Riverside County Transportation Commission

Fiscal Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Riverside County Transportation Commission Riverside County, California

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RIVERSIDE COUNTY, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2010

Submitted by: Theresia Trevino, Chief Financial Officer

Riverside County Transportation Commission

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Riverside County Transportation Commission

October 28, 2010

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, 2010.

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.

McGladrey & Pullen, LLP, has issued an unqualified opinion on the Commission's financial statements for the year ended June 30, 2010. 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 the Government

The Commission was established by state law in 1977 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 26 cities, and one non-voting member appointed by the Governor. In October 2010, an official for a newly incorporated city was added to the expanded 33-member Board. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transportation operators and agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, non-motorized travel (bicycle and pedestrian), and other transportation activities.

The Commission also serves as the tax authority and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a half-cent sales tax to fund transportation improvements. Originally approved in 1988, 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 Funds (LTF), which are 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. These services and operations of the Inland Empire 511 (IE511) system are provided at no charge to motorists and are funded through a $1 surcharge on vehicle registrations. The Commission is financially accountable for SAFE, a legally separate entity which 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

Through FY 2005/06, the County had experienced significant growth corresponding to the national economic expansion and amplified locally by competitive advantages of Riverside County over other coastal counties (Los Angeles, Orange, and San Diego): (i) housing that was (and remains) more available and affordable; and (ii) plentiful commercial real estate and available development land at lower rates. Moreover, both transportation and communication access to employment centers in Los Angeles and Orange counties improved. Riverside County's economy thrived, reflecting the area's 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 enjoyed a more diversified employment and commercial base and an increasing share of the regional economy.

Today the economy in Riverside County reflects the nationwide recession, as evidenced by increased unemployment; decreases in total personal income and taxable sales, residential building permits, and the rate of home sales and the median price of single-family residences; and high rates of notices of default on mortgage loans secured by single-family residences. The impact of the recession has been amplified in the Inland Empire (i.e., Riverside and San Bernardino counties) due to its relatively greater recent growth and the relatively lower average income levels when compared to coastal areas. These factors have resulted in declines in Measure A and LTF sales tax revenues and Transportation Uniform Mitigation Fees.

While economic reports indicate that the nationwide recession has ended and economic growth has resumed, recovery in the local Inland Empire economy is expected to be protracted. The outlook for FY 2010/11 is guarded with some recent signs that the decrease in local economic activity has ended and an economic recovery may have begun. Should Measure A and LTF sales tax revenues continue to decline and the availability of federal and state revenues continue to be uncertain, the timing and scope of the Commission's projects and programs may be impacted.

Regardless of the recent economic trends, 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 growth earlier in this decade, 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 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, there continues to be concerns regarding California's overall budget situation. Governor Schwarzenegger and the Legislature are faced with an ongoing, structural imbalance in the state budget which has impacted the state's ability to sell infrastructure bonds approved by the voters in 2006. The state budget uncertainty has also impacted cash flow for the State Transportation Improvement Program (STIP) which is also relied upon for funding several major projects.

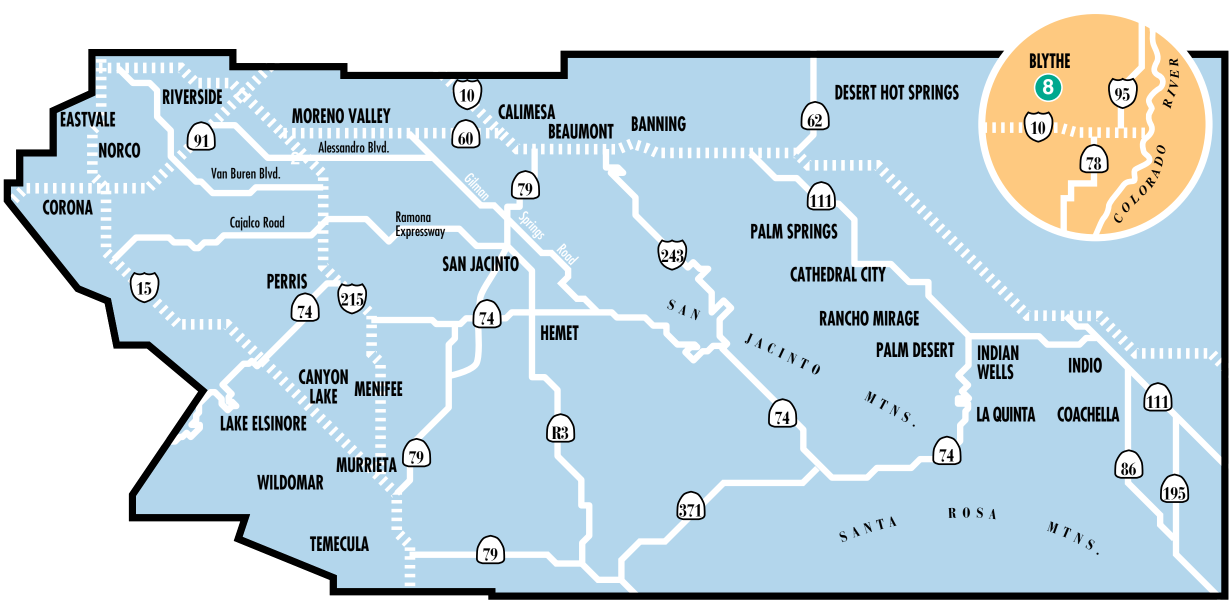
The news on the federal level is somewhat less predictable. The federal government is a source of highway funding through the Surface Transportation Program and the Congestion Mitigation Air Quality program. Federal dollars are also needed by the Commission's transit partners for capital programs, and the Commission will utilize $75 million in Federal Transit Administration (FTA) Small Starts funding to pay for its Metrolink expansion project to Perris. All of these programs depend on the authorization of federal funding by Congress and the President.

The current federal authorization bill for transportation known as SAFETEA-LU has expired and is being continued at reduced funding levels on a month-to-month basis until Congress can agree on a multi-month extension of the program or a new full six-year program. The Commission's objective in working with Congress on the new authorization bill will be to secure predictable and substantial investments on key Riverside County transportation corridors including railroad grade separations on the Alameda Corridor East (ACE) and freeway improvements on major interstates (I) such as I-10 and I-215. Yet another priority will be to advocate for continued funding and support of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. Obtaining TIFIA financing is a key component of the Commission's $1.3 billion project to widen State Route (SR) 91 in Corona.

The widening of SR-91 is part of a multi-year Western Riverside County Delivery Plan (Delivery Plan) that focuses on investing more than $2 billion in improvements along a number of major freeways during the first ten years of the 2009 Measure A program. The Delivery Plan was adopted by the Commission in December 2006 and was updated in January 2010. In order to make the needed investments, the plan relies on Measure A, STIP, and Proposition 1B dollars as well as the development of tolled express lanes on I-15 and the extension of the 91 Express Lanes into Riverside County.

While the Delivery Plan is ambitious, it is only one portion of a much larger program of projects and services the Commission will provide throughout the County. Additional responsibilities and challenges include working cooperatively with the Coachella Valley Association of Governments (CVAG) to fund projects, continued oversight and funding of transit services throughout the County, and a 22-mile expansion of Metrolink service to Perris.

The success of all of these efforts will require a combination of funding sources that will depend on the State's commitment to funding infrastructure and major investments from the federal government via the approval of a federal transportation bill. However, the primary—and most predictable—source of funding for the Commission will continue to be the Measure A half-cent sales tax program approved by Riverside County voters.



Major Initiatives

Capital Project Delivery and Implementation

The Capital Project Development and Delivery Department is responsible for major highway, regional arterial, and rail capital projects from initial environmental study through preliminary engineering, final design, right of way acquisition, and construction. This past year was one of significant accomplishments for the Commission as progress was made on a number of major projects. Difficult funding decisions were made on millions of dollars in transportation projects to expand freeways, improve mobility on streets and roads, and improve rail passenger facilities.

Highways. The Commission is currently working on the development phases for a number of projects that are slated for construction in the near future. For example, the 60/215 East Junction High Occupancy Vehicle (HOV) connector project has completed the design phase. This project will provide two HOV bridges that will connect the SR-60 HOV lanes constructed by the Commission in Moreno Valley to the HOV lanes that were constructed on the 60/91/215 interchange and corridor improvement project. The 60/215 East Junction project is anticipated to begin construction in Fall 2010 with an estimated completion date of Summer 2013.

The SR-91 HOV project from Adams Street to the 60/91/215 interchange was approved for Corridor Mobility Improvement Account (CMIA) funding of $157.2 million related to the construction phase. The environmental document was approved in August 2007. Given the stringent deadlines associated with the CMIA projects, the Commission and California Department of Transportation (Caltrans) District 8 are partnering on the design and right of way activities. It is anticipated that the project will begin construction in Summer 2011 with an estimated completion date of Summer 2015. The SR-91 HOV project is one of the few remaining projects yet to be completed from the 1989 Measure A program.

Another remaining 1989 Measure A project is the 74/215 interchange. This project is currently under construction. The project will realign and widen the on-ramps from SR-74 to I-215 and widen the Redlands Avenue overcrossing. The project is funded with Transportation Uniform Mitigation Fee (TUMF) zonal funding and ARRA funding. The construction contract was awarded in May 2010. Construction commenced in June 2010 and will take approximately 24 months to complete.

In addition to the 74/215 interchange, the I-215 corridor will prove to be an important corridor for the Commission in the coming years. Three projects make up the I-215 widening projects included in the Delivery Plan. The first is the I-215 mixed flow lanes from I-15 to Scott Road. This project will provide a third mixed flow lane in each direction of the existing median of I-215. Final design began in early 2008 with construction commencing in early 2011. The project is funded with STIP funds and was approved for CMIA funding of $27,600,000 for the construction phase. Due to the current lack of a State budget, the state funds are not yet available. As a result, the Commission will provide the funds from Measure A and be reimbursed from the State as soon as a budget is passed and state bonds can be sold, which is expected within this fiscal year. This is accomplished through agreements approved by the Commission and the California Transportation Commission. The second I-215 Widening Project is the I-215 mixed flow lanes from Scott Road to Nuevo Road. This project will also add a third mixed flow lane in each direction of I-215. Final design will begin in early 2011 with construction starting in 2013. The project is funded with STIP, Measure A, and other sources. The final project is the I-215 Southbound Connector Project which will widen the I-215 to I-15 southbound connector to three lanes. The preliminary engineering and environmental clearance phase began in Fall 2010. It is anticipated the project will begin construction in Summer 2013.

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 first major expansion for commuter rail along this corridor is known as the Perris Valley Line. The Environmental Impact Report for the project is set to be completed by early 2011.

In September 2007 a Small Starts application was submitted to the FTA requesting authorization to enter into project development for the Perris Valley Line rail extension project. In December 2007 the Commission received approval from the FTA with a project rating of medium-high. The 2006 STIP also allocated $30 million to the project. New commuter rail service on the Perris Valley Line is anticipated to commence by early 2013. The Senate approved $45 million in federal funding for the Perris Valley Line project as part of the FY 2009 Senate Transportation, Housing, and Urban Development appropriations bill, consistent with recommendations from the FTA and the White House. The Perris Valley Line extension project remains eligible for another $28 million of Small Starts funding, which the Commission will pursue in the FY 2011 federal budget.

An ongoing concern for Metrolink passengers is the need for additional parking capacity at the Commission's stations. The situation has always been acute in Downtown Corona where demand required more spaces to be met with a parking structure at the North Main Corona station. Construction began in early 2008, and the structure was placed into service in July 2009. The facility has eliminated the overcrowding and hassle that has plagued the North Main Corona station since it opened in 2002. Additionally, the Rail Department is taking the lead on the expansion of the La Sierra station via the design and eventual construction of a new multimodal facility that will serve both as a park and ride facility and bus facility. With the continued growth of patronage, commuter rail's challenges for the future include securing state or federal allocations for Positive Train Control to ensure safety, more passenger coaches, and additional train storage and maintenance facilities.

Toll Program Moves Forward

The State Route 91 Corridor Improvement Project (91 Project) continues to make progress despite a challenging economy and state and federal project funding environment. The 91 Project is planned to include two tolled express lanes in each direction in the median of SR-91. The extension of these lanes will provide more choices for Riverside County drivers; improve congestion on the general purpose lanes; and ensure a speedy, uncongested trip for drivers willing to pay a toll. The 91 Project also includes numerous non-toll lane improvements including an additional general purpose lane in each direction on SR-91 and substantive interchange improvements as detailed in the 2009 Measure A.

Key to the timely completion of the 91 Project is the use of the design-build method of project delivery. Design-build combines the final engineering and construction of the project into a single contract with the chief benefit of saving time. In fact, the Commission estimates design-build will save a minimum of three years to open the project to traffic. The challenge within California is that most agencies do not have the legal authority to use this method of project delivery. To overcome this challenge Assembly Bill (AB) 2098 (Miller) was initiated in early 2010 which sought design-build authority for the Commission for the 91 Project. In September 2010 after a significant effort by project proponents, AB2098 successfully passed the State Legislature and was signed into law by Governor Schwarzenegger marking a truly significant milestone for the 91 Project and the Commission.

In addition to obtaining design-build authority for the 91 Project, all phases of project development have moved forward. Environmental studies and preliminary engineering are proceeding as planned, and this work is expected to be completed in Fall 2011. The Commission made significant progress on several key interagency agreements that will define the project's design and construction and future operation and maintenance. The Commission initiated a procurement of a design-build contractor in September 2010 with the goal to award a design-build contract in Fall 2011. The project's funding strategy was advanced by the selection of Goldman Sachs and Bank of America Merrill Lynch to serve as co-managing underwriters for a future toll revenue bond issue. Additionally, the financial advisor's existing duties were expanded to include managing the overall finance plan. The Commission applied for federal Transportation Investment Generating Economic Recovery (TIGER) II grant funding to pay the estimated subsidy payment for a future federal TIFIA loan. The Commission hired Stantec, Inc. in July 2010 to perform an investment-grade traffic and revenue study. Lastly, purchasing property needed for the project has commenced with efforts focused on open-market/willing seller and hardship transactions.

The Interstate 15 Corridor Improvement Project (I-15 CIP) is planned to include two express lanes in each direction in the median of I-15. The first phase of these lanes is planned to extend from SR-74 in the south to SR-60 to the north, approximately 31 miles. The lanes will have the same benefits mentioned previously for the 91 Project. The I-15 CIP includes these tolled express lanes as well as numerous non-toll lane improvements including an additional lane in each direction on I-15 as detailed in the 2009 Measure A. This project's environmental studies and preliminary engineering work continues to progress and is scheduled for completion in 2012.

The Commission initiated a level 2 toll feasibility study in 2010 in light of negative developments in the general economy, socio-economic factors, capital markets, Measure A sales tax revenues, and other factors. This study is updating previous feasibility results using current factors, exploring project phasing options to implement the project over time, reviewing alternative project scopes of work, and similar efforts to ensure that a plan of improvements to I-15 can be maintained and is financially feasible. This study is anticipated to be completed by early 2011.

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 the CVAG, 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 now in place in western Riverside County (Western County). As provided for in the 2009 Measure A, the first $400 million in TUMF funding is to be allocated to the Commission to be split evenly between new corridors and regional arterials. In order to prevent a disruption of funding for TUMF projects, the Western Riverside Council of Governments (WRCOG) and the Commission agreed on lifting the $400 million cap, resulting in the Commission receiving an equal share of the TUMF regional arterial revenue indefinitely. The memorandum of understanding and Administrative Plan were amended to reflect this agreement at the August 2008 WRCOG and September 2008 Commission meetings.

In fiscal year 2005, the Commission took its first steps to allocate its share of Western County TUMF revenues with allocations for the development of the Mid County Parkway and the SR-79 realignment and to project development for 24 regional arterial projects throughout Western County. Since the inception of the program, the Commission has programmed more than $75 million in TUMF funding related to the approval of approximately $188 million in funding the regional arterial projects through construction. To date, three projects have been completed, and three projects are under construction. The majority of the remaining projects are currently in the project development stage with construction scheduled in 2011.

Rail Development, Operations and Support

The County's participation in commuter rail service began with the 1989 Measure A. Riverside County voters were the first to specify commuter rail service in Southern California as a priority transportation improvement project. The subsequent passage of similar measures in adjoining counties and the passage of statewide rail infrastructure bonds in 1990 provided enough capital funding to build the initial system. 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. Now consisting of seven lines, serving origins and destinations in six counties, the system carries an average of 40,000 passengers each weekday. The Commission owns and operates five stations served by the three Metrolink lines operating through the County:

- *Riverside Line (1993):* Originates in the Downtown Riverside station and stops at the Pedley station before proceeding through Ontario, Pomona, Industry, and Montebello to Los Angeles Union Station. Ridership approximates 5,100 daily riders.

- *Inland Empire Orange County (IEOC) Line (1995):* Begins in nearby San Bernardino with stops in the Downtown Riverside, La Sierra, North Main Corona, and West Corona stations before entering Orange County with stops in Anaheim, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel/Mission Viejo, and San Juan Capistrano. When initiated this service was described as the first suburb-to-suburb commuter rail service in the nation. Due to the economic downturn, the IEOC line has experienced a decrease in patronage with an average daily ridership of 3,700.

- *91 Line (2002):* Provides another alternative to commute from Riverside to Los Angeles with stops in Riverside, Orange, and Los Angeles counties. Patronage on the line has dropped slightly with an average daily ridership of 2,100.

In addition to regular weekday service, the Commission partnered with the Orange County Transportation Authority (OCTA) and San Bernardino Associated Governments (SANBAG) to provide weekend service along the IEOC. With two round trip trains on weekends during the summer and one round trip train the rest of the year, the IEOC serves as another link between Orange and Riverside counties and provides an effective transportation alternative for weekend travel.

Planning for the Future

In terms of future progress, the Commission has given its unanimous support to the Riverside County Integrated Project (RCIP) and its transportation component, the Community and Environmental Transportation Acceptability Process (CETAP). The RCIP was intended to be a model for streamlining the environmental process while providing for the long-term development and economic growth of the County. The County and the Commission worked together in a first-of-its kind endeavor to provide for new transportation options and land use planning to support the economic growth of the County while providing for preservation of open space and protection for endangered species. CETAP addresses the impact of future population and economic growth on the existing transportation system by identifying and establishing new transportation corridors and arterial system improvements. The entire CETAP program was recognized under President Bush's Executive Order for Environmental Streamlining and Stewardship.

The Commission's CETAP effort focuses on four new transportation corridors: two located within the County and two that would link Riverside County with the neighboring counties of Orange and San Bernardino. Each of the corridors is progressing on differing schedules as noted below:

- *Internal north/south transportation corridor between Winchester and Temecula:* As a result of the Tier 1 environmental work completed, the Commission now can protect right of way for the future widening of I-15 and I-215 in the south County area as well as a future French Valley Parkway connection from Winchester Road to I-15.

- *New East-West Internal Corridor:* The Mid County Parkway project is a proposed transportation corridor designed to relieve local and regional traffic congestion. The draft environmental document was completed and circulated to the public in FY 2008/09. In response to comments received on the document, the Commission took action to focus the project to make the best use of limited transportation dollars while addressing the most immediate traffic needs. The Mid County Parkway project is now a proposed 16-mile corridor to relieve local and regional traffic congestion in the San Jacinto and Perris areas and surrounding Riverside County communities. Technical studies are currently underway on a new draft environmental document, which will likely be released in late 2011 or early 2012 for public circulation.

