

**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

SR-60 /I-215

FISCAL YEAR ENDED JUNE 30, 2019

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Riverside County Transportation Commission  
Riverside County, California

91 Express Lanes



VanClub



City of Indio local streets and roads





**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

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

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Fiscal Year Ended  
June 30, 2019

Submitted by:

Theresa Treviño,  
Chief Financial Officer

Michele Cisneros,  
Deputy Director of Finance



91 Express Lanes



Corona - North Main Station

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**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

INTRODUCTORY SECTION



Introductory  
**SECTION**

91 Express Lanes in the Santa Ana Canyon



October 31, 2019

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, 2019.

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, 2019. The independent auditor's report is located at the front of the financial section of this report.

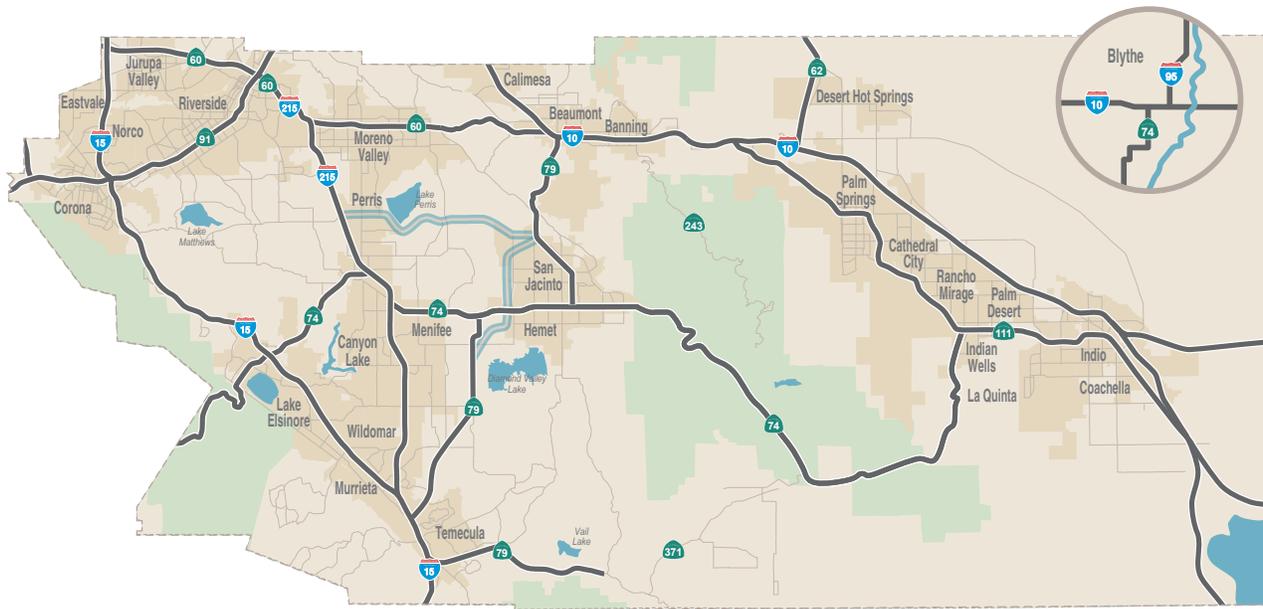
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of RCTC's Governance and Responsibilities**

State law established the Commission in 1976 to oversee the funding and coordination of all public transportation services within the county of Riverside (County). The Commission's mission is to assume a leadership role in improving mobility in Riverside County and to maximize the cost effectiveness of transportation dollars in the County. The governing body is the Board of Commissioners (Board), which consists of all five members of the County Board of Supervisors, one elected official from each of the County's 28 cities, and one non-voting member appointed by the Governor. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transportation operators and agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, non-motorized travel (bicycle and pedestrian), and other transportation activities. The Commission has developed two express lanes projects; the RCTC 91 Express Lanes opened in March 2017 and the 15 Express Lanes are expected to open in mid 2020.

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). 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 2018/19. Transportation Uniform Mitigation Fee (TUMF) revenues increased 26%, 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.

Voters upheld recent legislation by rejecting Proposition 6, which would have reversed recent raises to vehicle registration fees and the state gas tax to fund transportation projects. Another bill, Senate 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 15 Express Lanes. Construction on the I-15/Limonite Avenue interchange is nearing completion, 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 and a design-build contract will be awarded in early 2020.

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 FAST Act expires in September 2020. 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 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 began in early 2019. The project adds truck climbing and deceleration lanes, wider shoulders, and additional safety improvements to a 4.5-mile segment of the highway.

**2020 To Be A Big Year:** In addition to the construction of the SR-60 truck lanes, a number of other highway projects will progress during 2020. Many of these projects are part of a new Western Riverside County Highway Delivery Plan, which was approved by the Commission in July 2019.

**I-15 Express Lanes Southern Extension:** Environmental work is already under way to extend the 15 Express Lanes an additional 14.5 miles to the city of Lake Elsinore. A series of public scoping meetings will be held in late 2019 that will be part of the comprehensive environmental review process.

**I-15 Railroad Canyon Interchange:** The Commission will serve as the lead agency to expand the I-15 interchange at Railroad Canyon Road in the city of Lake Elsinore. The \$45 million project will widen the street over the freeway and make a number of needed improvements to increase capacity of the on and off ramps and auxiliary lanes at the location.

**Placentia Interchange to link I-215 and future Mid County Parkway:** 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 the cities of 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.

**71/91 Interchange:** Funding for the construction of a new connector between the eastbound SR-91 and northbound SR-71 in the city of Corona has been secured. This \$121 million project has environmental clearance and could begin the construction phase in 2020.

**91 Freeway Corridor Operations Project:** The Commission, in partnership with Caltrans, the Orange County Transportation Authority, the Transportation Corridor Agencies, and the city of Corona, is conducting engineering and environmental studies to support the 91 Corridor Operations Project. The Commission is leading the development of the project. The proposed project would add an auxiliary lane on westbound SR-91 from the Green River Road on-ramp to the southbound SR-241 connector. The auxiliary lane, located next to the exterior shoulder, would help relieve westbound traffic congestion through this heavily traveled corridor. Pending project approvals and securing funding, work could begin in 2020 and would take about 15 months to complete.

**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 State Transportation Improvement Program 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 two years 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.



**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.

**79 Realignment Remains an Important Priority:** 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 under the regional arterial program, 18 projects have been completed, one project will be under construction in 2020, and one project remains in pre-construction.

## ***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 slightly more than 40,000 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 3,868 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. Average daily ridership on the IEOC line was 4,656. This line also provides weekend service.
- *91/Perris Valley Line*: Provides service from Perris to Los Angeles with stops in Perris-South, Perris-Downtown, Moreno Valley/March Field, Riverside-Hunter Park/UCR, Riverside-La Sierra, Corona-North Main, Corona-West, Fullerton, Buena Park, Norwalk, and Commerce before terminating at Union Station. Daily patronage on the line averages 3,293. A part of this line between Riverside and Los Angeles offers weekend service, and new weekend service from Perris started in October 2019.

## ***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](http://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 FY 2018/19, VanClub supported an average of 67 vans per month resulting in the reduction of 128,060 trips, 4.7 million miles and 2,536 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 2,900 park and ride spaces available in Riverside County.

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

**Freeway Service Patrol:** The FSP program is a special team of 26 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. Thanks in part to the approval of SB 1, which provided more funding to FSP programs, the Commission has been able to expand the service to additional areas along the I-15 in southwestern Riverside County.



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 2018/19, the FSP provided 44,607 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 and 2019. A cost effective backbone of 156 call box units will remain in place and serve more than 346 centerline miles of highways. The call box program is funded by Riverside County SAFE revenue, an annual \$1 surcharge added to vehicle registrations. In FY 2018/19, call box operators answered approximately 1,384 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](http://www.ie511.org), or the IE511 mobile app. To date, the IE511 mobile app has been downloaded by more than 67,000 users. IE511 is funded with Riverside County SAFE funds in addition to SBCTA reimbursements. In FY 2018/19, IE511 serviced approximately 214,000 web visits and 114,000 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 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.

The Commission develops a Public Transit-Human Services Coordinated Plan every four years. In the 2016 update, the Commission identified service gaps, additional qualified populations as well as underserved areas of Riverside County in need of transit services. To address these transit needs, a Universal Call for Projects for Specialized Transit (Universal Call) is held every three years and provides funding awards in Western County. The 2018 Universal Call awarded approximating \$8.2 million to 18 public and nonprofit agencies using Measure A funding over a three-year period from FY 2018/19 through FY 2020/21. During FY 2018/19, public and nonprofit operators provided over 175,000 one-way trips funded by Measure A in Western County.

### **Consideration of an Additional Sales Tax Program**

Work is underway to develop a comprehensive countywide transportation study for approval in 2019. This will help inform another effort to complete a countywide traffic relief plan, which could become the basis of a new expenditure plan for an additional half-cent sales tax. The Commission will consider whether to seek voter approval for the plan in mid-2020. Additional local revenue will help close a growing number of transportation gaps as the County continues to grow in population and employment.

### **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, 2018. This was the 26th 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.

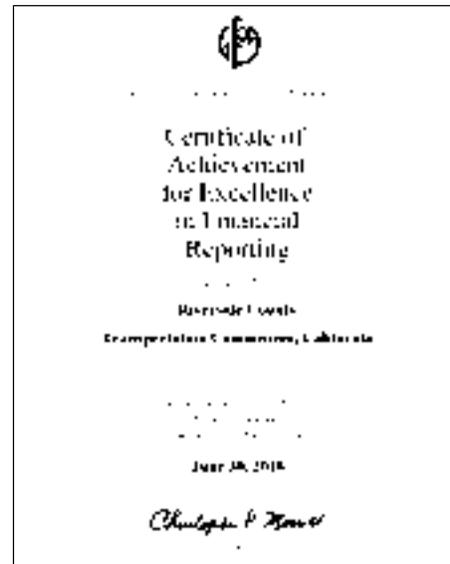
Very truly yours,



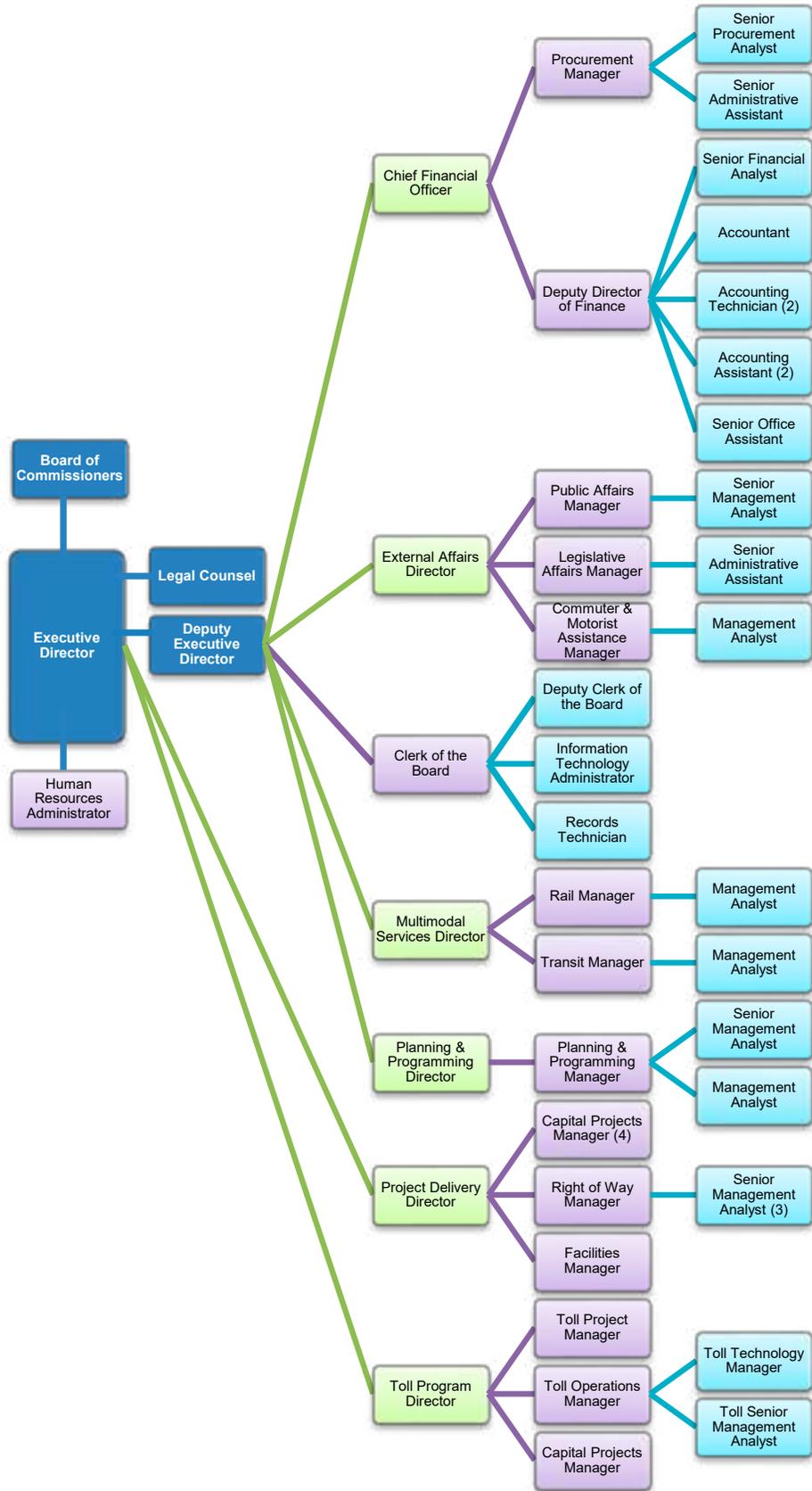
ANNE MAYER  
Executive Director



THERESIA TREVIÑO  
Chief Financial Officer



# Riverside County Transportation Commission Organizational Chart



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

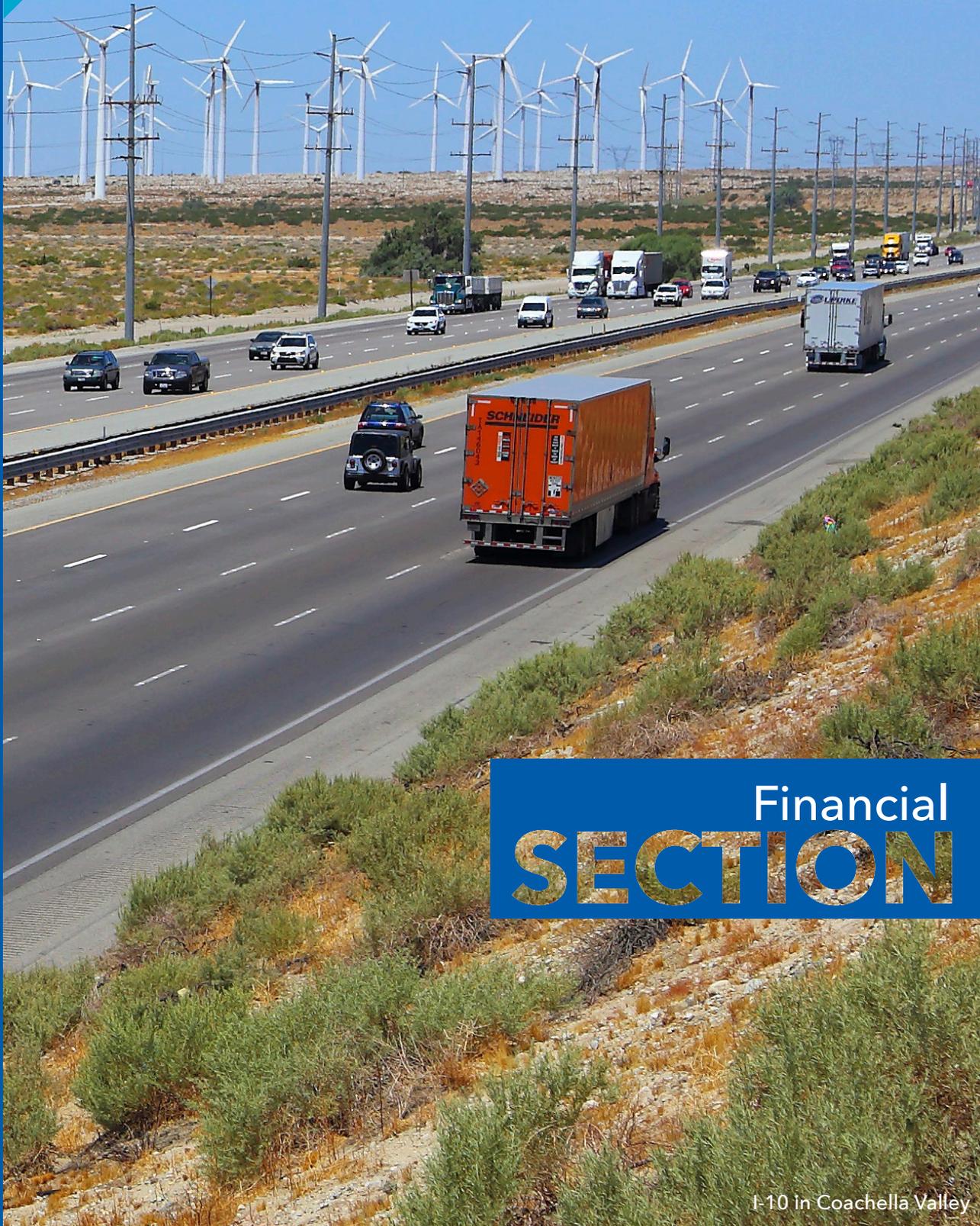
Board of Commissioners		
Name	Title	Agency
Kevin Jeffries	Member	County of Riverside, District 1
Karen Spiegel	Member	County of Riverside, District 2
Chuck Washington	Chair (Commission)	County of Riverside, District 3
V. Manuel Perez	Member	County of Riverside, District 4
Jeff Hewitt	Member	County of Riverside, District 5
Art Welch	Member	City of Banning
Lloyd White	Vice Chair (Budget and Implementation Committee)	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Larry Smith	Member	City of Calimesa
Randall Bonner	Member	City of Canyon Lake
Raymond Gregory	Member	City of Cathedral City
Steven Hernandez	Member	City of Coachella
Wes Speake	Member	City of Corona
Scott Matas	Member	City of Desert Hot Springs
Clint Lorimore	Member	City of Eastvale
Linda Krupa	Chair (Budget and Implementation Committee)	City of Hemet
Dana Reed	Member	City of Indian Wells
Waymond Fermon	Member	City of Indio
Brian Berkson	Chair (Western Riverside County Programs and Projects Committee)	City of Jurupa Valley
Kathleen Fitzpatrick	Member	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
Bill Zimmerman	Member	City of Menifee
Victoria Baca	Member	City of Moreno Valley
Scott Vinton	Member	City of Murrieta
Berwin Hanna	Member	City of Norco
Jan Harnik	2nd Vice Chair (Commission)	City of Palm Desert
Lisa Middleton	Member	City of Palm Springs
Michael M. Vargas	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Perris
Ted Weill	Member	City of Rancho Mirage
Rusty Bailey	Member	City of Riverside
Andrew Kotyuk	Member	City of San Jacinto
Michael S. Naggar	Member	City of Temecula
Ben Benoit	Vice Chair (Commission)	City of Wildomar
Mike Beauchamp	Governor's Appointee	Caltrans, 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, Multimodal Services Director  
 Theresia Treviño, Chief Financial Officer

**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**



Financial  
**SECTION**

I-10 in Coachella Valley

FINANCIAL SECTION



Certified  
Public  
Accountants

## 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, 2019, 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, 2019, 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*

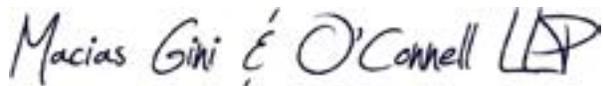
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and information related to the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement 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 31, 2019

**Riverside County Transportation Commission**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2019**

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, 2019. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-viii and the Commission's financial statements which begin on page 20.

**Financial Highlights**

- Total net position of the Commission was \$339,545,929 and consisted of net investment in capital assets of \$407,083,162; restricted net position of \$820,131,347; and unrestricted net position (deficit) of (\$887,668,580).
- The governmental activities unrestricted net deficit results primarily from the recording of the debt issued for Measure A highway, local streets and roads, and regional arterial projects. As title to substantially most of those assets vests with the State of California (State) Department of Transportation (Caltrans) or local jurisdictions, there is no asset corresponding to the liability. Accordingly, the Commission does not have sufficient current resources on hand to cover current and long-term liabilities; however, future Measure A sales taxes are pledged to cover Measure A debt service payments when made.
- Total net position increased by \$144,218,986 during fiscal 2019. An increase in net position from governmental activities of \$141,047,952 was primarily due to an increase in operating grants and contributions, capital grants and contributions, Measure A sales taxes, Transportation Development Act sales taxes, as well as unrestricted investment earnings; a decrease in general government and CETAP program expenses, as well as interest expense; and offset by an increase in commuter rail, highways, local streets and roads, regional arterials, and transit and specialized transportation program expenses. An increase in net position from business-type activities of \$3,171,034 was primarily due to an increase in charges for services and investment earnings, offset by a slight increase in expenses, and internal transfers of surplus funds for the 91 Corridor Operations project and excess investment earnings.
- Total capital and intangible assets, net of accumulated depreciation and amortization, were \$819,810,293 and \$239,801,144 at June 30, 2019, respectively, representing an increase of \$89,986,860, or 9%, from June 30, 2018. The increase in capital assets was primarily related to construction in progress costs for the I-15 Express Lanes project and rail station improvement costs. The decrease in intangible assets was related to the current year amortization, offset by a transfer of costs for the completed construction of tolled express lanes from the governmental activities capital assets to business-type activities intangible assets.
- The long-term liabilities net decrease of \$5,886,137 related to principal payments on sales tax revenue bonds, amortization of sales tax revenue bonds premium, and payment for the MSHCP funding liability, offset by a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawn down on the I-15 Express Lanes project and compounded and accreted interest on the TIFIA loans and 2013 Toll Revenue Bonds, respectively.
- The Commission's governmental funds reported combined ending fund balances of \$790,214,073, an increase of \$14,176,533 compared to fiscal 2018 primarily due to increased sales taxes and intergovernmental revenues, as well as investment income, offset by increased commuter rail, highways, local streets and roads, regional arterials, and transit and specialized transportation expenditures. 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 20-21 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), Local Transportation Fund (LTF), State Transit Assistance, and SB 132 Special Revenue funds; Commercial Paper and Bonds Capital Projects funds; and Debt Service fund. Data from the other six 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 22-29 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 30-33 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 34-74 of this report.

### ***Other Information***

Other information is in addition to the basic financial statements and accompanying notes to the financial statements. This report also presents certain required supplementary information concerning the Commission's budgetary results for the General fund and major Special Revenue funds as well as the schedules of proportionate share of net pension liability, pension contributions, changes in the net other post-employment benefits (OPEB) asset and related ratios, and OPEB contributions. Required supplementary information can be found on pages 77-85 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 89-101 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, 2019, the Commission's assets exceeded liabilities by \$339,545,929, a \$144,218,986 increase from June 30, 2018. 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 120%, compared to 124% in 2018, of the Commission's net position reflects its net investment in capital assets (i.e., intangibles, construction in progress; land and improvements; toll infrastructure; buildings; construction and rail operating easements; rail stations; rail tracks; office improvements; development in progress; transponders; and office furniture, equipment, and vehicles), less any related outstanding debt used to acquire those assets, primarily related to land and tolled express lane projects. The Commission uses these capital assets to provide transportation services to the residents and business community of the County. Although the Commission's investments in capital assets is reported net of related debt, the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For business-type activities, the related debt for the RCTC 91 Express Lanes exceeded the capital assets, net of accumulated depreciation.

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 129% and 169% of the total governmental activities net position at June 30, 2019 and 2018, respectively. Restricted net position from governmental activities decreased by \$6,526,530, as a result of the increased commuter rail, highways, local streets and roads, regional arterials, and transit and specialized transportation program expenses, offset by increased operating and capital grants and contributions, sales taxes, and unrestricted investment earnings.

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 \$857,485,575 deficit at June 30, 2018 to a \$887,668,580 deficit at June 30, 2019. 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 2018 amounts to conform to the 2019 presentation. Such reclassifications had no effect on the previous reported change in net position.



The following is condensed financial data related to net position at June 30, 2019 and June 30, 2018:

Net Position	Governmental-Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 863,920,518	\$ 844,630,845	\$ 155,219,789	\$ 89,085,530	\$ 1,019,140,307	\$ 933,716,375
Capital assets not being depreciated	484,129,864	379,768,175	38,736,133	43,207,039	522,865,997	422,975,214
Capital assets, net of depreciation	279,626,359	280,571,027	17,317,937	22,032,516	296,944,296	302,603,543
Intangible assets, net of amortization	-	-	239,801,144	244,045,820	239,801,144	244,045,820
Total assets	1,627,676,741	1,504,970,047	451,075,003	398,370,905	2,078,751,744	1,903,340,952
Deferred outflows of resources	40,172,143	42,863,182	277,686	310,156	40,449,829	43,173,338
Total assets and deferred outflows of resources	1,667,848,884	1,547,833,229	451,352,689	398,681,061	2,119,201,573	1,946,514,290
Long-term obligations	926,889,816	953,564,990	669,327,649	648,538,612	1,596,217,465	1,602,103,602
Other liabilities	126,193,666	120,668,602	56,578,412	27,877,895	182,772,078	148,546,497
Total liabilities	1,053,083,482	1,074,233,592	725,906,061	676,416,507	1,778,989,543	1,750,650,099
Deferred inflows of resources	623,173	505,360	42,928	31,888	666,101	537,248
Total liabilities and deferred inflows of resources	1,053,706,655	1,074,738,952	725,948,989	676,448,395	1,779,655,644	1,751,187,347
Net position:						
Net investment in capital assets	706,935,587	529,178,100	(299,852,425)	(286,349,191)	407,083,162	242,828,909
Restricted	794,875,222	801,401,752	25,256,125	8,581,857	820,131,347	809,983,609
Unrestricted (deficit)	(887,668,580)	(857,485,575)	-	-	(887,668,580)	(857,485,575)
Net position at end of year	\$ 614,142,229	\$ 473,094,277	\$ (274,596,300)	\$ (277,767,334)	\$ 339,545,929	\$ 195,326,943

#### Changes in Net Position

The Commission's total program and general revenues were \$582,510,599, while the total cost of all programs was \$438,291,613. Total revenues increased by 33%, and the total cost of all programs increased by 7%. Those who directly benefited from the programs or other governments that subsidized certain programs with grants and contributions paid approximately 51% of the costs of the Commission's programs in 2019, compared to 40% of the costs in 2018. Sales taxes ultimately financed a significant portion of the programs' net costs.

