County Transportation Commission
Employment Statistics by Industry for the County of Riverside
Calendar Year 2017 and Nine Years Prior

Industry Type	2017 ¹	% of Total Employment	2008	% of Total Employment
Agricultural services, forestry, fishing and other	12,600	1.8%	13,100	2.2%
Mining	400	0.1%	500	0.1%
Construction	62,300	8.8%	54,700	9.2%
Manufacturing	42,800	6.0%	48,400	8.1%
Transportation, warehousing, and public utilities	42,100	5.9%	21,200	3.6%
Wholesale trade	23,900	3.4%	20,400	3.4%
Retail trade	92,800	13.1%	84,900	14.2%
Professional & business services	67,000	9.4%	58,000	9.7%
Education & health services	106,200	14.9%	70,100	11.8%
Leisure & hospitality	90,800	12.8%	72,800	12.2%
Finance, insurance, and real estate	21,900	3.1%	22,300	3.7%
Other services	22,800	3.2%	19,400	3.3%
Federal government, civilian	7,100	1.0%	6,600	1.1%
State government	17,800	2.5%	15,700	2.6%
Local government	100,500	14.0%	88,300	14.8%
Total employment	711,000	100.0%	596,400	100.0%

Source: State of California Economic Development Department

¹ Year represents most recent data available.

Riverside County Transportation Commission
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	As of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Management services and administration	19.2	17.1	14.7	16.2	13.8	14.1	13.9	12.7	8.9	12.7
Planning and programming	4.2	4.9	6.2	6.1	5.9	4.9	5.1	5.2	5.5	5.1
Rail operations and maintenance	4.1	4.3	4.5	4.0	3.1	2.9	3.3	3.1	3.3	2.9
Specialized transit/transportation	2.4	2.7	2.3	2.3	3.4	2.5	2.5	2.6	2.6	2.2
Commuter assistance	1.7	1.4	1.8	3.0	1.7	1.8	1.6	1.6	1.8	1.2
Motorist assistance	0.9	0.8	0.7	0.7	0.9	0.9	1.2	0.9	0.7	0.8
Capital project development and delivery	15.5	15.8	15.8	13.7	15.2	13.9	12.3	11.9	14.2	11.1
Total full-time equivalents	48.0	47.0	46.0	46.0	44.0	41.0	40.0	38.0	37.0	36.0

Source: Finance Department



Riverside County Transportation Commission

Operating Indicators

Last Ten Fiscal Years

	As of June 30				
	2018	2017	2016	2015	2014
Toll operations:					
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	-	-	-
Commuter rail operations:					
Growth of average daily ridership on commuter lines:					
Riverside line	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:					
Riverside line	N/A	47.2%	45.7%	49.6%	50.9%
IEOC line	N/A	31.8%	33.4%	32.6%	37.6%
91 line	N/A	26.5%	27.7%	38.6%	51.3%
Specialized transit/transportation:					
Specialized transit grants awarded	16	17	17	20	22
Commuter assistance:					
Club Ride members	N/A	N/A	N/A	N/A	N/A
Rideshare Incentive members	573	505	597	736	1,106
Rideshare Plus Rewards members	1,114	792	1,142	3,723	5,770
Incoming 1-866-RIDESHARE telephone calls	6,287	5,227	5,026	1,797	2,625
Rideshare Connection bulletins produced	N/A	N/A	N/A	8	10
Rideguides produced	4,606	5,219	8,607	6,527	10,059
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
IES11 web visits	408,021	618,130	473,462	452,713	443,359
IES11 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

Operating Indicators, Continued

Last Ten Fiscal Years

	As of June 30				
	2013	2012	2011	2010	2009
Toll operations:					
Gross trips	-	-	-	-	-
Gross potential revenue	-	-	-	-	-
Average gross potential revenue per trip	-	-	-	-	-
Commuter rail operations:					
Growth of average daily ridership on commuter lines:					
Riverside line	4,911	5,279	5,177	5,124	5,269
IEOC line	4,317	4,142	3,855	4,011	4,611
91 line	2,407	2,254	2,289	2,205	2,344
Farebox recovery ratio:					
Riverside line	57.0%	58.5%	59.8%	52.5%	51.0%
IEOC line	34.9%	31.3%	31.1%	28.3%	37.3%
91 line	42.2%	49.7%	54.6%	49.3%	53.0%
Specialized transit/transportation:					
Specialized transit grants awarded	22	21	22	22	22
Commuter assistance:					
Club Ride members	N/A	N/A	N/A	N/A	7,378
Rideshare Incentive members	926	1,056	1,061	1,131	N/A
Rideshare Plus Rewards members	6,786	4,848	5,518	7,080	N/A
Incoming 1-866-RIDESHARE telephone calls	2,527	1,531	1,257	2,145	2,423
Rideshare Connection bulletins produced	13	11	13	N/A	N/A
Rideguides produced	14,813	15,628	29,052	43,319	34,940
Commuter Exchange events	55	52	52	50	73
Motorist assistance:					
Call boxes	580	594	613	614	614
Calls made from call boxes	5,337	5,043	5,251	5,934	6,574
Contracted Freeway Service Patrol vehicles	21	21	22	22	20
Assists by Freeway Service Patrol	43,633	42,748	45,751	48,312	43,119
IE511 web visits	399,730	341,716	244,277	N/A	N/A
IE511 call volumes	351,161	362,957	489,036	N/A	N/A
Transportation Uniform Mitigation Fee program:					
Approved regional arterial projects	24	24	24	24	24
Measure A program:					
Highways	\$ 118,750,336	\$ 111,049,502	\$ 75,011,698	\$ 45,698,211	\$ 165,100,551
Commuter rail	15,895,661	19,690,126	22,632,065	20,312,056	32,089,238
Regional arterials	1,787	124	8,638,637	11,920,846	12,645,090
Local streets and roads	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155
Specialized transit and commuter assistance	11,927,634	11,930,437	11,262,588	10,161,780	9,838,990
Total program expenditures	<u>\$ 191,170,309</u>	<u>\$ 182,798,079</u>	<u>\$ 154,401,913</u>	<u>\$ 122,351,206</u>	<u>\$ 265,335,024</u>

Source: Commission Departments

Riverside County Transportation Commission

Capital Asset Statistics by Program

Last Ten Fiscal Years

	As of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Commuter rail:										
Transit centers owned and managed	1	1	1	1	1	1	1	-	-	-
Commuter rail stations owned and managed	9	9	9	5	5	5	5	5	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	1	1	1	1	1
Toll operations:										
Storage and maintenance building	1	1	-	-	-	-	-	-	-	-
Toll utility buildings	3	3	-	-	-	-	-	-	-	-
Regional operations center buildings	2	2	-	-	-	-	-	-	-	-
Miles of express lanes	36	36	-	-	-	-	-	-	-	-
Toll collection system	1	1	-	-	-	-	-	-	-	-
On-road closed circuit TV cameras	36	36	-	-	-	-	-	-	-	-
Traffic operations center system	1	1	-	-	-	-	-	-	-	-
Communications network	1	1	-	-	-	-	-	-	-	-
Changeable message signs	8	8	-	-	-	-	-	-	-	-

Source: Commission Departments