- *New transportation corridors and alternatives between Riverside and Orange counties:* In 2005 the Commission completed a Major Investment Study in cooperation with OCTA and the Transportation Corridor Agencies to evaluate potential projects. The locally preferred strategy includes a combination of improvements to SR-91 as well as consideration of new facilities to improve mobility between the two counties. The agencies adopted a Joint Powers Agreement, referred to as the Riverside-Orange Corridor Authority (ROCA) to oversee the effort. The Commission and OCTA recently completed geotechnical feasibility tests in the Cleveland National Forest to determine the feasibility of a tunnel structure. While technically feasible, the project, which would have a price tag in the billions of dollars, is unlikely to move forward due to economic reasons. In voting to defer future action on a tunnel project, the ROCA Board of Directors continued to advocate and urge for an alternative corridor to the SR-91. Currently an effort is underway to determine private sector interest in developing the tunnel project.

- *New transportation corridor and arterial improvements between Riverside and San Bernardino counties:* A combination of arterial improvements and a new transportation facility have been studied in a joint effort between the Commission, SANBAG, and local cities to improve mobility between the two counties. The County of Riverside, in cooperation with the affected jurisdictions, is currently conducting the required environmental work for the arterial improvements.

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 funded through the TUMF program and federal earmarks. An environmental document is being prepared in cooperation with local, state, and federal agencies 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. A draft document is anticipated to be available for public review in early 2011.

Commuter Assistance Program

The Commission's Commuter Assistance Program provides a variety of rideshare services and programs both to employers and commuters. Through voluntary participation, commuters and employers receive a direct benefit from their sales tax dollars, and the entire region benefits from reduced traffic congestion and improved air quality as a result of trip elimination or use of alternative means of transportation. The Commission's continued success in serving commuters and employers within the County resulted in SANBAG's renewal of its contract with the Commission, for the fourteenth year, to provide an identical commuter assistance program for San Bernardino County residents. Additionally, in partnership with SANBAG, the Commission, using available 1989 Measure A funds, has developed and launched the IE511 to provide a web and phone-based traveler information resource. This unique bi-county partnership allows for greater cost efficiency in program delivery and consistency of program application for all Inland Empire participants.

At the core of the Commuter Assistance Program are employer partnerships. To support voluntary efforts by local employers in implementing and maintaining rideshare activities at work sites, there are several rideshare services, employee programs, and resources provided to Western Riverside and San Bernardino County employers. Using Job Access Reverse Commute (JARC) funds, the Commission also continued the provision of rideshare services and programs to employers in the Coachella Valley. Employer partners function as an efficient and effective channel for rideshare marketing and programs designed to reach and benefit their employees. The most prominent commuter product continues to be the Rideshare Incentives, a short-term incentive project, which offers $2 per day for each day new ridesharers use an alternate mode of transportation in a three-month period. Long-term ridesharers are recognized and rewarded for their continuing commitment to use alternate modes of transportation to and from work through RidesharePlus Rewards.

In providing commuter benefits to employers and employees during FY 2009/10, the program attracted 1,131 drive alone commuters to rideshare and participate in the Rideshare Incentives program. RidesharePlus Rewards had 7,080 participants for the same period. In total, the Commuter Assistance program resulted in 1.5 million one-way trips reduced, 36 million miles saved, and approximately 680,000 pounds of emissions reduced in Riverside County.

Another component of the Commuter Assistance program is the provision of leased park and ride lots to supplement Caltrans lots and to expand park and ride capacity. Working in partnership with Caltrans, which provides signage and insurance, the Commission leases excess parking from business and civic institutional partners at a reasonable rate. There are over 2,500 park and ride spaces available to Riverside County commuters.

Finally, the Commission's program also extends beyond the borders of the Inland Empire. To support coordinated and efficient ridematching throughout a five-county region that includes transportation agencies in Los Angeles, Orange, San Bernardino, and Ventura counties, the Commission operates the Regional Rideshare Database. This application serves as a central depository for all commuter transportation surveys and as the region's primary ridematching application.

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 and persons with disabilities. Along with support of traditional dial-a-ride services, the Commission supports innovative programs providing transit assistance in hard-to-serve rural areas or for riders having very special transit needs.

The Commission's Public Transit-Human Services Coordinated Plan (Coordinated Plan) makes the Commission eligible for federal funding of specialized transit in Riverside County. Concurrent with the adoption of the Coordinated Plan, staff conducted a Universal Call for Projects for Specialized Transit (Universal Call) and evaluated and selected projects eligible to receive the new federal funds under the JARC and New Freedom (NF) programs. Using this competitive process allowed the Commission to seek proposals from a wide range of providers and make decisions with respect to funding specialized transit projects that result in the most efficient delivery of trips. The Universal Call included approximately $1.9 million in new federal funding augmenting the $6 million in Measure A committed locally by the Commission for FY 2009/10 and FY 2010/11. During FY 2009/10 the nonprofit operators provided approximately 363,700 Measure A/JARC/NF one-way trips in both Western County and Coachella Valley, slightly exceeding the countywide goal for the year. The Commission is currently taking steps to conduct another Universal Call for FY 2011/12 and FY 2012/13.

Motorist Assistance Programs

In cooperation with the California Highway Patrol (CHP) and Caltrans, the Commission, in its capacity as the SAFE, assists motorists who experience accidents, mechanical breakdowns, or other unforeseen problems by providing access to cellular call boxes along the County's major highways. The Commission's system includes 614 call boxes serving more than 540 centerline miles of highways. The call box program is funded by an annual $1 surcharge added to vehicle registrations. Each call box is a battery-powered, solar-charged roadside terminal containing a microprocessor and cellular telephone. Spacing between call boxes ranges from one-half mile in high traffic areas to two miles in remote areas of the County. Call boxes are installed on the three interstates, U.S. Route 95, and the 14 state routes located within the County. The phones are programmed to call a private call answer center, and the call box operator responds to the call by routing emergency calls to the CHP for appropriate services (i.e., ambulance, tow truck, fire, or police unit) or providing a direct connection to routine service through auto clubs or other private tow and service providers. Call box operators answered approximately 6,000 calls during FY 2009/10.

In an effort to relieve congestion and reduce pollution, the Commission provides an additional motorist assistance program with the FSP. The FSP program is a special team of 22 tow trucks traveling along portions of SR-60, SR-91, I-15, and I-215 within the County during peak, weekday commuter hours to assist drivers when their vehicles break down or experience other mechanical problems. The purpose of the FSP is to clear debris and remove disabled vehicles from the freeway as quickly as possible to help keep freeway traffic moving during rush hour periods. Services provided are free to the motorist and include changing a flat tire, providing one gallon of fuel, taping radiator hoses, or towing the vehicle off the freeway to designated locations where the motorist can make other arrangements for repair. Another effort augments existing FSP service with additional tow trucks in construction areas as another means of construction-related congestion mitigation. The FSP is funded by the Riverside County SAFE and the State. During FY 2009/10, the FSP provided assistance to approximately 48,000 motorists.

Goods Movement

The impact of delays caused by freight trains traveling through Riverside County is one of the area's most pressing transportation concerns. In fact, the Commission adopted, as its number one priority for the upcoming federal reauthorization bill a robust federal investment in ACE grade separations. Previously there were 61 at-grade ACE crossings in Riverside County presenting conflicts between rail and highway traffic. Of the 61 crossings, four have been completed (Avenue 48/ Dillon Road, Avenue 50, Columbia Avenue, and Jurupa Avenue); an additional crossing (Magnolia Avenue) will be completed by 2011. Twenty-nine of the remaining 56 at-grade crossings remain as a Commission priority requiring additional funds. The cost of constructing grade separations at the 29 locations is currently estimated at $1.7 billion, yet only $414.8 million is currently committed through federal, state, and local funding sources. At the October 2008 Commission meeting, the Commission approved a strategy for funding 20 of the 31 crossings for a total project cost of $980.5 million. The balance of the needed funds—$565.7 million—will be included as part of the Commission's strategy for the upcoming federal transportation reauthorization bill.

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, 2009. This was the 17th straight year the Commission has received this prestigious national award, which recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR conforming to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

This award for financial reporting excellence is valid for a period of one year only. We believe our current report continues to conform to the GFOA program's requirements, and we are submitting it to the GFOA for consideration 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, Commission's auditors, and the program management and staff 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.

Very truly yours,

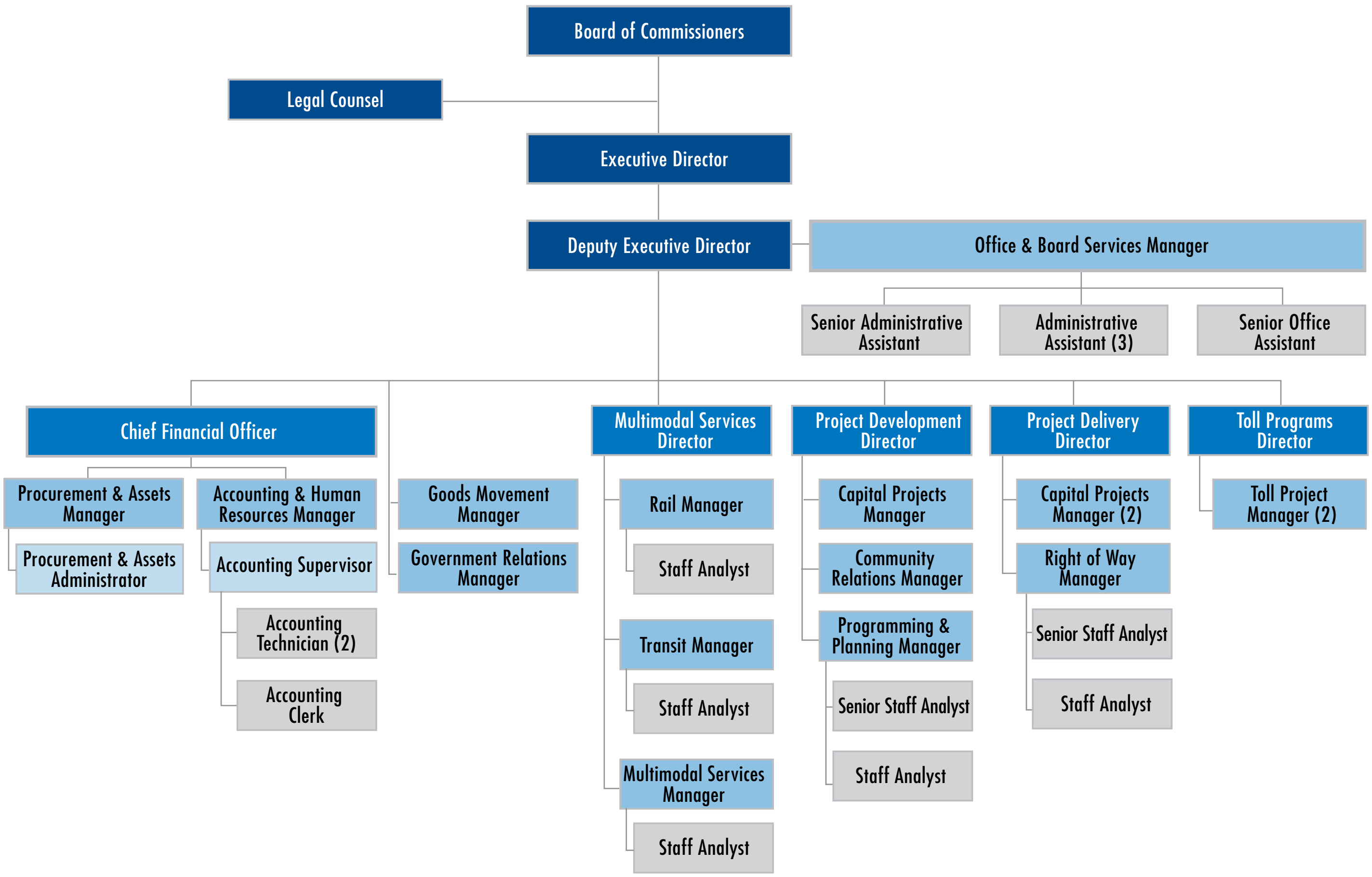
Anne E Mayer

ANNE MAYER
Executive Director

Theresia Treviño

THERESIA TREVIÑO
Chief Financial Officer

Riverside County Transportation Commission Organizational Chart
Fiscal Year 2009/10



Riverside County Transportation Commission

List of Principal Officials
As of June 30, 2010

Board of Commissioners

Name and Position	Title	Agency
Bob Buster	Chair (Commission)	County of Riverside, District 1
Greg Pettis	1st Vice Chair (Commission); Chair (Budget & Implementation Committee)	City of Cathedral City
John J. Benoit	2nd Vice Chair (Commission)	County of Riverside, District 4
Bob Botts	Member	City of Banning
Roger Berg	Member	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Ray Quinto	Member	City of Calimesa
Mary Craton	Member	City of Canyon Lake
Eduardo Garcia	Member	City of Coachella
Karen Spiegel	Chair (Western Riverside County Programs and Projects Committee)	City of Corona
Scott Matas	Chair (Eastern Riverside County Programs and Projects Committee); Vice Chair (Budget & Implementation Committee)	City of Desert Hot Springs
Robin Lowe	Member	City of Hemet
Patrick J. Mullany	Member	City of Indian Wells
Glenn Miller	Member	City of Indio
Terry Henderson	Member	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
Wallace Edgerton	Member	City of Menifee
Bonnie Flickinger	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Moreno Valley
Rick Gibbs	Member	City of Murrieta
Malcolm Miller	Member	City of Norco
Richard Kelly	Member	City of Palm Desert
Steve Pougnet	Member	City of Palm Springs
Daryl Busch	Member	City of Perris
Ron Meepos	Vice Chair (Eastern Riverside County Programs and Projects Committee)	City of Rancho Mirage
Steve Adams	Member	City of Riverside
Steve Di Memmo	Member	City of San Jacinto
Ron Roberts	Member	City of Temecula
Scott Farnam	Member	City of Wildomar
John F. Tavaglione	Member	County of Riverside, District 2
Jeff Stone	Member	County of Riverside, District 3
Marion Ashley	Member	County of Riverside, District 5
Raymond Wolfe	Governor's Appointee	Caltrans, District 8

Management Staff

Anne Mayer, Executive Director
John Standiford, Deputy Executive Director
Cathy Bechtel, Project Development Director
Michael Blomquist, Toll Programs Director
Marlin Feenstra, Project Delivery Director
Theresia Treviño, Chief Financial Officer
Robert Yates, Multimodal Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Riverside County Transportation Commission California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

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FINANCIAL SECTION

Riverside County Transportation Commission

McGladrey

Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, CA

We have audited the accompanying financial statements of the governmental 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, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2010, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison and other post-employment benefits information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Irvine, CA
October 28, 2010

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

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, 2010. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-xi and the Commission's financial statements which begin on page 16.

Financial Highlights

- Total net assets of the Commission were $614,111,269 and consisted of invested capital assets, net of related debt, of $294,218,263; restricted net assets of $549,781,414; and unrestricted net asset (deficit) of ($229,888,408).

- The unrestricted net asset (deficit) results primarily from the recording of the debt issued for Measure A highway, local street and road, 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.

- Net assets increased by $47,648,798 during fiscal 2010. General revenues consisting primarily of sales taxes and investment earnings are the major funding source for the governmental activities. The change in net assets was higher than the prior year due to decreased expenses, primarily related to highways, offset by decreased program revenues.

- Total capital assets, net of accumulated depreciation, were $324,624,439 at June 30, 2010, representing an increase of $34,401,587, or 12%, from June 30, 2009. The increase in capital assets was primarily related to the completion of the North Main Corona parking structure and the Perris Transit Center as well as to construction in progress costs related to the Perris Valley Line extension and tolled express lane projects.

- The Commission's governmental funds reported combined ending fund balances of $551,567,928, an increase of $95,324,457 compared to fiscal 2009. Approximately 77% of the governmental fund balances represent amounts available for the Measure A program, including debt service and funding from the issuance of sales tax revenue bonds and commercial paper notes, 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 assets presents information on all of the Commission's assets and liabilities, with the difference between assets and liabilities reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report the functions of the Commission that are principally supported by sales taxes and intergovernmental revenues, or governmental activities. The governmental activities of the Commission include general government, the Measure A program, CETAP, regional arterials, commuter rail, transit and specialized transportation services, planning and programming, bicycle and pedestrian facilities projects, motorist assistance services, and right of way management. Measure A program services are divided within the three regions of Riverside County (County), namely Western County, Coachella Valley, and Palo Verde Valley.

The government-wide financial statements include only the Commission and its blended component unit. The government-wide financial statements can be found on pages 16-17 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. All of the Commission's funds are governmental funds.

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 13 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, and Local Transportation Fund (LTF) Special Revenue funds; Commercial Paper and Sales Tax Bonds Capital Projects funds; and Debt Service fund. Data from the other five 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 18-21 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 22-42 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 schedule of funding progress for postretirement health care benefits. Required supplementary information can be found on pages 44-47 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; and schedules of expenditures for local streets and roads and expenditures for transit and specialized transportation. This other supplementary information can be found on pages 50-55 of this report.

Government-wide Financial Analysis

As noted previously, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2010, the Commission's assets exceeded liabilities by $614,111,269, a $47,648,798 increase from June 30, 2009. Our analysis below focuses on the net assets and changes in net assets of the Commission's governmental activities.

Net Assets

Approximately 48%, compared to 47% in 2009, of the Commission's net assets reflect its investment in capital assets (i.e., construction and development in progress; land and improvements; rail operating easements; rail stations; office improvements; 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 in progress. The Commission uses these capital assets to provide transportation services to the residents and business community of the County. The increase of $27,570,881 in net assets invested in capital assets, net of related debt, from governmental activities resulted primarily from the completion of the North Main Corona parking structure and the Perris Transit Center and construction in progress for the Perris Valley Line and tolled express lane projects.

The most significant portion of the Commission's net assets represents resources subject to external restrictions on how they may be used. Restricted net assets from governmental activities represented approximately 90% and 89% of the total net assets at June 30, 2010 and 2009, respectively. Restricted net assets from governmental activities increased by $44,307,339, as a result of 2009 Measure A revenues available for Western County economic development, new corridor, and regional arterial projects compared to the 1989 Measure A program; use of commercial paper proceeds for certain 2009 Measure A Western County highway projects rather than the revenues from the 2009 Measure A revenues; and the receipt of $12.8 million in State Transit Assistance funds for transit as a result of the state budget gas tax swap. These increases to restricted assets for highways and transit and specialized transportation were offset by increased regional arterial expenses.

Unrestricted net assets represent the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net assets from governmental activities changed from a $205,658,986 deficit at June 30, 2009 to a $229,888,408 deficit at June 30, 2010. This deficit results primarily from the impact of recording of the Commission's long-term debt, consisting of sales tax revenue bonds and commercial paper notes, 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 for most projects, these projects are transferred to Caltrans or the local jurisdiction. Accordingly, these projects are not assets of the Commission that offset the long-term debt in the statement of net assets.