Governmental and business-type activities increased the Commission's net position by \$144,218,986, 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:

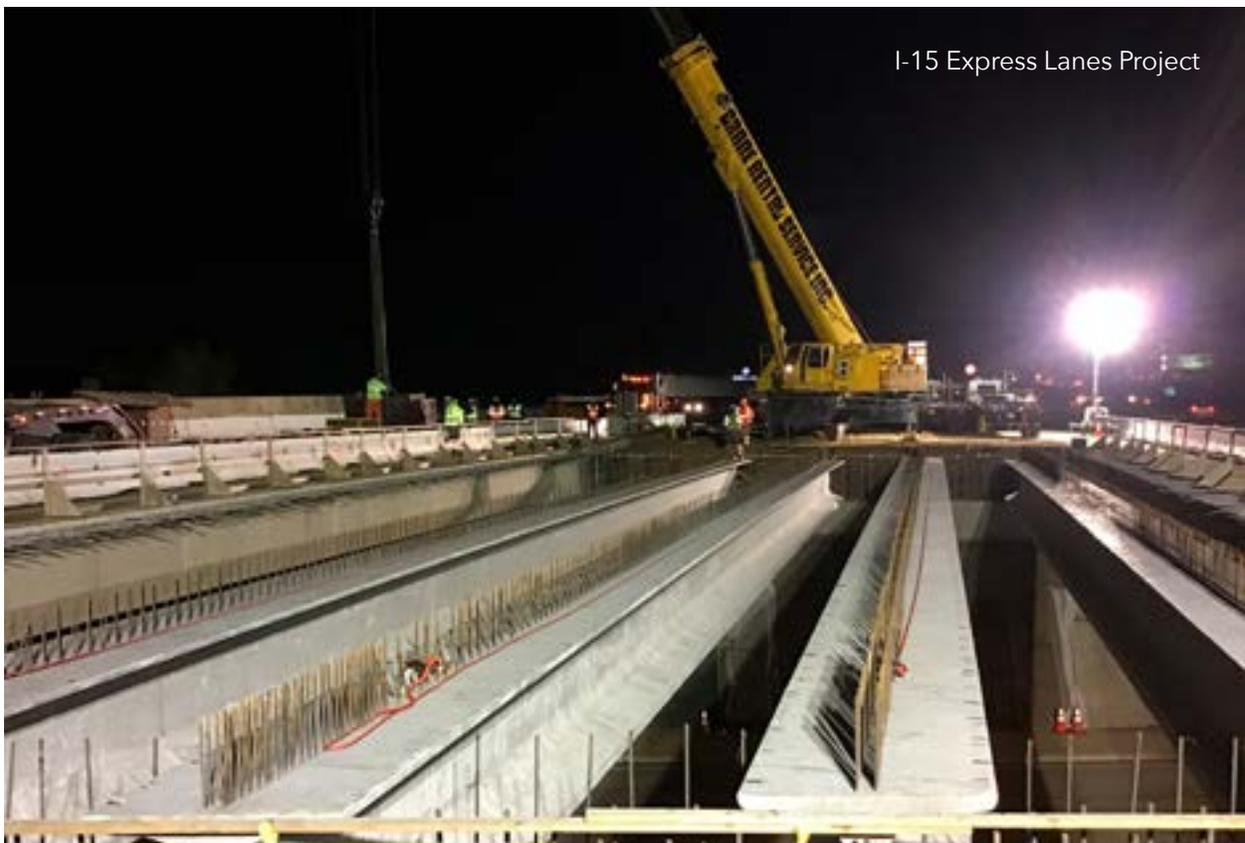
- Charges for services increased by \$7,990,327 or 16%, due to toll operations on the RCTC 91 Express Lanes;
- Operating grants and contributions increased by \$47,721,181 or 105%, primarily due to state reimbursements related to the I-15/Limonite interchange and Jurupa and McKinley Avenue grade separation projects;
- Capital grants and contributions increased by \$7,648,154, or 11%, 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 \$24,903,339, or 14%. This increase is primarily a result of the California Department of Tax and Fee Administration (CDTFA) resolving the backlog of sales tax returns due to the implementation of a new system in May 2018;
- Transportation Development Act (TDA) sales taxes increased by \$20,142,673, or 18%, as a result of an increase in Local Transportation Fund (LTF) revenues related to the CDTFA backlog resolution and State Transit Assistance (STA) revenues;
- Unrestricted investment earnings increased \$15,011,435, or 169%, due to higher interest rates and unrealized gains on investments;

- Other miscellaneous revenues increased \$763,931, or 31%, due primarily to the sale of rail and highway properties not included in capital assets; and
- The net loss on sale of capital assets of \$3,263,872, related to the sale of excess properties recorded as capital assets.

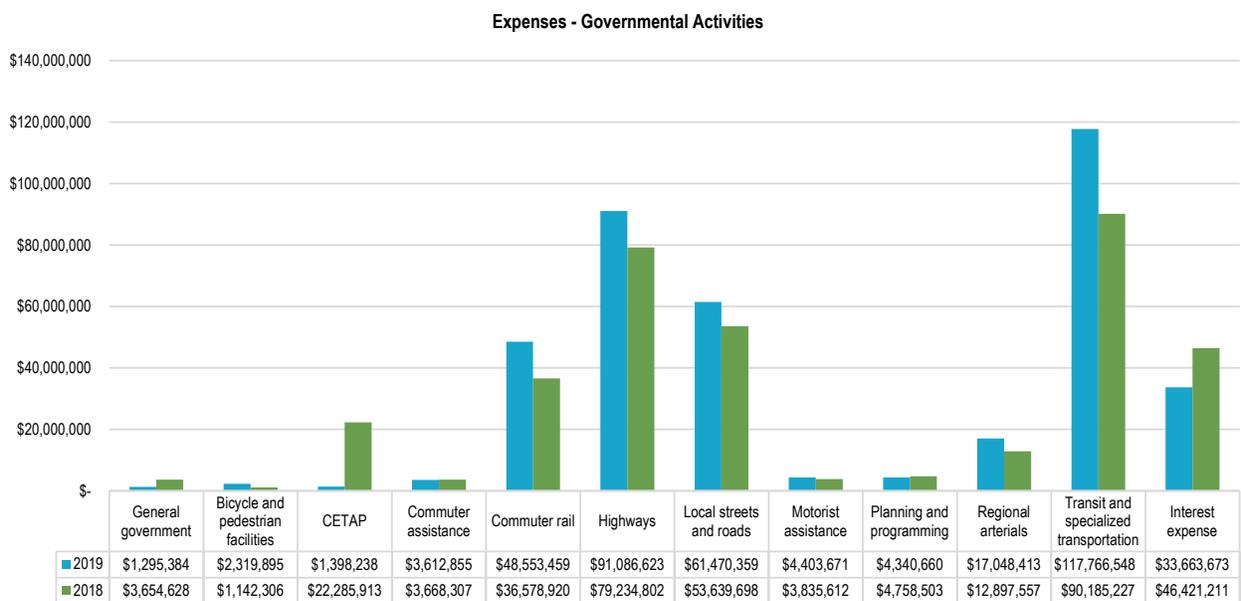
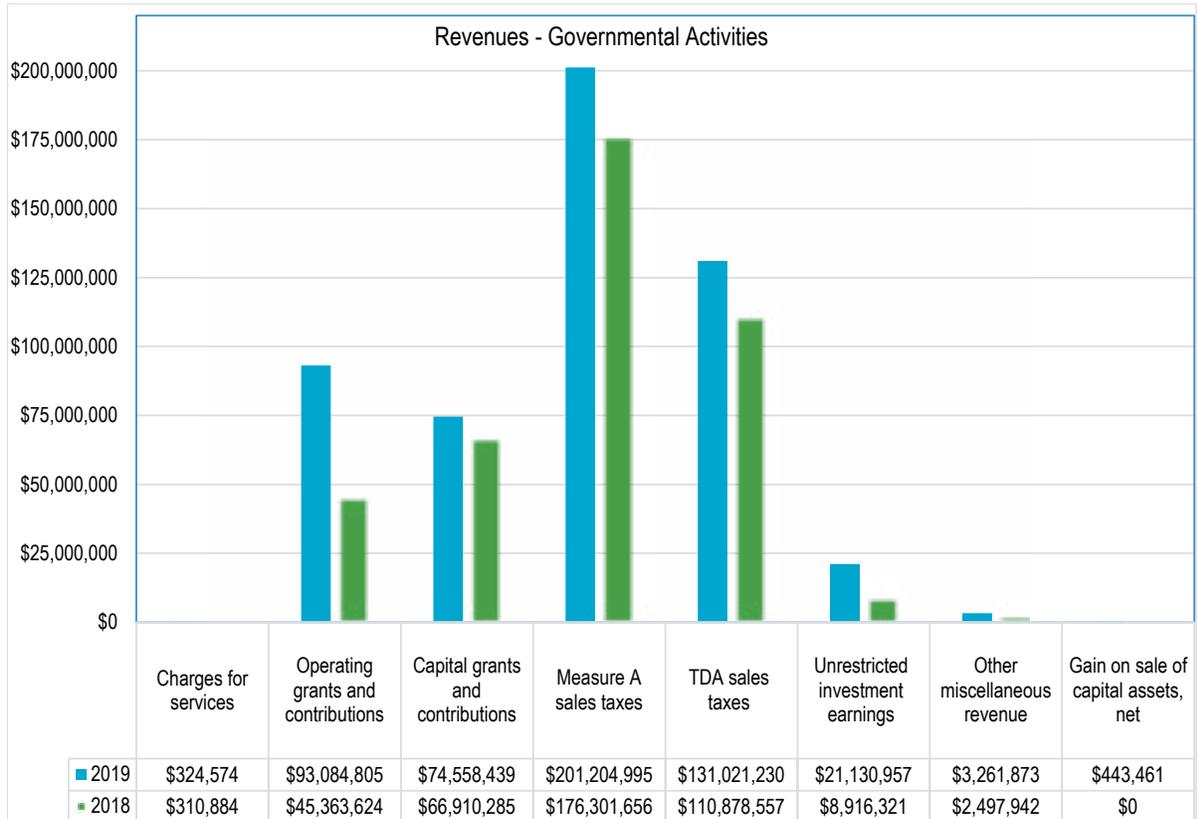
Changes in Net Position	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 324,574	\$ 310,884	\$ 58,423,461	\$ 50,446,824	\$ 58,748,035	\$ 50,757,708
Operating grants and contributions	93,084,805	45,363,624	-	-	93,084,805	45,363,624
Capital grants and contributions	74,558,439	66,910,285	-	-	74,558,439	66,910,285
General revenues:						
Measure A sales taxes	201,204,995	176,301,656	-	-	201,204,995	176,301,656
TDA sales taxes	131,021,230	110,878,557	-	-	131,021,230	110,878,557
Unrestricted investment earnings (loss)	21,130,957	8,916,321	2,764,137	(32,662)	23,895,094	8,883,659
Other miscellaneous revenue	3,261,873	2,497,942	-	-	3,261,873	2,497,942
Gain (loss) on sale of capital assets, net	443,461	-	(3,707,333)	-	(3,263,872)	-
<b>Total revenues</b>	<b>525,030,334</b>	<b>411,179,269</b>	<b>57,480,265</b>	<b>50,414,162</b>	<b>582,510,599</b>	<b>461,593,431</b>
<b>Expenses</b>						
General government	1,295,384	3,654,628	-	-	1,295,384	3,654,628
Bicycle and pedestrian facilities	2,319,895	1,142,306	-	-	2,319,895	1,142,306
CETAP	1,398,238	22,285,913	-	-	1,398,238	22,285,913
Commuter assistance	3,612,855	3,668,307	-	-	3,612,855	3,668,307
Commuter rail	48,553,459	36,578,920	-	-	48,553,459	36,578,920
Highways	91,086,623	79,234,802	-	-	90,474,639	79,234,802
Local streets and roads	61,470,359	53,639,698	-	-	61,470,359	53,639,698
Motorist assistance	4,403,671	3,835,612	-	-	4,403,671	3,835,612
Planning and programming	4,340,660	4,758,503	-	-	4,340,660	4,758,503
Regional arterials	17,048,413	12,897,557	-	-	17,048,413	12,897,557
Toll operations	-	-	51,331,835	49,452,297	51,943,819	49,452,297
Transit and specialized transportation	117,766,548	90,185,227	-	-	117,766,548	90,185,227
Interest expense	33,663,673	46,421,211	-	-	33,663,673	46,421,211
<b>Total expenses</b>	<b>386,959,778</b>	<b>358,302,684</b>	<b>51,331,835</b>	<b>49,452,297</b>	<b>438,291,613</b>	<b>407,754,981</b>
Excess (deficiency) of revenues over (under) expenses	138,070,556	52,876,585	6,148,430	961,865	144,218,986	53,838,450
Transfers	2,977,396	(14,949,641)	(2,977,396)	14,949,641	-	-
Increase (decrease) in net position	141,047,952	37,926,944	3,171,034	15,911,506	144,218,986	53,838,450
Net position at beginning of year	473,094,277	435,167,333	(277,767,334)	(293,678,840)	195,326,943	141,488,493
Net position at end of year	<u>\$ 614,142,229</u>	<u>\$ 473,094,277</u>	<u>\$ (274,596,300)</u>	<u>\$ (277,767,334)</u>	<u>\$ 339,545,929</u>	<u>\$ 195,326,943</u>

- General government expenses decreased by \$2,359,244, or 65%, primarily due to administrative cost allocations;
- Bicycle and pedestrian facilities expenses increased by \$1,177,589, or 103%, due to an increase in claims submitted for approved projects;
- CETAP expenses decreased by \$20,887,675, or 94%, primarily due to a settlement agreement on the Mid County Parkway project in the previous year;
- Commuter rail expenses increased by \$11,974,539, or 33%, as a result of commuter rail station operating and rehabilitation costs;

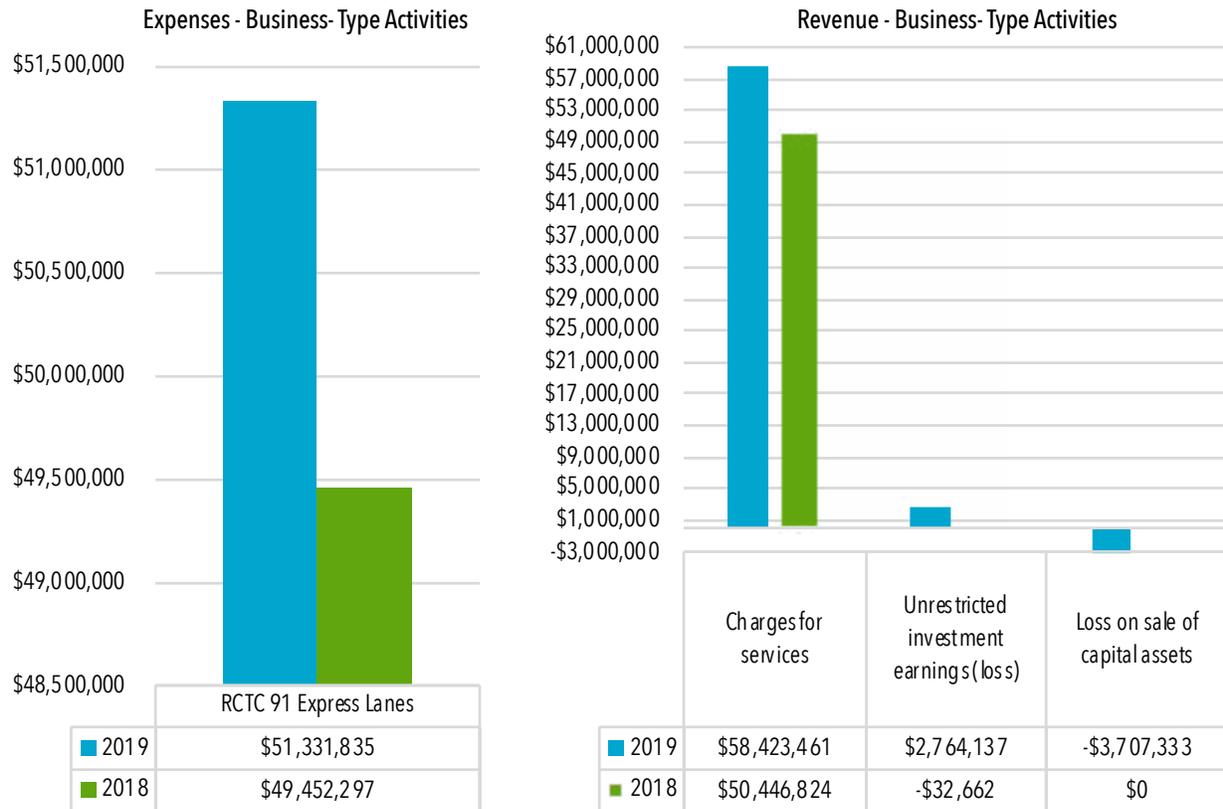
- Highway expenses increased by \$11,851,821, or 15%, due to SR-60 Truck Lanes, I-15 Express Lanes, 15/91 Express Lanes Connector, I-15/Limonite interchange, and Jurupa and McKinley Avenue grade separation projects;
- Local streets and roads expenses increased by \$7,830,661 or 15%, because of an increase in the overall Measure A sales tax revenue which affects the local streets and road distributions to local jurisdictions;
- Motorist assistance expenses increased by \$568,059, or 15%, due primarily to new freeway service patrol beats in south Western County;
- Planning and programming expenses decreased by \$417,843, or 9%, due to feasibility studies in the previous year;
- Regional arterial expenses increased by \$4,150,856, or 32%, as a result of a net increase in reimbursements to local jurisdictions for approved regional arterial projects;
- Toll operations expenses increased by \$1,879,538, or 4%, as a result of a net increase in operating costs and increased depreciation and interest expense for the RCTC 91 Express Lanes;
- Transit and specialized transportation expenses increased by \$27,581,321, or 31%, 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 \$12,757,538 or 27%, primarily as a result of the impacts of the issuance of sales tax revenue refunding bonds in the previous year; and
- Internal transfers decreased \$17,927,037, or 120%, due to the transfer of capital and intangible assets from governmental activities to business-type activities in the prior year as a result of the continued completion of the 91 Project.



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, 2019 and June 30, 2018:



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, 2019 and June 30, 2018:



## 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, 2019, the Commission's governmental funds reported combined ending fund balances of \$790,214,073, an increase of \$14,176,533 compared to 2018. Less than 1%, or \$4,020,972, is nonspendable fund balance related to prepaid amounts; \$3,226,466 is assigned fund balance for general government administration activities; an unassigned deficit of \$1,272,356 is related to a deficit fund balance in a major governmental fund. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- \$7,474,877 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- \$52,262,879 of TUMF funds for new CETAP corridors in Western County;
- \$16,004,237 for Western County commuter assistance activities such as expansion of park-and-ride facilities and other projects and programs that encourage commuters to use alternative modes of transportation under the 2009 Measure A program;
- \$62,650,271 in TDA, Measure A, and Proposition 1B funds for commuter rail operations and capital projects and \$3,071,729 in TDA and Proposition 1B funds for the Coachella Valley/San Gorgonio Pass rail corridor;

- \$11,437,149 in 2009 Measure A funds available to pay sales tax revenue bonds debt service over the next year;
- \$303,581,330 for highway, economic development, and new corridor projects related to the 1989 Measure A and 2009 Measure A programs;
- \$3,185 for local streets and roads programs that are returned to the jurisdictions within the County for maintenance and construction of their roads and local arterials under the 2009 Measure A program;
- \$10,501,511 in state funds for motorist assistance services;
- \$5,250,405 of TDA funds for planning and programming activities and \$17,017 of intergovernmental revenues for other agency projects;
- \$44,482,685 and \$57,390,453 for regional arterial projects in Western County related to the 2009 Measure A and TUMF programs, respectively;
- \$9,991,574 of Measure A funds for transit and specialized transportation in the Western County and \$1,903,246 for specialized transportation in the Coachella Valley; and
- \$198,216,443 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, 2019 and 2018:

	Fund Balances		% Change
	Year Ended June 30		
	2019	2018	
General fund	\$ 29,124,269	\$ 26,040,494	12%
Special Revenue major funds:			
Measure A Western County	253,925,602	276,997,302	(8)%
Measure A Coachella Valley	56,410,474	52,068,076	8%
Transportation Uniform Mitigation Fee	109,653,332	78,409,987	40%
Local Transportation Fund	91,541,353	110,435,854	(17)%
State Transit Assistance	107,469,411	88,143,341	22%
SB 132	(1,272,356)	(268,754)	373%
Capital Projects major funds:			
Commercial Paper	23,091,659	21,576,316	7%
Bonds	88,561,805	95,343,644	(7)%
Debt Service fund	11,437,149	11,082,909	3%
Nonmajor governmental funds	20,271,375	16,208,371	25%

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

- The 12% increase in the General fund resulted from increased transfers from the Local Transportation Fund and 2009 Measure A Western County Special Revenue Fund for commuter rail and related station operations;
- The 8% decrease in the Measure A Western County Special Revenue fund was attributed to increased highway projects;
- The 8% 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 40% increase in the TUMF Special Revenue fund was primarily attributable to a settlement agreement on the Mid County Parkway project in the prior year;

- The 17% 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 22% increase in the State Transit Assistance fund resulted from less claims for allocations for transit operations over sales tax revenues;
- The 373% increase in the SB 132 fund deficit resulted from the reimbursements due from the Department of Transportation for eligible project reimbursements;
- The 7% increase in the Commercial Paper Capital Projects fund was attributed to increased investment income;
- The 7% decrease in the Bonds Capital Projects fund was attributed to transfers out for project costs;
- The 3% increase in the Debt Service fund was attributable to increased investment income; and
- The 25% increase in nonmajor governmental funds resulted primarily from the excess of sales tax revenues over claims of allocations for transit capital projects and an increase in motorist assistance revenues for freeway service patrol services.

#### 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 \$274,596,300 at June 30, 2019. The deficit is related to the RCTC 91 Express Lanes toll-supported debt in excess of capital and intangible assets.

#### **General Fund Budgetary Highlights**

The \$413,300 increase in General Fund expenditure appropriations between the original budget and the final amended budget for the General fund was related to the following changes:

- \$298,500 increase to general government for various operations support services;
- \$22,300 increase to the commuter rail program for program management activities;
- \$85,900 increase to the planning and programming activities support costs;
- \$1,000 decrease for transit and specialized transportation activities support costs;
- \$17,600 increase for debt service for capital lease payments; and
- \$10,000 decrease to capital outlay for furniture and equipment.



During the year, General fund revenues were higher than budgetary estimates by \$630,132; expenditures were less than budgetary estimates by \$18,978,943. General fund budgetary variances between the final amended budget and actual amounts are as follows:

General Fund Budgetary Variances	Year Ended June 30, 2019			
	Original Budget	Final Amended Budget	Actual	% Variance
<b>Revenues</b>				
Intergovernmental	\$ 7,959,700	\$ 7,959,700	\$ 8,184,187	3%
Investment income	98,600	98,600	642,815	552%
Other	313,100	313,100	174,530	(44)%
<b>Total revenues</b>	<b>8,371,400</b>	<b>8,371,400</b>	<b>9,001,532</b>	<b>8%</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	7,921,200	8,219,700	498,165	94%
Commuter rail	31,435,100	31,457,400	25,728,469	18%
Planning and programming	7,628,800	7,714,700	2,936,254	62%
Transit and specialized transportation	645,600	644,600	408,757	37%
Debt service	-	17,600	17,492	-
Capital outlay	1,136,200	1,126,200	667,120	41%
<b>Total expenditures</b>	<b>48,766,900</b>	<b>49,180,200</b>	<b>30,256,257</b>	<b>38%</b>
<b>Other financing sources (uses)</b>				
Capital lease	-	-	55,000	(100)%
Transfers in	35,342,300	35,657,300	24,283,500	(32)%
Transfers out	(1,265,600)	(1,265,600)	-	100%
<b>Net change in fund balance</b>	<b>\$ (6,318,800)</b>	<b>\$ (6,417,100)</b>	<b>\$ 3,083,775</b>	<b>148%</b>

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

- \$224,487 positive variance for intergovernmental revenues primarily related to higher intergovernmental reimbursements for commuter rail expenditures;
- \$544,215 positive variance for increased investment income related to conservative investment yield estimates;
- \$138,570 negative variance for other revenues primarily related to lower commuter rail other revenues;
- \$7,721,535 positive variance for general government expenditures primarily related to administrative cost allocations process and lower professional services and other expenditures such as maintenance, training, and travel;
- \$5,728,931 positive variance for commuter rail expenditures related to lower station maintenance and repairs and Metrolink operations;
- \$4,778,446 positive variance for planning and programming expenditures related to lower grade separation project claims and engineering and construction costs for other agency projects;
- \$235,843 positive variance for transit and specialized transportation expenditures related to lower professional services and other expenditures such as training and travel;
- \$459,080 positive variance for capital outlay expenditures due to delayed acquisition of Commission hardware and software improvements;
- \$11,373,800 negative variance for transfers in related to the administrative cost allocation and lower planning and programming activities than anticipated; and
- \$1,265,600 positive variance for transfers out related to the administrative cost allocations process that affected commuter rail and planning and programming activities.

## Capital and Intangible Assets

### Capital Assets

As of June 30, 2019, the Commission had \$819,810,293, 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 2018/19 was 13%.

Major capital asset additions during 2019 included construction in progress related to preliminary engineering, construction, and design-build costs for the I-15 Express Lanes and rail station improvements; development in progress; rail stations; construction easements; buildings; and office improvements, furniture, equipment and vehicles.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital assets not being depreciated:						
Land and land improvements	\$ 169,894,576	\$ 172,084,889	\$ 38,736,133	\$ 43,032,888	\$ 208,630,709	\$ 215,117,777
Construction easements	1,221,021	1,189,671	-	-	1,221,021	1,189,671
Rail operating easements	63,846,199	63,846,199	-	-	63,846,199	63,846,199
Construction in progress	249,061,099	142,647,416	-	174,151	249,061,099	142,821,567
Development in progress	106,969	-	-	-	106,969	-
Total capital assets not being depreciated	484,129,864	379,768,175	38,736,133	43,207,039	522,865,997	422,975,214
Capital assets being depreciated, net of accumulated depreciation:						
Rail stations	136,390,623	132,656,945	-	-	136,390,623	132,656,945
Rail tracks	139,272,770	144,341,460	-	-	139,272,770	144,341,460
Temporary construction easements	289,076	-	-	-	289,076	-
Buildings	2,935,656	3,100,272	1,280,972	444,408	4,216,628	3,544,680
Toll infrastructure	-	-	15,729,648	21,211,466	15,729,648	21,211,466
Transponders	-	-	269,416	360,181	269,416	360,181
Office improvements, furniture, equipment, and vehicles	738,234	472,350	37,901	16,461	776,135	488,811
Total capital assets, net of accumulated depreciation	279,626,359	280,571,027	17,317,937	22,032,516	296,944,296	302,603,543
Total capital assets	\$ 763,756,223	\$ 660,339,202	\$ 56,054,070	\$ 65,239,555	\$ 819,810,293	\$ 725,578,757

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	
	2019	2018
Toll facility franchise, net of accumulated amortization	\$ 239,801,144	\$ 244,045,820

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, 2019, the Commission had \$1,634,419,716 outstanding in sales tax and toll revenue bonds and TIFIA loans. The total debt decreased from the \$1,636,313,303 outstanding as of June 30, 2018, primarily due to the following:

- TIFIA loan draw of \$14,946,136 and \$175,603 compounded interest related to the I-15 Express Lanes project;
- Sales tax revenue bonds principal payments of \$25,965,000;
- Sales tax revenue bonds premium amortization of \$11,841,861;
- Toll revenue bonds capital appreciation bonds accretion of \$4,828,668;
- Toll revenue bonds discount amortization of \$73,073; and
- TIFIA compounded interest of \$15,889,794 on the RCTC 91 Express Lanes.

The Commission’s sales tax revenue bonds received ratings of “AA+” from S&P Global Ratings (S&P), “Aa2” from Moody’s Investors Service (Moody’s), and “AA” from Fitch Ratings (Fitch), and the toll revenue bonds related to the 91 Project received ratings of “BBB” from S&P and Fitch. In August 2019, S&P upgraded its rating of the toll revenue bonds to “A-”. 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, 2019, 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 \$833,055,000. 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 \$669,294,571. 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 2019 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2019/20 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 2019/20 annual budget on June 12, 2019. Approximately 46% of the \$878,204,700 balanced budget is related to capital project expenditures, including:

- \$25,116,000 for completion of right of way acquisition, construction, and design-build activities related to the 91 Project consisting of tolled express and general purpose lanes and interchange improvements;
- \$97,925,000 for right of way support services, construction, and design-build activities related to the I-15 Express Lanes project;
- \$43,266,000 for construction and design-build activities related to the 15/91 Express Lanes Connector project;
- \$47,757,000 for preliminary engineering, right of way acquisition/support services, and construction related to the Western County SB 132 projects for which the Commission is not the lead agency;
- \$69,000,000 for preliminary construction related to the SR-60 truck lanes project;
- \$16,175,000 for preliminary engineering, right of way acquisition/support services, and construction related to the Pachappa Underpass project;
- \$21,124,300 for various Western County Measure A and TUMF regional arterial projects; and
- \$45,100,000 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 \$58,642,300. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate \$161,431,400, and budgeted transfers out related to funding of commuter rail operations and capital are \$24,269,100. Debt service costs are \$76,657,400, 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 federal budget issues continue to affect funding of the Commission's capital projects and programs. These factors were considered in preparing the Commission's 2020 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.