The following is condensed financial data related to net assets at June 30, 2010 and June 30, 2009:

Net Assets	June 30, 2010	June 30, 2009
Current and other assets	$ 615,127,022	$ 577,431,939
Capital assets not being depreciated	252,736,828	249,292,443
Capital assets being depreciated, net of accumulated depreciation	71,887,611	40,930,409
Total assets	939,751,461	867,654,791
Long-term obligations	264,605,365	238,114,639
Other liabilities	61,034,827	63,077,681
Total liabilities	325,640,192	301,192,320
Net assets:		
Invested in capital assets, net of related debt	294,218,263	266,647,382
Restricted	549,781,414	505,474,075
Unrestricted (deficit)	(229,888,408)	(205,658,986)
Total net assets	$ 614,111,269	$ 566,462,471

Changes in Net Assets

The Commission's total program and general revenues were $227,278,420, while the total cost of all programs was $179,629,622. Total revenues decreased by 32%, and the total cost of all programs decreased by 48%. Approximately 20% of the costs of the Commission's programs were paid by those who directly benefited from the programs or by other governments that subsidized certain programs with grants and contributions. Sales taxes ultimately financed a significant portion of the programs' net costs.

Governmental activities increased the Commission's net assets by $47,648,798, and condensed financial data related to the change in net assets is presented in the table below. Key elements of this increase are as follows:

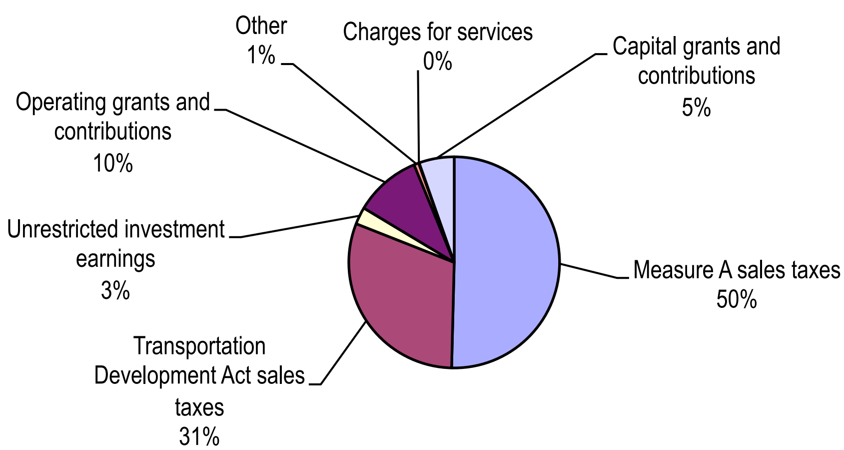
- Charges for services decreased by $2,770,349, or 93%, as a result of miscellaneous reimbursements received for the construction of the North Main Corona station parking structure in the previous year;
- Operating grants and contributions decreased by $67,149,970, or 74%, primarily due to federal and state reimbursements received in the previous year related to 1989 Measure A and 2009 Measure A highway projects including the State Route (SR) 60 high occupancy vehicle (HOV) lanes, SR-91 HOV lanes, 60/91/215 interchange, 60/215 East Junction HOV lane connector, 71/91 connectors, and I-215 corridor improvements;
- Capital grants and contributions decreased by $10,539,473, or 46%, because of federal, state, and local grants received in the previous year which funded rail capital projects related to the Perris Valley Line extension, Perris Transit Center, North Main Corona commuter rail station parking structure, and station rehabilitation and security projects;

Changes in Net Assets	Year Ended June 30, 2010	Year Ended June 30, 2009
Revenues		
Program revenues:		
Charges for services	$ 196,527	$ 2,966,876
Operating grants and contributions	23,130,456	90,280,426
Capital grants and contributions	12,257,099	22,796,572
General revenues:		
Measure A sales taxes	114,526,254	119,688,289
Transportation Development Act sales taxes	69,499,841	64,140,070
Unrestricted investment earnings	5,987,921	14,211,197
Other miscellaneous revenue	1,680,322	1,454,611
Total revenues	227,278,420	315,538,041
Expenses		
General government	7,024,517	4,775,963
Bicycle and pedestrian facilities	317,048	2,747,151
CETAP	2,362,393	4,832,008
Commuter assistance	3,266,834	5,199,032
Commuter rail	20,544,634	16,038,028
Highways	24,828,958	143,532,009
Local streets and roads	34,258,313	45,661,155
Motorist assistance	2,987,136	2,623,184
Planning and programming	5,321,121	8,116,142
Right of way management	1,428,066	1,399,316
Regional arterials	26,371,339	20,948,530
Transit and specialized transportation	43,820,225	63,872,012
Interest expense	7,099,038	9,515,282
Total expenses	179,629,622	329,259,812
(Decrease)/Increase in net assets	47,648,798	(13,721,771)
Net assets at beginning of year	566,462,471	580,184,242
Net assets at end of year	$ 614,111,269	$ 566,462,471

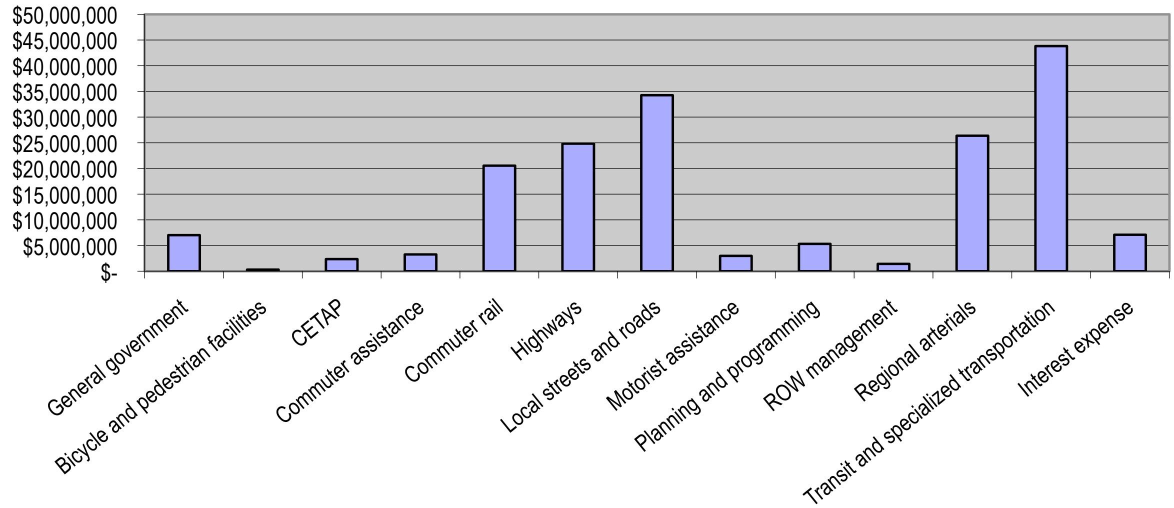
- Measure A sales tax revenues decreased by $5,162,035, or 4%, due to the recession and decreased consumer spending;
- Transportation Development Act (TDA) sales taxes increased by $5,359,771, or 8%, as a result of the unanticipated receipt of State Transit Assistance funds following the revised state budget approval of a gas tax swap which was offset by a decrease in Local Transportation fund revenues due to the recession and decreased spending;
- Unrestricted investment earnings decreased by $8,223,276, or 58% due to lower monthly cash balances compared to the prior year as well as decreased investment yields;
- General government expenses increased by $2,248,554, or 47%, primarily as a result of professional fees related to the extension of the commercial paper letter of credit in February 2010 and the cost of liquidity support for the commercial paper program and the 2009 variable rate sales tax revenue bonds;
- Bicycle and pedestrian facilities expenses decreased by $2,430,103, or 88%, due to a decrease in claims for approved projects;
- CETAP expenses decreased by $2,469,615, or 51%, due to a decrease in consultant efforts required during the draft environmental document review phase and public comment period related to the Mid County Parkway project;

- Commuter assistance expenses decreased by $1,932,198, or 37%, due to the detection station installations on Interstate (I) 15 and I-215 and Inland Empire 511 implementation costs incurred during the prior year;
- Commuter rail expenses increased by $4,506,606, or 28%, as a result of increased commuter rail station operating and rehabilitation costs and program management activities related to the North Main Corona commuter rail station parking structure and Perris Valley Line extension projects;
- Highway expenses decreased by $118,703,051, or 83%, due to significant land mitigation acquisitions in the Western County as well as project engineering, right of way, and construction activities on various 1989 Measure A and 2009 Measure A Western County projects which occurred in the prior year;
- Local streets and roads expenses decreased by $11,402,842, or 25%, because of a decrease from the 1989 Measure A Western County level of program allocation of 40% to the 2009 Measure A level of approximately 30% as well as the overall decline in Measure A sales tax revenues;
- Planning and programming expenses decreased by $2,795,021, or 34%, due to the decrease in costs resulting from the completion of geotechnical field exploration and evaluation for the proposed Irvine-Corona Expressway project and consultant services related to goods movement activities which was offset by an increase in funding for grade separation projects;
- Regional arterial expenses increased by $5,422,809, or 26%, as a result of an increase in reimbursements to local jurisdictions for approved regional arterial projects;
- Transit and specialized transportation expenses decreased by $20,051,787, or 31%, due to a decrease in bus transit operating and capital claims resulting from cost reduction efforts and rail capital claims due to completion of North Main Corona parking structure and Perris Transit Center construction projects; and
- Interest expenses decreased by $2,416,244, or 25%, primarily as a result of decreased interest rates which affected Commission's variable rate commercial paper notes and 2009 bonds.

The graph below presents the program and general revenues by source for the Commission's governmental activities for the fiscal year ended June 30, 2010:



The following graph depicts program expenses for the Commission's governmental activities for the fiscal year ended June 30, 2010:



Financial Analysis of the Commission's Funds

As of June 30, 2010, the Commission's governmental funds reported combined ending fund balances of $551,567,928, an increase of $95,324,457 compared to 2009. About 1% or $5,741,035 is unrestricted. Of this amount, $1,606,976 and $4,134,059 constitutes committed fund balance for right of way management activities and assigned fund balance for general government administration activities, respectively. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- $3,931,233 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- $47,061,323 for new CETAP corridors in Western County;
- $14,048,046 for commuter assistance activities such as expansion of park-and-ride facilities and other projects and programs that encourage commuters to use alternative modes of transportation;
- $93,343,130 primarily for commuter rail capital projects including the Perris Valley Line extension which is expected to be completed in December 2012;
- $45,738,294 related to debt service that is to be paid over the next year, a debt service reserve for the 2009 bonds, and excess reserve funds remaining following the retirement of all debt related to the 1989 Measure A program;
- $141,145,195 for highway, economic development, and new corridor projects related to the 1989 Measure A program and the 2009 Measure A program;
- $29,476,612 in advances receivable from cities and the Coachella Valley Association of Governments for funds that were loaned to them to enable the construction and improvement of streets and roads as well as highways and regional arterials and that are to be repaid from their future 2009 Measure A funds;
- $1,747,885 in advances receivable from the Transportation Uniform Mitigation Fee fund for prior years' administrative allocations due to be repaid to the General fund within two years;
- $153,688 for local streets and roads programs that are returned to the cities within the County for maintenance of their roads and local arterials under the 2009 Measure A program;
- $6,679,571 for motorist assistance services;
- $1,107,032 for planning and programming activities;
- $2,807,955 in prepaid amounts for various expenditures;
- $42,514,211 for regional arterial projects in Western County;
- $11,200,416 of Measure A funds for transit and specialized transportation in the Western County and $364,756 for specialized transportation in the Coachella Valley; and
- $104,507,546 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, 2010 and 2009:

	Fund Balances Year Ended June 30		
	2010	2009	% Change
General fund	$ 13,261,438	$ 10,105,419	31%
Special Revenue major funds:			
Measure A Western County	260,141,532	233,744,173	11%
Measure A Coachella Valley	4,029,697	5,161,226	(22)%
Transportation Uniform Mitigation Fee	83,618,281	93,964,947	(11)%
Local Transportation Fund	74,875,969	68,307,007	10%
Capital Projects major funds:			
Commercial Paper	29,571,329	(30,039,375)	198%
Sales Tax Bonds	–	18,621	(100)%
Debt Service fund	45,738,294	42,372,142	8%
Nonmajor governmental funds	40,331,388	32,609,311	24%

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

- The 31% increase in the General fund resulted from the excess of sales tax and other revenues over commuter rail, planning and programming, right of way management, and general government expenditures;
- The 11% increase in the Measure A Western County Special Revenue fund resulted from the excess of 2009 Measure A sales tax revenues over commuter rail, highway (including economic development and new corridors), regional arterial, and specialized transportation program expenditures as these programs' activities include multi-year funding commitments for specified projects that are in varying stages;
- The 22% decrease in the Measure A Coachella Valley Special Revenue fund was attributed to the use of unexpended 1989 Measure A highway and regional arterial balances which was offset by excess 2009 Measure A revenues over expenditures for highway and regional arterial projects;
- The 11% decrease in the Transportation Uniform Mitigation Fee Special Revenue fund was due to an administrative cost allocation and increased regional arterial expenditure claims for approved regional arterial projects;
- The 10% increase in the Local Transportation Fund resulted from the excess of sales tax revenues over claims of allocations for transit operations and for bicycle and pedestrian facility projects;
- The 198% increase in the Commercial Paper Capital Projects fund was attributed primarily to the recording of $56,284,000 of the commercial paper notes issued during fiscal 2009 as a current liability in the fund financial statements because the bank letter of credit supporting the program was due to expire in March 2010;
- The 8% increase in the Debt Service fund was due primarily to the increase in the debt service reserve related to the bonds issued in October 2009; and
- The 24% increase in the nonmajor governmental funds resulted primarily from the state's allocation of STA funds as part of the revised state budget gas tax swap.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General fund resulted in a $9,469,150 decrease in appropriations and were related to the following changes:

- $172,200 increase to general government for transfer of budget authority for salary and benefit expenditures from the Measure A Western County Special Revenue fund;
- $9,924,000 decrease to the commuter rail program for an amendment to the FY 2009/10 SRTP to reflect a deobligation for the Metrolink rail car procurement;

- $105,700 increase for various planning and programming activities including a toll revenue study on the Irvine-Corona Expressway project;
- $121,700 increase to right of way management for transfer of budget authority for salary and benefit expenditures from the Measure A Western County Special Revenue fund;
- $25,250 increase to debt service for capital lease payments; and
- $30,000 increase to capital outlay related to the Commission's commuter rail station improvements.

During the year, General fund revenues were below budgetary estimates by $23,064,775 primarily as a result of the reclassification, for financial reporting purposes only, of intrafund transfers for the TDA's Local Transportation and State Transit Assistance sales tax revenue allocations for general government, planning and programming, and commuter rail operations. Expenditures were less than budgetary estimates resulting in no need to draw upon available fund balance reserves. General fund budgetary variances between the final amended budget and actual amounts are as follows:

	Year Ended June 30, 2010		
General Fund Budgetary Variances	Final Amended Budget	Actual	% Variance
Revenues			
Sales taxes	$ 22,238,700	$ 2,700,000	(88)%
Intergovernmental	5,751,100	1,571,702	(73)%
Interest	83,600	49,065	(41)%
Other	686,100	1,373,958	100%
Total revenues	$ 28,759,500	$ 5,694,725	(80)%
Expenditures			
Current			
General government	$ 4,797,400	$ 4,188,440	13%
Commuter rail	14,355,100	13,421,832	7%
Planning and programming	11,264,600	5,196,946	54%
Right of way	1,486,300	1,428,066	4%
Transit and specialized transportation	484,200	382,764	21%
Debt service	25,250	25,241	0%
Capital outlay	405,500	170,179	58%
Total expenditures	$ 32,818,350	$ 24,813,468	24%
Other financing sources (uses)			
Transfers in	$ 591,100	$ 22,274,762	3,668%
Transfers out	(14,300)	–	100%
Total other financing sources (uses)	$ 576,800	$ 22,274,762	3,762%

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

- $19,538,700 negative variance in sales tax revenues primarily related to the reclassification of LTF revenues as operating transfers in for financial reporting purposes only;
- $4,179,398 negative variance for intergovernmental revenues primarily related to the reclassification of STA revenues as operating transfers in for financial reporting purposes only;
- $687,858 positive variance for other revenues related to property easement access on the Commission's San Jacinto Branch Line;
- $608,960 positive variance for general government expenditures primarily related to professional services and other expenditures such as insurance, training, and travel;
- $933,268 positive variance for commuter rail expenditures related to Metrolink operations;
- $6,067,654 positive variance for planning and programming expenditures related to grade separation project funding; and
- $21,683,662 positive variance for transfers in related to the reclassification of the TDA sales tax revenues as transfers in for financial reporting purposes only.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2010, the Commission had $324,624,439, net of accumulated depreciation, invested in a broad range of capital assets including construction and development in progress; land and land improvements; rail operating easements and stations; and office improvements, furniture, equipment, and vehicles. The total increase in the Commission's total capital assets, net for FY 2009/10 was 12%.

Major capital asset additions during 2010 included construction in progress related to preliminary engineering costs for the SR-91 and I-15 corridor improvement and the Perris Valley Line extension projects, design-build activities for the SR-91 corridor improvement project, and completion of the North Main Corona commuter rail station parking structure and Perris Transit Center.

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

	June 30, 2010	June 30, 2009
Capital Assets not being depreciated:		
Land and land improvements	$ 143,088,211	$ 143,071,211
Rail operating easements	39,484,143	39,484,143
Construction and development in progress	70,164,474	66,737,089
Total capital assets not being depreciated	252,736,828	249,292,443
Capital Assets being depreciated, net of accumulated depreciation:		
Rail stations	71,448,965	40,398,759
Office improvements, furniture, equipment, and vehicles	438,646	531,650
Total capital assets, net of accumulated depreciation	71,887,611	40,930,409
Total capital assets	$ 324,624,439	$ 290,222,852

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

Debt Administration

As of June 30, 2010, the Commission had $181,000,000 outstanding in 2009 bonds. The total debt decreased from the $126,395,000 outstanding as of June 30, 2009. The Commission's 2009 bonds received ratings of "AA+" from Standard & Poor's (S&P), "Aa1" from Moody's Investors Service (Moody's), and "AA" from Fitch Ratings (Fitch). As a result of recalibrations in April 2010 of municipal debt to global rating scales, Moody's and Fitch revised their ratings to "Aa1" and "AA+," respectively. In October 2010 in connection with the proposed issuance of bonds in FY 2010/11, Fitch downgraded the Commission's long-term rating to "AA."

In March 2005 the Commission established a $185,000,000 commercial paper program to provide advance funding for 2009 Measure A capital projects; the program was reduced to $120,000,000 as a result of the extension of the letter of credit and reimbursement agreement. The commercial paper notes are rated "A1+" by S&P and "P1" by Moody's. As of June 30, 2010, the Commission had $83,284,000 in outstanding commercial paper notes.

The debt limitation for the Commission under the 2009 Measure A program is $500,000,000, which exceeds the total outstanding debt of $264,284,000.

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

Economic Factors and Other Factors

During its March 2010 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2010/11 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 2010/11 annual budget on June 9, 2010. Over 62% of the $566,377,400 balanced budget is related to capital project expenditures, including: $12,770,000 for highway and regional arterial projects and land mitigation in the Coachella Valley; $42,781,100 for various Western County TUMF regional arterial projects; $65,543,300 for preliminary engineering, right of way acquisition, and design-build activities related to the SR-91 corridor improvement project consisting of express and mixed flow lanes and interchange improvements; $10,360,300 for preliminary engineering and right of way support services related to the I-15 corridor improvements consisting of express lanes, HOV lanes, and mixed flow lanes; $24,190,300 for preliminary engineering, final design, right of way acquisition, and construction related to the I-215 corridor improvements from I-15 to Nuevo Road; $25,354,800 for final design and right of way acquisition related to the SR-91 HOV lanes from Adams Street to the 60/91/215 interchange; $12,896,300 for final design, construction, and right of way acquisition related to the 74/215 interchange project; and $59,198,800 for the Perris Valley Line Metrolink extension project engineering, construction, and right of way acquisition.

Distributions to the local jurisdictions for local streets and roads are budgeted at $30,986,400. Budgeted expenditures related to funding of public bus and rail transit operations and capital projects in the County aggregate $88,696,000. Debt service costs of $106,205,000, or 19% of the budget, represent another significant expenditure as a result of the issuance of bonds to retire all of the outstanding commercial paper notes.

Leading economic indicators show that the local economy continues to be impacted by the national recession, particularly in decreased spending and a housing slowdown. These factors were considered in preparing the Commission's 2011 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 related to the fiscal condition of the state of California and the impact on transportation as well as the status of the federal transportation trust fund and appropriation bill. 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.

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Basic Financial Statements

Riverside County Transportation Commission

Statement of Net Assets

June 30, 2010

		Governmental Activities
Assets		
Cash and investments	$	479,690,209
Receivables:		
Accounts		49,792,263
Advances to other governments		29,476,612
Interest		1,120,495
Prepaid expenses and other assets		3,501,763
Deferred outflow of resources		23,487,974
Restricted investments held by trustee		28,057,706
Capital assets not being depreciated		252,736,828
Capital assets, net of accumulated depreciation		71,887,611
Total assets		939,751,461
Liabilities		
Accounts payable		34,682,787
Interest payable		533,128
Other liabilities		2,330,938
Derivative instrument-Swap		23,487,974
Long-term liabilities:		
Due within one year		6,578,001
Due in more than one year		258,027,364
Total liabilities		325,640,192
Net assets		
Invested in capital assets, net of related debt		294,218,263
Restricted for:		
Bicycle and pedestrian facilities		3,931,233
CETAP		47,935,266
Commuter assistance		14,056,134
Commuter rail		93,344,041
Debt service		45,738,294
Highways		169,348,517
Local streets and roads		8,105,474
Motorist assistance		6,679,571
Planning and programming		1,107,043
Regional arterials		43,463,078
Transit and specialized transportation		116,072,763
Unrestricted		(229,888,408)
Total net assets	$	614,111,269

See notes to financial statements

Riverside County Transportation Commission

Statement of Activities

Year Ended June 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government					
Governmental Activities:					
General government	$ 7,024,517	$ -	$ -	$ -	$ (7,024,517)
Bicycle and pedestrian facilities	317,048	-	-	-	(317,048)
CETAP	2,362,393	-	3,496,966	-	1,134,573
Commuter assistance	3,266,834	-	1,970,027	-	(1,296,807)
Commuter rail	20,544,634	-	456,918	12,257,099	(7,830,617)
Highways	24,828,958	-	7,179,435	-	(17,649,523)
Local streets and roads	34,258,313	-	-	-	(34,258,313)
Motorist assistance	2,987,136	-	3,542,801	-	555,665
Planning and programming	5,321,121	-	1,363,044	-	(3,958,077)
Right of way management	1,428,066	196,527	-	-	(1,231,539)
Regional arterials	26,371,339	-	5,121,265	-	(21,250,074)
Transit and specialized transportation	43,820,225	-	-	-	(43,820,225)
Interest expense	7,099,038	-	-	-	(7,099,038)
Total governmental activities	$ 179,629,622	$ 196,527	$ 23,130,456	$ 12,257,099	(144,045,540)

General Revenues:	
Measure A sales taxes	114,526,254
Transportation Development Act sales taxes	69,499,841
Unrestricted investment earnings	5,987,921
Other miscellaneous revenue	1,680,322
Total general revenues	191,694,338
Change in net assets	47,648,798
Net assets at beginning of year	566,462,471
Net assets at end of year	$ 614,111,269

See notes to financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds

June 30, 2010

	Major Funds									
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper	Sales Tax Bonds	Debt Service	Other Nonmajor Governmental Funds	Total
Assets										
Cash and investments	$ 6,277,911	$ 235,993,175	$ 5,457,059	$ 92,402,732	$ 63,896,436	$ 159,756	$ -	$ 30,772,623	$ 44,730,517	$ 479,690,209
Receivables:										
Accounts	739,288	29,870,998	4,781,248	2,189,595	10,838,923	-	-	-	1,372,211	49,792,263
Advances	1,747,885	-	-	-	-	29,476,612	-	-	-	31,224,497
Interest	14,523	541,647	10,547	217,746	140,610	2,003	-	103,852	89,567	1,120,495
Due from other funds	5,214,842	12,292,825	-	-	-	575,390	-	-	100,000	18,183,057
Prepaid expenditures	253,819	2,531,500	-	-	-	22,636	-	-	-	2,807,955
Restricted investments held by trustee	-	-	-	-	-	12,635,223	-	15,422,483	-	28,057,706
Total assets	$ 14,248,268	$ 281,230,145	$ 10,248,854	$ 94,810,073	$ 74,875,969	$ 42,871,620	$ -	$ 46,298,958	$ 46,292,295	$ 610,876,182
Liabilities and Fund Balances (Deficit)										
Liabilities:										
Accounts payable	$ 862,264	$ 20,525,332	$ 3,917,612	$ 8,126,242	$ -	$ 231,778	$ -	$ 560,664	$ 458,895	$ 34,682,787
Advances payable	-	-	-	1,747,885	-	-	-	-	-	1,747,885
Due to other funds	-	271,169	575,797	1,317,665	-	10,789,362	-	-	5,229,064	18,183,057
Other liabilities	124,566	292,112	1,725,748	-	-	2,279,151	-	-	272,948	4,694,525
Total liabilities	986,830	21,088,613	6,219,157	11,191,792	-	13,300,291	-	560,664	5,960,907	59,308,254
Fund balances										
Nonspendable–prepaid amounts	253,819	2,531,500	-	-	-	22,636	-	-	-	2,807,955
Restricted for:										
Bicycle and pedestrian facilities	-	-	-	-	3,931,233	-	-	-	-	3,931,233
CETAP	-	-	-	47,061,323	-	-	-	-	-	47,061,323
Commuter assistance	-	14,048,046	-	-	-	-	-	-	-	14,048,046
Commuter rail	4,460,748	88,882,382	-	-	-	-	-	-	-	93,343,130
Debt service	-	-	-	-	-	-	-	45,738,294	-	45,738,294
Highways	-	137,521,935	3,551,179	-	-	72,081	-	-	-	141,145,195
Loans and advances receivable	1,747,885	-	-	-	-	29,476,612	-	-	-	31,224,497
Local streets and roads	-	-	113,762	-	-	-	-	-	39,926	153,688
Motorist assistance	-	-	-	-	-	-	-	-	6,679,571	6,679,571
Planning and programming	1,057,951	-	-	-	49,081	-	-	-	-	1,107,032
Regional arterials	-	5,957,253	-	36,556,958	-	-	-	-	-	42,514,211
Transit and specialized transportation	-	11,200,416	364,756	-	70,895,655	-	-	-	33,611,891	116,072,718
Committed–right of way management	1,606,976	-	-	-	-	-	-	-	-	1,606,976
Assigned–general government administration	4,134,059	-	-	-	-	-	-	-	-	4,134,059
Total fund balances	13,261,438	260,141,532	4,029,697	83,618,281	74,875,969	29,571,329	-	45,738,294	40,331,388	551,567,928
Total liabilities and fund balances	$ 14,248,268	$ 281,230,145	$ 10,248,854	$ 94,810,073	$ 74,875,969	$ 42,871,620	$ -	$ 46,298,958	$ 46,292,295	$ 610,876,182

See notes to financial statements

Riverside County Transportation Commission

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2010

Total fund balances - Governmental funds (page 18)	$	551,567,928
Amounts reported for governmental activities in the statement of net assets (page 16) are different because:		
Capital assets, less related accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.		324,624,439
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in funds.		2,363,587
Interest payable on bonds outstanding is not due and payable in the current period and therefore is not reported in the funds.		(533,128)
Debt issuance costs are not current financial resources and therefore are not reported in the governmental funds.		693,808
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Compensated absences		(511,562)
Capital lease obligation		(78,104)
Debt issuance payable		(181,000,000)
Discount on debt issuance		268,301
Commercial paper notes payable		(83,284,000)
Net adjustment		(264,605,365)
Net assets of governmental activities (page 16)	$	614,111,269

See notes to financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
Year Ended June 30, 2010

	Major Funds								Other Nonmajor Governmental Funds	Total
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper	Sales Tax Bonds	Debt Service		
Revenues										
Sales taxes	$ 2,700,000	$ 83,785,433	$ 27,229,393	$ -	$ 56,697,890	$ -	$ -	$ -	$ 13,613,379	$ 184,026,095
Transportation Uniform Mitigation Fee	-	-	-	8,618,231	-	-	-	-	-	8,618,231
Intergovernmental	1,571,702	21,654,820	-	-	-	-	-	-	3,542,802	26,769,324
Interest	49,065	2,229,131	46,001	885,393	540,043	1,202,577	13,014	363,305	334,649	5,663,178
Other	1,373,958	461,007	-	-	-	-	-	-	18,676	1,853,641
Total revenues	5,694,725	108,130,391	27,275,394	9,503,624	57,237,933	1,202,577	13,014	363,305	17,509,506	226,930,469
Expenditures										
Current:										
General government	4,188,440	2,310,027	-	-	12,000	410,012	-	-	-	6,920,479
Bicycle and pedestrian facilities	-	-	-	-	317,048	-	-	-	-	317,048
CETAP	-	-	-	2,362,393	-	-	-	-	-	2,362,393
Commuter assistance	-	3,228,709	-	-	-	-	-	-	-	3,228,709
Commuter rail	13,421,832	20,312,056	-	-	-	-	-	-	-	33,733,888
Highways	-	35,801,360	3,269,874	-	-	6,626,977	-	-	-	45,698,211
Local streets and roads	-	23,915,511	9,502,752	-	-	-	-	-	840,050	34,258,313
Motorist assistance	-	-	-	-	-	-	-	-	2,987,136	2,987,136
Planning and programming	5,196,946	-	-	-	115,300	-	-	-	-	5,312,246
Right of way management	1,428,066	-	-	-	-	-	-	-	-	1,428,066
Regional arterials	-	537	11,920,309	14,450,493	-	-	-	-	-	26,371,339
Transit and specialized transportation	382,764	3,219,083	3,713,988	-	34,649,154	-	-	-	1,855,236	43,820,225
Total programs	24,618,048	88,787,283	28,406,923	16,812,886	35,093,502	7,036,989	-	-	5,682,422	206,438,053
Debt service:										
Principal	22,548	-	-	-	-	53,716,000	-	4,000,000	-	57,738,548
Interest	2,693	-	-	-	-	319,431	-	4,918,183	-	5,240,307
Cost of issuance	-	-	-	-	-	1,000	674,464	-	-	675,464
Total debt service	25,241	-	-	-	-	54,036,431	674,464	8,918,183	-	63,654,319
Capital outlay	170,179	(46,099)	-	-	-	-	-	-	-	124,080
Total expenditures	24,813,468	88,741,184	28,406,923	16,812,886	35,093,502	61,073,420	674,464	8,918,183	5,682,422	270,216,452
Excess (deficiency) of revenues over (under) expenditures	(19,118,743)	19,389,207	(1,131,529)	(7,309,262)	22,144,431	(59,870,843)	(661,450)	(8,554,878)	11,827,084	(43,285,983)
Other financing sources (uses):										
Debt issuance	-	-	-	-	-	83,284,000	185,000,000	-	-	268,284,000
Discount on debt issuance	-	-	-	-	-	-	(278,685)	-	-	(278,685)
Payment to refunded bond escrow agent	-	-	-	-	-	-	(129,394,875)	-	-	(129,394,875)
Transfers in	22,274,762	16,466,735	-	-	-	53,716,000	-	11,921,030	454,700	104,833,227
Transfers out	-	(9,458,583)	-	(3,037,404)	(15,575,469)	(17,518,453)	(54,683,611)	-	(4,559,707)	(104,833,227)
Total other financing sources (uses)	22,274,762	7,008,152	-	(3,037,404)	(15,575,469)	119,481,547	642,829	11,921,030	(4,105,007)	138,610,440
Net change in fund balances	3,156,019	26,397,359	(1,131,529)	(10,346,666)	6,568,962	59,610,704	(18,621)	3,366,152	7,722,077	95,324,457
Fund balances (deficit) at beginning of year	10,105,419	233,744,173	5,161,226	93,964,947	68,307,007	(30,039,375)	18,621	42,372,142	32,609,311	456,243,471
Fund balances at end of year	$ 13,261,438	$ 260,141,532	$ 4,029,697	$ 83,618,281	$ 74,875,969	$ 29,571,329	$ -	$ 45,738,294	$ 40,331,388	$ 551,567,928

See notes to financial statements

Riverside County Transportation Commission

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

For the Year Ended June 30, 2010

Net change in fund balances - Total governmental funds (page 20)	$ 95,324,457
Amounts reported for governmental activities in the statement of activities (page 17) are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The adjustment combines the net changes of the following amounts:	
Capital outlay	37,624,773
Depreciation expense	(3,223,186)
Net adjustments	34,401,587
Revenues in the statement of activities that do not provide current financial resources are reported as revenues in the funds.	324,744
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 assets. Also, governmental funds report the effect of issuance costs, 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 bonds and commercial paper notes	57,716,000
Payment to escrow agent for refunding of sales tax revenue bonds	126,395,000
Issuance of commercial paper notes	(83,284,000)
Issuance of sales tax revenue bonds	(185,000,000)
Discount on debt issuance	278,685
Debt issuance costs	720,660
Amortization of bond premium	1,143,888
Amortization of bond discount	(10,384)
Amortization of debt issuance costs	(355,564)
Capital lease payments	22,548
Change in accrued interest	7,640
Net adjustments	(82,365,527)
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 following amounts:	
Compensated absences	(36,463)
Change in net assets of governmental activities (page 17)	$ 47,648,798

See notes to financial statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Riverside County Transportation Commission (Commission) was formed in 1976 under Division 12 (commencing with Section 130000) of the California Public Utilities Code. The Commission is a special district governed by a 32-member board of commissioners (Board) consisting of one representative from each city in the county, all five county supervisors, and a nonvoting state representative. In October 2010, the Board increased to 33 members as a result of the addition of representative from a newly incorporated city.

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 ensures the replacement of the 1989 Measure A program when it expired in 2009 with a new 30 year program that will continue funding improvements until June 2039.

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

Accounting principles generally accepted in the United States require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The basic financial statements include all funds of the Commission including those of the Service Authority for Freeway Emergencies (SAFE), a component unit, for which the Commission is considered financially accountable. SAFE was created under Chapter 14 (commencing with Section 2550) of Division 3 of the California Streets and Highways Code and Sections 2421.5 and 9250.1 of the Vehicle Code. SAFE receives monies from fees levied on registered vehicles to be used to implement and maintain an emergency motorist aid system, as specified, on portions of the California Freeway and Expressway System in the County. The governing body of SAFE is substantially identical to that of the Commission and is responsible for approval of SAFE's budget. 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

Note 1. Summary of Significant Accounting Policies, Continued

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 assets 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 assets and the statement of activities report information on all of the nonfiduciary activities of the Commission. The effect of interfund activity has been removed from these statements. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. The Commission does not have any business-type activities, which rely to a significant extent on charges and fees for support.

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 funds; the Commission has no proprietary or fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Commission has categorized the Sales Tax Bonds Capital Projects Fund and Debt Service Fund as major funds for public interest reasons. The Commission believes that these judgmentally determined major funds are particularly important to the financial statement users. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental funds:

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

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

Measure A Coachella Valley Special Revenue Fund: This fund accounts for the revenues from sales taxes which are restricted to expenditures for 1989 Measure A and 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.

Note 1. Summary of Significant Accounting Policies, Continued

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

Sales Tax Bonds Capital Projects Fund: This fund records proceeds from the issuance of sales tax 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 revenue bonds.

Measurement focus and basis of accounting: The government-wide 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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, interest revenue, and vehicle registration user fees. Intergovernmental revenues are recognized in the period when all applicable eligibility requirements have been met.

Cash and investments: The Commission maintains cash and investments in accordance with an investment policy adopted initially by the Board on September 13, 1995, and most recently amended May 12, 2010. The investment policy complies with, or is more restrictive than, applicable state statutes. Investments of bond and commercial paper proceeds as permitted by the applicable bond documents are maintained by U.S. Bank as 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 accounts based on average monthly dollar account balances.

The Commission's investment policy authorizes investments in U.S. Treasury notes and bonds, federal agency notes, repurchase agreements, corporate bonds, commercial paper, banker's acceptances, money market mutual funds, the Riverside County Pooled Investment Fund (RCPIF), the State of California Local Agency Investment Fund (LAIF), and certificates of deposit. Other investments permitted by the California Government Code (Code) are permitted but only with prior Board authorization, except for securities that could result in zero interest accrual if held to maturity that are ineligible. LAIF is regulated by Code Section 16429 and is under the management of the State Treasurer with oversight provided by the Local Agency Investment Advisory Board. Oversight of the RCPIF is conducted by the County Treasury Oversight Committee. All investments, except for those related to bond reserve funds, are subject to a maximum maturity of five years unless specific direction to exceed the limit is given by the Board. Local Transportation Fund moneys are legally required to be deposited in the RCPIF.

Note 1. Summary of Significant Accounting Policies, Continued

The RCPIF and the LAIF are carried at fair value based on 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. Investments in U.S. government and agency securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on 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.

Accounts receivable: Accounts receivable consist primarily of Measure A and LTF sales tax revenues from the State Board of Equalization on all taxable sales within the County of Riverside, California through June 30, 2010.

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.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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 of sales tax revenue 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; rail easements; rail stations; and office furniture, equipment, and vehicles are reported in governmental 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. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Highway construction and certain purchases of right of way property, for which title vests with the California Department of Transportation, are included in highway program expenditures. Infrastructure consisting primarily of highway construction and right of way acquisition is 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 toll lanes are recorded as construction in progress, as the Commission anticipates obtaining lease rights from the state to operate such toll lanes for a certain period of time. Accordingly, the Commission adopted Government Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, during the year ended June 30, 2008. 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, furniture and equipment, and vehicles of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Note 1. Summary of Significant Accounting Policies, Continued

Asset Type	Useful Life
Rail stations	10 to 30 years
Office furniture and equipment	3 to 5 years
Vehicles	5 years

Compensated absences: Vacation leave in governmental funds that is due and payable at year-end is reported as an expenditure and a liability of the General fund. Earned vacation leave that is not currently due is reported as a long-term liability in the government-wide financial statements.

Sick leave is recorded as an expenditure in the General fund 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 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.

Risk management: The Commission is exposed to various risks of loss related to 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.