**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**



Festival of Lights Event at the Riverside - Downtown Metrolink station

# Basic Financial Statements

**Riverside County Transportation Commission**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 541,655,819	\$ 25,203,225	\$ 566,859,044
Receivables:			
Accounts	181,826,349	55,326,930	237,153,279
Advances to other governments	45,019,273	-	45,019,273
Interest	3,436,149	444,261	3,880,410
Internal balances	2,338,641	(2,338,641)	-
Due from other governments	233,598	-	233,598
Prepaid expenses and other assets	4,020,972	201,302	4,222,274
Restricted investments held by trustee	85,352,295	76,380,134	161,732,429
Net other post-employment benefits assets	37,422	2,578	40,000
Capital assets not being depreciated	484,129,864	38,736,133	522,865,997
Capital assets, net of accumulated depreciation	279,626,359	17,317,937	296,944,296
Intangible asset, net of amortization	-	239,801,144	239,801,144
<b>Total assets</b>	<b>1,627,676,741</b>	<b>451,075,003</b>	<b>2,078,751,744</b>
<b>Deferred outflows of resources</b>			
Loss on refunding of bonds	36,140,998	-	36,140,998
Pension changes in assumptions	889,607	61,281	950,888
Pension differences between contributions and proportionate share of contributions	407,257	28,054	435,311
Pension differences between expected and actual experiences	299,402	20,624	320,026
Pension changes in Commission's proportion	317,881	21,897	339,778
Pension contributions subsequent to measurement date	1,350,559	93,034	1,443,593
Pension net differences between projected and actual earnings on plan investments	38,578	2,657	41,235
Other post-employment benefits contributions subsequent to measurement date	727,861	50,139	778,000
<b>Total assets and deferred outflows of resources</b>	<b>1,667,848,884</b>	<b>451,352,689</b>	<b>2,119,201,573</b>
<b>Liabilities</b>			
Accounts payable	70,422,151	933,722	71,355,873
Interest payable	3,559,674	1,933,425	5,493,099
Other liabilities	2,291,392	53,151,954	55,443,346
Net pension liabilities	7,803,366	537,539	8,340,905
Long-term liabilities:			
Due within one year	42,117,083	21,772	42,138,855
Due in more than one year	926,889,816	669,327,649	1,596,217,465
<b>Total liabilities</b>	<b>1,053,083,482</b>	<b>725,906,061</b>	<b>1,778,989,543</b>
<b>Deferred inflows of resources</b>			
Pension changes in assumptions	218,025	15,019	233,044
Pension changes in Commission's proportion	138,606	9,548	148,154
Pension differences between expected and actual experiences	101,885	7,018	108,903
Other post-employment benefits net differences between projected and actual earnings on plan investments	164,657	11,343	176,000
<b>Total liabilities and deferred inflows of resources</b>	<b>1,053,706,655</b>	<b>725,948,989</b>	<b>1,779,655,644</b>
<b>Net position</b>			
Net investment in capital assets	706,935,587	(299,852,425)	407,083,162
Restricted for:			
Bicycle and pedestrian facilities	7,474,877	-	7,474,877
CETAP	52,262,879	-	52,262,879
Commuter assistance	16,006,440	-	16,006,440
Commuter rail	65,899,858	-	65,899,858
Debt service	11,437,149	-	11,437,149
Highways	314,036,844	-	314,036,844
Local streets and roads	3,185	-	3,185
Motorist assistance	10,501,511	-	10,501,511
Toll operations	-	25,256,125	25,256,125
Planning and programming	5,268,078	-	5,268,078
Regional arterials	101,873,138	-	101,873,138
Transit and specialized transportation	210,111,263	-	210,111,263
Unrestricted (deficit)	(887,668,580)	-	(887,668,580)
<b>Total net position</b>	<b>\$ 614,142,229</b>	<b>\$ (274,596,300)</b>	<b>\$ 339,545,929</b>

See notes to basic financial statements

Riverside County Transportation Commission

Statement of Activities

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating Grants	Capital Grants	Governmental	Business-type	Total
		Services	and Contributions	and Contributions	Activities	Activities	
Primary Government							
Governmental Activities:							
General government	\$ 1,295,384	\$ 326	\$ -	\$ -	\$ (1,295,058)	\$ -	\$ (1,295,058)
Bicycle and pedestrian facilities	2,319,895	-	-	-	(2,319,895)	-	(2,319,895)
CETAP	1,398,238	-	16,882,033	-	15,483,795	-	15,483,795
Commuter assistance	3,612,855	-	1,391,288	-	(2,221,567)	-	(2,221,567)
Commuter rail	48,553,459	155,587	8,443,059	10,690,503	(29,264,310)	-	(29,264,310)
Highways	91,086,623	132,681	41,338,389	63,867,936	14,252,383	-	14,252,383
Local streets and roads	61,470,359	-	-	-	(61,470,359)	-	(61,470,359)
Motorist assistance	4,403,671	35,980	5,387,137	-	1,019,446	-	1,019,446
Planning and programming	4,340,660	-	1,459,524	-	(2,881,136)	-	(2,881,136)
Regional arterials	17,048,413	-	18,088,120	-	1,039,707	-	1,039,707
Transit and specialized transportation	117,766,548	-	95,255	-	(117,671,293)	-	(117,671,293)
Interest expense	33,663,673	-	-	-	(33,663,673)	-	(33,663,673)
Total governmental activities	<u>386,959,778</u>	<u>324,574</u>	<u>93,084,805</u>	<u>74,558,439</u>	<u>(218,991,960)</u>	<u>-</u>	<u>(218,991,960)</u>
Business-type Activities:							
RCTC 91 Express Lanes	51,331,835	58,423,461	-	-	-	7,091,626	7,091,626
Total Primary Government	<u>\$ 438,291,613</u>	<u>\$ 58,748,035</u>	<u>\$ 93,084,805</u>	<u>\$ 74,558,439</u>	<u>\$ (218,991,960)</u>	<u>\$ 7,091,626</u>	<u>\$ (211,900,334)</u>

General Revenues:

Measure A sales taxes	201,204,995	-	201,204,995
Transportation Development Act sales taxes	131,021,230	-	131,021,230
Unrestricted investment earnings	21,130,957	2,764,137	23,895,094
Other miscellaneous revenue	3,261,873	-	3,261,873
Gain (loss) on sale of capital assets, net	443,461	(3,707,333)	(3,263,872)
Transfers	2,977,396	(2,977,396)	-
Total general revenues and transfers	<u>360,039,912</u>	<u>(3,920,592)</u>	<u>356,119,320</u>
Change in net position	141,047,952	3,171,034	144,218,986
Net position at beginning of year	473,094,277	(277,767,334)	195,326,943
Net position at end of year	<u>\$ 614,142,229</u>	<u>\$ (274,596,300)</u>	<u>\$ 339,545,929</u>

**Riverside County Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2019**

**Major Funds**

	Special Revenue						
	Transportation						SB 132
	General	Measure A Western County	Measure A Coachella Valley	Uniform Mitigation Fee	Local Transportation Fund	State Transit Assistance	
<b>Assets</b>							
Cash and investments	\$ 12,477,093	\$ 178,101,021	\$ 55,107,756	\$ 105,825,270	\$ 53,288,888	\$ 101,048,031	\$ -
Receivables							
Accounts	7,763,727	110,019,571	7,103,273	7,462,747	17,432,233	6,246,524	20,397,440
Advances	-	33,216	-	-	22,000,000	-	-
Interest	112,563	954,891	317,845	578,024	357,297	566,923	9
Due from other funds	9,869,943	2,340,015	151,098	148,108	-	-	1,213,732
Advances from other funds	-	3,000,000	-	-	-	-	-
Prepaid expenditures and other assets	345,881	3,675,091	-	-	-	-	-
Restricted investments held by trustee	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30,569,207</b>	<b>\$ 298,123,805</b>	<b>\$ 62,679,972</b>	<b>\$ 114,014,149</b>	<b>\$ 93,078,418</b>	<b>\$ 107,861,478</b>	<b>\$ 21,611,181</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,284,286	\$ 40,837,130	\$ 5,492,172	\$ 4,132,388	\$ 911,265	\$ 337,867	\$ 16,223,166
Due to other funds	-	2,578,877	777,326	228,158	625,800	54,200	6,660,371
Advances to other funds	-	-	-	-	-	-	-
Other liabilities	160,652	782,196	-	271	-	-	-
<b>Total liabilities</b>	<b>1,444,938</b>	<b>44,198,203</b>	<b>6,269,498</b>	<b>4,360,817</b>	<b>1,537,065</b>	<b>392,067</b>	<b>22,883,537</b>
<b>Fund balances</b>							
Nonspendable-prepaid amounts	345,881	3,675,091	-	-	-	-	-
Restricted for							
Bicycle and pedestrian facilities	-	-	-	-	7,474,877	-	-
CETAP	-	-	-	52,262,879	-	-	-
Commuter assistance	-	16,004,237	-	-	-	-	-
Commuter rail	20,301,517	42,348,754	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Highways	-	137,421,977	54,505,889	-	-	-	-
Local streets and roads	-	1,284	1,339	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-
Planning and programming	5,250,405	-	-	-	-	-	-
Regional arterials	-	44,482,685	-	57,390,453	-	-	-
Transit and specialized transportation	-	9,991,574	1,903,246	-	84,066,476	107,469,411	-
Assigned							
General government	3,226,466	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(1,272,356)
<b>Total fund balances</b>	<b>29,124,269</b>	<b>253,925,602</b>	<b>56,410,474</b>	<b>109,653,332</b>	<b>91,541,353</b>	<b>107,469,411</b>	<b>(1,272,356)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,569,207</b>	<b>\$ 298,123,805</b>	<b>\$ 62,679,972</b>	<b>\$ 114,014,149</b>	<b>\$ 93,078,418</b>	<b>\$ 107,861,478</b>	<b>\$ 21,611,181</b>

See notes to basic financial statements

**Riverside County Transportation Commission**  
**Balance Sheet - Governmental Funds, Continued**  
**June 30, 2019**

	<b>Major Funds</b>					
	<b>Capital Projects</b>				<b>Other Nonmajor Governmental Funds</b>	<b>Total</b>
	<b>Commercial Paper</b>	<b>Bonds</b>	<b>Debt Service</b>			
<b>Assets</b>						
Cash and investments	\$ 3,858,308	\$ 9,310,279	\$ 5,011,110	\$ 17,628,063	\$ 541,655,819	
Receivables						
Accounts	-	-	-	5,400,834	181,826,349	
Advances	19,855,602	3,130,455	-	-	45,019,273	
Interest	20,228	387,523	37,793	103,053	3,436,149	
Due from other funds	585,744	67,894	-	-	14,376,534	
Advances from other funds	-	-	-	-	3,000,000	
Prepaid expenditures and other assets	-	-	-	-	4,020,972	
Restricted investments held by trustee	-	78,812,951	6,539,344	-	85,352,295	
<b>Total assets</b>	<b>\$ 24,319,882</b>	<b>\$ 91,709,102</b>	<b>\$ 11,588,247</b>	<b>\$ 23,131,950</b>	<b>\$ 878,687,391</b>	
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	1,203,877	\$ 70,422,151	
Due to other funds	-	-	151,098	962,063	12,037,893	
Advances to other funds	-	3,000,000	-	-	3,000,000	
Other liabilities	1,228,223	147,297	-	694,635	3,013,274	
<b>Total liabilities</b>	<b>1,228,223</b>	<b>3,147,297</b>	<b>151,098</b>	<b>2,860,575</b>	<b>88,473,318</b>	
<b>Fund balances</b>						
Nonspendable-prepaid amounts	-	-	-	-	4,020,972	
Restricted for						
Bicycle and pedestrian facilities	-	-	-	-	7,474,877	
CETAP	-	-	-	-	52,262,879	
Commuter assistance	-	-	-	-	16,004,237	
Commuter rail	-	-	-	3,071,729	65,722,000	
Debt service	-	-	11,437,149	-	11,437,149	
Highways	23,091,659	88,561,805	-	-	303,581,330	
Local streets and roads	-	-	-	562	3,185	
Motorist assistance	-	-	-	10,501,511	10,501,511	
Planning and programming	-	-	-	17,017	5,267,422	
Regional arterials	-	-	-	-	101,873,138	
Transit and specialized transportation	-	-	-	6,680,556	210,111,263	
Assigned						
General government	-	-	-	-	3,226,466	
Unassigned	-	-	-	-	(1,272,356)	
<b>Total fund balances</b>	<b>23,091,659</b>	<b>88,561,805</b>	<b>11,437,149</b>	<b>20,271,375</b>	<b>790,214,073</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 24,319,882</b>	<b>\$ 91,709,102</b>	<b>\$ 11,588,247</b>	<b>\$ 23,131,950</b>	<b>\$ 878,687,391</b>	

See notes to basic financial statements



**Riverside County Transportation Commission**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2019**

<b>Total fund balances - Governmental funds page 23</b>	<b>\$ 790,214,073</b>
Amounts reported for governmental activities in the statement of net position page 20 are different because:	
Amounts due from other governments are not an available resource and therefore, are not reported in the funds.	233,598
Deferred outflows of resources related to the pension contributions subsequent to the measurement date.	1,350,559
Deferred outflows of pension resources related to the differences between contributions and proportionate share of contributions, net differences between projected and actual earnings on plan investments, differences between expected and actual experiences, changes in Commission's proportion, and changes in assumptions.	1,952,725
Deferred inflows of pension resources related to differences between expected and actual experiences, changes in Commission's proportion, and changes in assumptions.	(458,516)
Deferred outflows of other post-employment benefits resources related to contributions subsequent to the measurement date.	727,861
Deferred inflows of other post-employment benefits resources related to net differences between projected and actual earnings on plan investments.	(164,657)
Capital assets, less related accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	763,756,223
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unearned revenue in the funds.	721,882
Interest payable on bonds outstanding is not due and payable in the current period and therefore is not reported in the funds.	(3,559,674)
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	(7,803,366)
Net other post-employment asset	37,422
Compensated absences	(831,250)
Capital lease obligation	(50,504)
Multi-Species Habitat Conservation Plan funding liability	(3,000,000)
Sales tax bonds payable	(833,055,000)
TIFIA loan	(15,121,739)
Loss on refunding of sales tax bonds	36,140,998
Premium on sales tax revenue bonds payable	(116,948,406)
Net adjustment	(940,631,845)
<b>Net position of governmental activities page 21</b>	<b>\$ 614,142,229</b>

See notes to basic financial statements

**Riverside County Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2019**

	Major Funds						SB 132
	Special Revenue						
	General	Transportation					
		Measure A Western County	Measure A Coachella Valley	Uniform Mitigation Fee	Local Transportation Fund	State Transit Assistance	
Revenues							
Sales taxes	\$ -	\$ 156,934,682	\$ 43,238,756	\$ -	\$ 103,819,440	\$ 23,497,584	\$ -
Transportation Uniform Mitigation Fee	-	-	-	29,968,449	-	-	-
Intergovernmental	8,184,187	61,692,336	-	4,999,813	-	-	53,666,786
Investment income	642,815	5,812,430	1,656,971	3,026,080	2,118,450	2,866,174	(7,805)
Other	174,530	6,169,581	-	38,099	-	-	-
<b>Total revenues</b>	<b>9,001,532</b>	<b>230,609,029</b>	<b>44,895,727</b>	<b>38,032,441</b>	<b>105,937,890</b>	<b>26,363,758</b>	<b>53,658,981</b>
Expenditures							
Current:							
General government	498,165	534,238	-	-	12,000	-	-
Bicycle and pedestrian facilities	-	-	-	-	2,319,895	-	-
CETAP	-	-	-	1,394,120	-	-	-
Commuter assistance	-	3,603,353	-	-	-	-	-
Commuter rail	25,728,469	13,218,370	-	-	-	-	-
Highways	-	128,995,061	19,392,762	-	-	-	55,274,567
Local streets and roads	-	45,305,238	15,133,565	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-
Planning and programming	2,936,254	-	-	-	784,000	-	-
Regional arterials	-	12,533,037	-	4,509,338	-	-	-
Transit and specialized transportation	408,757	6,927,390	6,178,100	-	97,432,996	6,687,688	-
<b>Total programs</b>	<b>29,571,645</b>	<b>211,116,687</b>	<b>40,704,427</b>	<b>5,903,458</b>	<b>100,548,891</b>	<b>6,687,688</b>	<b>55,274,567</b>
Debt service:							
Principal	12,461	-	-	-	-	-	-
Interest	5,031	-	-	-	-	-	-
<b>Total debt service</b>	<b>17,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital outlay	667,120	4,995,989	-	-	-	-	-
<b>Total expenditures</b>	<b>30,256,257</b>	<b>216,112,676</b>	<b>40,704,427</b>	<b>5,903,458</b>	<b>100,548,891</b>	<b>6,687,688</b>	<b>55,274,567</b>
Excess (deficiency) of revenues over (under) expenditures	(21,254,725)	14,496,353	4,191,300	32,128,983	5,388,999	19,676,070	(1,615,586)
Other financing sources (uses):							
Debt issuance	-	14,946,136	-	-	-	-	-
Capital lease	55,000	-	-	-	-	-	-
Transfers in	24,283,500	17,176,236	151,098	186,207	-	-	611,984
Transfers out	-	(69,690,425)	-	(1,071,845)	(24,283,500)	(350,000)	-
<b>Total other financing sources (uses)</b>	<b>24,338,500</b>	<b>(37,568,053)</b>	<b>151,098</b>	<b>(885,638)</b>	<b>(24,283,500)</b>	<b>(350,000)</b>	<b>611,984</b>
Net change in fund balances	3,083,775	(23,071,700)	4,342,398	31,243,345	(18,894,501)	19,326,070	(1,003,602)
Fund balances at beginning of year	26,040,494	276,997,302	52,068,076	78,409,987	110,435,854	88,143,341	(268,754)
<b>Fund balances at end of year</b>	<b>\$ 29,124,269</b>	<b>\$ 253,925,602</b>	<b>\$ 56,410,474</b>	<b>\$ 109,653,332</b>	<b>\$ 91,541,353</b>	<b>\$ 107,469,411</b>	<b>\$ (1,272,356)</b>

See notes to basic financial statements

**Riverside County Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2019**

	<b>Major Funds</b>				<b>Total</b>
	<b>Capital Projects</b>			<b>Other</b>	
	<b>Commercial</b>		<b>Debt</b>	<b>Nonmajor</b>	
	<b>Paper</b>	<b>Bonds</b>	<b>Service</b>	<b>Governmental</b>	
	<b>Funds</b>			<b>Funds</b>	
<b>Revenues</b>					
Sales taxes	\$ -	\$ -	\$ -	\$ 4,735,763	\$ 332,226,225
Transportation Uniform Mitigation Fee	-	-	-	-	29,968,449
Intergovernmental	-	-	2,797,222	7,200,789	138,541,133
Investment income	1,515,343	2,642,461	556,853	482,196	21,311,968
Other	-	-	-	35,980	6,418,190
<b>Total revenues</b>	<b>1,515,343</b>	<b>2,642,461</b>	<b>3,354,075</b>	<b>12,454,728</b>	<b>528,465,965</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	-	-	-	-	1,044,403
Bicycle and pedestrian facilities	-	-	-	-	2,319,895
CETAP	-	-	-	-	1,394,120
Commuter assistance	-	-	-	-	3,603,353
Commuter rail	-	-	-	1,858,477	40,805,316
Highways	-	-	-	-	203,662,390
Local streets and roads	-	-	-	1,031,556	61,470,359
Motorist assistance	-	-	-	4,398,842	4,398,842
Planning and programming	-	-	-	587,605	4,307,859
Regional arterials	-	-	-	-	17,042,375
Transit and specialized transportation	-	-	-	113,160	117,748,091
<b>Total programs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,989,640</b>	<b>457,797,003</b>
<b>Debt service:</b>					
Principal	-	-	25,965,000	-	25,977,461
Interest	-	-	43,590,738	-	43,595,769
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>69,555,738</b>	<b>-</b>	<b>69,573,230</b>
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,663,109</b>
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>69,555,738</b>	<b>7,989,640</b>	<b>533,033,342</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,515,343</b>	<b>2,642,461</b>	<b>(66,201,663)</b>	<b>4,465,088</b>	<b>(4,567,377)</b>
<b>Other financing sources (uses):</b>					
Debt issuance	-	-	-	-	14,946,136
Capital lease	-	-	-	-	55,000
Transfers in	-	500,000	69,504,223	3,950,000	116,363,248
Transfers out	-	(9,924,300)	(2,948,320)	(4,352,084)	(112,620,474)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(9,424,300)</b>	<b>66,555,903</b>	<b>(402,084)</b>	<b>18,743,910</b>
<b>Net change in fund balances</b>	<b>1,515,343</b>	<b>(6,781,839)</b>	<b>354,240</b>	<b>4,063,004</b>	<b>14,176,533</b>
Fund balances at beginning of year	21,576,316	95,343,644	11,082,909	16,208,371	776,037,540
<b>Fund balances at end of year</b>	<b>\$ 23,091,659</b>	<b>\$ 88,561,805</b>	<b>\$ 11,437,149</b>	<b>\$ 20,271,375</b>	<b>\$ 790,214,073</b>

See notes to basic financial statements



Metrolink Passengers

**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, 2019**

**Net change in fund balances - Total governmental funds page 27** **\$ 14,176,533**

Amounts reported for governmental activities in the statement of activities page 21 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	116,195,014
Net gain on sale of assets	443,461
Depreciation expense	(12,456,076)
Net adjustments	104,182,399

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. (765,378)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (180,265)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The adjustment combines the net changes of the following amounts:

Principal payments for sales tax revenue refunding bonds	4,465,000
Principal payment for sales tax revenue bonds	21,500,000
TIFIA loan proceeds	(14,946,136)
Change in TIFIA loan accrued interest	(175,603)
Amortization of sales tax revenue bonds premium	11,841,861
Amortization of loss on 2017B Refunding Bonds	(1,807,050)
Capital lease	(55,000)
Capital lease payments	12,461
Change in accrued interest	72,888
Change in Multi-Species Habitat Conservation Plan funding liability	3,000,000
Net pension liability	400,414
Pension change in deferred outflows of resources	(812,492)
Pension change in deferred inflows of resources	(154,830)
Net other post-employment benefits asset	265,058
Other post-employment benefits change in deferred outflows of resources	(71,497)
Other post-employment benefits change in deferred inflows of resources	37,017
Net adjustments	23,572,091

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The adjustment combines the net changes of the compensated absences. 62,572

**Change in net position of governmental activities page 21** **\$ 141,047,952**

*See notes to basic financial statements*

**Riverside County Transportation Commission**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2019**

	<b>RCTC 91 Express Lanes Enterprise Fund</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 25,203,225
Receivables	
Accounts	55,326,930
Interest	444,261
Prepaid expenses	201,302
Total current assets	81,175,718
Noncurrent assets:	
Restricted investments held by trustee	76,380,134
Other post-employment benefits assets	2,578
Capital assets, net:	
Nondepreciable	38,736,133
Depreciable	17,317,937
Intangible assets, net	239,801,144
Total noncurrent assets	372,237,926
Total assets	453,413,644
Deferred outflows of resources	
Pension benefits	227,547
Other post-employment benefits	50,139
Total deferred outflows of resources	277,686
Total assets and deferred outflows of resources	453,691,330
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	933,722
Interest payable	1,933,425
Due to governmental funds	2,338,641
Unearned revenues	53,142,978
Other liabilities	8,976
Compensated absences liability	21,772
Total current liabilities	58,379,514
Noncurrent liabilities:	
Net pension liabilities	537,539
Compensated absences liability	33,078
Bonds payable - due in more than one year	669,294,571
Total noncurrent liabilities	669,865,188
Total liabilities	728,244,702
Deferred inflows of resources	
Pension benefits	31,585
Other-post employment benefits	11,343
Total deferred inflows of resources	42,928
Total liabilities and deferred inflows of resources	728,287,630
Net position	
Net investment in capital assets	(299,852,425)
Restricted for toll operations	25,256,125
Total net position (deficit)	\$ (274,596,300)

See notes to basic financial statements

**Riverside County Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2019**

	<b>RCTC 91 Express Lanes Enterprise Fund</b>
Operating revenues	
Tolls, penalties, and fees	\$ 58,423,461
Operating expenses	
Management and operational services	9,664,844
Administrative overhead	566,500
Other operating expenses	748,548
Professional services	1,089,555
General and administrative expenses	624,915
Depreciation and amortization	10,680,681
Total operating expenses	23,375,043
Operating income	35,048,418
Nonoperating revenues (expenses)	
Investment earnings	2,764,137
Interest expense	(27,956,792)
Loss on sale of capital assets	(3,707,333)
Total nonoperating revenues (expenses)	(28,899,988)
Income before transfers	6,148,430
Transfers in from governmental activities	765,378
Transfers out to governmental funds	(3,742,774)
Total Transfers	(2,977,396)
Change in net position	3,171,034
Net position at beginning of year	(277,767,334)
Net position at end of year	\$ (274,596,300)

*See notes to basic financial statements*

**Riverside County Transportation Commission**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2019**

	<b>RCTC 91 Express Lanes Enterprise Fund</b>
Cash flows from operating activities	
Receipts from customers and users	\$ 58,044,539
Payments to vendors	(11,583,755)
Payments to employees	(478,920)
Payments for RCTC interfund services used	(821,305)
Reimbursements received for shared costs	418,487
Net cash provided by operating activities	45,579,046
Cash flows from noncapital financing activities	
Transfer of excess investment earnings on debt service reserves	(500,000)
Transfers of surplus funds to governmental activities	(1,042,859)
Net cash used for noncapital financing activities	(1,542,859)
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	(1,911,279)
Proceeds from sale of capital assets	331,213
Net cash used for capital and related financing activities	(8,700,004)
Cash flows from investing activities	
Interest received	2,195,627
Net cash provided by investing activities	2,195,627
Net increase in cash and cash equivalents	37,531,810
Cash and cash equivalents at beginning of year	63,956,746
Cash and cash equivalents at end of year	\$ 101,488,556
Reconciliation of cash and cash equivalents to statement of net position	
Cash and investments	\$ 25,203,225
Less: fair value adjustment	(94,803)
	25,108,422
Restricted cash and investments	76,380,134
Total cash and cash equivalents	\$ 101,488,556

*See notes to basic financial statements*

**Riverside County Transportation Commission**  
**Statement of Cash Flows, Continued**  
**Proprietary Fund**  
**For the Year Ended June 30, 2019**

		<b>RCTC 91 Express Lanes Enterprise Fund</b>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$	35,048,418
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation and amortization expense		10,680,681
(Increase) Decrease in violations receivables		(29,599,777)
(Increase) Decrease in other receivables, net		520,871
(Increase) Decrease in prepaid assets		(34,336)
Increase (Decrease) in pension and other-post employment benefits liabilities, net of deferred items		46,431
Increase (Decrease) in accounts payable		(526,675)
Increase (Decrease) in due to other funds		(155,779)
Increase (Decrease) in unearned revenue		29,597,087
Increase (Decrease) in deposits payable		2,007
Increase (Decrease) in compensated absences liability		118
Total adjustments		10,530,628
Net cash provided by operating activities	\$	45,579,046
Noncash capital, financing and investing activities		
Amortization of bond discount	\$	73,073
Accreted and compounded interest		20,718,462
Net increase in the fair value of investments		272,741

*See notes to basic financial statements*

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies**

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

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

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

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

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

In September 2008, the State amended the Commission's authority under the State's Streets and Highways Code (Sections 149.7 through 149.8) to include authorization to set, levy and collect tolls, user fees, or other similar charges, payable for use of high-occupancy toll lanes and other facilities in the I-15 corridor in Riverside County and to issue bonds or other obligations payable from the proceeds of such tolls and other revenues that are pledged. The Commission commenced the design-build phase of the I-15 Express Lanes project in 2017 and anticipates substantial completion and opening of the 15 Express Lanes in 2020.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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

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.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies, Continued**

The Commission reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

The Commission reports the following major proprietary fund:

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

**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.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies, Continued** \_\_\_\_\_

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 March 2019. The investment policy complies with, or is more restrictive than, applicable state statutes. This investment policy requires the Commission's investment program to meet three criteria in the order of their importance: safety, liquidity, and return on investments. Investments of bond and commercial paper proceeds as permitted by the applicable debt documents are maintained by U.S. Bank, as trustee or custodial bank, and the earnings for each bond and commercial paper issue are accounted for separately. Cash from other Commission revenue sources is commingled for investment purposes, with investment earnings allocated to the different funds based on average monthly dollar balances in the funds.