Fund equity: The Commission early implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2010. In the fund financial statements, the governmental funds report nonspendable, restricted, committed, and assigned fund balances to show the level of constraint governing the use of the funds. 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 formal action of the Board. Assigned fund balances comprise amounts intended to be used by the Commission for specific purposes as determined by the Board. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources, as necessary. When committed and assigned resources are available for use, it is the Commission's policy to use committed resources first and then assigned resources, as they are needed.

Net assets: In the government-wide financial statements, net assets represent the difference between assets and liabilities and are classified into three categories:

> **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.
>
> **Restricted net assets** represent the net assets that are not accessible for general use because their use is subject to restrictions enforceable by third parties and enabling legislation.
>
> **Unrestricted net assets (deficit)** represent those net assets that are available (unavailable) for general use.

Note 1. Summary of Significant Accounting Policies, Continued

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted 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 management's budgetary estimates. Administrative salaries and benefits of $853,479 allocated to Measure A in 2010 were less than 1% of revenues and in compliance with the law.

Note 2. Cash and Investments

Cash and investments at June 30, 2010 consist of the following:

	Unrestricted			Restricted Investments	
	Cash	Investments	Total		Total
Cash in bank	$ 1,416,547	$ –	$ 1,416,547	$ –	$ 1,416,547
Petty cash	1,018	–	1,018	–	1,018
RCPIF	–	474,693,056	474,693,056	14,271,405	488,964,461
LAIF	–	3,579,588	3,579,588	–	3,579,588
Investments with fiscal agents	–	–	–	13,786,301	13,786,301
Total cash and investments	$ 1,417,565	$ 478,272,644	$ 479,690,209	$ 28,057,706	$ 507,747,915

As of June 30, 2010, the Commission had the following investments:

Investment	Maturities	Fair Value
First American Government Obligations mutual fund	51 days average	$ 13,786,301
LAIF	203 days average	3,579,588
RCPIF	372 days average	488,964,461
Total investments		$ 506,330,350

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Commission's investment policy requires that a third party bank trust department hold all securities owned by the Commission. All trades are settled on a delivery versus payment basis through the Commission's safekeeping agent.

The Commission has deposits with a bank balance of $7,825,163 with a financial institution; bank balances over $5,000,000 are swept daily into a money market account. Of the bank balance, $5,000,000 is federally insured under the Federal Depository Insurance Corporation's (FDIC) Transaction Account Guarantee Program (Program). Any balance over $5,000,000 is collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the

Note 2. Cash and Investments, Continued

Commission. Beginning July 1, 2010 upon the expiration of the FDIC Program, balances up to $250,000 are federally insured by the FDIC 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.

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.

Credit risk: As of June 30, 2010, the Commission's investment in the RCPIF was rated Aaa/MR1 by Moody's Investors Service (Moody's) and AAA/V1+ by Fitch Ratings (Fitch). The investments in the First American Government Obligations mutual fund were rated AAA by both Moody's and Standard & Poor's Rating Service (S&P). LAIF is not rated. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers acceptances and certificates of deposit.

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-governmental issuer. More than 5 percent of the Commission's investments are in the RCPIF. This investment is 96.6% of the Commission's investments. The investments in the Commercial Paper Capital Projects fund are unexpended commercial paper note proceeds invested in the First American Government Obligations mutual fund. The investments in the Debt Service fund are reserve funds invested in the RCPIF and First American Government Obligations fund for interest and principal as required by the bond agreements.

Note 3. Advances

The Commission has approved interest-bearing advance loans, which are to be funded by debt proceeds, to the cities of Indio and Blythe and the Coachella Valley Association of Governments (CVAG) in the amounts of $4,000,000, $1,500,000, 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. These city of Blythe and Indio loans are due on or before September 1, 2019, and the CVAG loans are due on or before September 1, 2029. The outstanding advances, including capitalized interest of $2,470,848, as of June 30, 2010 were as follows:

City of Blythe	$ 1,700,382
City of Indio	4,847,395
Coachella Valley Associated Governments	22,928,835
Total loans receivable	$ 29,476,612

Additionally, the General Fund has incurred $1,747,885 related to administration on behalf of the Transportation Uniform Mitigation Fee Special Revenue Fund and will be reimbursed over the next two fiscal years.

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2010
Governmental activities				
Capital assets not being depreciated:				
Land and land improvements	$143,071,211	$ 17,000	$ –	$ 143,088,211
Construction in progress	66,561,935	31,423,726	(28,096,491)	69,889,170
Development in progress	175,154	100,150	–	275,304
Rail operating easements	39,484,143	–	–	39,484,143
Total capital assets not being depreciated	249,292,443	31,523,876	(28,096,491)	252,736,828
Capital assets being depreciated:				
Rail stations	63,672,193	34,157,181	–	97,829,374
Office improvements	72,782	–	–	72,782
Office furniture, equipment and vehicles	1,421,721	–	(218,347)	1,203,374
Total capital assets being depreciated	65,166,696	34,157,181	(218,347)	99,105,530
Less accumulated depreciation for:				
Rail stations	(23,273,434)	(3,106,975)	–	(26,380,409)
Office improvements	(28,671)	(10,306)	–	(38,977)
Office furniture, equipment and vehicles	(934,182)	(105,905)	241,554	(798,533)
Total accumulated depreciation	(24,236,287)	(3,223,186)	241,554	(27,217,919)
Total capital assets being depreciated, net	40,930,409	30,933,995	23,207	71,887,611
Governmental activities capital assets, net	$290,222,852	$ 62,474,871	$ (28,073,284)	$324,624,439

Depreciation expense was charged to functions/programs of the Commission's governmental activities during the year ended June 30, 2010 as follows:

General government	$ 64,941
Commuter rail	3,111,861
Commuter assistance	37,509
Planning and programming	8,875
Total depreciation expense	$ 3,223,186

Note 5. 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, 2010 is as follows:

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Measure A Western County Special Revenue fund	$ 271,169	Fringe benefits
General fund	Measure A Coachella Valley Special Revenue fund	407	Fringe benefits
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	28,146	Fringe benefits
General fund	Nonmajor Governmental funds	9,949	Fringe benefits
General fund	Nonmajor Governmental funds	3,325,000	Allocation for Metrolink rail cars
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	1,289,519	Administrative cost allocation
General fund	Nonmajor Governmental funds	290,652	Administrative cost allocation
Measure A Western County Special Revenue fund	Nonmajor Governmental funds	1,503,463	Allocation for commuter rail station parking structure costs
Measure A Western County Special Revenue fund	Commercial Paper Capital Projects fund	10,789,362	Highway and economic development project costs
Commercial Paper Capital Projects fund	Measure A Coachella Valley Special Revenue fund	575,390	Advance loan payment adjustment
Nonmajor Governmental funds	Nonmajor Governmental funds	100,000	Short-term interfund loan
Total due from/to other funds		$ 18,183,057	

Note 5. Interfund Transactions, Continued

Interfund transfers: During 2010, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
Transportation Uniform Mitigation Fee Special Revenue fund	General fund	$ 3,037,404	Administrative cost allocation
Local Transportation Fund	General fund	15,575,469	Allocation for commuter rail operating and station maintenance costs
Sales Tax Bonds Capital Projects fund	General fund	46,237	Funding of debt issuance costs
Nonmajor Governmental funds	General fund	290,652	Administrative cost allocation
Nonmajor Governmental funds	General fund	3,325,000	Allocation for Metrolink rail cars
Commercial Paper Capital Projects fund	Measure A Western County Special Revenue fund	16,093,722	Highway and economic development project costs
Nonmajor Governmental funds	Measure A Western County Special Revenue fund	373,013	Allocation for commuter rail capital project costs
Sales Tax Bonds Capital Projects fund	Commercial Paper Capital Projects fund	53,716,000	Transfer of bond proceeds for retirement of commercial paper notes
Nonmajor Governmental funds	Debt Service fund	116,342	Close-out capital projects fund
Measure A Western County Special Revenue fund	Debt Service fund	9,458,583	Debt service related to highways for Western County
Commercial Paper Capital Projects fund	Debt Service fund	1,424,731	Debt service related to loan agreements for Coachella Valley and Palo Verde Valley jurisdictions
Nonmajor Governmental funds	Nonmajor Governmental funds	454,700	Call box program augmentation of freeway service patrol operations
Sales Tax Bonds Capital Projects fund	Debt Service fund	921,374	Transfer of bond proceeds for increase in debt service reserve
Total transfers		$ 104,833,227	

Note 6. Long-term Obligations and Subsequent Events

The following is a summary of the changes in long-term obligations for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Bonds payable	$ 126,395,000	$ 185,000,000	$ (130,395,000)	$ 181,000,000	$ 6,300,000
Add: Issuance premiums	1,143,888	–	(1,143,888)	–	–
Less: Issuance discounts	–	(278,685)	10,384	(268,301)	(13,934)
Total bonds payable	127,538,888	184,721,315	(131,528,504)	180,731,699	6,286,066
Commercial paper notes	110,000,000	27,000,000	(53,716,000)	83,284,000	–
Capital lease	100,652	–	(22,548)	78,104	23,229
Compensated absences	475,099	793,290	(756,827)	511,562	268,706
Total long-term obligations	$ 238,114,639	$ 212,514,605	$ (186,023,879)	$ 264,605,365	$ 6,578,001

The Commission has pledged a portion of future sales tax revenues to repay $181,000,000 in sales tax revenue bonds payable issued in October 2009 and $83,284,000 in commercial paper notes payable outstanding at June 30, 2010. The bonds and notes are payable solely from the 2009 Measure A sales tax revenues. Annual principal and interest payments on the bonds and notes are expected to require less than 12% of 2009 Measure A revenues. For the current year, interest paid on the bonds and commercial paper notes was $4,918,183 and $319,431, respectively.

Bonds payable: Under the provisions of the 2009 Measure A, the Commission has the authority to issue bonds subject to a bond debt limitation of $500,000,000. The following is a summary of bonds issued and secured by 2009 Measure A revenues that are outstanding at June 30, 2010:

2009 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A, B, and C: In October 2009, the Commission issued sales tax revenue bonds consisting of the $85,000,000 Series A, $65,000,000 Series B, and $35,000,000 Series C, for a total issuance of $185,000,000 (2009 Bonds). A portion of the 2009 Bonds was used to current refund all, or $126,395,000, of the 2008 Bonds and retire $53,716,000 of the outstanding commercial paper notes with the remaining proceeds used to fund a portion of the debt service reserve and pay costs of issuance for the 2009 Bonds. The 2009 Bonds mature in annual installments ranging from $4,000,000 to $13,700,000 on various dates through June 1, 2029 with variable interest rates set in connection with remarketing efforts on a weekly basis. The 2009 Bonds are integrated with the interest rate swaps that became effective in October 2009, thereby creating synthetic fixed rate debt.

The 2009 Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the Commission's applicable remarketing agent. Barclays Capital Inc., E.J. De La Rosa & Co., Inc., and Backstrom McCarley Berry & Co., LLC are the remarketing agents for the 2009 Bonds Series A, B, and C, respectively. The remarketing agent is required to use its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The 2009 Bonds are secured by Standby Bond Purchase Agreements (SBPAs) with JPMorgan Chase Bank (JPMorgan) which expire in September 2011. Under the SBPAs, if the 2009 Bonds are not successfully remarketed or repaid according to their terms or if the existing SBPAs are not renewed and the Commission does not replace the SBPAs or otherwise refinance the 2009 Bonds, JPMorgan is required to purchase the 2009 Bonds. Any of the 2009 Bonds purchased by JPMorgan constitute bank bonds that bear interest at the bank rate, which may not exceed the maximum rate of 18%. If the Commission does not reimburse JPMorgan within 180 days following JPMorgan's purchase of any 2009 Bonds or the expiration of the SBPAs, the Commission would be required to redeem the bank bonds over a period of three years. The Commission is required to pay to JPMorgan an annual commitment fee for the SBPAs of 1.25% of the outstanding principal amount of the 2009 Bonds plus 34 days of interest at an interest rate of 12%. Additionally the Commission is required to pay the remarketing agents an annual fee of .10% of the outstanding principal amount of the bonds. The required reserve amount is $14,213,201. $181,000,000

Note 6. Long-term Obligations and Subsequent Events, Continued

In accordance with the bond maturity schedule, annual debt service requirements to maturity for bonds payable, based on the rates of the interest rate swaps and the costs of liquidity and the renewal or replacement of the SBPAs, throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 6,300,000	$ 8,579,868	$ 14,879,868
2012	6,500,000	7,641,552	14,141,552
2013	6,800,000	7,125,884	13,925,884
2014	7,100,000	6,840,008	13,940,008
2015	7,400,000	6,541,805	13,941,805
2016-2020	42,600,000	27,759,591	70,359,591
2021-2025	52,900,000	17,967,973	70,867,973
2026-2029	51,400,000	5,752,690	57,152,690
	$ 181,000,000	$ 88,209,371	$ 269,209,371

If the SBPAs with JPMorgan are not renewed or replaced upon expiration in September 2011 and the Commission does not otherwise refinance the 2009 Bonds, the annual debt service requirements for the succeeding fiscal years based on an assumed interest of 9.50% are as follows:

Year Ending June 30	Principal	Interest	Total
2012	$ 29,116,670	$ 8,275,515	$ 37,392,185
2013	58,233,340	12,458,742	70,692,082
2014	58,233,340	6,926,575	65,159,915
2015	29,116,650	1,394,408	30,511,058
	$ 174,700,000	$ 29,055,240	$ 203,755,240

The Commission believes it is highly unlikely that the SBPAs will not be renewed or replaced and that the 2009 Bonds, in that event, would not be refinanced.

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. From inception through 2008, the Commission issued commercial paper notes aggregating $110,005,000, which were refinanced in June 2008 by the 2008 Sales Tax Revenue Bonds. During 2009 the Commission issued $110,000,000 in commercial paper notes, of which $53,716,000 were retired by the 2009 Sales Tax Revenue Bonds. In 2010, the Commission issued commercial paper notes of $27,000,000. At June 30, 2010, the outstanding commercial paper notes were $83,284,000. 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%. The commercial paper interest rates at June 30, 2010 range from .30% to .38%.

As a requirement for the issuance of the commercial paper notes, the Commission entered into a $190,000,000 irrevocable direct draw letter of credit and reimbursement agreement with Bank of America, N.A. (Bank of America) as credit and liquidity support for the commercial paper notes. In February 2010, the agreement was amended for $121,500,000 and extended through March 2012. Funds are drawn under the letter of credit to pay debt service on the commercial paper notes, and the Commission is required to reimburse Bank of America 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

Note 6. Long-term Obligations and Subsequent Events, Continued

unreimbursed draws by the Commission on this letter of credit authorization during the year ended June 30, 2010, nor were there any amounts outstanding under this letter of credit agreement at June 30, 2010.

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 value of $117,127 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, 2010 are as follows:

Year Ending June 30		Total
2011	$	25,241
2012		25,241
2013		25,241
2014		6,310
Total minimum lease payments		82,033
Less amount representing interest		(3,929)
Present value of minimum lease payments	$	78,104

Interest rate swaps: As a means to achieve a greater level of interest rate stability, specifically rising interest rates that would negatively impact cash flows, the Commission entered into two forward-starting interest rate swaps in August 2006 for a total notional amount of $185,000,000 whereby it swapped obligations to pay fixed rates for those that pay a floating rate. The counterparty for the first swap ($100,000,000 notional amount) is Bank of America, and the counterparty for the second swap ($85,000,000 notional amount) was Lehman Brothers Derivative Products Inc. (Lehman Brothers DP). In September 2008, Lehman Brothers Holdings filed for bankruptcy, which was a trigger event under the swap agreement with Lehman Brothers DP. As a result of the trigger event, the swap agreement was terminated on September 23, 2008. A termination payment of $3,452,453 was paid to Lehman Brothers DP on October 1, 2008. The Commission entered into a replacement swap with Deutsche Bank AG (Deutsche Bank) for a notional amount of $85,000,000 on September 24, 2008. Under the swap agreements which became effective on October 1, 2009, the Commission will pay Bank of America and Deutsche Bank (Counterparties) a fixed rate of 3.679% and 3.206%, respectively, for twenty years, the term of the 2009 Sales Tax Revenue Bonds; the Counterparties will pay the Commission a floating rate equal to 67% of the one-month London Interbank Offer Rate (LIBOR).

The Commission has implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This standard prescribes the accounting and financial reporting required for derivative instruments that hedge identified financial risks. If the derivative instrument is determined to be effective in reducing the identified exposure, hedge accounting provides that changes in the fair value of the hedging instrument—in this instance, the interest rate swap—be reported as either deferred inflows or deferred outflows in a government's statement of net assets. To evaluate the effectiveness of the swaps, the Synthetic Instrument Method prescribed by the standard was employed. The resulting analysis indicates the swaps are effective as hedging instruments. The fair value or marked-to-market value of the Bank of America and Deutsche Bank swaps as of June 30, 2010 are ($14,907,041) and ($8,580,933), respectively. This is the amount the Commission would owe as of this date should the swap be terminated. The terms and fair values of the outstanding swaps as of June 30, 2010 are as follows:

Note 6. Long-term Obligations and Subsequent Events, Continued

Associated Debt Issue	Counterparty	Notional Amount	Effective Date	Fixed Rate to be Paid	Variable Rate to be Received	Fair Value	Swap Termination Date
2009 Bonds	Bank of America	$ 97,800,000	10/01/2009	3.679%	67% of LIBOR	$ (14,907,041)	06/01/2029
2009 Bonds	Deutsche Bank	83,200,000	10/01/2009	3.206%	67% of LIBOR	(8,580,933)	06/01/2029
		$ 181,000,000				$ (23,487,974)	

The interest rate swaps are, among other things, subject to credit, interest rate, basis, and termination risk.

Credit risk: The following table compares the counterparty credit ratings at June 30, 2010 against their threshold rating for termination:

Bank of America	Moody's	S&P
Senior Debt	Aa3	A+
Threshold Amount	$20,000,000	$20,000,000

Deutsche Bank	Moody's	S&P
Senior Debt	Aa3	A+
Threshold Amount	$20,000,000	$20,000,000

Under the agreements, a swap termination event may occur if the Counterparties' credit ratings fall to the threshold level and, after 30 days' notice, collateral in the form of U.S. treasury and certain federal agency securities as required by the agreements is not delivered in favor of the Commission.

Interest rate risk: The Commission is exposed to interest rate risk on its pay fixed, receive variable interest rate swaps. As LIBOR decreases, the District's net payments on the swaps increase.

Basis risk: The Commission is exposed to basis risk on the swaps because the variable rate payments received by the Commission are based on an index other than interest rates the Commission pays on hedged variable rate debt. For the year ended June 30, 2010, the Commission's 2009 Sales Tax Revenue Bonds, Series A, which are hedged by the Deutsche Bank swap, and 2009 Sales Tax Revenue Bonds, Series B and C, which are hedged by the Bank of America swap, had weighted average variable rates of 0.230% and 0.235%, respectively. Over the same period, the weighted average of 67% of one-month LIBOR was 0.177%, an approximate 5.3 and 5.9 basis point loss for the Commission related to the Deutsche Bank and Bank of America swaps, respectively.