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.

**Riverside County Transportation Commission**  
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**Note 1. Summary of Significant Accounting Policies, Continued**

Authorized Investment Type	Maximum Effective Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
United States (U.S.) Treasury obligations	5 years	None	None	Not applicable
Federal agency securities	5 years	None	None	Not applicable
State/Municipal obligations	5 years	25%	10%	A1/A+
Mortgage and asset-backed securities	5 years	10%	10%	A3/A-/A-
Repurchase agreements	30 days	None	10%	A
U.S. corporate debt	5 years	25%	10%	A1/A+
Commercial paper notes	270 days	25%	10%	A
Banker's acceptances	180 days	40%	30%	Not applicable
Money market mutual funds	Not applicable	20%	10%	Not applicable
Riverside County Pooled Investment Fund (RCPIF)	Not applicable	None	Set by RCPIF	Not applicable
Local Agency Investment Fund (LAIF)	Not applicable	N/A	Set by LAIF	Not applicable
Negotiable certificates of deposit	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. There is a \$65 million deposit limit on regular LAIF accounts. 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. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price.

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

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

**Accounts receivable:** Accounts receivable consist primarily of Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration on all taxable sales within the County of Riverside, California through June 30, 2019 and an estimate for outstanding unpaid violations of the RCTC 91 Express Lanes that the Commission anticipates to collect. Unpaid violations of \$53,146,325 as of June 30, 2019 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.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
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**Note 1. Summary of Significant Accounting Policies, Continued**

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

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

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

**Capital assets:** Capital assets consisting of land and land improvements; construction in progress; construction and rail easements; buildings; rail stations; rail tracks; office improvements; office furniture, equipment, and vehicles; development in progress; toll infrastructure; 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 Basic Financial Statements**  
**June 30, 2019**

**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, 2019, 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.

**Post-employment Benefits Other Than Pensions:** For purposes of measuring the net other post-employment benefits (OPEB) asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission’s OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers’ Retiree Benefit Trust (CERBT) administered by CalPERS. For this

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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 eight 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, 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, differences between expected and actual pension experiences, and net differences between projected and actual earnings on OPEB plan investments—which qualify for reporting in this category in the applicable governmental and business-type activities on the statement of net position.

**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 Basic Financial Statements**  
**June 30, 2019**

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**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 \$2,012,050 allocated to Measure A in 2019 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 Basic Financial Statements**  
**June 30, 2019**

**Note 2. Cash and Investments**

Cash and investments at June 30, 2019 consist of the following:

	Unrestricted			Restricted	
	Cash	Investments	Total	Investments	Total
Cash in bank	\$ 11,157,040	\$ -	\$ 11,157,040	\$ -	\$ 11,157,040
Petty cash	1,016	-	1,016	-	1,016
RCPIF	-	498,780,344	498,780,344	-	498,780,344
Operations pooled investments	-	53,113,466	53,113,466	-	53,113,466
LAIF	-	3,807,178	3,807,178	-	3,807,178
Investments with fiscal agents	-	-	-	161,732,429	161,732,429
Total cash and investments	<u>\$ 11,158,056</u>	<u>\$ 555,700,988</u>	<u>\$ 566,859,044</u>	<u>\$ 161,732,429</u>	<u>\$ 728,591,473</u>

Total cash and investments are reported in the following funds:

Unrestricted cash and investments	
Governmental funds	\$ 541,655,819
Enterprise fund	<u>25,203,225</u>
Subtotal	566,859,044
Restricted cash and investments	
Governmental funds	85,352,295
Enterprise fund	<u>76,380,134</u>
Subtotal	<u>161,732,429</u>
Total cash and investments	<u>\$ 728,591,473</u>

Restricted investments at June 30, 2019 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 based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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, 2019:

Investments by fair value level:	June 30, 2018	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
U.S. Treasury obligations	\$ 69,980,713	\$ 42,316,690	\$ 27,664,023
Mortgage and asset-backed securities	35,088,991	-	35,088,991
Corporate notes	34,267,921	-	34,267,921
Money market mutual funds	27,775,997	-	27,775,997
U.S. agency securities	22,328,247	-	22,328,247
Municipal bonds	9,985,088	-	9,985,088
Commercial paper notes	9,268,707	-	9,268,707
Negotiable certificates of deposit	6,150,231	-	6,150,231
Total investments measured at fair value	<u>214,845,895</u>	<u>\$ 42,316,690</u>	<u>\$ 172,529,205</u>
Investments not subject to fair value hierarchy:			
LAIF	3,807,178		
RCPIF	<u>498,780,344</u>		
Total investments	<u>\$ 717,433,417</u>		

Investments classified in Level 1 of the value hierarchy, valued at \$42,316,690 are valued using quoted prices in active markets.

U.S. Treasury obligations totaling \$27,664,023, mortgage and asset-backed securities totaling \$35,088,991, corporate notes totaling \$34,267,921, money market funds totaling \$27,775,997, U.S. agency securities totaling \$22,328,247, municipal bonds totaling \$9,985,088, commercial paper totaling \$9,268,707, and negotiable certificates of deposit totaling \$6,150,231 in 2019, 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 Basic Financial Statements**  
**June 30, 2019**

**Note 2. Cash and Investments, Continued**

As of June 30, 2019, the Commission had the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Year)
Unrestricted:					
RCPIF	\$ 498,780,344	\$ 496,867,386	1.000% - 3.330%	07/01/19 - 06/21/24	1.104
LAIF	3,807,178	3,800,672	2.16% - 2.57%	173 days	173 days or 0.474
Operations pooled investments:					
Corporate notes	12,034,081	11,942,288	1.300% - 3.630%	08/15/19 - 04/1/23	1.799
Money market mutual funds	208,225	208,225	1.751%	N/A	19 days or 0.052
Mortgage and asset-backed securities	4,731,401	4,696,057	1.161% - 3.560%	07/25/19 - 02/15/24	3.213
Municipal bonds	6,712,781	6,666,284	1.125% - 6.650%	09/01/19 - 08/15/23	1.518
U.S. agency securities	1,762,955	1,729,317	2.100% - 3.000%	08/01/21 - 06/29/22	2.677
U.S. Treasury obligations	27,664,023	27,459,618	1.750% - 2.875%	05/15/21 - 03/31/24	2.322
Total unrestricted investments	<u>\$ 555,700,988</u>	<u>\$ 553,369,847</u>			
			Unrestricted investment portfolio weighted average		1.645
Restricted:					
Negotiable certificates of deposit	\$ 6,150,231	\$ 6,150,131	2.387% - 2.411%	07/03/19 - 07/09/19	0.0410
Commercial paper notes	9,268,707	9,268,288	1.656% - 2.088%	07/08/19 - 07/23/19	0.056
Corporate notes	22,233,840	22,210,520	2.061% - 2.944%	07/02/19 - 05/20/22	1.806
Money market mutual funds	27,567,772	27,567,772	0.000% - 1.860%	N/A	19 days or 0.052
Mortgage and asset-backed securities	30,357,590	30,280,966	-0.291% - 3.885%	08/15/19 - 09/16/55	13.084
Municipal bonds	3,272,307	3,272,988	2.318% - 2.400%	07/15/19 - 11/15/52	26.281
U.S. agency securities	20,565,292	20,542,925	2.318% - 2.457%	07/05/19 - 01/13/22	2.845
U.S. Treasury obligations	42,316,690	42,254,223	0.283% - 2.656%	08/31/19 - 01/15/29	3.340
Total restricted investments	<u>\$ 161,732,429</u>	<u>\$ 161,547,813</u>			
			Restricted investment portfolio weighted average		6.779

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

As of June 30, 2019, mortgage and asset-backed securities totaled \$35,088,991. 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 \$26,523,158 which is rated AA+/A1+ 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.

**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

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**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 2. Cash and Investments, Continued**

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 \$11,157,040 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 Depository Insurance Corporation with balances in excess of \$250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

**Credit risk:** The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2019; 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	69.52%
LAIF	NR	NR	0.53%
Negotiable certificates of deposit			
Deposit	P-1	A-1	0.65%
Deposit	P-1	A-1+	0.21%
Commercial paper notes			
Various	P-1	A-1	0.17%
Various	P-1	A-2	0.45%
Various	P-2	A-2	0.67%
Corporate			
Notes	A1	A	0.27%
Notes	A1	A+	0.06%
Notes	A1	AA-	0.47%
Notes	A2	A	0.38%
Notes	A2	A-	0.60%
Notes	A2	A+	0.03%
Notes	A3	A	0.21%
Notes	A3	A-	0.24%
Notes	A3	BBB+	0.35%
Notes	Aa1	AA-	0.17%
Notes	Aa2	AA+	0.19%
Notes	AA1	AA+	0.14%
Notes	Aa3	A+	0.12%
Notes	AA2	A+	0.22%
Notes	AA2	AA	0.36%
Notes	AA3	A+	0.04%
Notes	AA3	AA	0.06%
Notes	AA3	AA-	0.02%
Notes	AAA	AA+	0.07%
Notes	AAA	AAA	0.10%
Notes	Aaa	NR	0.48%
Notes	Baa1	A-	0.20%
Money market mutual funds			
Funds	Aaa	AAAm	2.44%

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 2. Cash and Investments, Continued**

Investments	Moody's	S&P	% of Portfolio
Funds	NR	NR	1.43%
Mortgage and asset-backed securities			
Securities	Aaa	AA+	0.60%
Securities	Aaa	AAA	0.12%
Securities	AAA	AAA	3.22%
Securities	AAA	NR	0.35%
Securities	Aaa	NR	0.21%
Securities	NR	AAA	0.02%
Securities	NR	NR	0.14%
Securities	NR	AAA	0.13%
Securities	P-1	A-1+	0.11%
Municipal bonds			
Alameda County Joint Powers Authority Lease	AA1	AA+	0.04%
California State University	AA2	AA-	0.02%
Century Housing	NR	AA-	0.02%
Commonwealth of Pennsylvania	Aa3	NR	0.04%
Greater Orlando Aviation Authority	Aa3	AA-	0.10%
Inland Valley Development Agency	NR	AA	0.03%
Los Angeles Department of Airports	AA2	AA	0.01%
Los Angeles County Redevelopment	AA2	AA	0.04%
New York City Transitional Finance Authority	Aa2	AA	0.09%
Palo Alto Unified School District	AAA	AAA	0.05%
Sacramento Suburban Water District	NR	AA+	0.02%
San Diego Public Health	NR	AA-	0.10%
San Francisco Redevelopment Agency	NR	AA-	0.06%
San Jose Development Agency	NR	AA	0.03%
San Marcos Redevelopment Agency	NR	AA-	0.02%
Santa Ana Redevelopment Agency	NR	AA	0.03%
Santa Barbara County Solid Waste	A1	AA	0.02%
Santa Clara Valley Water District	AA1	NR	0.06%
State of California Build America Bonds	AA3	AA-	0.07%
State of California	AA3	AA-	0.07%
State of California Department of Water Resources	AA1	AA	0.01%
State of Connecticut	A1	A	0.06%
State of Hawaii	AA1	AA+	0.03%
State of Maine Housing Authority	Aa1	AA+	0.01%
State of New York	AA1	AA+	0.07%
State of New York Housing Finance Agency	Aa1	NR	0.20%
State of North Dakota Housing Finance Agency	Aa1	NR	0.01%
State of Texas Water Financial	AAA	AAA	0.03%
University of California	AA3	AA-	0.07%
U.S. agency notes			
Notes	Aaa	A-1+	0.35%
Notes	Aaa	AA+	1.08%
Notes	AAA	AA+	1.30%
Notes	NR	NR	0.25%
Notes	P-1	A-1+	0.14%
U.S. Treasuries			
Treasury	NR	NR	9.72%
<b>Total</b>			<u><u>100.00%</u></u>

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 2. Cash and Investments, Continued**

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**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, 2019, the Commission did not have investments in any one issuer that represent more than 5% of the Commission's total investments.

**Note 3. Advances**

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The Commission has approved interest-bearing advances, 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 outstanding interest-bearing advances, including capitalized interest of \$721,979, as of June 30, 2019 were as follows:

City of Blythe	\$ 39,101
City of Canyon Lake	33,216
City of Indio	111,469
Coachella Valley Associated Governments	<u>22,835,487</u>
Total interest-bearing advances receivable	<u>\$ 23,019,273</u>

Additionally, in February 2019 the Commission approved an advance loan of \$22,000,000 from the Local Transportation Fund to the Riverside Transit Agency (RTA) in anticipation of programmed federal funding being awarded and available. Repayment of the advance loan will be remitted to the Commission within 10 days after programmed federal funds are accessible to RTA.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 4. Capital Assets**

Capital assets activity for the year ended June 30, 2019 was as follows:

Governmental activities	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets not being depreciated:					
Land and land improvements	\$ 172,084,889	\$ 1,065,053	\$ (3,255,366)	\$ -	\$ 169,894,576
Construction in progress	142,647,416	111,626,489	(4,447,428)	(765,378)	249,061,099
Rail operating easements	63,846,199	-	-	-	63,846,199
Construction easements	1,189,671	31,350	-	-	1,221,021
Development in progress	-	106,969	-	-	106,969
<b>Total capital assets not being depreciated</b>	<b>379,768,175</b>	<b>112,829,861</b>	<b>(7,702,794)</b>	<b>(765,378)</b>	<b>484,129,864</b>
Capital assets being depreciated:					
Rail stations	192,253,153	10,521,118	-	-	202,774,271
Rail tracks	154,543,871	105,531	-	-	154,649,402
Construction easements	980,670	404,707	-	-	1,385,377
Buildings	3,315,135	-	-	-	3,315,135
Office improvements	305,511	103,387	-	-	408,898
Office furniture, equipment and vehicles	1,742,682	376,665	(115,080)	-	2,004,267
<b>Total capital assets being depreciated</b>	<b>353,141,022</b>	<b>11,511,408</b>	<b>(115,080)</b>	<b>-</b>	<b>364,537,350</b>
Less accumulated depreciation for:					
Rail stations	(59,596,208)	(6,787,440)	-	-	(66,383,648)
Rail tracks	(10,202,411)	(5,174,221)	-	-	(15,376,632)
Construction easements	(980,670)	(115,631)	-	-	(1,096,301)
Buildings	(214,863)	(164,616)	-	-	(379,479)
Office improvements	(99,957)	(37,246)	-	-	(137,203)
Office furniture, equipment and vehicles	(1,475,886)	(176,922)	115,080	-	(1,537,728)
<b>Total accumulated depreciation</b>	<b>(72,569,995)</b>	<b>(12,456,076)</b>	<b>115,080</b>	<b>-</b>	<b>(84,910,991)</b>
<b>Total capital assets being depreciated, net</b>	<b>280,571,027</b>	<b>(944,668)</b>	<b>-</b>	<b>-</b>	<b>279,626,359</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 660,339,202</b>	<b>\$ 111,885,193</b>	<b>\$ (7,702,794)</b>	<b>\$ (765,378)</b>	<b>\$ 763,756,223</b>

Business-type activities	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets not being depreciated:					
Land and land improvements	\$ 43,032,888	\$ -	\$ (4,296,755)	\$ -	\$ 38,736,133
Construction in progress	174,151	-	(174,151)	-	-
<b>Total capital assets not being depreciated</b>	<b>43,207,039</b>	<b>-</b>	<b>(4,470,906)</b>	<b>-</b>	<b>38,736,133</b>
Capital assets being depreciated:					
Toll infrastructure	27,899,996	-	-	-	27,899,996
Transponders	453,819	-	(1)	-	453,818
Buildings	686,813	920,813	-	-	1,607,626
Equipment, furniture, and fixtures	25,460	35,235	-	-	60,695
<b>Total capital assets being depreciated</b>	<b>29,066,088</b>	<b>956,048</b>	<b>(1)</b>	<b>-</b>	<b>30,022,135</b>
Less accumulated depreciation for:					
Toll infrastructure	(6,688,530)	(5,481,818)	-	-	(12,170,348)
Transponders	(93,638)	(90,764)	-	-	(184,402)
Buildings	(242,405)	(84,249)	-	-	(326,654)
Equipment, furniture, and fixtures	(8,999)	(13,796)	1	-	(22,794)
<b>Total accumulated depreciation</b>	<b>(7,033,572)</b>	<b>(5,670,627)</b>	<b>1</b>	<b>-</b>	<b>(12,704,198)</b>
<b>Total capital assets being depreciated, net</b>	<b>22,032,516</b>	<b>(4,714,579)</b>	<b>-</b>	<b>-</b>	<b>17,317,937</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 65,239,555</b>	<b>\$ (4,714,579)</b>	<b>\$ (4,470,906)</b>	<b>\$ -</b>	<b>\$ 56,054,070</b>

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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, 2019 as follows:

Governmental activities:	
General government	\$ 181,895
Commuter rail	11,993,934
Highway	280,247
Total depreciation expense – governmental activities	\$ 12,456,076
Business-type activities:	
RCTC 91 Express Lanes	\$ 5,670,627
Total depreciation expense – business-type activities	\$ 5,670,627

**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, 2019 was as follows:

	Balance June 30, 2018	Additions	Transfers	Balance June 30, 2019
Toll facility franchise	\$ 249,927,114	\$ -	\$ 765,378	\$ 250,692,492
Less accumulated amortization	(5,881,294)	(5,010,054)	-	(10,891,348)
Total toll facility franchise, net	\$ 244,045,820	\$ (5,010,054)	\$ 765,378	\$ 239,801,144

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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, 2019 is as follows:

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Nonmajor Governmental funds	\$ 29,011	Fringe benefits allocation
General fund	Nonmajor Governmental funds	141,600	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	183,300	Administrative cost allocation
General fund	Measure A Western County Special Revenue fund	1,289,300	Administrative cost allocation
General fund	Measure A Coachella Valley Special Revenue fund	162,800	Administrative cost allocation
General fund	RCTC 91 Express Lanes Enterprise fund	39,700	Administrative cost allocation
General fund	Local Transportation Fund	625,800	Administrative cost allocation
General fund	State Transit Assistance fund	54,200	Administrative cost allocation
General fund	SB 132 fund	333,100	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	44,858	Fringe benefits allocation
General fund	Measure A Western County Special Revenue fund	539,721	Fringe benefits allocation
General fund	Measure A Coachella Valley Special Revenue fund	256	Fringe benefits allocation
General fund	SB 132 fund	44,273	Fringe benefits allocation
General fund	RCTC 91 Express Lanes Enterprise fund	99,026	Fringe benefits allocation
General fund	SB 132 fund	6,282,998	Cash deficit
Measure A Western County Special Revenue fund	Nonmajor Governmental funds	752,084	Commuter rail costs allocations
Measure A Western County Special Revenue fund	RCTC 91 Express Lanes Enterprise fund	1,587,931	Highway project costs allocations
Measure A Coachella Valley Special Revenue fund	Debt Service fund	151,098	Advance loan payment adjustment
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	148,108	Regional arterial project costs allocations
SB 132 fund	Measure A Western County Special Revenue fund	601,748	Administrative cost allocation reconciliation
SB 132 fund	RCTC 91 Express Lanes Enterprise fund	611,984	Surplus funds use for administrative cost allocation related to 15/91 Express Lanes project
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
Total due from/to other funds		<u>\$ 14,376,534</u>	

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 6. Interfund Transactions, Continued**

**Advances to/from other funds:** The Measure A Western County Special Revenue fund advanced \$3,000,000 to the Bonds Capital Projects fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Capitalized interest as of June 30, 2019 was \$33,216. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date.

**Interfund transfers:** During 2019, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	\$ 186,207	Highway project costs allocations
Measure A Western County Special Revenue fund	Debt Service fund	69,504,218	Debt service funding related to highway projects for Western County and to advance agreements for Western County jurisdictions
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	1,071,845	Highway project costs allocations
Local Transportation Fund	General fund	24,283,500	Administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs allocations
State Transit Assistance Fund	Nonmajor Governmental funds	350,000	Coachella Valley commuter rail costs allocations
Bonds Capital Projects fund	Measure A Western County Special Revenue fund	9,924,295	Highway project costs allocations
Bonds Capital Projects fund	Debt Service fund	5	Debt service funding
Debt Service fund	Measure A Western County Special Revenue fund	2,797,222	Cash subsidies available after debt service payment
Debt Service fund	Measure A Coachella Valley Special Revenue fund	151,098	Share of cash subsidy related to CVAG advance agreement
Nonmajor Governmental funds	Measure A Western County Special Revenue fund	752,084	Commuter rail costs allocations
Nonmajor Governmental funds	Nonmajor Governmental funds	3,600,000	Call box program augmentation of freeway service patrol operations
RCTC 91 Express Lanes Enterprise fund	Measure A Western County Special Revenue fund	2,630,790	Surplus funds use for the 91 Corridor Operations project
RCTC 91 Express Lanes Enterprise fund	SB 132 Special Revenue fund	611,984	Transfer of surplus funds to fund the 15/91 Express Lanes Connector project
RCTC 91 Express Lanes Enterprise fund	Bonds Capital Projects fund	500,000	Excess investment earnings on toll debt service reserve fund to toll senior lien project bond fund
Total transfers		<u>\$ 116,363,248</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 \$765,378 of intangible asset costs from the governmental activities to the RCTC 91 Express Lanes Enterprise fund.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations**

The following is a summary of the changes in long-term obligations for the year ended June 30, 2019:

Governmental activities	Balance June 30, 2018	Additions / Accretion	Reductions	Balance June 30, 2019	Due Within One Year
Sales tax revenue bonds:					
2010 Bonds	\$ 112,370,000	\$ -	\$ -	\$ 112,370,000	\$ -
2013 Bonds	66,795,000	-	(12,090,000)	54,705,000	12,690,000
2016 Refunding Bonds	68,535,000	-	(4,940,000)	63,595,000	5,185,000
2017 Bonds, series A	155,050,000	-	(4,470,000)	150,580,000	4,690,000
2017 Refunding Bonds, series B	392,730,000	-	-	392,730,000	-
2018 Refunding Bonds	63,540,000	-	(4,465,000)	59,075,000	4,680,000
Total bonds payable	859,020,000	-	(25,965,000)	833,055,000	27,245,000
Sales tax revenue bonds premium	128,790,267	-	(11,841,861)	116,948,406	11,511,679
Total bonds payable, net	987,810,267	-	(37,806,861)	950,003,406	38,756,679
TIFIA Loan	-	15,121,739	-	15,121,739	-
MSHCP funding liability	6,000,000	-	(3,000,000)	3,000,000	3,000,000
Capital lease	7,965	55,000	(12,461)	50,504	8,685
Compensated absences liability	893,822	110,520	(173,092)	831,250	351,719
Total long-term obligations	\$ 994,712,054	\$ 15,287,259	\$ (40,992,414)	\$ 969,006,899	\$ 42,117,083

Business-type activities	Balance June 30, 2018	Additions / Accretion	Reductions	Balance June 30, 2019	Due Within One Year
Toll revenue bonds:					
2013 Bonds	\$ 196,596,616	\$ 4,828,668	\$ -	\$ 201,425,284	\$ -
Toll revenue bonds discount	(2,074,446)	-	73,073	(2,001,373)	-
Total bonds payable, net	194,522,170	4,828,668	73,073	199,423,911	-
TIFIA loan	453,980,866	15,889,794	-	469,870,660	-
Compensated absences liability	54,732	326	(208)	54,850	21,772
Total long-term obligations	\$ 648,557,768	\$ 20,718,788	\$ 72,865	\$ 669,349,421	\$ 21,772

The Commission has pledged a portion of future sales tax revenues through maturities of the bonds to repay \$833,055,000 in outstanding 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, 2019 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 36% of 2009 Measure A revenues. For the current year, interest paid on the bonds was \$43,590,738. Cash subsidies of \$2,797,222 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 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

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

evidenced by a toll revenue bond issued pursuant to the toll bond indentures; the amount outstanding under the TIFIA loan at June 30, 2019 is \$469,870,660, including compounded interest of \$48,816,251.

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 15 Express Lanes, which are expected to open in 2020. The amount outstanding under the TIFIA loan at June 30, 2019 is 15,121,739, including compounded interest of \$175,603.

**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, 2019:

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

During 2019 the cash subsidy related to the 2010 Bonds that was received from the U.S. Treasury was approximately \$2,797,222, or \$184,878 less than the amount anticipated. The subsidy reduction resulted from federal sequestration cuts of 6.3% for federal fiscal year ended September 30, 2019. 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
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	-	7,649,000	7,649,000	(2,982,100)	4,666,900
2025-2029	-	38,245,200	38,245,200	(14,910,500)	23,334,700
2030-2034	29,170,000	37,219,300	66,389,300	(14,551,500)	51,837,800
2035-2039	83,200,000	17,452,200	100,652,200	(7,386,200)	93,266,000
\$ 112,370,000	\$ 131,161,700	\$ 243,531,700	\$ (51,758,700)	\$ 191,773,000	

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

<b>2013 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt):</b>	<b>Outstanding</b>
<p>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 \$12,690,000 to \$14,695,000 on various dates from June 1, 2020 through June 1, 2023 at an interest rate of 5.00%.</p>	<u>\$ 54,705,000</u>

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
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
	\$ 54,705,000	\$ 7,005,200	\$ 61,710,200

<b>2016 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A (Tax-exempt):</b>	<b>Outstanding</b>
<p>In October 2016, the Commission issued sales tax revenue bonds of \$76,140,000. A portion of the 2016 Refunding Bonds was used to refund all of the outstanding Series A bonds issues in 2009, retire all of the outstanding commercial paper notes, finance a termination payment in connection with an interest rate swap agreement and pay costs of issuance. The outstanding 2016 Refunding Bonds mature in annual installments ranging from \$5,185,000 to \$7,305,000 on various dates from June 1, 2020 through June 1, 2029 at interest rates ranging from 2.00% to 5.00%.</p>	<u>\$ 63,595,000</u>

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
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	6,305,000	1,148,300	7,453,300
2025-2029	34,935,000	2,333,000	37,268,000
	\$ 63,595,000	\$ 10,937,500	\$ 74,532,500

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

<b>2017 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt):</b>	<b>Outstanding</b>
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 \$4,690,000 to \$11,440,000 on various dates from June 1, 2020 to June 1, 2039 at interest rates ranging from 3.00% to 5.00%.	<u>\$ 150,580,000</u>

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
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	5,540,000	6,472,600	12,012,600
2025-2029	32,155,000	27,919,100	60,074,100
2030-2034	40,965,000	19,103,300	60,068,300
2035-2039	52,040,000	8,027,000	60,067,000
	\$ 150,580,000	\$ 89,701,500	\$ 240,281,500

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.

<b>2017 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series B (Tax-exempt):</b>	<b>Outstanding</b>
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
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	15,045,000	19,366,300	34,411,300
2025-2029	87,300,000	84,766,000	172,066,000
2030-2034	149,050,000	55,037,800	204,087,800
2035-2039	141,335,000	21,310,200	162,645,200
	\$ 392,730,000	\$ 257,945,700	\$ 650,675,700

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
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**Note 7. Long-term Obligations, Continued**

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, 2019, the unamortized deferred amount on refunding was \$36,140,998. 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.