Termination risk: The swaps may be terminated by the Commission or its Counterparties if the other party fails to perform under the terms of the contract or at the Commission's option to terminate the transaction. If, at the time of termination, the swap is in a liability position, the Commission would be obligated to pay the counterparty the liability position.

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, 2010.

Note 6. Long-term Obligations and Subsequent Events, Continued

Subsequent events: In July 2010, the Commission authorized the issuance and sale of not to exceed $900 million of toll revenue bonds related to the SR-91 Corridor Improvement Project. In September 2010, the Commission issued $20,000,000 in additional commercial paper notes. In October 2010, the Commission authorized the issuance and sale of not to exceed $150 million of sales tax revenue bonds and the reduction of the commercial paper program to $120,000,000.

Note 7. Net Assets and Fund Balances

Net assets: Invested in capital assets, net of related debt, as reported on the government-wide statement of net assets represents capital assets of $324,624,439, net of related debt of $30,406,176. The related debt includes the portion of the 2009 sales tax revenues bonds that were used for the development of the toll lane capital assets. Additionally, the government-wide statement of net assets reports $549,781,414 of restricted assets, of which $549,484,341 is restricted by third parties or enabling legislation.

Fund balances

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

Loans and advances receivable: Amounts advanced to certain cities and CVAG under 2009 Measure A funding agreements are reflected as restricted as use of the proceeds from the collection of these receivables is restricted.

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: Commuter rail projects anticipate the use of existing rail lines, and 1989 Measure A funds are restricted for costs related to planning, capital improvements, right of way purchase, and/or use rights agreements. 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.

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

Note 7. Net Assets and Fund Balances, Continued

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 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 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 1989 Measure A and 2009 Measure A. Funds for intercity bus services in Western County and bus replacement and more frequent service in the Coachella Valley are restricted as stipulated by the 2009 Measure A.

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

Transportation Development Act: Restricted fund balance for the Local Transportation Fund represent the unclaimed apportionments related to claims for transit programs, allocations available for bicycle and pedestrian facilities, prepaid transit allocations, and earned but not received revenues. Restricted fund balance for the State Transit Assistance represents the unclaimed apportionments related to claims for transit. The TDA restrictions at June 30, 2010 are as follows:

	Local Transportation Fund	State Transit Assistance	Total
Bicycle and pedestrian facilities	$ 3,931,233	$ –	$ 3,931,233
Planning and programming, allocated and unclaimed	$ 49,081	$ –	$ 49,081
Transit and specialized transportation			
Western County:			
Bus transit:			
City of Banning	$ –	$ 792,909	$ 792,909
City of Beaumont	–	1,200,290	1,200,290
City of Corona	–	315,668	315,668
City of Riverside	–	405,000	405,000
Riverside Transit Agency	–	9,512,886	9,512,886
Apportioned and unallocated	34,153,090	12,678,961	46,832,051
Commuter rail:			
Commission	6,629,837	1,677,491	8,307,328
Apportioned and unallocated	17,719,143	2,629,545	20,348,688
Total Western County	58,502,070	29,212,750	87,714,820
Coachella Valley:			
SunLine Transit Agency	1,113,905	1,095,606	2,209,511
Apportioned and unallocated	1,037,413	2,930,752	3,968,165
Total Coachella Valley	2,151,318	4,026,358	6,177,676
Palo Verde Valley:			
Palo Verde Valley Transit Agency	369,061	197,555	566,616
Apportioned and unallocated for transit and local streets and roads	263,709	175,228	438,937
Total Palo Verde Valley	632,770	372,783	1,005,553
Unapportioned carryover, net	9,609,497	–	9,609,497
Total transit and specialized transportation	$ 70,895,655	$ 33,611,891	$ 104,507,546

Note 7. Net Assets and Fund Balances, Continued

Commuter rail: Restricted fund balance represents TDA monies in the General fund to be used for commuter rail operations.

Planning and programming: Restricted fund balance represents TDA monies in the General fund to be used for planning and programming services.

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

> **CETAP:** Funds for the development of new transportation corridors are used to provide congestion relief and mobility within the County and between the County and its neighboring Orange and San Bernardino counties. Funds will be matched by revenues of $370 million generated from the 2009 Measure A.
>
> **Regional arterials:** Funds for regional arterials are used to implement the planned Western County regional arterial system. Funds will be matched by revenues of $300 million generated from the 2009 Measure A.

Right of way management: Highway and rail lease monies to be used for the management of Commission properties have been committed by the Commission.

Motorist assistance: Funds in the Service Authority for Freeway Emergencies and Freeway Service Patrol Special Revenue funds of $6,382,498 and $297,073, respectively, to assist motorists on County roads are restricted as stipulated by the State.

Note 8. Commitments and Contingencies

Operating lease: The Commission has entered into an operating lease agreement for office facilities. The term of the lease is for a period of ten years expiring on October 30, 2012 and may be extended for two additional five-year terms. Rental expenditures for the fiscal year ended June 30, 2010 were $360,692.

The total minimum rental commitment at June 30, 2010 is due as follows:

Year Ending June 30	Amount
2011	$ 395,373
2012	411,682
2013	161,906
Total minimum rental commitment	$ 968,961

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.

Litigation: Certain claims involving disputed construction costs 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.

Note 8. Commitments and Contingencies, Continued

Project funding advances: In January 2006, the Commission authorized the TUMF Special Revenue fund to advance $3,114,600 to the State to replace state and federal funding for the State Route (SR) 91/Green River interchange project. During the year ended June 30, 2010, there were no additional advances to the State from the TUMF Special Revenue fund for the SR-91/Green River interchange project.

In December 2004, the Commission authorized the TUMF Special Revenue fund to advance $13,046,000 to the State to replace state and federal funding for the SR-60 widening project from Interstate (I) 15 to Valley Way. The final agreement with the State resulted in a reduction of the Commission's commitment to $8,881,000. During the year ended June 30, 2010, there were no additional advances to the State from the TUMF Special Revenue fund for the SR-60 widening project.

Cumulative advances as of June 30, 2010 for the SR-91/Green River interchange and SR-60 widening projects were $3,114,600 and $8,636,096, respectively. The advances are to be repaid in the form of a commitment of future State funding on TUMF projects; in various actions since 2006, the Commission approved programming the County's share of State funding to the SR-91/Van Buren interchange, a TUMF project, and the future State funding commitment to the 60/215 East Junction high occupancy vehicle lane connectors project. The California Transportation Commission (CTC) allocated the funds for the SR-91/Van Buren interchange and the 60/215 East Junction projects in October 2009 and May 2010, respectively.

Note 9. Joint Agreements

Joint venture: 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 $9,952,939 during 2010 for its share of Metrolink capital and operating costs. As of June 30, 2010, cumulative capital contributions were $29,924,997. 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 700 N. Flower Street, 26th Floor, Los Angeles, California 90017.

On September 12, 2008, one of the Metrolink trains was involved in a collision with a freight train. Management has not determined the impact, if any, of this incident on the financial condition of the Commission.

Cooperative agreement: In May 2006 the Commission entered into a cooperative agreement, Riverside Orange Corridor Authority, with OCTA and the Transportation Corridor Agencies to jointly exercise the common powers of the parties to manage geotechnical studies regarding the Riverside Orange Corridor. The Commission is the recipient and administering entity of federal and state funds as may be necessary to accomplish this work, and the three agencies will share in meeting the local agency matching requirements. As of June 30, 2010, the Commission was not required to make any contributions.

Note 10. Employees' Pension Plans

Public Employees' Retirement System: The Commission contracts with the State of California Public Employees' Retirement System (PERS) to provide its employees retirement as well as death and retirement disability benefits, which are paid by the PERS under a cost sharing multiple-employer plan. Copies of the PERS' annual financial report may be obtained from its executive office located at 400 P Street, Sacramento, California 95814, or by visiting the PERS website at www.calpers.ca.gov.

Note 10. Employees' Pension Plans, Continued

Through the June 30, 2003 valuation, the PERS plan was an agent multiple-employer retirement plan. Effective July 1, 2003, due to the Commission having less than 100 active members, the Commission's PERS plan was converted from an agent multiple-employer plan (former plan) to a cost sharing multiple-employer plan. The former plan is an aggregation of single employer plans, where separate accounts are maintained for each employer and contributions by the employer benefit only the employees of the employer. Under this plan, separate actuarial valuations are performed for each employer, and the results are attributed to and accounted for by the employer. The cost sharing multiple-employer plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. Periodic employer pension expense can be significantly different between the plan types. The change to the pooling arrangement was initially effective for the Commission's required contribution rate during the fiscal year ended June 30, 2006.

At the time of joining the risk pool under the cost-sharing multiple-employer plan, a side fund (the amount that the Commission would owe PERS if it exited the plan) was created to account for the difference between the funded status of the pool and the funded status of the Commission's plan. As of the June 30, 2008 valuation (most current valuation available), the estimated amount of the side fund liability was $1,573,255.

All permanent Commission employees are eligible to participate in PERS. Employees 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. Upon separation from the plan prior to retirement, members' accumulated contributions are refundable with interest credited through the date of separation.

The Commission pays the employees' required contribution of 8% of regular earnings. New employees hired after November 28, 2002 are responsible for 1% of the 8% required contribution. The Commission is required to contribute the remaining amounts necessary to fund the benefits of its members, using the actuarially determined rate, which was 20.470% for the fiscal year ended June 30, 2010.

Three-year trend information for PERS:

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2010	$ 807,367	100%	$ –
2009	893,063	100%	–
2008	767,046	100%	–

401(a) plan: The Commission offers its employees a 401(a) 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 $3,761,663. The Commission's contributions to the Plan were $279,141 for the year ended June 30, 2010.

Note 11. Other Postemployment Benefits (OPEB)

Plan information: Per Resolution of the Board, the Commission provides postretirement 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 postretirement 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 postretirement 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.

In June 2007, the Commission adopted a resolution for an election of the Commission to prefund postretirement health benefits through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit health care plan administered by PERS. The System accepted the Commission's application to participate in the CERBT in September 2007. Copies of the CERBT Prefunding Plan annual financial report may be obtained from its executive office or its website.

Plan funding policy: The contribution requirements of plan members are established and may be amended by the Commission. Currently, OPEB contributions are not required from plan members.

The Commission has adopted a policy to fund 100% of the future ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and the amortization of unfunded actuarial accrued liabilities (or funding excess) over a 20-year period. The Commission is required to contribute the amounts necessary to fund the benefits of its members, using the actuarially determined rate, which was 6.2% for the fiscal year ended June 30, 2010.

Annual OPEB cost: For 2010, the Commission's OPEB cost of $241,000 was equal to the ARC. The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding two years were as follows:

Fiscal Year Ended June 30	OPEB Annual Required Contribution (ARC)	Percentage of OPEB ARC Contributed	Net OPEB Obligation
2010	$ 241,000	100%	$ –
2009	172,000	100%	–
2008	289,000	100%	–

Funded status and funding progress: The funded status of the plan as of January 1, 2009, was as follows:

Actuarial accrued liability (AAL)	$ 2,145,000
Actuarial value of plan assets	1,583,000
Unfunded actuarial accrued liability (UAAL)	$ 562,000
Funded ratio (actuarial value of plan assets/AAL)	73.8%
Covered payroll (active plan members)	$ 3,761,663
UAAL as a percentage of covered payroll	14.9%

Note 11. Other Postemployment Benefits (OPEB), Continued

Actuarial valuations: Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the Commission are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Commission and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Commission and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return. The annual healthcare cost trend rate for non-Medicare eligible health maintenance organization (HMO) and preferred provider organization (PPO) premiums were 9.7% and 10.5%, respectively; Medicare eligible HMO and PPO premiums were 10.1% and 10.9%, respectively. The trend rate was reduced by decrements to an ultimate rate of 4.5% after ten years. A 3.25% annual rate of increase in future salaries is also assumed in the valuation. The Commission's UAAL will be amortized as a level percentage of projected covered payroll on a closed basis over a 20-year period.

Note 12. 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 13. Pronouncements Issued, Not Yet Effective

The GASB issued pronouncements prior to June 30, 2010 that have an effective date that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Commission.

- GASB Statement No. 57, *Accounting and Financial Reporting for OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and
- GASB Statement No. 59, *Financial Instruments Omnibus*.

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, 2010

	General			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**
Revenues				
Sales taxes	$ 31,425,300	$ 22,238,700	$ 2,700,000	$ (19,538,700)
Intergovernmental	6,826,100	5,751,100	1,571,702	(4,179,398)
Interest	83,600	83,600	49,065	(34,535)
Other	686,100	686,100	1,373,958	687,858
Total revenues	39,021,100	28,759,500	5,694,725	(23,064,775)
Expenditures				
Current:				
General government	4,625,200	4,797,400	4,188,440	608,960
Commuter rail	24,279,100	14,355,100	13,421,832	933,268
Planning and programming	11,158,900	11,264,600	5,196,946	6,067,654
Right of way management	1,364,600	1,486,300	1,428,066	58,234
Transit and specialized transportation	484,200	484,200	382,764	101,436
Total programs	41,912,000	32,387,600	24,618,048	7,769,552
Debt service:				
Principal	-	22,550	22,548	2
Interest	-	2,700	2,693	7
Total debt service	-	25,250	25,241	9
Capital outlay	375,500	405,500	170,179	235,321
Total expenditures	42,287,500	32,818,350	24,813,468	8,004,882
Excess (deficiency) of revenues over (under) expenditures	(3,266,400)	(4,058,850)	(19,118,743)	(15,059,893)
Other financing sources (uses)				
Transfers in	591,100	591,100	22,274,762	21,683,662
Transfers out	(14,300)	(14,300)	-	14,300
Total other financing sources (uses)	576,800	576,800	22,274,762	21,697,962
Net change in fund balances	$ (2,689,600)	$ (3,482,050)	3,156,019	$ 6,638,069
Fund balances at beginning of year			10,105,419	
Fund balances at end of year			$ 13,261,438	

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, 2010

	Measure A Western County				Measure A Coachella Valley			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	$ 89,414,600	$ 79,713,600	$ 83,785,433	$ 4,071,833	$ 28,403,000	$ 25,619,000	$ 27,229,393	$ 1,610,393
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-
Intergovernmental	54,395,200	74,292,200	21,654,820	(52,637,380)	-	-	-	-
Interest	1,530,900	1,530,900	2,229,131	698,231	46,300	46,300	46,001	(299)
Other	-	-	461,007	461,007	-	-	-	-
Total revenues	145,340,700	155,536,700	108,130,391	(47,406,309)	28,449,300	25,665,300	27,275,394	1,610,094
Expenditures								
Current:								
General government	-	2,122,000	2,310,027	(188,027)	-	-	-	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-
CETAP	-	-	-	-	-	-	-	-
Commuter assistance	6,220,300	6,202,300	3,228,709	2,973,591	-	-	-	-
Commuter rail	71,358,800	71,173,800	20,312,056	50,861,744	-	-	-	-
Highways	143,032,100	134,786,000	35,801,360	98,984,640	19,872,100	6,747,400	3,269,874	3,477,526
Local streets and roads	25,751,000	24,365,700	23,915,511	450,189	9,436,000	9,615,100	9,502,752	112,348
Planning and programming	-	-	-	-	-	-	-	-
Regional arterials	27,900	28,400	537	27,863	2,458,900	13,761,600	11,920,309	1,841,291
Transit and specialized transportation	6,320,200	6,069,100	3,219,083	2,850,017	4,260,000	3,719,000	3,713,988	5,012
Total programs	252,710,300	244,747,300	88,787,283	155,960,017	36,027,000	33,843,100	28,406,923	5,436,177
Debt service:								
Interest	6,500,000	1,747,300	-	1,747,300	-	-	-	-
Total debt service	6,500,000	1,747,300	-	1,747,300	-	-	-	-
Capital outlay	735,000	273,000	(46,099)	319,099	-	-	-	-
Total expenditures	259,945,300	246,767,600	88,741,184	158,026,416	36,027,000	33,843,100	28,406,923	5,436,177
Excess (deficiency) of revenues over (under) expenditures	(114,604,600)	(91,230,900)	19,389,207	110,620,107	(7,577,700)	(8,177,800)	(1,131,529)	7,046,271
Other financing sources (uses)								
Transfers in	52,846,200	53,575,200	16,466,735	(37,108,465)	-	-	-	-
Transfers out	(1,153,900)	(1,882,900)	(9,458,583)	(7,575,683)	(1,556,500)	(1,051,500)	-	1,051,500
Total other financing sources (uses)	51,692,300	51,692,300	7,008,152	(44,684,148)	(1,556,500)	(1,051,500)	-	1,051,500
Net change in fund balances	$ (62,912,300)	$ (39,538,600)	26,397,359	$ 65,935,959	$ (9,134,200)	$ (9,229,300)	(1,131,529)	$ 8,097,771
Fund balances at beginning of year			233,744,173				5,161,226	
Fund balances (deficit) at end of year			$ 260,141,532				$ 4,029,697	

	Transportation Uniform Mitigation Fee				Local Transportation Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	$ -	$ -	$ -	$ -	$ 59,000,000	$ 52,500,000	$ 56,697,890	$ 4,197,890
Transportation Uniform Mitigation Fee	6,173,000	6,298,000	8,618,231	2,320,231	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Interest	606,900	606,900	885,393	278,493	627,900	627,900	540,043	(87,857)
Other	-	-	-	-	-	-	-	-
Total revenues	6,779,900	6,904,900	9,503,624	2,598,724	59,627,900	53,127,900	57,237,933	4,110,033
Expenditures								
Current:								
General government	-	-	-	-	762,000	712,000	12,000	700,000
Bicycle and pedestrian facilities	-	-	-	-	1,200,000	1,200,000	317,048	882,952
CETAP	7,394,200	7,404,300	2,362,393	5,041,907	-	-	-	-
Commuter assistance	-	-	-	-	-	-	-	-
Commuter rail	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Local streets and roads	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	1,908,500	1,871,900	115,300	1,756,600
Regional arterials	30,307,400	42,145,700	14,450,493	27,695,207	-	-	-	-
Transit and specialized transportation	-	-	-	-	69,030,000	58,988,500	34,649,154	24,339,346
Total programs	37,701,600	49,550,000	16,812,886	32,737,114	72,900,500	62,772,400	35,093,502	27,678,898
Debt service:								
Interest	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	37,701,600	49,550,000	16,812,886	32,737,114	72,900,500	62,772,400	35,093,502	27,678,898
Excess (deficiency) of revenues over (under) expenditures	(30,921,700)	(42,645,100)	(7,309,262)	35,335,838	(13,272,600)	(9,644,500)	22,144,431	31,788,931
Other financing sources (uses)								
Transfers in	6,790,000	6,790,000	-	(6,790,000)	-	-	-	-
Transfers out	(7,035,100)	(7,035,100)	(3,037,404)	3,997,696	-	-	(15,575,469)	(15,575,469)
Total other financing sources (uses)	(245,100)	(245,100)	(3,037,404)	(2,792,304)	-	-	(15,575,469)	(15,575,469)
Net change in fund balances	$ (31,166,800)	$ (42,890,200)	(10,346,666)	$ 32,543,534	$ (13,272,600)	$ (9,644,500)	6,568,962	$ 16,213,462
Fund balances at beginning of year			93,964,947				68,307,007	
Fund balances (deficit) at end of year			$ 83,618,281				$ 74,875,969	

See notes to required supplementary information

Riverside County Transportation Commission

Schedule of Funding Progress for Postretirement Health Care

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	$ 1,583,000	$ 2,145,000	$ 562,000	73.8%	$ 3,805,596	14.8%
June 30, 2007	-	1,794,000	1,794,000	0.0%	2,396,757	74.9%

See notes to required supplementary information

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.