<b>2018 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A (Tax-exempt):</b>	<b>Outstanding</b>
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 \$4,680,000 to \$7,290,000 on various dates from June 1, 2020 through June 1, 2029 at interest rates ranging from 4.00% to 5.00%.	<u>\$ 59,075,000</u>

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
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	5,745,000	1,943,800	7,688,800
2025-2029	33,130,000	5,134,400	38,264,400
	<u>\$ 59,075,000</u>	<u>\$ 17,442,000</u>	<u>\$ 76,517,000</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.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

<b>2013 Toll Revenue Bonds, Series A (Current Interest Obligation):</b>	<b>Outstanding</b>
<p>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%.</p>	<u>\$ 123,825,000</u>

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
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	-	7,119,900	7,119,900
2025-2029	-	35,599,700	35,599,700
2030-2034	-	35,599,700	35,599,700
2035-2039	-	35,599,700	35,599,700
2040-2044	39,315,000	35,599,700	74,914,700
2045-2048	84,510,000	17,007,800	101,517,800
	\$ 123,825,000	\$ 195,006,100	\$ 318,831,100

<b>2013 Toll Revenue Bonds, Series B (Capital Appreciation Obligation):</b>	<b>Outstanding</b>
<p>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 2019, the accretion amount was \$4,828,668; the aggregate accretion through June 30, 2019 is \$24,770,681.</p>	<u>\$ 77,600,284</u>

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

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	3,739,200	3,245,900	6,985,100
2025-2029	20,311,000	29,634,000	49,945,000
2030-2034	11,492,900	30,657,100	42,150,000
2035-2039	-	-	-
2040-2043	11,791,800	78,458,200	90,250,000
	<u>\$ 52,829,600</u>	<u>\$ 145,650,400</u>	<u>\$ 198,480,000</u>

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%.	<u>\$ 469,870,660</u>

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		Total
	Principal	Interest	
2022	\$ -	\$ 1,921,000	\$ 1,921,000
2023	-	1,921,000	1,921,000
2024	-	1,924,000	1,924,000
2025-2029	-	25,570,000	25,570,000
2030-2034	9,914,000	87,312,000	97,226,000
2035-2039	117,632,000	78,402,000	196,034,000
2040-2044	79,124,000	57,931,000	137,055,000
2045-2049	247,089,000	35,110,000	282,199,000
2050-2051	49,579,000	2,050,000	51,629,000
Total	503,338,000	<u>\$ 292,141,000</u>	<u>\$ 795,479,000</u>
Future compounded interest	(33,467,340)		
Total TIFIA loan	<u>\$ 469,870,660</u>		

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

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. The \$20,000,000 reserve was funded in June 2019 from the proceeds of the sale of excess properties on the SR-91 and surplus funds.

<b>2017 TIFIA Loan Agreement - I-15 Express Lanes:</b>	<b>Outstanding</b>
In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds will finance a portion of the costs for the I-15 Express Lanes project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on June 1, 2025, which is five years after substantial completion of the I-15 Express Lanes project, through June 1, 2055. The interest rate of the TIFIA loan is 2.84%. During 2019, \$14,946,136 was drawn on the TIFIA loan and \$175,603 in interest was compounded.	<u>\$ 15,121,739</u>

The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes 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
2025-2029	\$ -	\$22,420,000	\$22,420,000
2030-2034	24,622,700	48,182,400	72,805,100
2035-2039	28,323,500	48,182,400	76,505,900
2040-2044	32,576,600	48,182,400	80,759,000
2045-2049	37,480,600	48,182,400	85,663,000
2050-2054	43,109,900	48,182,400	91,292,300
2055	9,370,300	9,636,400	19,006,700
Total	175,483,600	<u>\$ 272,968,400</u>	<u>\$ 448,452,000</u>
Future compounded interest	<u>(23,269,300)</u>		
Total TIFIA loan	<u>\$ 152,214,300</u>		

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

- A \$16.5 million ramp-up reserve prior to substantial completion and commencement of express lanes operations anticipated in 2020;

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 7. Long-term Obligations, Continued**

- 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 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 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest.

During 2019, the Commission funded the initial \$3,000,000 required for the TIFIA loan reserve with a loan of Measure A sales tax revenues. The loan is included in advances from the Measure A Western County Special Revenue fund to the Bonds Capital Projects fund.

**Commercial paper notes payable:** In February 2005, the Commission authorized the issuance of tax-exempt commercial paper notes in an amount not to exceed \$200,000,000 for the primary purpose of financing right of way and mitigation land acquisition and project development costs of capital projects under the 2009 Measure A. The Commission reduced the authorization to \$60,000,000 in September 2013. As of June 30, 2019, \$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 2020. The commitment fees paid to State Street were \$257,985 in 2019.

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, 2019, nor were there any amounts outstanding under the remaining letter of credit agreement at June 30, 2019.

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 \$55,000 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, 2019 are as follows:

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 7. Long-term Obligations, Continued**

Year Ending June 30	Total
2020	\$ 15,762
2021	15,762
2022	15,762
2023	15,762
2024	<u>6,567</u>
Total minimum lease payments	69,615
Less amount representing interest	<u>(19,111)</u>
Present value of minimum lease payments	<u>\$ 50,504</u>

**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, 2019.

**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 \$150,000,000 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 \$3,000,000 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 \$407,083,162, as reported on the statement of net position, represents capital and intangible assets, net of accumulated depreciation and amortization, of \$1,059,611,437 less the related debt of \$652,528,275. The related debt includes the portion of the sales tax revenue and toll revenue bonds that was used for the development of tolled express lane capital assets. The deficit in business-type activities will be reduced by future toll revenues for the payment of outstanding toll obligations.

Net Investment in Capital Assets	Governmental Activities	Business-Type Activities	Total
Capital assets, net	\$ 763,756,223	\$ 295,855,214	\$ 1,059,611,437
Less: related debt	<u>(56,820,636)</u>	<u>(595,707,639)</u>	<u>(652,528,275)</u>
Total	<u>\$ 706,935,587</u>	<u>\$ (299,852,425)</u>	<u>\$ 407,083,162</u>

Additionally, the statement of net position reports \$820,131,347 of restricted net position, of which \$547,857,146 is restricted by enabling legislation.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 8. Net Position and Fund Balances, Continued**

**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.

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

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

**Local streets and roads:** Funds to be expended by local jurisdictions for the construction, repair, and maintenance of local streets and roads are reflected as restricted as stipulated by the 2009 Measure A. The County and local cities are required to supplement those expenditures with other previously dedicated revenue sources to maintain road improvements. Monies are disbursed to the jurisdictions which comply with the requirements to maintain the same level of funding for streets and roads as existed prior to the passage of the 2009 Measure A and participate in TUMF (as applicable in the Western County and Coachella Valley areas) and the MSHCP in Western County and which annually submit a five-year capital improvement plan.

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

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

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 8. Net Position and Fund Balances, Continued**

**Transportation Development Act:** Restricted fund balance for the LTF represents the apportionments related to transit programs by geographic area, bicycle and pedestrian facilities, and planning and programming services and unapportioned revenues. Restricted fund balance for the STA and State of Good Repair represents the apportionments for transit by geographic area. The TDA restrictions at June 30, 2019 are as follows:

	Local Transportation Fund	State Transit Assistance	State of Good Repair	Total
Bicycle and pedestrian facilities	\$ 7,474,877	\$ -	\$ -	\$ 7,474,877
Transit and specialized transportation				
Western County:				
Bus transit:				
City of Banning	-	799,506	76,050	875,556
City of Beaumont	4,362	1,458,221	116,392	1,578,975
City of Corona	-	898,069	196,244	1,094,313
City of Riverside	-	278,030	193,714	471,744
Riverside Transit Agency	3,126,866	26,868,008	3,711,831	33,706,705
Apportioned and unallocated	46,975,393	31,541,015	85,892	78,602,300
Commuter rail:				
Commission	2,000,000	-	799,813	2,799,813
Apportioned and unallocated	6,402,854	27,844,427	24,523	34,271,804
Total Western County	58,509,475	89,687,276	5,204,459	153,401,210
Coachella Valley:				
BusTransit				
SunLine Transit Agency	2,934,027	14,492,959	1,412,176	18,839,162
Apportioned and unallocated	3,474,099	2,979,946	26,808	6,480,853
Commuter Rail				
Commission	-	9,262	-	9,262
Apportioned and unallocated	-	52,084	-	52,084
Total Coachella Valley	6,408,126	17,534,251	1,438,984	25,381,361
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	76,508	35,760	112,268
Apportioned and unallocated for transit and local streets and roads	1,166,177	171,376	1,353	1,338,906
Total Palo Verde Valley	1,166,177	247,884	37,113	1,451,174
Unapportioned funds	17,982,698	-	-	17,982,698
Total transit and specialized transportation	\$ 91,541,353	\$ 107,469,411	\$ 6,680,556	\$ 205,691,320

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

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

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

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 8. Net Position and Fund Balances, Continued**

**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.

**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 \$6,825,688 and \$3,675,823, 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:** The SB 132 Special Revenue fund reported a negative unassigned fund balance of \$1,272,356. The Commission anticipates future reimbursements from Caltrans will reduce the negative fund balance.

**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, 2019 were approximately \$540,300.

Year Ending June 30	Amount
2020	\$ 564,138
2021	581,060
2022	598,493
2023	616,449
2024	634,945
2025-2027	1,551,215
Total minimum rental commitment	<u>\$ 4,546,300</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 Basic Financial Statements**  
**June 30, 2019**

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**Note 10. Joint Agreements**

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**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 \$18,659,704 and \$2,183,234 during 2019 for its share of Metrolink operating and capital costs, respectively. As of June 30, 2019, cumulative capital contributions were \$53,364,720. 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 2019 the Commission contributed \$0 for administration efforts.

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

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

In May 2013 the Commission entered into a three-party agreement with OCTA and the third-party toll operator, for the operations of the 91 Express Lanes. This ensures a streamlined and consistent intercounty travel for motorists on the OCTA 91 Express Lanes in Orange County and RCTC 91 Express Lanes in Riverside County. The third-party toll operator provides operating services in the annual amount of \$6,942,600 plus inflation for three initial years with two one-year extension options, subject to Board of Commissioners approval. The third-party toll operator is responsible for the day-to-day operations of the toll facility; another contractor is responsible for maintaining the roadside toll collection system under a separate agreement with the Commission. The three-party agreement expires on December 31, 2021, as amended in September 2019.

**Note 11. Employees' Pension Plans**

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**General Information about the CalPERS Pension Plan:** The Commission contracts with CalPERS to provide its employees retirement as well as death and retirement disability benefits, which are paid by the CalPERS under a cost sharing multiple-employer plan. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be obtained from its executive office located at 400 P Street, Sacramento, California 95814, or by visiting the CalPERS website at [www.calpers.ca.gov](http://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.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 11. Employees' Pension Plans, Continued**

**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, 2019, 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	14.719%	7.654%

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous
Contributions - Commission	\$ 1,443,593
Contributions - Employee	455,831

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 11. Employees' Pension Plans, Continued**

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

As of June 30, 2019, 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	\$ 8,340,905

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 is as follows:

Miscellaneous	
Proportion - June 30, 2017	0.08794%
Proportion - June 30, 2018	<u>0.08656%</u>
Change - Increase (Decrease)	<u>(0.00138%)</u>

For the year ended June 30, 2019, the Commission recognized pension expense of \$2,074,954. At June 30, 2019, 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	\$ 1,443,593	\$ -
Differences between actual and expected experiences	320,026	108,903
Changes in assumptions	950,888	233,044
Differences between contributions and the proportionate share of contributions	435,311	-
Changes in Commission's proportion	339,778	148,154
Net differences between projected and actual earnings on plan investments	41,235	-
Total	<u>\$ 3,530,831</u>	<u>\$ 490,101</u>

The \$1,443,593 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal years. 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	
2020	\$ 1,168,345
2021	725,759
2022	(221,946)
2023	<u>(75,021)</u>
	<u>\$ 1,597,137</u>

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**Note 11. Employees' Pension Plans, Continued**

**Actuarial Methods and Assumptions** - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

		Miscellaneous
Valuation Date	June 30, 2017	
Measurement Date	June 30, 2018	
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	
Inflation	2.50%	
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, 2017 valuation were based on the results of a December 2017 actuarial experience study report (based on demographic data for the period 1997 to 2015). 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-Term Expected Rate of Return** - 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.

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 (10 years +) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**Note 11. Employees' Pension Plans, Continued**

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

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)
Total	<u>100%</u>		

(a) Fixed income is included in Global Debt Securities; Inflation Assets are included in both Global Equity Securities and Global Debt Securities; and Liquidity is included in short-term investments.

(b) An expected inflation rate of 2.0% used for this period.

(c) An expected inflation rate of 2.92% used for this period.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the Commission's collective net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's collective 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 Net Pension Liability	6.15% \$13,066,049
Current Discount Rate Net Pension Liability	7.15% \$8,340,905
1% Increase Net Pension Liability	8.15% \$4,440,375

**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, 2019, the Commission reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**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 \$5,870,876. The Commission's contributions to the Plan were \$437,821 for the year ended June 30, 2019.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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, 2019 are as follows:

Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	43
Total	61

**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, 2019, the Commission's average contribution rate was 15.2% 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, 2018, 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, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions	June 30, 2018 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, 2018 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2018.

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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

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 (asset) from the measurement date of June 30, 2017 to June 30, 2018 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2017 (measurement date)	\$ 6,565,000	\$ 6,323,000	\$ 242,000
Changes for the year:			
Service cost	463,000	-	463,000
Interest	416,000	-	416,000
Changes in benefit terms	74,000	-	74,000
Contributions - employer	-	725,000	(725,000)
Net investment income	-	522,000	(522,000)
Benefit payments	(192,000)	(192,000)	-
Administrative expense	-	(12,000)	12,000
Net changes	761,000	1,043,000	(282,000)
Balances at June 30, 2018 (measurement date)	\$ 7,326,000	\$ 7,366,000	\$ (40,000)

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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

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

Changes in the Discount Rate	
1% Decrease Net OPEB Liability	5.00% \$1,064,000
Current Discount Rate Net OPEB Liability	6.00% (\$40,000)
1% Increase Net OPEB Asset	7.00% (\$936,000)

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

Changes in the Healthcare Cost Trend Rate	
1% Decrease Net OPEB Asset	1% Decrease (\$1,076,000)
Current Healthcare Trend Rate Net OPEB Liability	Current Trend (\$40,000)
1% Increase Net OPEB Liability	1% Increase \$1,251,000

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

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB** - For the year ended June 30, 2019, the Commission recognized OPEB expense of \$529,400. At June 30, 2019 the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 778,000	\$ -
Net differences between projected and actual earnings on plan investments	-	176,000
Total	\$ 778,000	\$ 176,000

**Riverside County Transportation Commission**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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

The \$778,000 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 subsequent fiscal years. 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	
2020	\$ (37,000)
2021	(39,000)
2022	(77,000)
2023	(23,000)
	\$ (176,000)

**Payable to the OPEB Plan** - At June 30, 2019 the Commission reported a payable of \$0 for the outstanding amount of contributions to CERBT required for the year ended June 30, 2019.

**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, 2019 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019;
- 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;
- GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statement No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018; and
- GASB Statement No. 91, *Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2020.

**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

SR-60 Truck Lanes Project



# 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, 2019**

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 7,959,700	\$ 7,959,700	\$ 8,184,187	\$ 224,487
Investment income	98,600	98,600	642,815	544,215
Other	313,100	313,100	174,530	(138,570)
Total revenues	8,371,400	8,371,400	9,001,532	630,132
Expenditures				
Current:				
General government	7,921,200	8,219,700	498,165	7,721,535
Commuter rail	31,435,100	31,457,400	25,728,469	5,728,931
Planning and programming	7,628,800	7,714,700	2,936,254	4,778,446
Transit and specialized transportation	645,600	644,600	408,757	235,843
Total programs	47,630,700	48,036,400	29,571,645	18,464,755
Debt service:				
Principal	-	12,500	12,461	39
Interest	-	5,100	5,031	69
Total debt service	-	17,600	17,492	108
Capital outlay	1,136,200	1,126,200	667,120	459,080
Total expenditures	48,766,900	49,180,200	30,256,257	18,923,943
Excess (deficiency) of revenues over (under) expenditures	(40,395,500)	(40,808,800)	(21,254,725)	19,554,075
Other financing sources (uses)				
Capital lease	-	-	55,000	55,000
Transfers in	35,342,300	35,657,300	24,283,500	(11,373,800)
Transfers out	(1,265,600)	(1,265,600)	-	1,265,600
Total other financing sources (uses)	34,076,700	34,391,700	24,338,500	(10,053,200)
Net change in fund balances	\$ (6,318,800)	\$ (6,417,100)	3,083,775	\$ 9,500,875
Fund balances at beginning of year			26,040,494	
Fund balances at end of year			\$ 29,124,269	

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, 2019

	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)
<b>Revenues</b>								
Sales taxes	\$ 145,158,000	\$ 149,038,000	\$ 156,934,682	\$ 7,896,682	\$ 40,849,000	\$ 41,942,000	\$ 43,238,756	\$ 1,296,756
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	90,552,300	91,352,113	61,692,336	(29,659,777)	-	-	-	-
Investment income	753,500	753,500	5,812,430	5,058,930	198,300	198,300	1,656,971	1,458,671
Other	1,297,900	1,297,900	6,169,581	4,871,681	-	-	-	-
<b>Total revenues</b>	<b>237,761,700</b>	<b>242,441,513</b>	<b>230,609,029</b>	<b>(11,832,484)</b>	<b>41,047,300</b>	<b>42,140,300</b>	<b>44,895,727</b>	<b>2,755,427</b>
<b>Expenditures</b>								
<b>Current:</b>								
General government	1,068,200	1,094,800	534,238	560,562	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	-	-	-	-	-	-	-
Commuter assistance	4,501,300	4,501,300	3,603,353	897,947	-	-	-	-
Commuter rail	31,345,200	31,010,700	13,218,370	17,792,330	-	-	-	-
Highways	277,275,100	271,663,346	128,995,061	142,668,285	30,052,800	29,885,800	19,392,762	10,493,038
Local streets and roads	41,824,300	45,305,300	45,305,238	62	14,215,300	15,134,300	15,133,565	735
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	4,682,600	14,882,600	12,533,037	2,349,563	-	-	-	-
Transit and specialized transportation	7,647,700	7,097,200	6,927,390	169,810	5,501,800	6,178,800	6,178,100	700
<b>Total programs</b>	<b>368,344,400</b>	<b>375,555,246</b>	<b>211,116,687</b>	<b>164,438,559</b>	<b>49,769,900</b>	<b>51,198,900</b>	<b>40,704,427</b>	<b>10,494,473</b>
Capital outlay	3,550,000	7,061,767	4,995,989	2,065,778	-	-	-	-
<b>Total expenditures</b>	<b>371,894,400</b>	<b>382,617,013</b>	<b>216,112,676</b>	<b>166,504,337</b>	<b>49,769,900</b>	<b>51,198,900</b>	<b>40,704,427</b>	<b>10,494,473</b>
Excess (deficiency) of revenues over (under) expenditures	(134,132,700)	(140,175,500)	14,496,353	154,671,853	(8,722,600)	(9,058,600)	4,191,300	13,249,900
<b>Other financing sources (uses)</b>								
Debt issuance	106,081,000	106,081,000	14,946,136	(91,134,864)	-	-	-	-
Transfers in	69,284,700	67,919,800	17,176,236	(50,743,564)	-	151,100	151,098	(2)
Transfers out	(91,744,900)	(91,071,800)	(69,690,425)	21,381,375	(245,800)	(245,800)	-	245,800
<b>Total other financing sources (uses)</b>	<b>83,620,800</b>	<b>82,929,000</b>	<b>(37,568,053)</b>	<b>(120,497,053)</b>	<b>(245,800)</b>	<b>(94,700)</b>	<b>151,098</b>	<b>245,798</b>
<b>Net change in fund balances</b>	<b>\$ (50,511,900)</b>	<b>\$ (57,246,500)</b>	<b>(23,071,700)</b>	<b>\$ 34,174,800</b>	<b>\$ (8,968,400)</b>	<b>\$ (9,153,300)</b>	<b>4,342,398</b>	<b>\$ 13,495,698</b>
Fund balances at beginning of year			276,997,302				52,068,076	
Fund balances at end of year			<u>\$ 253,925,602</u>				<u>\$ 56,410,474</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, 2019**

	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)
<b>Revenues</b>								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 94,000,000	\$ 96,000,000	\$ 103,819,440	\$ 7,819,440
Transportation Uniform Mitigation Fee	22,922,200	25,922,200	29,968,449	4,046,249	-	-	-	-
Intergovernmental	237,500	237,500	4,999,813	4,762,313	-	-	-	-
Investment income	414,400	414,400	3,026,080	2,611,680	375,600	375,600	2,118,450	1,742,850
Other	-	-	38,099	38,099	-	-	-	-
<b>Total revenues</b>	<b>23,574,100</b>	<b>26,574,100</b>	<b>38,032,441</b>	<b>11,458,341</b>	<b>94,375,600</b>	<b>96,375,600</b>	<b>105,937,890</b>	<b>9,562,290</b>
<b>Expenditures</b>								
<b>Current:</b>								
General government	-	-	-	-	12,000	12,000	12,000	-
Bicycle and pedestrian facilities	-	-	-	-	8,286,000	8,286,000	2,319,895	5,966,105
CETAP	8,355,100	8,355,100	1,394,120	6,960,980	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	705,000	784,000	784,000	-
Regional arterials	20,519,000	20,449,600	4,509,338	15,940,262	-	-	-	-
Transit and specialized transportation	-	-	-	-	84,900,000	111,906,924	97,432,996	14,473,928
<b>Total programs</b>	<b>28,874,100</b>	<b>28,804,700</b>	<b>5,903,458</b>	<b>22,901,242</b>	<b>93,903,000</b>	<b>120,988,924</b>	<b>100,548,891</b>	<b>20,440,033</b>
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>28,874,100</b>	<b>28,804,700</b>	<b>5,903,458</b>	<b>22,901,242</b>	<b>93,903,000</b>	<b>120,988,924</b>	<b>100,548,891</b>	<b>20,440,033</b>
Excess (deficiency) of revenues over (under) expenditures	(5,300,000)	(2,230,600)	32,128,983	34,359,583	472,600	(24,613,324)	5,388,999	30,002,323
<b>Other financing sources (uses)</b>								
Debt issuance	-	-	-	-	-	-	-	-
Transfers in	300,000	300,000	186,207	(113,793)	-	-	-	-
Transfers out	(1,562,000)	(1,562,000)	(1,071,845)	490,155	(27,251,600)	(26,821,400)	(24,283,500)	2,537,900
<b>Total other financing sources (uses)</b>	<b>(1,262,000)</b>	<b>(1,262,000)</b>	<b>(885,638)</b>	<b>376,362</b>	<b>(27,251,600)</b>	<b>(26,821,400)</b>	<b>(24,283,500)</b>	<b>2,537,900</b>
<b>Net change in fund balances</b>	<b>\$ (6,562,000)</b>	<b>\$ (3,492,600)</b>	<b>31,243,345</b>	<b>\$ 34,735,945</b>	<b>\$ (26,779,000)</b>	<b>\$ (51,434,724)</b>	<b>(18,894,501)</b>	<b>\$ 32,540,223</b>
Fund balances at beginning of year			78,409,987				110,435,854	
Fund balances at end of year			<u>\$ 109,653,332</u>				<u>\$ 91,541,353</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, 2019

	State Transit Assistance				SB 132			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>								
Sales taxes	\$ 19,506,600	\$ 19,506,600	\$ 23,497,584	\$ 3,990,984	\$ -	\$ -	\$ -	\$ -
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	118,418,400	118,418,400	53,666,786	(64,751,614)
Investment income	271,200	271,200	2,866,174	2,594,974	-	-	(7,805)	(7,805)
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>19,777,800</b>	<b>19,777,800</b>	<b>26,363,758</b>	<b>6,585,958</b>	<b>118,418,400</b>	<b>118,418,400</b>	<b>53,658,981</b>	<b>(64,759,419)</b>
<b>Expenditures</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	-	-	-	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	117,923,100	118,002,300	55,274,567	62,727,733
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	-	-	-	-	-
Transit and specialized transportation	48,818,000	48,639,761	6,687,688	41,952,073	-	-	-	-
<b>Total programs</b>	<b>48,818,000</b>	<b>48,639,761</b>	<b>6,687,688</b>	<b>41,952,073</b>	<b>117,923,100</b>	<b>118,002,300</b>	<b>55,274,567</b>	<b>62,727,733</b>
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>48,818,000</b>	<b>48,639,761</b>	<b>6,687,688</b>	<b>41,952,073</b>	<b>117,923,100</b>	<b>118,002,300</b>	<b>55,274,567</b>	<b>62,727,733</b>
Excess (deficiency) of revenues over (under) expenditures	(29,040,200)	(28,861,961)	19,676,070	48,538,031	495,300	416,100	(1,615,586)	(2,031,686)
<b>Other financing sources (uses)</b>								
Debt issuance	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,213,800	611,984	(601,816)
Transfers out	(431,700)	(500,700)	(350,000)	150,700	(495,300)	(1,020,300)	-	1,020,300
<b>Total other financing sources (uses)</b>	<b>(431,700)</b>	<b>(500,700)</b>	<b>(350,000)</b>	<b>150,700</b>	<b>(495,300)</b>	<b>193,500</b>	<b>611,984</b>	<b>418,484</b>
<b>Net change in fund balances</b>	<b>\$ (29,471,900)</b>	<b>\$ (29,362,661)</b>	<b>19,326,070</b>	<b>\$ 48,688,731</b>	<b>\$ -</b>	<b>\$ 609,600</b>	<b>(1,003,602)</b>	<b>\$ (1,613,202)</b>
Fund balances at beginning of year			88,143,341				(268,754)	
Fund balances at end of year			<u>\$ 107,469,411</u>				<u>\$ (1,272,356)</u>	

See notes to required supplementary information

**Riverside County Transportation Commission**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Last Ten Fiscal Years<sup>1</sup>**  
**June 30, 2019**

	Fiscal Year				
	2019	2018	2017	2016	2015 <sup>1</sup>
Measurement Date	2018	2017	2016	2015	2014
Proportion of the net pension liability/(asset)	0.08656%	0.08794%	0.08829%	0.09176%	0.08559%
Proportionate share of the net pension liability/(asset)	\$ 8,340,905	\$ 8,721,456	\$ 7,639,639	\$ 6,298,052	\$ 5,325,565
Covered payroll (measurement year)	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151	\$ 4,792,270	\$ 4,316,567
Proportionate share of the net pension liability/(asset) as percentage of covered payroll	147.54%	157.52%	144.49%	131.42%	123.38%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	78.21%

*See notes to required supplementary information*

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore, only five years are shown. Represents most recent data available.

**Riverside County Transportation Commission**  
**Schedule of Pension Contributions**  
**Last Ten Fiscal Years<sup>1</sup>**  
**June 30, 2019**

	Fiscal Year				
	2019	2018	2017	2016	2015 <sup>1</sup>
Contractually required contribution (actuarially determined)	\$ 1,507,484	\$ 1,321,564	\$ 1,222,802	\$ 1,101,641	\$ 1,044,018
Contributions in relation to the actuarially determined contributions	(1,443,593)	(1,308,877)	(1,238,891)	(1,132,393)	(1,125,317)
Contribution deficiency (excess)	<u>\$ 63,891</u>	<u>\$ 12,687</u>	<u>\$ (16,089)</u>	<u>\$ (30,752)</u>	<u>\$ (81,299)</u>
Covered payroll	\$ 5,870,876	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151	\$ 4,792,270
Contributions as a percentage of covered payroll	24.59%	23.15%	22.38%	21.42%	23.48%
Valuation date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

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	2.50%
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Discount rate	7.15% (net of administrative expenses)
Retirement age	55 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

*See notes to required supplementary information*

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore, only five years are shown. Represents most recent data available.

**Riverside County Transportation Commission**  
**Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios**  
**Last Ten Fiscal Years<sup>1</sup>**  
**June 30, 2019**

	Fiscal Year		
	2019	2018	2017 <sup>1</sup>
	2018	2017	2016
Measurement date			
Total OPEB liability (asset)			
Service cost	\$ 463,000	\$ 449,000	\$ 437,000
Interest	416,000	377,000	338,000
Changes of benefit terms	74,000	-	-
Benefit payments	(192,000)	(172,000)	(155,000)
Net change in total OPEB liability (asset)	761,000	654,000	620,000
Beginning total OPEB liability (asset)	6,565,000	5,911,000	5,291,000
Ending total OPEB liability (asset)	<u>\$ 7,326,000</u>	<u>\$ 6,565,000</u>	<u>\$ 5,911,000</u>
Plan fiduciary net position			
Employer contributions	\$ 725,000	\$ 666,000	\$ 634,000
Net investment income	522,000	597,000	86,000
Benefit payments	(192,000)	(172,000)	(155,000)
Administrative expense	(12,000)	(3,000)	(2,000)
Net change in plan fiduciary net position	1,043,000	1,088,000	563,000
Beginning fiduciary net position	6,323,000	5,235,000	4,672,000
Ending fiduciary net position	<u>\$ 7,366,000</u>	<u>\$ 6,323,000</u>	<u>\$ 5,235,000</u>
Ending net OPEB liability (asset)	<u>\$ (40,000)</u>	<u>\$ 242,000</u>	<u>\$ 676,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	100.55%	96.31%	88.56%
Covered payroll (measurement year)	\$ 5,653,205	\$ 5,536,781	\$ 5,287,151
Net OPEB liability (asset) as a percentage of covered payroll	-0.71%	4.37%	12.79%

*See notes to required supplementary information*

<sup>1</sup> Fiscal year 2017 was the first year of implementation, therefore, only three years are shown. Represents most recent data available.

**Riverside County Transportation Commission**  
**Schedule of OPEB Contributions**  
**Last Ten Fiscal Years<sup>1</sup>**  
**June 30, 2019**

	Fiscal Year		
	2019	2018	2017 <sup>1</sup>
Actuarially determined contribution	\$ 549,000	\$ 533,000	\$ 494,000
Contributions in relation to the actuarially determined contribution	778,000	725,000	666,000
Contribution deficiency (excess)	<u>\$ (229,000)</u>	<u>\$ (192,000)</u>	<u>\$ (172,000)</u>
Covered payroll	\$ 5,870,876	\$ 5,653,205	\$ 5,536,781
Contributions as a percentage of covered-employee payroll	13.25%	12.82%	12.03%

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal - level percentage of payroll
Amortization method	Level percentage of payroll
Amortization period	Eight years
Asset valuation method	period
Inflation	2.75%
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
Salary increases	3.00% aggregate
Investment rate of return	6.00%
Retirement age	Classic employees: 50 - 55 Public Employees' Pension Reform Act: 52 - 62
Mortality	Mortality projected fully generational with Scale MP-16

See notes to required supplementary information

<sup>1</sup> Fiscal year 2017 was the first year of implementation, therefore, only three years are shown. Represents most recent data available.

**Riverside County Transportation Commission**  
**Notes to Required Supplementary Information**  
**June 30, 2019**

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### **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 payroll, proportionate share (amount) of the collective net pension liability as a percentage of Commission's covered 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 payroll.

### **Postemployment Benefits Other Than Pensions**

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

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



**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

I-15/Limonite Interchange



# Other Supplementary Information



**Riverside County Transportation Commission  
Nonmajor Governmental Funds Description**

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**Special Revenue Funds**

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

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

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

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

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

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

**Riverside County Transportation Commission**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2019**

Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State of Good Repair
<b>Assets</b>				
Cash and investments	\$ 561	\$ 1,094,412	\$ 6,415,326	\$ 6,812,002
Receivables:				
Accounts	169,464	3,166,863	457,241	617,249
Interest	1	8,975	36,308	37,347
<b>Total assets</b>	<b>\$ 170,026</b>	<b>\$ 4,270,250</b>	<b>\$ 6,908,875</b>	<b>\$ 7,466,598</b>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable	\$ 108,396	\$ 510,683	\$ 63,685	\$ 28,158
Due to other funds	61,068	83,744	19,502	757,884
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>169,464</b>	<b>594,427</b>	<b>83,187</b>	<b>786,042</b>
Fund balances:				
Restricted for:				
Commuter rail	-	-	-	-
Local streets and roads	562	-	-	-
Motorist assistance	-	3,675,823	6,825,688	-
Planning and programming	-	-	-	-
Transit and specialized transportation	-	-	-	6,680,556
<b>Total fund balances</b>	<b>562</b>	<b>3,675,823</b>	<b>6,825,688</b>	<b>6,680,556</b>
<b>Total liabilities and fund balances</b>	<b>\$ 170,026</b>	<b>\$ 4,270,250</b>	<b>\$ 6,908,875</b>	<b>\$ 7,466,598</b>

**Riverside County Transportation Commission**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2019**

	<u>Special Revenue</u>		
	Coachella Valley Rail	Other Agency Projects	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 2,973,064	\$ 332,698	\$ 17,628,063
Receivables:			
Accounts	390,017	600,000	5,400,834
Interest	18,392	2,030	103,053
Total assets	<u>\$ 3,381,473</u>	<u>\$ 934,728</u>	<u>\$ 23,131,950</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 275,823	\$ 217,132	\$ 1,203,877
Due to other funds	33,921	5,944	962,063
Other liabilities	-	694,635	694,635
Total liabilities	<u>309,744</u>	<u>917,711</u>	<u>2,860,575</u>
Fund balances:			
Restricted for:			
Commuter rail	3,071,729	-	3,071,729
Local streets and roads	-	-	562
Motorist assistance	-	-	10,501,511
Planning and programming	-	17,017	17,017
Transit and specialized transportation	-	-	6,680,556
Total fund balances	<u>3,071,729</u>	<u>17,017</u>	<u>20,271,375</u>
Total liabilities and fund balances	<u>\$ 3,381,473</u>	<u>\$ 934,728</u>	<u>\$ 23,131,950</u>

**Riverside County Transportation Commission**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2019**

	<b>Special Revenue</b>			
	<b>Measure A Palo Verde Valley</b>	<b>Freeway Service Patrol</b>	<b>Service Authority for Freeway Emergencies</b>	<b>State of Good Repair</b>
<b>Revenues</b>				
Sales taxes	\$ 1,031,557	\$ -	\$ -	\$ 3,704,206
Intergovernmental	-	3,173,296	2,213,841	-
Investment income (loss)	4	51,623	186,656	142,202
Other	-	34,895	1,085	-
<b>Total revenues</b>	<b>1,031,561</b>	<b>3,259,814</b>	<b>2,401,582</b>	<b>3,846,408</b>
<b>Expenditures</b>				
<b>Current:</b>				
Commuter rail	-	-	-	-
Local streets and roads	1,031,556	-	-	-
Motorist assistance	-	3,924,046	474,796	-
Planning and programming	-	-	-	-
Transit and specialized transportation	-	-	-	113,160
<b>Total expenditures</b>	<b>1,031,556</b>	<b>3,924,046</b>	<b>474,796</b>	<b>113,160</b>
Excess (deficiency) of revenues over (under) expenditures	5	(664,232)	1,926,786	3,733,248
<b>Other financing sources (uses):</b>				
Transfers in	-	3,600,000	-	-
Transfers out	-	-	(3,600,000)	(752,084)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,600,000</b>	<b>(3,600,000)</b>	<b>(752,084)</b>
Net change in fund balances	5	2,935,768	(1,673,214)	2,981,164
Fund balances at beginning of year	557	740,055	8,498,902	3,699,392
<b>Fund balances at end of year</b>	<b>\$ 562</b>	<b>\$ 3,675,823</b>	<b>\$ 6,825,688</b>	<b>\$ 6,680,556</b>

**Riverside County Transportation Commission**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds, Continued**  
**Year Ended June 30, 2019**

	<b>Special Revenue</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Coachella Valley Rail</b>	<b>Other Agency Projects</b>	<b>Total</b>	
<b>Revenues</b>				
Sales taxes	\$ -	\$ -	\$ 4,735,763	\$ 4,735,763
Intergovernmental	1,224,943	588,709	7,200,789	7,200,789
Investment income (loss)	88,940	12,771	482,196	482,196
Other	-	-	35,980	35,980
<b>Total revenues</b>	<b>1,313,883</b>	<b>601,480</b>	<b>12,454,728</b>	<b>12,454,728</b>
<b>Expenditures</b>				
<b>Current:</b>				
Commuter rail	1,858,477	-	1,858,477	1,858,477
Local streets and roads	-	-	1,031,556	1,031,556
Motorist assistance	-	-	4,398,842	4,398,842
Planning and programming	-	587,605	587,605	587,605
Transit and specialized transportation	-	-	113,160	113,160
<b>Total expenditures</b>	<b>1,858,477</b>	<b>587,605</b>	<b>7,989,640</b>	<b>7,989,640</b>
Excess (deficiency) of revenues over (under) expenditures	(544,594)	13,875	4,465,088	4,465,088
<b>Other financing sources (uses):</b>				
Transfers in	350,000	-	3,950,000	3,950,000
Transfers out	-	-	(4,352,084)	(4,352,084)
<b>Total other financing sources (uses)</b>	<b>350,000</b>	<b>-</b>	<b>(402,084)</b>	<b>(402,084)</b>
<b>Net change in fund balances</b>	<b>(194,594)</b>	<b>13,875</b>	<b>4,063,004</b>	<b>4,063,004</b>
Fund balances at beginning of year	3,266,323	3,142	16,208,371	16,208,371
<b>Fund balances at end of year</b>	<b>\$ 3,071,729</b>	<b>\$ 17,017</b>	<b>\$ 20,271,375</b>	<b>\$ 20,271,375</b>

**Riverside County Transportation Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual—Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2019**

	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)
<b>Revenues</b>								
Sales taxes	\$ 993,000	\$ 1,020,000	\$ 1,031,557	\$ 11,557	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,909,000	3,256,900	3,173,296	(83,604)
Investment income (loss)	-	-	4	4	9,500	9,500	51,623	42,123
Other	-	-	-	-	225,300	225,300	34,895	(190,405)
<b>Total revenues</b>	<b>993,000</b>	<b>1,020,000</b>	<b>1,031,561</b>	<b>11,561</b>	<b>3,143,800</b>	<b>3,491,700</b>	<b>3,259,814</b>	<b>(231,886)</b>
<b>Expenditures</b>								
<b>Current:</b>								
Commuter rail	-	-	-	-	-	-	-	-
Local streets and roads	911,900	1,031,600	1,031,556	44	-	-	-	-
Motorist assistance	-	-	-	-	5,411,700	5,327,400	3,924,046	1,403,354
Planning and programming	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>911,900</b>	<b>1,031,600</b>	<b>1,031,556</b>	<b>44</b>	<b>5,411,700</b>	<b>5,327,400</b>	<b>3,924,046</b>	<b>1,403,354</b>
Excess (deficiency) of revenues over (under) expenditures	81,100	(11,600)	5	11,605	(2,267,900)	(1,835,700)	(664,232)	1,171,468
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	3,600,000	3,600,000	3,600,000	-
Transfers out	(81,100)	(81,100)	-	81,100	(146,400)	(188,400)	-	188,400
<b>Total other financing sources (uses)</b>	<b>(81,100)</b>	<b>(81,100)</b>	<b>-</b>	<b>81,100</b>	<b>3,453,600</b>	<b>3,411,600</b>	<b>3,600,000</b>	<b>188,400</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (92,700)</b>	<b>5</b>	<b>\$ 92,705</b>	<b>\$ 1,185,700</b>	<b>\$ 1,575,900</b>	<b>2,935,768</b>	<b>\$ 1,359,868</b>
Fund balances at beginning of year			557				740,055	
Fund balances at end of year			<u>\$ 562</u>				<u>\$ 3,675,823</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, 2019**

	<u>Service Authority for Freeway Emergencies</u>				<u>State of Good Repair</u>			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)				Positive (Negative)
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,697,000	\$ 3,697,000	\$ 3,704,206	\$ 7,206
Intergovernmental	2,031,600	2,031,600	2,213,841	182,241	-	-	-	-
Investment income (loss)	26,900	26,900	186,656	159,756	-	-	142,202	142,202
Other	-	-	1,085	1,085	-	-	-	-
Total revenues	<u>2,058,500</u>	<u>2,058,500</u>	<u>2,401,582</u>	<u>343,082</u>	<u>3,697,000</u>	<u>3,697,000</u>	<u>3,846,408</u>	<u>149,408</u>
Expenditures								
Current:								
Commuter rail	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	774,200	765,800	474,796	291,004	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-
Transit and specialized transportation	-	-	-	-	3,615,300	3,615,300	113,160	3,502,140
Total expenditures	<u>774,200</u>	<u>765,800</u>	<u>474,796</u>	<u>291,004</u>	<u>3,615,300</u>	<u>3,615,300</u>	<u>113,160</u>	<u>3,502,140</u>
Excess (deficiency) of revenues over (under) expenditures	1,284,300	1,292,700	1,926,786	634,086	81,700	81,700	3,733,248	3,651,548
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(3,674,100)	(3,632,100)	(3,600,000)	32,100	(81,700)	(757,900)	(752,084)	5,816
Total other financing sources (uses)	<u>(3,674,100)</u>	<u>(3,632,100)</u>	<u>(3,600,000)</u>	<u>32,100</u>	<u>(81,700)</u>	<u>(757,900)</u>	<u>(752,084)</u>	<u>5,816</u>
Net change in fund balances	<u>\$ (2,389,800)</u>	<u>\$ (2,339,400)</u>	<u>(1,673,214)</u>	<u>\$ 666,186</u>	<u>\$ -</u>	<u>\$ (676,200)</u>	<u>2,981,164</u>	<u>\$ 3,657,364</u>
Fund balances at beginning of year			8,498,902				3,699,392	
Fund balances at end of year			<u>\$ 6,825,688</u>				<u>\$ 6,680,556</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, 2019**

	Coachella Valley Rail				Other Agency Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)				Positive (Negative)
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,000,000	2,000,000	1,224,943	(775,057)	11,880,000	11,880,000	588,709	(11,291,291)
Investment income (loss)	200	200	88,940	88,740	200	200	12,771	12,571
Other	-	-	-	-	-	-	-	-
Total revenues	2,000,200	2,000,200	1,313,883	(686,317)	11,880,200	11,880,200	601,480	(11,278,720)
Expenditures								
Current:								
Commuter rail	4,664,700	4,168,700	1,858,477	2,310,223	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	11,880,000	11,880,000	587,605	11,292,395
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total expenditures	4,664,700	4,168,700	1,858,477	2,310,223	11,880,000	11,880,000	587,605	11,292,395
Excess (deficiency) of revenues over (under) expenditures	(2,664,500)	(2,168,500)	(544,594)	1,623,906	200	200	13,875	13,675
Other financing sources (uses)								
Transfers in	350,000	350,000	350,000	-	466,600	466,600	-	(466,600)
Transfers out	(300,600)	(300,600)	-	300,600	(466,600)	(466,600)	-	466,600
Total other financing sources (uses)	49,400	49,400	350,000	300,600	-	-	-	-
Net change in fund balances	<u>\$ (2,615,100)</u>	<u>\$ (2,119,100)</u>	<u>(194,594)</u>	<u>\$ 1,924,506</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>13,875</u>	<u>\$ 13,675</u>
Fund balances at beginning of year			3,266,323				3,142	
Fund balances at end of year			<u>\$ 3,071,729</u>				<u>\$ 17,017</u>	

Riverside County Transportation Commission  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual—Capital Projects Funds  
Year Ended June 30, 2019

	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	310,000	310,000	1,515,343	1,205,343	645,400	645,400	2,642,461	1,997,061
Total revenues	310,000	310,000	1,515,343	1,205,343	645,400	645,400	2,642,461	1,997,061
Expenditures								
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	310,000	310,000	1,515,343	1,205,343	645,400	645,400	2,642,461	1,997,061
Other financing sources (uses)								
Transfers in	-	-	-	-	-	500,000	500,000	-
Transfers out	-	-	-	-	(45,044,500)	(45,044,500)	(9,924,300)	35,120,200
Total other financing sources (uses)	-	-	-	-	(45,044,500)	(44,544,500)	(9,424,300)	35,120,200
Net change in fund balances	<u>\$ 310,000</u>	<u>\$ 310,000</u>	1,515,343	<u>\$ 1,205,343</u>	<u>\$ (44,399,100)</u>	<u>\$ (43,899,100)</u>	(6,781,839)	<u>\$ 37,117,261</u>
Fund balances at beginning of year			21,576,316				95,343,644	
Fund balances at end of year			<u>\$ 23,091,659</u>				<u>\$ 88,561,805</u>	

**Riverside County Transportation Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual—Debt Service Fund**  
**Year Ended June 30, 2019**

	<b>Debt Service Fund</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance with</b>
	<b>Budget</b>	<b>Budget</b>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Revenues				
Intergovernmental	\$ 2,800,200	\$ 2,800,200	\$ 2,797,222	\$ (2,978)
Investment income	162,900	162,900	556,853	393,953
Total revenues	<u>2,963,100</u>	<u>2,963,100</u>	<u>3,354,075</u>	<u>390,975</u>
Expenditures				
Debt service:				
Principal	25,965,000	25,965,000	25,965,000	-
Interest	43,590,700	43,590,700	43,590,738	(38)
Total debt service	<u>69,555,700</u>	<u>69,555,700</u>	<u>69,555,738</u>	<u>(38)</u>
Excess (deficiency) of revenues over (under) expenditures	(66,592,600)	(66,592,600)	(66,201,663)	390,937
Other financing sources (uses)				
Transfers in	72,555,700	72,055,700	69,504,223	(2,551,477)
Transfers out	(2,800,200)	(2,948,300)	(2,948,320)	(20)
Total other financing sources (uses)	<u>69,755,500</u>	<u>69,107,400</u>	<u>66,555,903</u>	<u>(2,551,497)</u>
Net change in fund balances	<u>\$ 3,162,900</u>	<u>\$ 2,514,800</u>	354,240	<u>\$ (2,160,560)</u>
Fund balances at beginning of year			11,082,909	
Fund balances at end of year			<u>\$ 11,437,149</u>	

**Riverside County Transportation Commission**  
**Schedule of Expenditures for Local Streets and Roads**  
**by Geographic Area - All Special Revenue Funds**  
**Year Ended June 30, 2019**

Western County:	
City of Banning	\$ 650,939
City of Beaumont	1,038,267
City of Calimesa	188,686
City of Canyon Lake	204,962
City of Corona	4,658,115
City of Eastvale	1,491,268
City of Hemet	1,927,145
City of Jurupa Valley	2,306,472
City of Lake Elsinore	1,496,639
City of Menifee	1,918,407
City of Moreno Valley	4,411,279
City of Murrieta	2,675,677
City of Norco	740,527
City of Perris	2,079,994
City of Riverside	8,189,367
City of San Jacinto	962,807
City of Temecula	3,334,125
City of Wildomar	705,710
Riverside County	6,146,752
Other	178,100
	<u>45,305,238</u>
Coachella Valley:	
City of Cathedral City	1,583,790
City of Coachella	646,744
City of Desert Hot Springs	522,385
City of Indian Wells	275,118
City of Indio	2,115,625
City of La Quinta	-
City of Palm Desert	2,928,433
City of Palm Springs	2,308,021
City of Rancho Mirage	994,079
Riverside County	1,943,396
Coachella Valley Association of Governments, including \$818,937 due to City of La Quinta	1,637,874
Other	178,100
	<u>15,133,565</u>
Palo Verde Valley:	
City of Blythe	779,891
Riverside County	206,765
Other	44,900
	<u>1,031,556</u>
Total local streets and roads expenditures	<u>\$ 61,470,359</u>

**Riverside County Transportation Commission**  
**Schedule of Expenditures for Transit and Specialized Transportation**  
**by Geographic Area and Source - All Special Revenue Funds**  
**Year Ended June 30, 2019**

	Sales Taxes				Total
	Measure A	Local Transportation Fund	State Transit Assistance	State of Good Repair	
	Western County:				
Blindness Support Services, Inc.	\$ 72,000	\$ -	\$ -	\$ -	\$ 72,000
Boys and Girls Club of Menifee Valley	130,000	-	-	-	130,000
Boys and Girls Club of Southwest County	201,430	-	-	-	201,430
Care-A-Van	359,140	-	-	-	359,140
Care Connexus	254,452	-	-	-	254,452
City of Banning	-	1,417,294	-	-	1,417,294
City of Beaumont	-	2,402,209	710,210	-	3,112,419
City of Corona	-	1,678,611	703,517	-	2,382,128
City of Norco	72,248	-	-	-	72,248
City of Riverside	-	3,673,407	-	-	3,673,407
Community Connect	125,545	-	-	-	125,545
Exceed	57,000	-	-	-	57,000
Friends of Moreno Valley Center, Inc	91,213	-	-	-	91,213
Forest Folk	44,754	-	-	-	44,754
Independent Living Partnership	308,051	-	-	-	308,051
Michelle's Place	8,000	-	-	-	8,000
Operation Safehouse	37,995	-	-	-	37,995
Riverside University Health Systems	310,000	-	-	-	310,000
Riverside County Department of Mental Health	209,999	-	-	-	209,999
Riverside Transit Agency	3,998,457	65,199,572	1,559,458	-	70,757,487
United States Veterans Initiative	43,089	-	-	-	43,089
Voices for Children	99,754	-	-	-	99,754
Other	504,263	749,700	167,509	5,800	1,421,472
	<u>6,927,390</u>	<u>75,120,793</u>	<u>3,140,694</u>	<u>5,800</u>	<u>85,188,877</u>
Coachella Valley:					
SunLine Transit Agency	6,000,000	21,358,945	3,385,433	71,850	30,744,378
Other	178,100	-	-	-	178,100
	<u>6,178,100</u>	<u>21,358,945</u>	<u>3,385,433</u>	<u>71,850</u>	<u>30,922,478</u>
Palo Verde Valley:					
Palo Verde Valley Transit Agency	-	953,258	161,561	35,510	1,114,819
	<u>-</u>	<u>953,258</u>	<u>161,561</u>	<u>35,510</u>	<u>1,114,819</u>
Total transit and specialized transportation expenditures	<u>\$ 13,105,490</u>	<u>\$ 97,432,996</u>	<u>\$ 6,687,688</u>	<u>\$ 113,160</u>	<u>\$ 117,226,174</u>

**Riverside County Transportation Commission**  
**Schedule of Uses of Debt Proceeds and Fund Balances**  
**Year Ended June 30, 2019**

	<u>Capital Projects</u>		
	<u>Commercial Paper</u>	<u>Sales Tax Revenue Bonds</u>	
	<u>Notes</u>		
	<u>I-15 Express Lanes, advance agreements, and other</u>	<u>I-15 Express Lanes, 91 Project, advance agreements, and other</u>	<u>Total</u>
Revenues			
Investment income	\$ 1,515,343	\$ 2,642,461	\$ 4,157,804
Total revenues	<u>1,515,343</u>	<u>2,642,461</u>	<u>4,157,804</u>
Other financing sources (uses)			
Transfers in			
Excess earnings	-	500,000	500,000
Transfers out			
Debt service offset	-	(5)	(5)
Requisitions to reimburse Commission funds			
Salaries and benefits	-	(175)	(175)
Professional services	-	(216,685)	(216,685)
Support services	-	(126,332)	(126,332)
Program operations	-	(688,227)	(688,227)
Construction	-	(1,426,849)	(1,426,849)
Right of way	-	(620,138)	(620,138)
Design-build	-	(5,272,174)	(5,272,174)
Building improvements	-	(1,573,715)	(1,573,715)
Total other financing sources (uses)	<u>-</u>	<u>(9,424,300)</u>	<u>(9,424,300)</u>
Net change in fund balance	1,515,343	(6,781,839)	(5,266,496)
Fund balances at beginning of year	21,576,316	95,343,644	116,919,960
Fund balances at end of year	<u>\$ 23,091,659</u>	<u>\$ 88,561,805</u>	<u>\$ 111,653,464</u>



**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**



Statistical  
**SECTION**

RTA bus at Perris - Downtown station

STATISTICAL SECTION

## Riverside County Transportation Commission Statistical Section Overview

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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				
	2019	2018	2017	2016	2015
<b>Governmental activities:</b>					
Net Investment in capital assets	\$ 706,935,587	\$ 529,178,100	\$ 377,309,766	\$ 389,646,370	\$ 509,106,481
Restricted	794,875,222	801,401,752	596,214,012	615,457,192	578,207,942
Unrestricted (deficit)	(887,668,580)	(857,485,575)	(538,356,445)	(668,395,594)	(623,769,876)
<b>Total governmental activities net position</b>	<b>\$ 614,142,229</b>	<b>\$ 473,094,277</b>	<b>\$ 435,167,333</b>	<b>\$ 336,707,968</b>	<b>\$ 463,544,547</b>
<b>Business-type activities:</b>					
Net Investment in capital assets	\$ (299,852,425)	\$ (286,349,191)	\$ (301,737,495)		
Restricted	25,256,125	8,581,857 <sup>6</sup>	242,134,144		
Unrestricted (deficit)	-	-	(234,075,489)		
<b>Total business-type activities net position</b>	<b>\$ (274,596,300)</b>	<b>\$ (277,767,334)</b>	<b>\$ (293,678,840)</b>		

Source: Finance Department

<sup>1</sup> 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.

<sup>2</sup> 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.

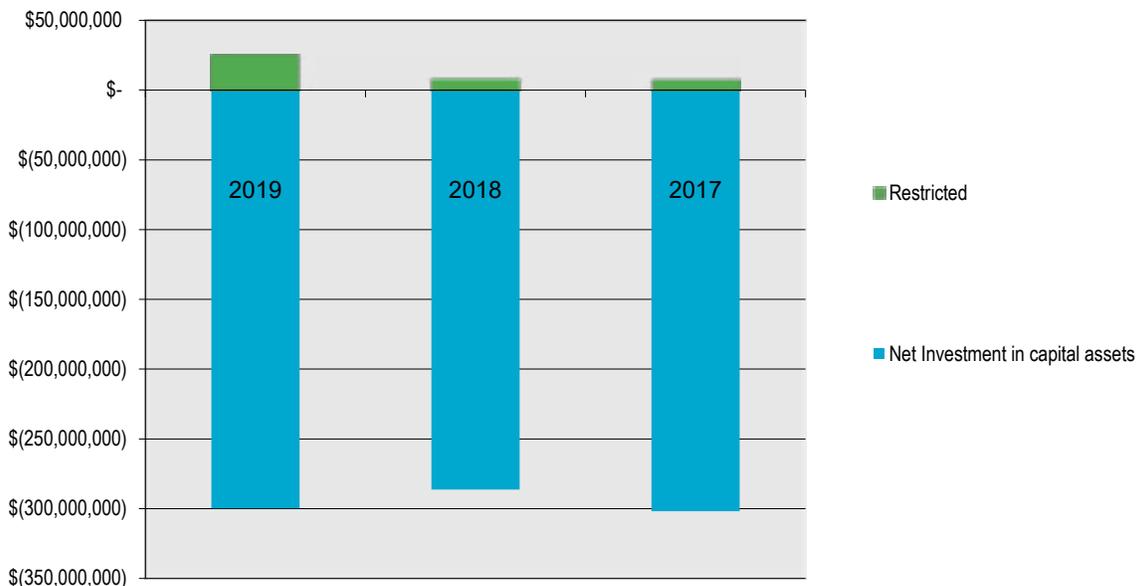
<sup>3</sup> Net investment in capital assets increased in 2014 primarily as a result of construction related to the Perris Valley Line project.

<sup>4</sup> 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.

<sup>5</sup> In FY 2017, the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists.