Funding Progress for Postretirement Health Benefits

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Other Supplementary Information

Nonmajor Governmental Funds Description

Special Revenue Funds

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

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

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

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

Capital Projects Fund

Measure A Western County: This fund is used to account for sales tax revenue bond proceeds used for Western County highway projects.

Riverside County Transportation Commission

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2010

	Special Revenue					Capital Projects	
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Total	Measure A Western County	Total Nonmajor Governmental Funds
Assets							
Cash and investments	$ 556	$ 12,826	$ 6,199,264	$ 38,517,871	$ 44,730,517	$ -	$ 44,730,517
Receivables:							
Accounts	312,317	767,676	292,218	-	1,372,211	-	1,372,211
Interest	1	151	14,218	75,197	89,567	-	89,567
Due from other funds	-	-	100,000	-	100,000	-	100,000
Total assets	$ 312,874	$ 780,653	$ 6,605,700	$ 38,593,068	$ 46,292,295	$ -	$ 46,292,295
Liabilities and fund balances							
Liabilities:							
Accounts payable	$ -	$ 222,862	$ 83,319	$ 152,714	458,895	$ -	$ 458,895
Due to other funds	-	260,718	139,883	4,828,463	5,229,064	-	5,229,064
Other liabilities	272,948	-	-	-	272,948	-	272,948
Total liabilities	272,948	483,580	223,202	4,981,177	5,960,907	-	5,960,907
Fund balances:							
Restricted for:							
Local streets and roads	39,926	-	-	-	39,926	-	39,926
Motorist assistance	-	297,073	6,382,498	-	6,679,571	-	6,679,571
Transit and specialized transportation	-	-	-	33,611,891	33,611,891	-	33,611,891
Total fund balances	39,926	297,073	6,382,498	33,611,891	40,331,388	-	40,331,388
Total liabilities and fund balances	$ 312,874	$ 780,653	$ 6,605,700	$ 38,593,068	$ 46,292,295	$ -	$ 46,292,295

Riverside County Transportation Commission

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2010

	Special Revenue					Capital Projects	
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Total	Measure A Western County	Total Nonmajor Governmental Funds
Revenues							
Sales taxes	$ 811,428	$ -	$ -	$ 12,801,951	$ 13,613,379	$ -	$ 13,613,379
Intergovernmental	-	1,893,839	1,648,963	-	3,542,802	-	3,542,802
Interest	301	46	57,331	277,337	335,015	(366)	334,649
Other	-	-	18,676	-	18,676	-	18,676
Total revenues	811,729	1,893,885	1,724,970	13,079,288	17,509,872	(366)	17,509,506
Expenditures							
Current:							
Local streets and roads	840,050	-	-	-	840,050	-	840,050
Motorist assistance	-	2,227,740	759,396	-	2,987,136	-	2,987,136
Transit and specialized transportation	-	-	-	1,855,236	1,855,236	-	1,855,236
Total expenditures	840,050	2,227,740	759,396	1,855,236	5,682,422	-	5,682,422
Excess (deficiency) of revenues over (under) expenditures	(28,321)	(333,855)	965,574	11,224,052	11,827,450	(366)	11,827,084
Other financing sources (uses):							
Transfers in	-	454,700	-	-	454,700	-	454,700
Transfers out	-	(151,686)	(593,666)	(3,698,013)	(4,443,365)	(116,342)	(4,559,707)
Total other financing sources (uses)	-	303,014	(593,666)	(3,698,013)	(3,988,665)	(116,342)	(4,105,007)
Net change in fund balances	(28,321)	(30,841)	371,908	7,526,039	7,838,785	(116,708)	7,722,077
Fund balances at beginning of year	68,247	327,914	6,010,590	26,085,852	32,492,603	116,708	32,609,311
Fund balances at end of year	$ 39,926	$ 297,073	$ 6,382,498	$ 33,611,891	$ 40,331,388	$ -	$ 40,331,388

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual—Nonmajor Special Revenue Funds

Year Ended June 30, 2010

	Measure A Palo Verde Valley				Freeway Service Patrol			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	$ 899,000	$ 812,000	$ 811,428	$ (572)	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	2,109,300	2,109,300	1,893,839	(215,461)
Interest	700	700	301	(399)	5,700	5,700	46	(5,654)
Other	-	-	-	-	-	-	-	-
Total revenues	899,700	812,700	811,729	(971)	2,115,000	2,115,000	1,893,885	(221,115)
Expenditures								
Current:								
Local streets and roads	721,900	880,000	840,050	39,950	-	-	-	-
Motorist assistance	-	-	-	-	2,543,000	2,545,000	2,227,740	317,260
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total programs	721,900	880,000	840,050	39,950	2,543,000	2,545,000	2,227,740	317,260
Total expenditures	721,900	880,000	840,050	39,950	2,543,000	2,545,000	2,227,740	317,260
Excess (deficiency) of revenues over (under) expenditures	177,800	(67,300)	(28,321)	38,979	(428,000)	(430,000)	(333,855)	96,145
Other financing sources (uses)								
Transfers in	-	-	-	-	433,700	433,700	454,700	21,000
Transfers out	(177,100)	-	-	-	(14,000)	(14,000)	(151,686)	(137,686)
Total other financing sources (uses)	(177,100)	-	-	-	419,700	419,700	303,014	(116,686)
Net change in fund balances	$ 700	$ (67,300)	(28,321)	$ 38,979	$ (8,300)	$ (10,300)	(30,841)	$ (20,541)
Fund balances at beginning of year			68,247				327,914	
Fund balances at end of year			$ 39,926				$ 297,073	

	Service Authority for Freeway Emergencies				State Transit Assistance			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues								
Sales taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,801,951	$ 12,801,951
Intergovernmental	1,625,000	1,625,000	1,648,963	23,963	-	-	-	-
Interest	60,700	60,700	57,331	(3,369)	194,800	194,800	277,337	82,537
Other	60,000	60,000	18,676	(41,324)	-	-	-	-
Total revenues	1,745,700	1,745,700	1,724,970	(20,730)	194,800	194,800	13,079,288	12,884,488
Expenditures								
Current:								
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	843,000	841,000	759,396	81,604	-	-	-	-
Transit and specialized transportation	-	-	-	-	6,962,300	5,787,300	1,855,236	3,932,064
Total programs	843,000	841,000	759,396	81,604	6,962,300	5,787,300	1,855,236	3,932,064
Total expenditures	843,000	841,000	759,396	81,604	6,962,300	5,787,300	1,855,236	3,932,064
Excess (deficiency) of revenues over (under) expenditures	902,700	904,700	965,574	60,874	(6,767,500)	(5,592,500)	11,224,052	16,816,552
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(440,700)	(440,700)	(593,666)	(152,966)	-	-	(3,698,013)	(3,698,013)
Total other financing sources (uses)	(440,700)	(440,700)	(593,666)	(152,966)	-	-	(3,698,013)	(3,698,013)
Net change in fund balances	$ 462,000	$ 464,000	371,908	$ (92,092)	$ (6,767,500)	$ (5,592,500)	7,526,039	$ 13,118,539
Fund balances at beginning of year			6,010,590				26,085,852	
Fund balances at end of year			$ 6,382,498				$ 33,611,891	

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Budget and Actual—Capital Projects and Debt Service Funds

Year Ended June 30, 2010

	Capital Projects Funds												Debt Service Fund			
	Measure A Western County				Commercial Paper				Sales Tax Bonds							
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues																
Interest	$ 1,200	$ 1,200	$ (366)	$ (1,566)	$ 9,100	$ 9,100	$ 1,202,577	$ 1,193,477	$ 200	$ 200	$ 13,014	$ 12,814	$ 251,100	$ 933,200	$ 363,305	$ (569,895)
Total revenues	1,200	1,200	(366)	(1,566)	9,100	9,100	1,202,577	1,193,477	200	200	13,014	12,814	251,100	933,200	363,305	(569,895)
Expenditures																
Current:																
General government	-	-	-	-	868,100	796,000	410,012	385,988	-	-	-	-	-	-	-	-
Highways	-	-	-	-	16,990,000	25,025,100	6,626,977	18,398,123	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	-	-	1,800,000	-	1,800,000	-	-	-	-	-	-	-	-
Total programs	-	-	-	-	17,858,100	27,621,100	7,036,989	20,584,111	-	-	-	-	-	-	-	-
Debt service:																
Principal	-	-	-	-	50,000,000	49,977,450	53,716,000	(3,738,550)	-	-	-	-	132,395,000	7,716,000	4,000,000	3,716,000
Interest	-	-	-	-	3,110,000	3,110,000	319,431	2,790,569	-	-	-	-	3,000,000	3,000,000	4,918,183	(1,918,183)
Cost of issuance	-	-	-	-	-	-	1,000	(1,000)	3,250,000	1,200,000	674,464	525,536	-	-	-	-
Total debt service	-	-	-	-	53,110,000	53,087,450	54,036,431	(948,981)	3,250,000	1,200,000	674,464	525,536	135,395,000	10,716,000	8,918,183	1,797,817
Total expenditures	-	-	-	-	70,968,100	80,708,550	61,073,420	19,635,130	3,250,000	1,200,000	674,464	525,536	135,395,000	10,716,000	8,918,183	1,797,817
Excess (deficiency) of revenues over (under) expenditures	1,200	1,200	(366)	(1,566)	(70,959,000)	(80,699,450)	(59,870,843)	20,828,607	(3,249,800)	(1,199,800)	(661,450)	538,350	(135,143,900)	(9,782,800)	(8,554,878)	1,227,922
Other financing sources (uses)																
Debt issuance	-	-	-	-	75,000,000	75,000,000	83,284,000	8,284,000	185,000,000	185,000,000	185,000,000	-	-	-	-	-
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-	(278,685)	(278,685)	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(129,429,000)	(129,394,875)	34,125	-	-	-	-
Transfers in	-	-	-	-	50,000,000	50,000,000	53,716,000	3,716,000	-	-	-	-	132,821,600	132,139,500	11,921,030	(120,218,470)
Transfers out	-	-	(116,342)	(116,342)	(51,341,000)	(51,341,000)	(17,518,453)	33,822,547	(181,750,000)	(181,750,000)	(54,683,611)	127,066,389	-	-	-	-
Total other financing sources (uses)	-	-	(116,342)	(116,342)	73,659,000	73,659,000	119,481,547	45,822,547	3,250,000	(126,179,000)	642,829	126,821,829	132,821,600	132,139,500	11,921,030	(120,218,470)
Net change in fund balances	$ 1,200	$ 1,200	(116,708)	$ (117,908)	$ 2,700,000	$ (7,040,450)	59,610,704	$ 66,651,154	$ 200	$ (127,378,800)	(18,621)	$ 127,360,179	$ (2,322,300)	$ 122,356,700	3,366,152	$ (118,990,548)
Fund balances (deficit) at beginning of year			116,708				(30,039,375)				18,621				42,372,142	
Fund balances at end of year			$ -				$ 29,571,329				$ -				$ 45,738,294	

Riverside County Transportation Commission

Schedule of Expenditures for Local Streets and Roads by Geographic Area - All Special Revenue Funds

Year Ended June 30, 2010

Western County:		
City of Banning	$	383,137
City of Beaumont		3,159
City of Calimesa		101,908
City of Canyon Lake		127,530
City of Corona		2,691,873
City of Hemet		1,115,024
City of Lake Elsinore		781,983
City of Menifee		814,005
City of Moreno Valley		2,475,144
City of Murrieta		1,460,166
City of Norco		453,235
City of Perris		794,542
City of Riverside		4,761,322
City of San Jacinto		472,739
City of Temecula		1,927,617
City of Wildomar		380,106
Riverside County		5,170,481
Other		1,540
		23,915,511
Coachella Valley:		
City of Cathedral City		1,023,305
City of Coachella		460,612
City of Desert Hot Springs		307,875
City of Indian Wells		182,363
City of Indio		1,087,009
City of Palm Desert		1,959,635
City of Palm Springs		1,411,549
City of Rancho Mirage		693,810
Riverside County		1,275,290
Coachella Valley Association of Governments		1,101,241
Other		63
		9,502,752
Palo Verde Valley:		
City of Blythe		670,061
Riverside County		169,989
		840,050
Total local streets and roads expenditures	$	34,258,313

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, 2010

	Measure A	Sales Taxes: Local Transportation Fund	Sales Taxes: State Transit Assistance	Total
Western County:				
Beaumont Unified School District	$ 18,048	$ -	$ -	$ 18,048
Blindness Support Services, Inc.	55,387	-	-	55,387
Boys and Girls Club of Southwest County	273,083	-	-	273,083
Casa for Riverside County	37,118	-	-	37,118
Care-A-Van	327,055	-	-	327,055
Care Connexxus	235,896	-	-	235,896
City of Banning	-	1,131,215	978,056	2,109,271
City of Beaumont	-	1,078,650	-	1,078,650
City of Corona	-	1,080,890	1,106	1,081,996
City of Norco	74,852	-	-	74,852
City of Riverside	-	2,133,304	-	2,133,304
Friends of the Moreno Valley Senior Citizens	58,500	-	-	58,500
Independent Living Partnership	414,940	-	-	414,940
Inland Aids Project	69,926	-	-	69,926
Jefferson Transitional Programs	10,827	-	-	10,827
Mountain Shadows Support Group	14,452	-	-	14,452
Operation Safe House	18,367	-	-	18,367
Peppermint Ridge	5,850	-	-	5,850
Riverside County Regional Medical Center	176,876	-	-	176,876
Riverside Transit Agency	1,111,605	18,086,338	285,816	19,483,759
Volunteer Center of Greater Riverside	132,163	-	-	132,163
Other	184,138	-	-	184,138
	3,219,083	23,510,397	1,264,978	27,994,458
Coachella Valley:				
SunLine Transit Agency	3,710,358	10,421,578	422,758	14,554,694
Other	3,630	-	-	3,630
	3,713,988	10,421,578	422,758	14,558,324
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	717,179	167,500	884,679
	-	717,179	167,500	884,679
Total transit and specialized transportation expenditures	$ 6,933,071	$ 34,649,154	$ 1,855,236	$ 43,437,461

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STATISTICAL SECTION

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
STATISTICAL SECTION OVERVIEW

This part of the Riverside County Transportation Commission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

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

Net Assets By Component
Changes in Net Assets
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

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Riverside County Transportation Commission

Net Assets by Component

Last Nine Fiscal Years

(Accrual Basis)

	Fiscal Year								
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Governmental activities:									
Invested in capital assets,									
net of related debt	$ 294,218,263 [6]	$ 266,647,382 [5]	$ 207,478,034 [4]	$ 147,874,291	$ 137,129,082	$ 133,225,528 [3]	$ 104,716,712 [2]	$ 128,247,454 [1]	$ 130,051,343
Restricted	549,781,414	505,474,075	521,711,172	531,154,177	442,129,220	325,504,623	232,719,198 [2]	154,913,051 [1]	(44,501,093)
Unrestricted	(229,888,408)	(205,658,986)	(149,004,964)	(118,675,049)	(102,074,881)	(124,274,292)	(121,829,477) [2]	(174,443,946) [1]	5,985,213
Total governmental activities net assets	$ 614,111,269	$ 566,462,471	$ 580,184,242	$ 560,353,419	$ 477,183,421	$ 334,455,859	$ 215,606,433	$ 108,716,559	$ 91,535,463

GASB 34 was implemented July 1, 2001. Prior years' information is not available.

Source: Finance Department

[1] Beginning net assets in 2003 were restated as a result of corrections to capital assets and revenue recognition, resulting in a net decrease of $20,492,947. Additionally, certain components of beginning net assets were reclassified to conform to the presentation in the 2003 financial statements. Prior year amounts in this presentation have not been revised to reflect these changes.

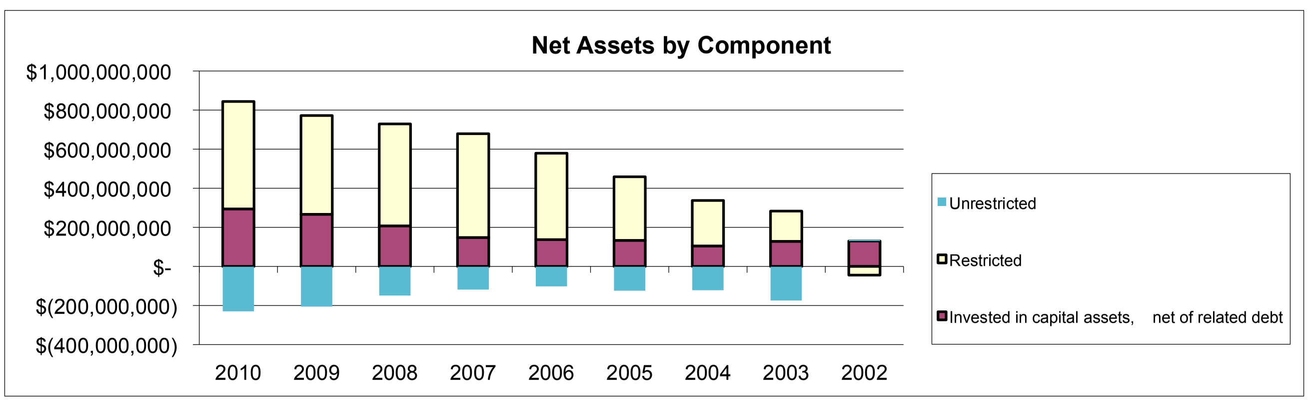
[2] The Local Transportation Fund, previously reported as a fiduciary fund, was reclassified as a special revenue fund in the 2004 financial statements, resulting in an increase to beginning net assets of $34,295,645. Additionally, certain components of beginning net assets were reclassified to conform to the presentation in the 2004 financial statements. Prior year amounts in this presentation have not been revised to reflect these changes.

[3] The beginning balance of invested in capital assets, net of related debt, was restated due to a correction in the accounting for certain rail capital assets in the 2005 financial statements, resulting in an increase of $19,283,259. Prior year amounts in this presentation have not been revised to reflect these changes.

[4] Invested in capital assets, net of related debt, increased in 2008 primarily as a result of right of way purchases related to the Mid County Parkway project.

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

[6] Invested in capital assets, net of related debt, 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.