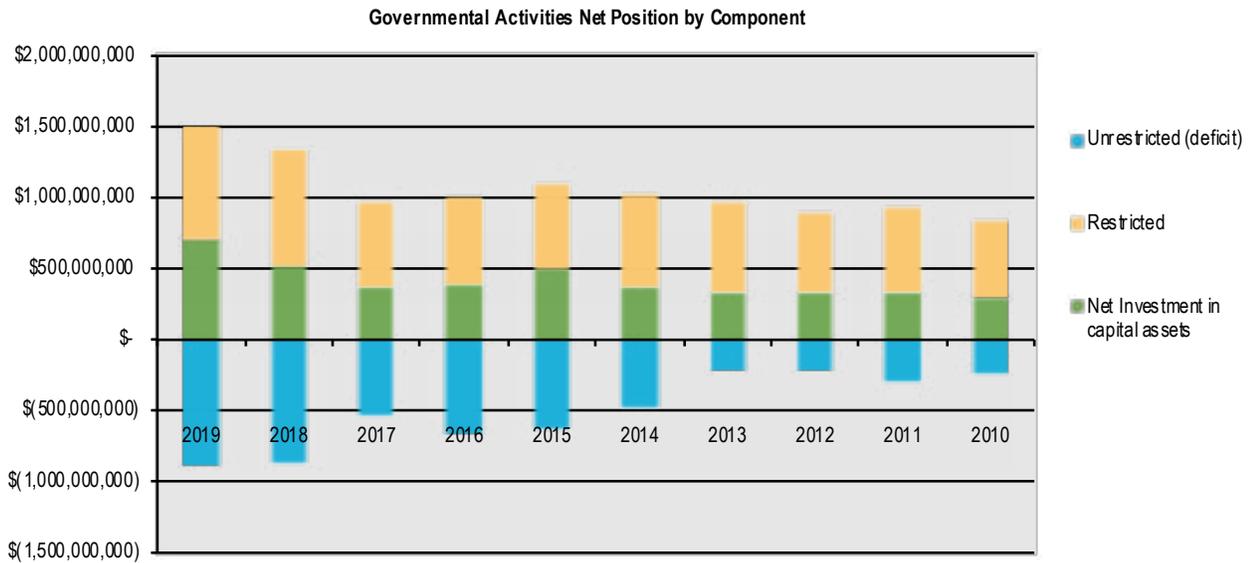
<sup>6</sup> In FY 2018, the Commission changed its presentation of net position related to intangible assets.

**Business-type Activities Net Position by Component**



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

	Fiscal Year				
	2014	2013	2012	2011	2010
Governmental activities:					
Net Investment in capital assets	\$ 381,796,683 <sup>3</sup>	\$ 336,834,025	\$ 327,277,502	\$ 341,912,094 <sup>2</sup>	\$ 294,218,263 <sup>1</sup>
Restricted	642,385,244	619,089,707	572,183,941	587,098,179	549,781,414
Unrestricted (deficit)	(470,327,554)	(216,162,697)	(215,929,362)	(293,146,251)	(229,888,408)
<b>Total governmental activities net position</b>	<b>\$ 553,854,373</b>	<b>\$ 739,761,035</b>	<b>\$ 683,532,081</b>	<b>\$ 635,864,022</b>	<b>\$ 614,111,269</b>



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

	Fiscal Year Ended June 30				
	2019	2018 <sup>2</sup>	2017 <sup>2</sup>	2016	2015 <sup>1</sup>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,295,384	\$ 3,654,628	\$ 7,258,051	\$ 6,614,285	\$ 7,402,725
Bicycle and pedestrian projects	2,319,895	1,142,306	1,314,932	212,547	1,747,090
CETAP	1,398,238	22,285,913	2,489,440	1,871,426	4,130,374
Commuter assistance	3,612,855	3,668,307	2,658,782	2,615,610	2,914,990
Commuter rail	48,553,459	36,578,920	38,964,217	41,449,269	20,455,178
Highways	91,086,623	79,234,802	264,283,974	245,668,543	228,857,938
Local streets and roads	61,470,359	53,639,698	51,864,011	49,826,564	48,615,708
Motorist assistance	4,403,671	3,835,612	4,164,892	4,149,320	4,314,601
Planning and programming	4,340,660	4,758,503	3,141,759	3,965,071	3,064,115
Right of way management	-	-	-	-	-
Regional arterials	17,048,413	12,897,557	19,040,012	23,095,562	21,010,980
Transit and specialized transportation	117,766,548	90,185,227	80,724,591	70,611,967	86,712,958
Interest expense	33,663,673	46,421,211	49,214,579	53,558,472	50,037,270
Total governmental activities expenses	<u>388,959,778</u>	<u>358,302,684</u>	<u>525,119,240</u>	<u>503,638,636</u>	<u>479,263,927</u>
Business-type activities:					
RCTC 91 Express Lanes	51,331,835	49,452,297	13,260,254	-	-
Total primary government expenses	<u>\$ 438,291,613</u>	<u>\$ 407,754,981</u>	<u>\$ 538,379,494</u>	<u>\$ 503,638,636</u>	<u>\$ 479,263,927</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
Commuter assistance	\$ -	\$ -	\$ -	\$ -	\$ -
Commuter rail	155,587	254,627	250,416	255,847	786,869
Right of way management	-	-	-	-	-
Highways	132,681	51,629	-	-	90,655
Motorist assistance	35,980	4,149	635,373	1,076,751	21,307
Other	326	479	447	421	450
Operating grants and contributions	93,084,805	45,363,624	35,611,287	42,568,860	57,784,238
Capital grants and contributions	74,558,439	66,910,285	16,451,903	54,062,314	70,133,121
Total governmental activities program revenues	<u>167,967,818</u>	<u>112,584,793</u>	<u>52,949,426</u>	<u>97,964,193</u>	<u>128,816,640</u>
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	58,423,461	50,446,824	10,123,572	-	-
Operating grants and contributions	-	-	1,723	-	-
Total business-type activities program revenues	<u>58,423,461</u>	<u>50,446,824</u>	<u>10,125,295</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>226,391,279</u>	<u>163,031,617</u>	<u>63,074,721</u>	<u>97,964,193</u>	<u>128,816,640</u>
<b>Net Revenues (Expenses)</b>					
Governmental activities	(218,991,960)	(245,717,891)	(472,169,814)	(405,674,443)	(350,447,287)
Business-type activities	7,091,626	994,527	(3,134,959)	-	-
Total primary government net expense	<u>\$ (211,900,334)</u>	<u>\$ (244,723,364)</u>	<u>\$ (475,304,773)</u>	<u>\$ (405,674,443)</u>	<u>\$ (350,447,287)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Measure A sales taxes	\$ 201,204,995	\$ 176,301,656	\$ 175,320,207	\$ 167,630,239	\$ 163,092,776
Transportation Development Act sales taxes	131,021,230	110,878,557	94,639,514	97,134,594	94,816,814
Unrestricted investment earnings	21,130,957	8,916,321	4,262,323	8,383,732	6,060,400
Other miscellaneous revenue	3,261,873	2,497,942	5,859,819	4,950,964	1,643,078
Gain on sale of capital assets	443,461	-	-	738,335	-
Transfers	2,977,396	(14,949,641)	290,547,316	-	-
Total governmental activities	<u>360,039,912</u>	<u>283,644,835</u>	<u>570,629,179</u>	<u>278,837,864</u>	<u>265,613,068</u>
Business-type activities:					
Unrestricted investment earnings	2,764,137	(32,662)	3,435	-	-
Loss on sale of capital assets	(3,707,333)	-	-	-	-
Transfers	(2,977,396)	14,949,641	(290,547,316)	-	-
Total business-type activities	<u>(3,920,592)</u>	<u>14,916,979</u>	<u>(290,543,881)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 356,119,320</u>	<u>\$ 298,561,814</u>	<u>\$ 280,085,298</u>	<u>\$ 278,837,864</u>	<u>\$ 265,613,068</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ 141,047,952	\$ 37,926,944	\$ 98,459,365	\$ (126,836,579)	\$ (84,834,219)
Business-type activities	3,171,034	15,911,506	(293,678,840)	-	-
Total primary government	<u>\$ 144,218,986</u>	<u>\$ 53,838,450</u>	<u>\$ (195,219,475)</u>	<u>\$ (126,836,579)</u>	<u>\$ (84,834,219)</u>
Source: Finance Department					

<sup>1</sup> 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.

<sup>2</sup> 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

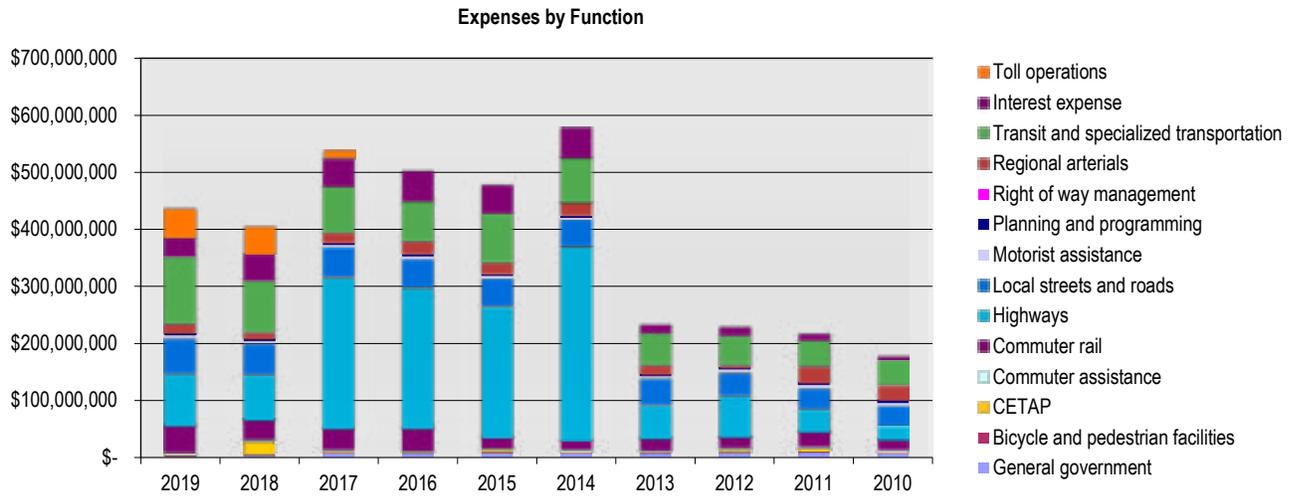
	2014	2013	2012 <sup>4</sup>	2011	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,994,832	\$ 6,959,827	\$ 7,780,478	\$ 8,453,876	\$ 7,024,517
Bicycle and pedestrian projects	1,065,476	956,308	1,389,567	1,940,499	317,048
CETAP	2,195,074	954,700	4,464,387	5,490,993	2,362,393
Commuter assistance	3,171,842	2,904,048	3,193,172	2,868,630	3,266,834
Commuter rail	17,255,402	23,531,252	21,480,248	27,792,375	20,544,634
Highways	339,194,681	59,604,916	72,341,578	40,113,092	24,828,958
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313
Motorist assistance	3,498,420	3,563,581	3,846,245	3,530,695	2,987,136
Planning and programming	3,216,441	3,725,703	3,924,413	4,683,272	5,321,121
Right of way management	-	-	-	1,270,487	1,428,066
Regional arterials	23,886,840	17,047,135	5,816,666	29,362,894	26,371,339
Transit and specialized transportation	78,723,898	55,659,188	51,221,772	44,699,650	43,820,225
Interest expense	52,939,762	15,364,677	15,221,031	11,799,586	7,099,038
Total governmental activities expenses	<u>578,820,248</u>	<u>234,866,226</u>	<u>230,807,447</u>	<u>218,862,974</u>	<u>179,629,622</u>
Business-type activities:					
RCTC 91 Express Lanes	-	-	-	-	-
Total primary government expenses	<u>\$ 578,820,248</u>	<u>\$ 234,866,226</u>	<u>\$ 230,807,447</u>	<u>\$ 218,862,974</u>	<u>\$ 179,629,622</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
Commuter assistance	\$ -	\$ 1,500	\$ -	\$ -	\$ -
Commuter rail	297,911	107,194	145,735	-	-
Right of way management	-	-	-	184,010	196,527
Highways	412,535	796,385	-	-	-
Motorist assistance	15,026	13,915	-	-	-
Other	999	14,873	-	27,681	-
Operating grants and contributions	61,767,456	46,567,900	54,641,955	39,886,648	23,130,456
Capital grants and contributions	71,744,926	4,897,301	5,228,621	9,199,268	12,257,099
Total governmental activities program revenues	<u>134,238,853</u>	<u>52,399,068</u>	<u>60,016,311</u>	<u>49,297,607</u>	<u>35,584,082</u>
Business-type activities:					
Charges for services					
RCTC 91 Express Lanes	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>134,238,853</u>	<u>52,399,068</u>	<u>60,016,311</u>	<u>49,297,607</u>	<u>35,584,082</u>
<b>Net Revenues (Expenses)</b>					
Governmental activities	(444,581,395)	(182,467,158)	(170,791,136)	(169,565,367)	(144,045,540)
Business-type activities	-	-	-	-	-
Total primary government net expense	<u>\$ (444,581,395)</u>	<u>\$ (182,467,158)</u>	<u>\$ (170,791,136)</u>	<u>\$ (169,565,367)</u>	<u>\$ (144,045,540)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Measure A sales taxes	\$ 156,355,894	\$ 149,428,124	\$ 134,984,307	\$ 123,439,833	\$ 114,526,254
Transportation Development Act sales taxes	91,953,554	86,999,018	80,044,131	60,772,795	69,499,841
Unrestricted investment earnings	9,794,662	1,664,789	4,196,452	4,411,122	5,987,921
Other miscellaneous revenue	556,049	604,181	1,287,981	2,694,370	1,680,322
Gain on sale of capital assets	14,574	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>258,674,733</u>	<u>238,696,112</u>	<u>220,512,871</u>	<u>191,318,120</u>	<u>191,694,338</u>
Business-type activities:					
Unrestricted investment earnings	-	-	-	-	-
Loss on sale of capital assets	-	-	-	-	-
Transfers	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 258,674,733</u>	<u>\$ 238,696,112</u>	<u>\$ 220,512,871</u>	<u>\$ 191,318,120</u>	<u>\$ 191,694,338</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ (185,906,662)	\$ 56,228,954	\$ 49,721,735	\$ 21,752,753	\$ 47,648,798
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ (185,906,662)</u>	<u>\$ 56,228,954</u>	<u>\$ 49,721,735</u>	<u>\$ 21,752,753</u>	<u>\$ 47,648,798</u>

Source: Finance Department

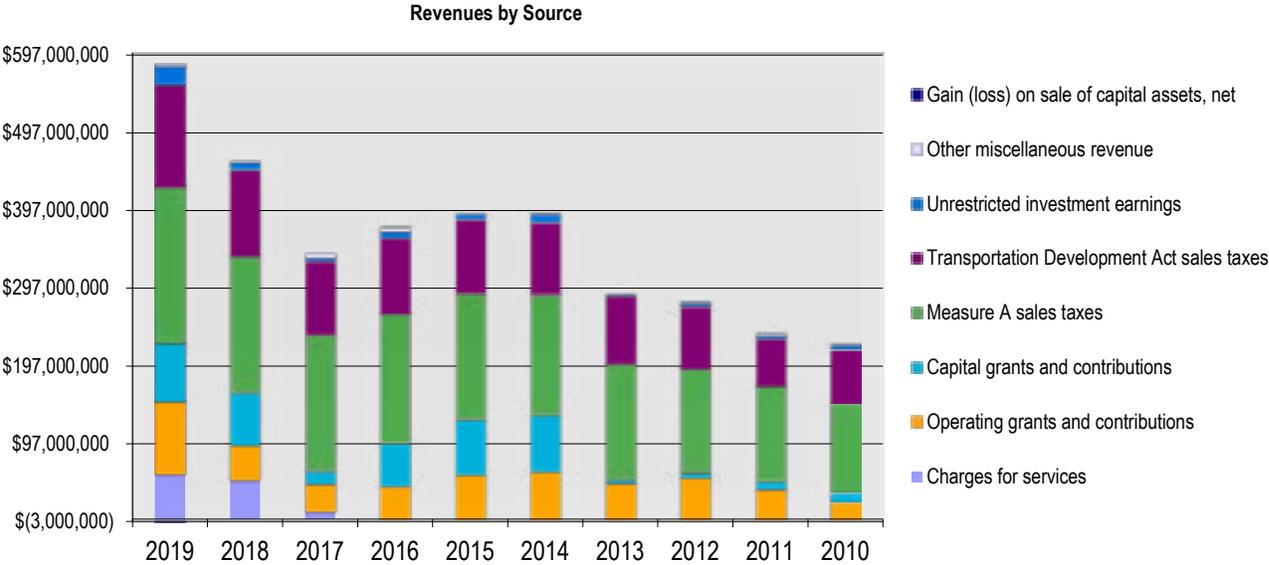
<sup>3</sup> Right of way expenditures were classified as highways or commuter rail expenditures beginning in 2012.

<sup>4</sup> 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				
	2019	2018	2017	2016	2015
<b><u>GENERAL FUND</u></b>					
General fund:					
Nonspendable	\$ 345,881	\$ 232,793	\$ 232,759	\$ 192,235	\$ 255,446
Restricted	25,551,922	22,470,358	16,321,159	7,143,844	5,680,411
Committed	-	-	-	-	-
Assigned	3,226,466	3,337,343	2,572,182	3,456,111	4,246,940
Total general fund	<u>\$ 29,124,269</u>	<u>\$ 26,040,494</u>	<u>\$ 19,126,100</u>	<u>\$ 10,792,190</u>	<u>\$ 10,182,797</u>
<b><u>ALL OTHER GOVERNMENTAL FUNDS</u></b>					
All other governmental funds:					
Nonspendable	\$ 3,675,091	\$ 4,627,240	\$ 9,162,068	\$ 10,848,614	\$ 21,510,571
Restricted	758,687,069	745,638,560	678,147,954	718,780,598	772,109,076
Unassigned	(1,272,356)	(268,754)	(23,054)	-	-
Total all other governmental funds	<u>\$ 761,089,804</u>	<u>\$ 749,997,046</u>	<u>\$ 687,286,968</u>	<u>\$ 729,629,212</u>	<u>\$ 793,619,647</u>

Source: Finance Department

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

	Fiscal Year				
	2014	2013	2012	2011	2010
<b><u>GENERAL FUND</u></b>					
General fund:					
Nonspendable	\$ 257,721	\$ 194,794	\$ 157,957	\$ 143,397	\$ 253,819
Restricted	5,073,685	7,412,686	8,114,440	7,110,013	7,266,584
Committed	-	-	-	-	1,606,976
Assigned	5,258,703	5,232,871	5,412,830	6,270,944	4,134,059
Total general fund	<u>\$ 10,590,109</u>	<u>\$ 12,840,351</u>	<u>\$ 13,685,227</u>	<u>\$ 13,524,354</u>	<u>\$ 13,261,438</u>
 <b><u>ALL OTHER GOVERNMENTAL FUNDS</u></b>					
All other governmental funds:					
Nonspendable	\$ 31,978,235	\$ 3,274,483	\$ 1,481,019	\$ 5,389,775	\$ 2,554,136
Restricted	988,908,077	606,072,061	560,412,373	570,450,515	535,752,354
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,020,886,312</u>	<u>\$ 609,346,544</u>	<u>\$ 561,893,392</u>	<u>\$ 575,840,290</u>	<u>\$ 538,306,490</u>

Source: Finance Department

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

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Revenues</b>					
Sales taxes	\$ 332,226,225	\$ 287,180,213	\$ 269,959,721	\$ 264,764,833	\$ 257,909,590
Transportation Uniform Mitigation Fee	29,968,449	23,699,764	19,594,829	19,831,327	17,400,782
Intergovernmental	138,541,133	88,207,011	32,467,616	76,821,362	110,515,661
Investment income	21,311,968	9,149,672	4,483,174	8,592,753	6,258,226
Other	6,418,190	3,199,483	6,746,055	7,295,648	2,542,359
<b>Total revenues</b>	<b>528,465,965</b>	<b>411,436,143</b>	<b>333,251,395</b>	<b>377,305,923</b>	<b>394,626,618</b>
<b>Expenditures</b>					
Current:					
General Government	1,044,403	977,898	6,558,752	6,514,255	7,302,325
Programs:					
Bicycle and pedestrian facilities	2,319,895	1,142,306	1,314,932	233,815	1,747,090
CETAP	1,394,120	22,275,429	4,028,104	5,249,516	4,135,996
Commuter assistance	3,603,353	3,647,662	2,686,073	2,648,632	2,891,431
Commuter rail	40,805,316	37,700,157	32,820,139	95,717,909	112,424,851
Highways	203,662,390	187,087,621	250,383,800	372,657,029	325,128,109
Local streets and roads	61,470,359	53,639,698	51,864,011	49,826,564	48,615,815
Motorist assistance	4,398,842	3,825,722	4,177,349	4,159,520	4,317,961
Planning and programming	4,307,859	4,677,940	3,248,031	4,090,731	3,099,358
Right of way management	-	-	-	-	-
Regional arterials	17,042,375	12,888,439	19,056,339	23,111,109	21,016,097
Transit and specialized transportation	117,748,091	90,153,923	80,764,125	70,652,804	86,725,394
Debt service:					
Principal	25,977,461	62,140,974	27,317,242	7,814,176	7,411,654
Interest	43,595,769	50,606,912	44,684,153	45,620,922	45,913,275
Cost of Issuance	-	2,256,061	654,007	-	-
Payment to escrow agent	-	70,800,000	63,900,000	-	-
Capital outlay	5,663,109	2,606,851	5,670,356	1,182,208	475,334
<b>Total expenditures</b>	<b>533,033,342</b>	<b>606,427,593</b>	<b>599,127,413</b>	<b>689,479,190</b>	<b>671,204,690</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,567,377)</b>	<b>(194,991,450)</b>	<b>(265,876,018)</b>	<b>(312,173,267)</b>	<b>(276,578,072)</b>
<b>Other financing sources (uses):</b>					
Refunding debt issuance	-	457,015,000	-	-	-
Debt issuance	14,946,136	158,760,000	249,498,089	248,792,225	48,904,095
Discount on debt issuance	-	-	-	-	-
Premium on debt issuance	-	119,713,807	8,414,007	-	-
Payment to refunded bond escrow agent	55,000	(471,089,840)	-	-	-
Transfers in	116,363,248	300,623,670	182,713,859	162,708,720	232,626,156
Transfers out	(112,620,474)	(300,406,715)	(208,758,271)	(162,708,720)	(232,626,156)
<b>Total other financing sources (uses)</b>	<b>18,743,910</b>	<b>264,615,922</b>	<b>231,867,684</b>	<b>248,792,225</b>	<b>48,904,095</b>
<b>Net change in fund balances</b>	<b>\$ 14,176,533</b>	<b>\$ 69,624,472</b>	<b>\$ (34,008,334)</b>	<b>\$ (63,381,042)</b>	<b>\$ (227,673,977)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>16.7%</b>	<b>23.7%<sup>5</sup></b>	<b>12.2%</b>	<b>10.6%</b>	<b>11.0%</b>

Source: Finance Department

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> 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.

<sup>5</sup> 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				
	2014	2013	2012	2011	2010
<b>Revenues</b>					
Sales taxes	\$ 248,309,448	\$ 236,427,142	\$ 215,028,438	\$ 184,212,628	\$ 184,026,095
Transportation Uniform Mitigation Fee	11,284,394	12,421,110	8,116,420	9,157,863	8,618,231
Intergovernmental	122,486,605	38,817,347	51,516,775	40,012,488	26,769,324
Investment income	9,979,912	1,769,709	4,308,395	4,524,219	5,663,178
Other	1,282,520	1,540,542	1,430,195	2,878,380	1,853,641
Total revenues	<u>393,342,879</u>	<u>290,975,850</u>	<u>280,400,223</u>	<u>240,785,578</u>	<u>226,930,469</u>
<b>Expenditures</b>					
Current:					
General Government	6,991,303	6,692,187	7,586,207	8,340,263	6,920,479
Programs:					
Bicycle and pedestrian facilities	1,065,476	956,308	1,389,567	1,940,499	317,048
CETAP	6,509,915	954,700	4,464,387	5,490,993	2,362,393
Commuter assistance	3,136,150	2,868,356	3,157,480	2,816,392	3,228,709
Commuter rail	68,072,414	27,118,480	39,870,670	35,482,511	33,733,888
Highways	299,398,122	118,750,336	111,049,502	75,011,698	45,698,211
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313
Motorist assistance	3,498,420	3,563,581	3,846,245	3,530,695	2,987,136
Planning and programming	3,204,073	3,712,596	3,913,520	4,674,397	5,312,246
Right of way management	-	-	-	1,270,487	1,428,066
Regional arterials	23,886,840	17,047,135	5,816,666	29,362,894	26,371,339
Transit and specialized transportation	78,723,898	55,659,188	51,221,772	44,699,650	43,820,225
Debt service:					
Principal	67,112,884	6,824,654	46,523,931	109,607,230	57,738,548
Interest	43,410,203	15,404,719	15,008,695	11,296,268	5,240,307
Cost of Issuance	7,050,855	-	-	1,493,196	675,464
Payment to escrow agent	-	-	-	-	-
Capital outlay	143,888	220,443	209,716	147,297	124,080
Total expenditures	<u>658,882,021</u>	<u>304,367,574</u>	<u>334,186,248</u>	<u>372,021,395</u>	<u>270,216,452</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(265,539,142)</u>	<u>(13,391,724)</u>	<u>(53,786,025)</u>	<u>(131,235,817)</u>	<u>(43,285,983)</u>
<b>Other financing sources (uses):</b>					
Refunding debt issuance	-	-	-	-	-
Debt issuance	638,854,602	60,000,000	40,000,000	170,000,000	268,284,000
Discount on debt issuance	(2,433,315)	-	-	(967,467)	(278,685)
Premium on debt issuance	38,328,775	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(129,394,875)
Transfers in	481,987,735	133,065,312	123,977,167	185,354,839	104,833,227
Transfers out	(481,987,735)	(133,065,312)	(123,977,167)	(185,354,839)	(104,833,227)
Total other financing sources (uses)	<u>674,750,062</u>	<u>60,000,000</u>	<u>40,000,000</u>	<u>169,032,533</u>	<u>138,610,440</u>
<b>Net change in fund balances</b>	<u>\$ 409,210,920</u>	<u>\$ 46,608,276</u>	<u>\$ (13,786,025)</u>	<u>\$ 37,796,716</u>	<u>\$ 95,324,457</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>19.1%<sup>4</sup></u>	<u>9.3%</u>	<u>22.5%</u>	<u>32.5%<sup>2</sup></u>	<u>23.3%<sup>1</sup></u>

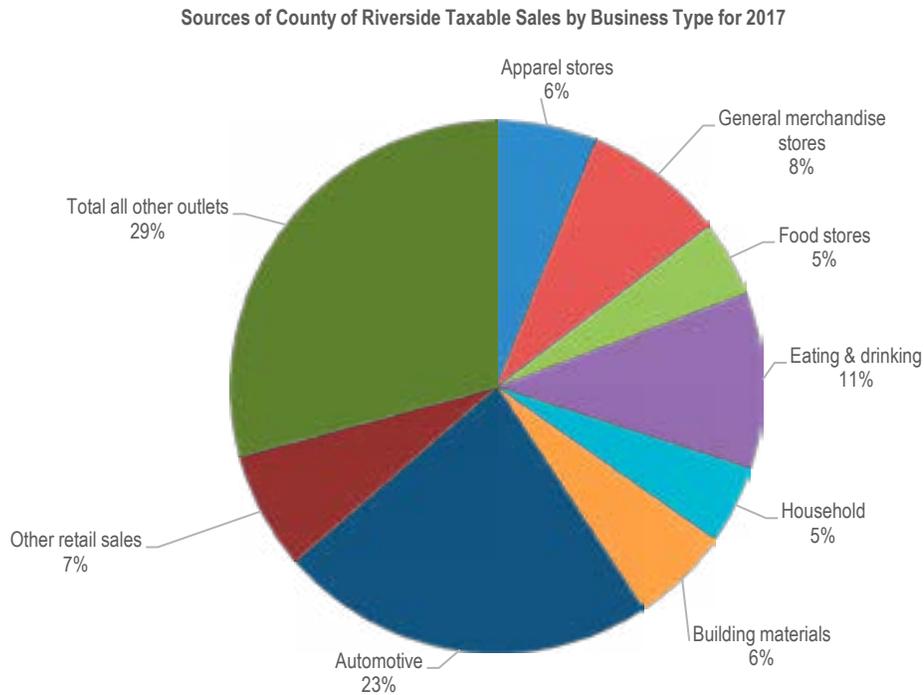
Source: Finance Department

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

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

Source: State Board of Equalization

<sup>1</sup> Year represents most recent data available.



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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Apparel stores	\$ 1,672,482	\$ 1,505,821	\$ 1,391,174	\$ 1,293,271	\$ 1,121,543
General merchandise stores	3,174,022	3,051,709	2,947,905	2,855,733	3,389,936
Food stores	1,356,148	1,304,731	1,267,758	1,251,220	1,254,366
Eating & drinking	2,668,324	2,473,339	2,317,486	2,266,853	2,340,554
Household	930,068	914,888	412,325	858,098	816,379
Building materials	1,364,513	1,303,073	1,232,145	1,237,518	1,435,337
Automotive	7,009,138	6,311,272	5,306,408	4,749,994	6,126,512
Other retail sales	1,841,973	1,711,453	1,951,385	1,442,875	3,250,335
Total all other outlets	8,079,341	7,065,212	6,326,194	6,272,315	6,268,633
	<u>\$ 28,096,009</u>	<u>\$ 25,641,498</u>	<u>\$ 23,152,780</u>	<u>\$ 22,227,877</u>	<u>\$ 26,003,595</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**

<u>Fiscal Year</u>	<u>Measure A Direct Rate <sup>1</sup></u>	<u>County of Riverside</u>
2019	0.50%	7.75%
2018	0.50%	7.75%
2017	0.50%	7.75%
2016	0.50%	8.00%
2015	0.50%	8.00%
2014	0.50%	8.00%
2013	0.50%	8.00% <sup>3</sup>
2012	0.50%	7.75% <sup>2</sup>
2011	0.50%	8.75%
2010	0.50%	8.75%

Source: Commission Finance Department and California State Board of Equalization.

<sup>1</sup> The Measure A sales tax rate may be changed only with the approval of 2/3 of the voters.

<sup>2</sup> Effective July 1, 2011, the State of California decreased the state sales tax rate by 1%.

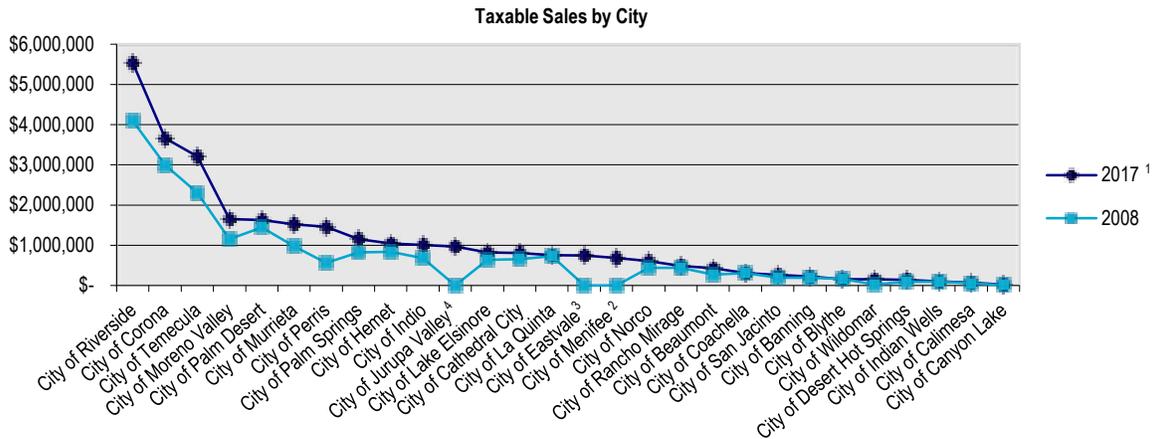
<sup>3</sup> Effective January 1, 2013, the State of California increased the state sales tax rate by 0.25%.

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

	2017 <sup>1</sup>			2008		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Riverside	\$ 5,534,294	2	15.3%	\$ 4,093,218	2	15.7%
City of Corona	3,663,277	3	10.1%	2,994,438	3	11.5%
City of Temecula	3,209,066	4	8.9%	2,307,072	4	8.9%
City of Moreno Valley	1,652,123	5	4.6%	1,154,650	6	4.4%
City of Palm Desert	1,624,653	6	4.5%	1,447,663	5	5.6%
City of Murrieta	1,522,525	7	4.2%	972,575	7	3.7%
City of Perris	1,462,211	8	4.0%	562,025	14	2.2%
City of Palm Springs	1,149,888	9	3.2%	826,056	9	3.3%
City of Hemet	1,042,103	10	2.9%	840,655	8	3.2%
City of Indio	1,008,113	11	2.8%	673,527	11	2.6%
City of Jurupa Valley <sup>4</sup>	968,336	12	2.7%	-	-	N/A
City of Lake Elsinore	821,250	13	2.3%	639,732	13	2.5%
City of Cathedral City	809,572	14	2.2%	649,612	12	2.5%
City of La Quinta	751,449	15	2.0%	731,831	10	2.9%
City of Eastvale <sup>3</sup>	742,347	16	2.1%	-	-	N/A
City of Menifee <sup>2</sup>	683,385	17	1.9%	-	-	N/A
City of Norco	603,813	18	1.7%	436,753	16	1.7%
City of Rancho Mirage	485,920	19	1.3%	438,400	15	1.7%
City of Beaumont	429,064	20	1.2%	270,480	18	1.0%
City of Coachella	307,443	21	0.9%	307,494	17	1.2%
City of San Jacinto	258,202	22	0.7%	192,541	20	0.7%
City of Banning	226,170	23	0.6%	193,333	19	0.7%
City of Blythe	152,961	24	0.4%	160,476	21	0.6%
City of Wildomar	152,142	25	0.4%	23,983	25	0.1%
City of Desert Hot Springs	138,947	26	0.4%	91,671	22	0.4%
City of Indian Wells	102,766	27	0.3%	91,534	23	0.4%
City of Calimesa	72,082	28	0.2%	54,285	24	0.2%
City of Canyon Lake	20,912	29	0.1%	12,300	26	0.0%
Incorporated	29,595,014		81.9%	20,166,304		77.7%
Unincorporated	6,537,800	1	18.1%	5,837,291	1	22.3%
Countywide	\$ 36,132,814		100.0%	\$ 26,003,595		100.0%
California	\$ 672,486,581			\$ 531,653,540		

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

- <sup>1</sup> Year represents most recent data available.
- <sup>2</sup> City of Menifee was incorporated on October 1, 2008.
- <sup>3</sup> City of Eastvale was incorporated on October 1, 2010.
- <sup>4</sup> City of Jurupa Valley was incorporated on July 1, 2011.



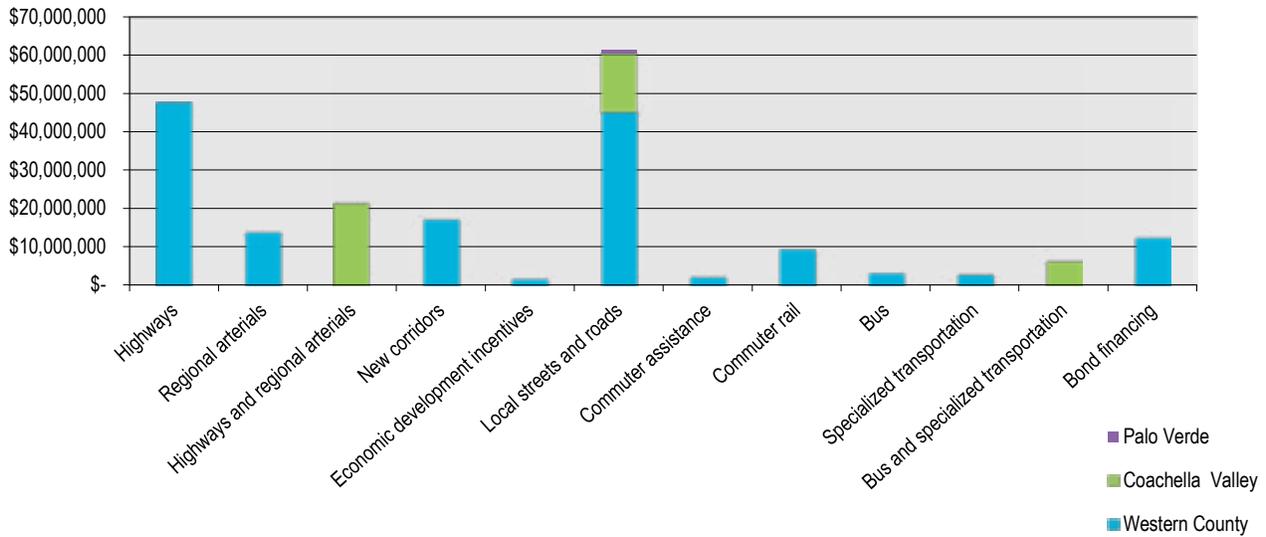
**Riverside County Transportation Commission**  
**Measure A Sales Tax Revenues by Program and Geographic Area**  
**Year Ended June 30, 2019**

**Special Revenue Funds**

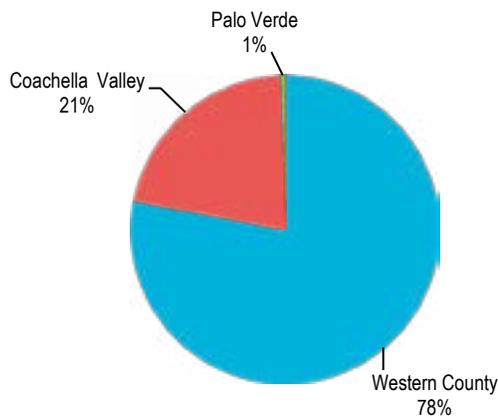
	<b>Western County</b>	<b>Coachella Valley</b>	<b>Palo Verde</b>	<b>Total</b>
Highways	\$ 47,640,885	\$ -	\$ -	\$ 47,640,885
Regional arterials	14,012,025	-	-	14,012,025
Highways and regional arterials	-	21,619,378	-	21,619,378
New corridors	17,281,498	-	-	17,281,498
Economic development incentives	1,868,270	-	-	1,868,270
Local streets and roads	45,305,548	15,133,565	1,031,557	61,470,670
Public transit:				
Commuter assistance	2,335,338	-	-	2,335,338
Commuter rail	9,528,177	-	-	9,528,177
Bus	3,374,563	-	-	3,374,563
Specialized transportation	2,977,555	-	-	2,977,555
Bus and specialized transportation	-	6,485,813	-	6,485,813
Bond financing	12,610,823	-	-	12,610,823
	<b>\$ 156,934,682</b>	<b>\$ 43,238,756</b>	<b>\$ 1,031,557</b>	<b>\$ 201,204,995</b>

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									
	2018 <sup>1</sup>	2017	2016	2015	2014	2013	2012	2011	2010	2009
General retail	28.9	28.3	28.9	28.8	28.4	28.7	28.8	29.8	30.9	30.9
Transportation	24.6	25.3	25.1	25.9	26.6	27.0	26.9	27.1	25.0	22.8
Food products	17.8	17.6	17.7	17.3	16.6	16.1	16.2	16.4	17.0	17.8
Business to business	16.3	15.6	15.3	15.0	14.4	14.5	15.0	14.1	14.5	15.2
Construction	10.8	10.8	10.8	10.8	12.0	11.8	11.1	10.5	10.5	11.1
Miscellaneous	1.6	2.4	2.2	2.2	2.0	1.9	2.0	2.1	2.1	2.2
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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

<sup>1</sup> Year represents most recent data available.

**Riverside County Transportation Commission**  
**Measure A Revenues and Pledged Revenue Coverage <sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Sales Tax Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Net Measure A Sales Tax Revenues<sup>2</sup></b>	<b>Measure A Sales Tax Revenue Growth (Decline) Rate</b>	<b>Total Debt Service</b>	<b>Total Debt Service Coverage Ratio</b>	
2019	\$ 201,204,995	14.13%	\$ 69,555,738	2.89	
2018	176,301,656	0.56%	75,159,543	2.35	
2017	175,320,207	4.59%	51,889,982	3.38	
2016	167,630,239	2.78%	53,400,019	3.14	
2015	163,092,776	4.31%	53,300,072	3.06	
2014	156,355,894	4.64%	50,499,417	3.10	
2013	149,428,124	10.70%	22,156,116	6.74	
2012	134,984,307	9.35%	21,503,582	6.28	
2011	123,439,833	7.78%	12,651,386	9.76	
2010 <sup>3</sup>	114,526,254	-4.31%	8,918,183	12.84	

Source: Finance Department

- <sup>1</sup> This schedule meets the requirements for Continuing Disclosure of historical Measure A sales tax revenues.
- <sup>2</sup> Sales tax revenue bonds are backed by the sales tax revenues, net of California Department of Tax and Fee Administration, as successor to Board of Equalization, administrative fees.
- <sup>3</sup> 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.



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

**Governmental Activities**

<u>Year</u>	<u>Sales Tax Revenue Bonds, net of premium and discount</u>	<u>Commercial Paper</u>	<u>MSHCP Funding Liability</u>	<u>Capital Leases</u>
2019	\$ 950,003,406	\$ -	\$ 3,000,000	\$ 50,504
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

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.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 126 for personal income and population data.

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

<u>Business-Type Activities</u>						
<u>Year</u>	<u>Toll Revenue Bonds, net of discount and accretion</u>	<u>TIFIA Loan</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income <sup>1</sup></u>	<u>Debt per Capita <sup>1</sup></u>	
2019	\$ 199,423,911	\$ 469,870,660	\$ 1,622,348,481	N/A	\$ 671.51	
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	1.54%	612.42	
2016	185,607,330	277,696,320	\$ 1,277,881,937	1.45%	551.30	
2015	181,557,045	48,904,095	\$ 1,037,818,649	1.24%	436.30	
2014	177,755,391	-	\$ 997,610,061	1.28%	423.81	
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	

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 Margin<sup>1</sup>  
Last Ten Fiscal Years**

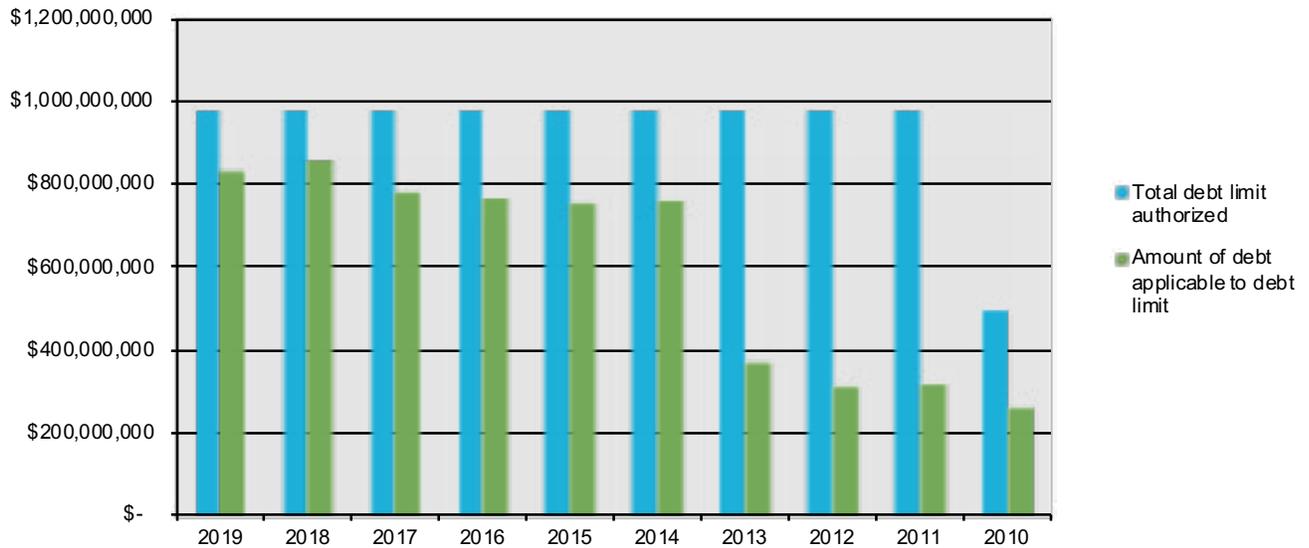
	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002<sup>2</sup></b>					
Total debt limit authorized	\$ 975,000,000	\$ 975,000,000	\$975,000,000	\$ 975,000,000	\$ 975,000,000
Amount of debt applicable to debt limit	833,055,000	859,020,000	786,240,000	771,300,000	759,100,000
Legal debt margin	<u>\$ 141,945,000</u>	<u>\$ 115,980,000</u>	<u>\$188,760,000</u>	<u>\$ 203,700,000</u>	<u>\$ 215,900,000</u>
% of debt to legal debt limit	<u>85.4%</u>	<u>88.1%</u>	<u>80.6%</u>	<u>79.1%</u>	<u>77.9%</u>

Source: Finance Department

<sup>1</sup> 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.

<sup>2</sup> Ordinance No. 02-001 was approved by a 2/3 majority of the voters in November 2002. In November 2010, a majority of the voters approved Ordinance No. 10-002 to increase the debt limit from \$500 million to \$975 million.

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



**Riverside County Transportation Commission  
 Computation of Legal Debt Margin, Continued <sup>1</sup>  
 Last Ten Fiscal Years**

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002<sup>2</sup></b>					
Total debt limit authorized	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 975,000,000	\$ 500,000,000
Amount of debt applicable to debt limit	766,500,000	371,400,000	318,200,000	324,700,000	264,284,000
Legal debt margin	<u>\$ 208,500,000</u>	<u>\$ 603,600,000</u>	<u>\$ 656,800,000</u>	<u>\$ 650,300,000</u>	<u>\$ 235,716,000</u>
% of debt to legal debt limit	<u>78.6%</u>	<u>38.1%</u>	<u>32.6%</u>	<u>33.3%</u>	<u>52.9%</u>

Source: Finance Department

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

<u>Calendar Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income (thousands)<sup>2</sup></u>	<u>Per Capita Personal Income<sup>2</sup></u>	<u>Unemployment Rate<sup>3</sup></u>
2019	2,440,124	N/A	N/A	N/A
2018	2,415,955	N/A	N/A	4.4%
2017	2,382,640	\$ 95,140,992	\$ 39,261	5.2%
2016	2,347,828	87,827,068	36,782	6.1%
2015	2,317,924	84,025,987	35,589	6.7%
2014	2,329,271	78,239,388	33,590	8.2%
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%

Sources:

<sup>1</sup> California State Department of Finance as of January 1.

<sup>2</sup> U.S. Department of Commerce Bureau of Economic Analysis. Represents most recent data available.

<sup>3</sup> 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 2018 and Nine Years Prior**

Industry Type	2018 <sup>1</sup>	% of Total Employment	2009	% of Total Employment
Agricultural services, forestry, fishing and other	12,500	1.7%	12,400	2.2%
Mining	400	0.0%	500	0.1%
Construction	67,300	9.1%	40,400	7.3%
Manufacturing	44,400	6.0%	39,000	7.1%
Transportation, warehousing, and public utilities	46,000	6.2%	19,700	3.6%
Wholesale trade	24,900	3.4%	18,700	3.4%
Retail trade	92,700	12.4%	78,800	14.3%
Professional & business services	70,500	9.5%	53,700	9.7%
Education & health services	115,000	15.5%	71,300	12.9%
Leisure & hospitality	93,500	12.6%	68,700	12.5%
Finance, insurance, and real estate	22,000	3.0%	20,700	3.7%
Other services	22,600	3.0%	18,100	3.3%
Federal government, civilian	7,200	1.0%	6,900	1.3%
State government	17,700	2.4%	15,800	2.9%
Local government	105,500	14.2%	86,600	15.7%
Total employment	<u>742,200</u>	<u>100.0%</u>	<u>551,300</u>	<u>100.0%</u>

Source: State of California Economic Development Department

<sup>1</sup> Year represents most recent data available.

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

<b>Function/Program</b>	<b>As of June 30</b>									
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Management services and administration	18.0	19.2	17.1	14.7	16.2	13.8	14.1	13.9	12.7	8.9
Planning and programming	3.5	4.2	4.9	6.2	6.1	5.9	4.9	5.1	5.2	5.5
Rail operations and maintenance	3.4	4.1	4.3	4.5	4.0	3.1	2.9	3.3	3.1	3.3
Specialized transit/transportation	2.9	2.4	2.7	2.3	2.3	3.4	2.5	2.5	2.6	2.6
Commuter assistance	1.4	1.7	1.4	1.8	3.0	1.7	1.8	1.6	1.6	1.8
Motorist assistance	0.8	0.9	0.8	0.7	0.7	0.9	0.9	1.2	0.9	0.7
Capital project development and delivery	16.0	15.5	15.8	15.8	13.7	15.2	13.9	12.3	11.9	14.2
<b>Total full-time equivalents</b>	<b>46.0</b>	<b>48.0</b>	<b>47.0</b>	<b>46.0</b>	<b>46.0</b>	<b>44.0</b>	<b>41.0</b>	<b>40.0</b>	<b>38.0</b>	<b>37.0</b>

Source: Finance Department



**Riverside County Transportation Commission**  
**Operating Indicators**  
**Last Ten Fiscal Years**

	As of June 30				
	2019	2018	2017	2016	2015
Toll operations:					
Gross trips	37,900,658	36,103,819	4,049,067	-	-
Gross potential revenue	\$ 140,085,903	\$ 115,287,156	\$ 9,618,429	-	-
Average gross potential revenue per trip	\$ 3.78	\$ 3.30	\$ 2.38	-	-
Commuter rail operations:					
Growth of average daily ridership on commuter lines:					
Riverside line	3,868	3,863	4,050	4,404	4,651
IEOC line	4,656	4,874	4,900	4,438	4,613
91 line	3,293	3,109	3,258	2,610	2,419
Farebox recovery ratio:					
Riverside line	43.0%	45.4%	47.2%	45.7%	49.6%
IEOC line	27.5%	29.2%	31.8%	33.4%	32.6%
91 line	24.1%	26.5%	26.5%	27.7%	38.6%
Specialized transit/transportation:					
Specialized transit grants awarded	18	16	17	17	20
Commuter assistance:					
Rideshare Incentive members	526	573	505	597	736
Rideshare Plus Rewards members	917	1,114	792	1,142	3,723
Rideshare pledges	7,836	5,959	4,886	4,249	11,180
Rideguides produced	6,246	4,606	5,219	8,607	6,527
Van Club vanpools	67	31	N/A	N/A	N/A
Commuter Exchange events	N/A	N/A	N/A	N/A	48
Motorist assistance:					
Call boxes	231	241	240	545	549
Calls made from call boxes	1,384	1,598	2,161	3,053	3,882
Contracted Freeway Service Patrol vehicles	26	20	20	21	21
Assists by Freeway Service Patrol	44,607	41,417	40,180	36,711	42,471
IE511 web visits	213,689	408,021	618,130	473,462	452,713
IE511 call volumes	114,045	142,287	201,099	233,895	263,757
Transportation Uniform Mitigation Fee program:					
Approved regional arterial projects	23	20	20	24	24
Measure A program:					
Highways	\$ 148,387,823	\$ 180,565,301	\$ 250,360,723	\$ 372,657,029	\$ 325,128,109
Commuter rail	13,218,370	14,118,997	8,528,984	75,831,961	98,302,229
Regional arterials	12,533,037	6,158,736	14,739,703	17,090,247	5,012,254
Local streets and roads	61,470,359	53,639,698	51,864,011	49,826,564	48,615,815
Specialized transit and commuter assistance	16,708,843	15,197,859	13,826,624	14,499,642	14,063,310
Total program expenditures	<u>\$ 252,318,432</u>	<u>\$ 269,680,591</u>	<u>\$ 339,320,045</u>	<u>\$ 529,905,443</u>	<u>\$ 491,121,717</u>

Source: Commission Departments

**Riverside County Transportation Commission**  
**Operating Indicators, Continued**  
**Last Ten Fiscal Years**

	As of June 30				
	2014	2013	2012	2011	2010
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	4,715	4,911	5,279	5,177	5,124
IEOC line	4,522	4,317	4,142	3,855	4,011
91 line	2,340	2,407	2,254	2,289	2,205
Farebox recovery ratio:					
Riverside line	50.9%	57.0%	58.5%	59.8%	52.5%
IEOC line	37.6%	34.9%	31.3%	31.1%	28.3%
91 line	51.3%	42.2%	49.7%	54.6%	49.3%
Specialized transit/transportation:					
Specialized transit grants awarded	22	22	21	22	22
Commuter assistance:					
Rideshare Incentive members	1,106	926	1,056	1,061	1,131
Rideshare Plus Rewards members	5,770	6,786	4,848	5,518	7,080
Rideshare pledges	11,661	12,765	11,635	11,189	11,383
Rideguides produced	10,059	14,813	15,628	29,052	43,319
Van Club vanpools	N/A	N/A	N/A	N/A	N/A
Commuter Exchange events	54	55	52	52	50
Motorist assistance:					
Call boxes	570	580	594	613	614
Calls made from call boxes	4,685	5,337	5,043	5,251	5,934
Contracted Freeway Service Patrol vehicles	21	21	21	22	22
Assists by Freeway Service Patrol	44,278	43,633	42,748	45,751	48,312
IE511 web visits	443,359	399,730	341,716	244,277	N/A
IE511 call volumes	306,108	351,161	362,957	489,036	N/A
Transportation Uniform Mitigation Fee program:					
Approved regional arterial projects	24	24	24	24	24
Measure A program:					
Highways	\$ 299,398,122	\$ 118,750,336	\$ 111,049,502	\$ 75,011,698	\$ 45,698,211
Commuter rail	56,148,017	15,895,661	19,690,126	22,632,065	20,312,056
Regional arterials	1,441	1,787	124	8,638,637	11,920,846
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313
Specialized transit and commuter assistance	13,378,223	11,927,634	11,930,437	11,262,588	10,161,780
Total program expenditures	<u>\$ 415,603,383</u>	<u>\$ 191,170,309</u>	<u>\$ 182,798,079</u>	<u>\$ 154,401,913</u>	<u>\$ 122,351,206</u>

Source: Commission Departments

**Riverside County Transportation Commission  
Capital Asset Statistics by Program  
Last Ten Fiscal Years**

	As of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Commuter rail:										
Transit centers owned and managed	1	1	1	1	1	1	1	1	-	-
Commuter rail stations owned and managed	9	9	9	9	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
Toll operations:										
Storage and maintenance building	1	1	1	-	-	-	-	-	-	-
Customer service center	1	-	-	-	-	-	-	-	-	-
Toll utility buildings	3	3	3	-	-	-	-	-	-	-
Regional operations center buildings	2	2	2	-	-	-	-	-	-	-
Miles of express lanes	36	36	36	-	-	-	-	-	-	-
Toll collection system	1	1	1	-	-	-	-	-	-	-
On-road closed circuit TV cameras	36	36	36	-	-	-	-	-	-	-
Traffic operations center system	1	1	1	-	-	-	-	-	-	-
Communications network	1	1	1	-	-	-	-	-	-	-
Changeable message signs	8	8	8	-	-	-	-	-	-	-

Source: Commission Departments



**RCTC**

**RIVERSIDE  
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TRANSPORTATION  
COMMISSION**

**Riverside County  
Transportation Commission**

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