Riverside County Transportation Commission

Changes in Net Assets

Last Nine Fiscal Years

(Accrual Basis)

	Fiscal Year Ended June 30								
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Expenses									
Governmental activities:									
General government	$ 7,024,517	$ 5,525,963	$ 5,299,048	$ 5,592,637	$ 4,848,292	$ 4,115,907	$ 3,909,942	$ 4,307,544	$ 5,407,800
Bicycle and pedestrian projects	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637	927,138 [1]	-	-
CETAP	2,362,393	4,832,008	8,017,024	5,433,499	3,549,683	4,147,758	608,882 [2]	-	-
Commuter assistance	3,266,834	5,199,032	3,464,834	3,122,306	2,888,451	2,599,448	2,959,732	2,318,033	2,088,746
Commuter rail	20,544,634	16,038,028	14,832,473	12,458,895	11,350,220	8,907,828	8,702,803	5,659,863	14,772,034
Highways	24,828,958	143,532,009	59,988,334	42,436,979	36,226,705	35,362,793	35,456,330	29,812,083	27,850,447
Local streets and roads	34,258,313	45,661,155	54,520,115	60,099,526	60,389,876	53,333,169	46,208,968	40,256,464	36,541,323
Motorist assistance	2,987,136	2,623,184	3,983,252	2,408,612	2,280,646	2,191,061	1,978,380	1,843,017	2,559,409
Planning and programming	5,321,121	10,126,142	7,931,869	6,561,185	5,976,647	4,328,038	4,287,696	2,978,044	5,890,377
Right of way management	1,428,066	1,399,316	551,960	631,996	622,498	580,224	338,353	154,582	145,158
Regional arterials	26,371,339	20,948,530	31,131,731	30,756,287	17,164,803	17,621,505	13,996,300 [2]	8,428,021	11,720,342
Transit and specialized transportation	43,820,225 [5]	77,417,741	83,927,945	75,567,829	62,527,276	55,905,814	53,411,921 [1]	9,913,504	8,680,284
Interest expense	7,099,038	9,515,282	6,281,232	6,881,128	7,832,733	8,348,928	11,736,129	10,381,790	- [3]
Total governmental activities expenses	179,629,622	345,565,541	281,366,527	252,711,719	216,506,789	198,464,110	184,522,574	116,052,945	115,655,920
Program Revenues									
Governmental activities:									
Charges for services									
Commuter assistance	-	-	-	-	-	-	573,864	948,532	1,566,840
Commuter rail	-	2,525,314	352,826	463	382	2,564	146,349	394,924	3,794,146 [4]
Right of way management	196,527	421,738	507,298	497,656	445,313	547,075	395,305	213,311	-
Highways	-	-	-	-	50	-	-	-	2,928,573 [4]
Motorist assistance	-	19,778	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	3,507,520 [4]
Other	-	46	2,331	2,367	26,273	24,972	55,255	4,498	7,293
Operating grants and contributions	23,130,456	90,280,426	28,391,787	47,313,916	90,389,018	72,202,430	61,412,882 [2]	10,489,860	4,746,603
Capital grants and contributions	12,257,099	25,321,886	9,742,280	620,292	997,362	877,665	1,183,922	21,190,027	- [3]
Total governmental activities program revenues	35,584,082	118,569,188	38,996,522	48,434,694	91,858,398	73,654,706	63,767,577	33,241,152	16,550,975
Net Revenues (Expenses)									
Governmental activities	(144,045,540)	(226,996,353)	(242,370,005)	(204,277,025)	(124,648,391)	(124,809,404)	(120,754,997)	(82,811,793)	(99,104,945)
General Revenues									
Governmental activities:									
Measure A sales taxes	114,526,254	119,688,289	142,537,548	154,539,723	157,236,314	138,921,247	120,564,890	105,782,595	95,797,287
Transportation Development Act sales taxes	69,499,841 [5]	77,920,485	93,042,150	104,160,163	90,927,244	77,818,565	69,133,102 [1]	7,488,638	6,876,656
Vehicle registration fees	-	-	-	-	-	-	-	-	1,288,655
Unrestricted investment earnings	5,987,921	14,211,197	25,055,456	23,897,399	11,639,575	5,146,325	3,115,232	4,932,021	5,942,480
Other miscellaneous revenue	1,680,322	1,454,611	1,565,674	1,571,716	1,698,024	2,366,380	536,002	2,282,582	4,888,250
Gain on sale of capital assets	-	-	-	3,278,022	5,874,796	123,054	-	-	-
Total governmental activities general revenues	191,694,338	213,274,582	262,200,828	287,447,023	267,375,953	224,375,571	193,349,226	120,485,836	114,793,328
Changes in Net Assets									
Governmental activities	$ 47,648,798	$ (13,721,771)	$ 19,830,823	$ 83,169,998	$ 142,727,562	$ 99,566,167	$ 72,594,229	$ 37,674,043	$ 15,688,383

GASB 34 was implemented July 1, 2001. Prior years' information is not available.

Source: Finance Department

[1] and pedestrian facilities and transit and specialized transportation expenditures. Prior year amounts in this presentation have not been revised to reflect these changes.

[2] The Transportation Uniform Mitigation Fee program was implemented in fiscal year 2004, resulting in a new revenue source for expenditures related to the CETAP and regional arterials programs.

[3] Interest expense of $12,242,557 in 2002 was classified within each respective program.

[4] Federal and state reimbursements were classified as charges for services in fiscal year 2002 but were classified as operating or capital grants and contributions in subsequent years.

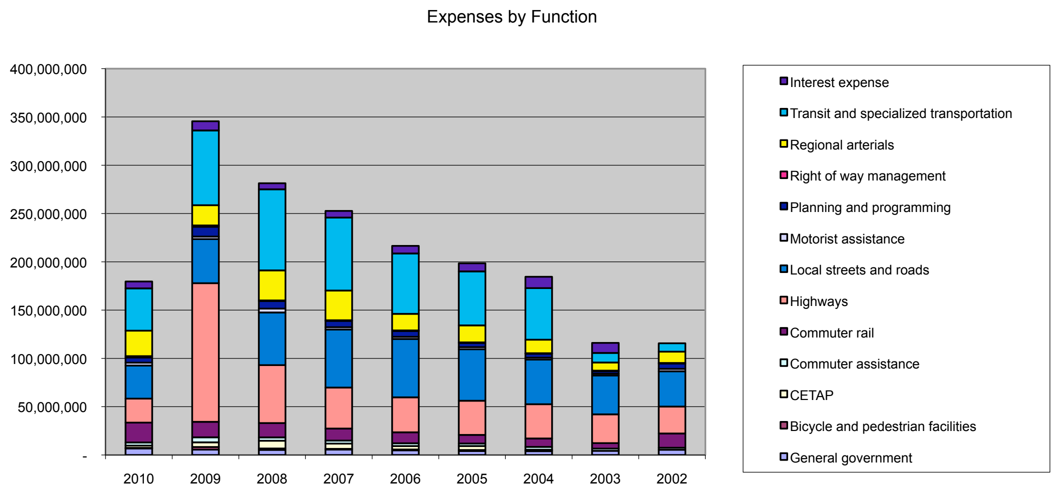
[5] Transportation Development Act sales taxes received for transit governmental activities and disbursed for general government, planning and programming, and commuter rail governmental activities were eliminated

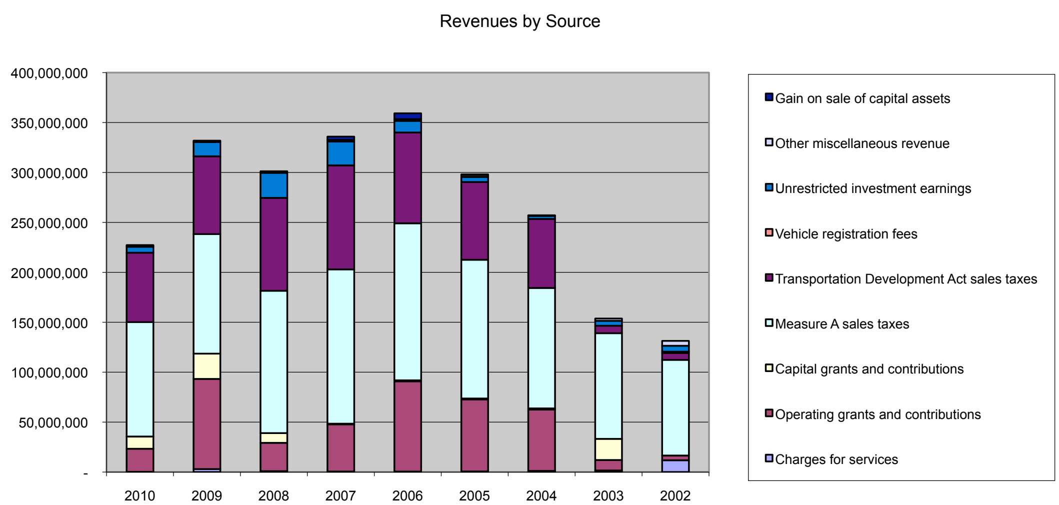
Riverside County Transportation Commission

Changes in Net Assets (Continued)

Last Nine Fiscal Years

(Accrual Basis)





Riverside County Transportation Commission

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
GENERAL FUND										
General fund:										
Restricted	$ 7,266,584 [2]									
Committed	1,606,976 [2]									
Assigned	4,134,059 [2]									
Total general fund	$ 13,007,619									
General fund:										
Reserved		$ 6,756,708	$ 6,886,986	$ 7,070,115	$ 7,215,579	$ 6,304,837	$ 5,821,023	$ 5,001,493	$ 5,594,227	$ 4,814,296
Unreserved		3,348,711	3,238,251	2,877,923	2,014,480	2,215,643	1,531,151	756,299	885,890	777,104
Total general fund		$ 10,105,419	$ 10,125,237	$ 9,948,038	$ 9,230,059	$ 8,520,480	$ 7,352,174	$ 5,757,792	$ 6,480,117	$ 5,591,400
ALL OTHER GOVERNMENTAL FUNDS										
All other governmental funds:										
Restricted	$ 535,752,354 [2]									
Total all other governmental funds	$ 535,752,354									
All other governmental funds:										
Reserved		$ 487,425,652	$ 520,874,648	$ 533,276,158	$ 438,453,362	$ 323,219,025	$ 233,973,154	$ 149,911,558	$ 152,810,730	$ 145,180,481
Unreserved, reported in:										
Special revenue funds		8,289,036	7,297,744	6,936,417	5,745,792	4,895,792	4,049,038	3,225,168	5,375,669	7,473,997
Capital projects funds		(49,576,636)	(7,253,535)	-	-	-	-	-	-	-
Total all other governmental funds		$ 446,138,052	$ 520,918,857	$ 540,212,575	$ 444,199,154	$ 328,114,817	$ 238,022,192 [1]	$ 153,136,726	$ 158,186,399	$ 152,654,478

Source: Finance Department

[1] The Local Transportation Fund, previously reported as a fiduciary fund, was reclassified as a special revenue fund in the 2004 financial statements, resulting in an increase to beginning fund balance of $34,295,645.

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

Riverside County Transportation Commission

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Revenues										
Sales taxes	$ 184,026,095	$ 197,608,774	$ 235,579,698	$ 258,699,886	$ 248,163,558	$ 216,739,812	$ 189,697,992 [1]	$ 117,982,195	$ 107,420,546	$ 98,110,780
Transportation Uniform Mitigation Fee	8,618,231	10,957,420	14,556,029	40,757,248	85,228,383	46,325,334	35,615,226 [2]	-	-	-
Intergovernmental	26,769,324	105,512,656	22,249,107	5,498,660	4,365,183	25,241,083	23,276,534	26,765,599	11,804,372	5,286,109
Interest	5,663,178	13,567,938	23,744,305	23,897,399	11,639,575	5,146,325	3,115,232	4,932,021	5,942,480	9,842,472
Vehicle registration user fees		1,677,374	1,684,088	1,681,130	1,629,087	1,541,216	1,435,098	1,332,707	1,288,655	1,297,474
Other	1,853,641	1,876,349	2,072,972	2,175,372	2,143,330	3,118,002	3,976,721	2,714,466	4,888,250	4,086,123
Total revenues	226,930,469	331,200,511	299,886,199	332,709,695	353,169,116	298,111,772	257,116,803	153,726,988	131,344,303	118,622,958
Expenditures										
Current:										
General Government	6,920,479	5,368,677	5,290,616	5,545,466	4,674,157	3,827,427	3,663,957	4,120,493	3,122,035	2,625,800
Programs:										
Bicycle and pedestrian facilities	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637	927,138 [1]	-	-	-
CETAP	2,362,393	35,809,396	21,098,240	5,433,499	3,549,683	8,600,659	608,882 [2]	-	-	-
Commuter assistance	3,228,709	5,155,263	3,377,881	3,097,534	2,883,352	2,583,679	2,943,963	2,296,177	2,088,746	1,698,814
Commuter rail	33,733,888	40,704,106	21,470,133	14,044,435	10,570,931	7,580,484	13,016,707	29,345,902	8,382,102	7,269,992
Highways	45,698,211	165,100,551	65,697,249	48,359,404	37,073,826	36,340,818	33,133,748	29,459,603	11,959,224	10,049,767
Local streets and roads	34,258,313	45,661,155	54,520,115	60,099,526	60,389,876	53,333,169	46,208,968	40,260,340	36,030,413	34,339,969
Motorist assistance	2,987,136	2,623,184	3,983,252	2,408,612	2,280,646	2,191,061	1,978,380	1,843,017	2,559,409	2,065,096
Planning and programming	5,312,246	9,193,944	6,939,409	5,586,992	4,884,556	3,621,810	3,537,513	2,310,810	5,284,892	2,144,893
Right of way management	1,428,066	1,399,316	551,960	631,996	622,498	580,224	338,353	154,582	145,158	-
Regional arterials	26,371,339	20,948,530	59,841,509	30,756,287	19,462,949	22,174,406	8,896,300 [2]	8,445,554	9,734,705	10,534,691
Transit and specialized transportation	43,820,225	77,417,741	83,927,945	75,567,829	62,527,276	55,905,814	53,411,921 [1]	9,913,503	8,680,284	6,883,655
Debt service	63,654,319	45,673,417	149,789,237	36,790,562	36,584,495	38,208,607	35,508,587	35,580,849	35,545,895	35,442,358
Intergovernmental distributions	-	975,833	992,460	974,193	1,092,091	706,228	750,183	667,234	605,485	632,361
Capital outlay	124,080	1,055,997	335,023	161,268	290,461	179,818	8,000	315,240	569,041	63,502
Total expenditures	270,216,452	459,834,261	479,251,739	290,218,443	247,735,756	236,855,841	204,932,600	164,713,304	124,707,389	113,750,898
Excess (deficiency) of revenues over (under) expenditures	(43,285,983)	(128,633,750)	(179,365,540)	42,491,252	105,433,360	61,255,931	52,184,203	(10,986,316)	6,636,914	4,872,060
Other financing sources (uses):										
Sales of capital assets	-	-	-	4,240,148	11,360,556	-	-	-	-	-
Capital lease	-	117,127	-	-	-	-	-	-	-	-
Debt issuance	268,284,000	53,716,000	160,249,021	50,000,000	-	30,005,000	-	-	-	35,934,149
Discount on debt issuance	(278,685)	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(129,394,875)	-	-	-	-	-	-	-	-	-
Transfers in	104,833,227	33,466,298	164,063,070	34,745,015	34,517,083	37,050,167	41,523,149	77,308,990	68,714,250	44,014,685
Transfers out	(104,833,227)	(33,466,298)	(164,063,070)	(34,745,015)	(34,517,083)	(37,050,167)	(41,523,149)	(77,308,990)	(68,714,250)	(44,014,685)
Total other financing sources (uses)	138,610,440	53,833,127	160,249,021	54,240,148	11,360,556	30,005,000	-	-	-	35,934,149
Net change in fund balances	$ 95,324,457	$ (74,800,623)	$ (19,116,519)	$ 96,731,400	$ 116,793,916	$ 91,260,931	$ 52,184,203	$ (10,986,316)	$ 6,636,914	$ 40,806,209
Debt service as a percentage of noncapital expenditures	23.6% [5]	12.1%	35.4% [4]	13.1%	15.0%	16.8%	17.9%	25.5%	30.0%	N/A [3]

Source: Finance Department

[1] The Local Transportation Fund, previously reported as a fiduciary fund, was reclassified as a special revenue fund in the 2004 financial statements, resulting in an increase in sales tax revenues as well as bicycle and pedestrian facilities and transit and specialized transportation.

[2] The Transportation Uniform Mitigation Fee program was implemented in fiscal 2004, resulting in a new revenue source for expenditures related to the CETAP and regional arterials programs.

[3] GASB 34 was implemented July 1, 2001. Prior years' information related to capital assets additions is not available.

[4] Debt service as a percentage of noncapital expenditures in 2008 increased significantly as a result of the refinancing of $110,005,000 of commercial paper, which is included in principal payments.

[5] 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.

Riverside County Transportation Commission

Sources of County of Riverside Taxable Sales by Business Type

Last Ten Calendar Years (In Thousands)

	2008 [1]	2007	2006	2005	2004	2003	2002	2001	2000	1999
Apparel stores	$ 1,121,543	$ 1,171,013	$ 1,080,385	$ 990,129	$ 867,276	$ 746,015	$ 610,388	$ 565,295	$ 538,578	$ 495,945
General merchandise stores	3,389,936	3,593,134	3,553,554	3,304,474	3,026,335	2,671,971	2,459,046	2,275,736	2,062,738	1,845,651
Specialty stores	961,215	1,210,642	2,262,442	2,104,040	1,885,435	1,649,224	1,501,106	1,379,979	1,277,359	1,186,231
Food stores	1,254,366	1,352,609	1,309,782	1,197,438	1,079,972	1,028,392	967,171	930,232	889,894	828,641
Package liquor stores	98,338	84,397	78,895	74,828	66,728	61,514	58,459	56,250	57,345	52,951
Eating/drinking	2,340,554	2,388,039	2,316,422	2,157,801	1,940,610	1,713,632	1,559,215	1,465,467	1,364,808	1,233,274
Home furnishing and appliances	816,379	843,945	948,217	964,629	862,551	691,051	594,049	526,083	517,578	447,594
Building materials and farm implements	1,580,020	2,111,147	2,390,236	2,424,898	2,596,661	1,678,347	1,427,831	1,339,020	1,210,838	1,017,564
Service stations	3,011,476	2,835,690	2,630,716	2,277,082	1,855,263	1,536,240	1,249,646	1,223,753	1,196,693	983,739
Automobile, boat, motorcycle and plane	3,115,036	4,301,385	4,741,931	4,713,948	4,385,449	3,662,151	3,553,525	3,134,935	2,814,375	2,161,678
Miscellaneous	2,046,100	2,462,922	1,681,626	1,748,515	1,191,029	592,415	1,151,821	1,109,093	1,112,012	1,227,303
Total all other outlets	6,268,632	6,668,686	6,822,031	6,298,709	5,479,839	5,678,183	4,366,737	4,225,712	3,937,231	3,596,374
	$ 26,003,595	$ 29,023,609	$ 29,816,237	$ 28,256,491	$ 25,237,148	$ 21,709,135	$ 19,498,994	$ 18,231,555	$ 16,979,449	$ 15,076,945
Measure A Ordinance 88-1 direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Source: State Board of Equalization

[1] Year represents most recent data available.

Riverside County Transportation Commission

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Fiscal Year	Measure A Direct Rate [1]	County of Riverside
2010[3]	0.50%	8.75%
2009[4]	0.50%	8.75%[2]
2008	0.50%	7.75%
2007	0.50%	7.75%
2006	0.50%	7.75%
2005	0.50%	7.75%
2004	0.50%	7.75%
2003	0.50%	7.75%
2002	0.50%	7.75%
2001	0.50%	7.75%

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

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

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

[3] Measure A Ordinance 02-001 commenced on July 1, 2009.

[4] Measure A Ordinance 88-1 terminated on June 30, 2009.

Riverside County Transportation Commission

Principal Taxable Sales Generation by City

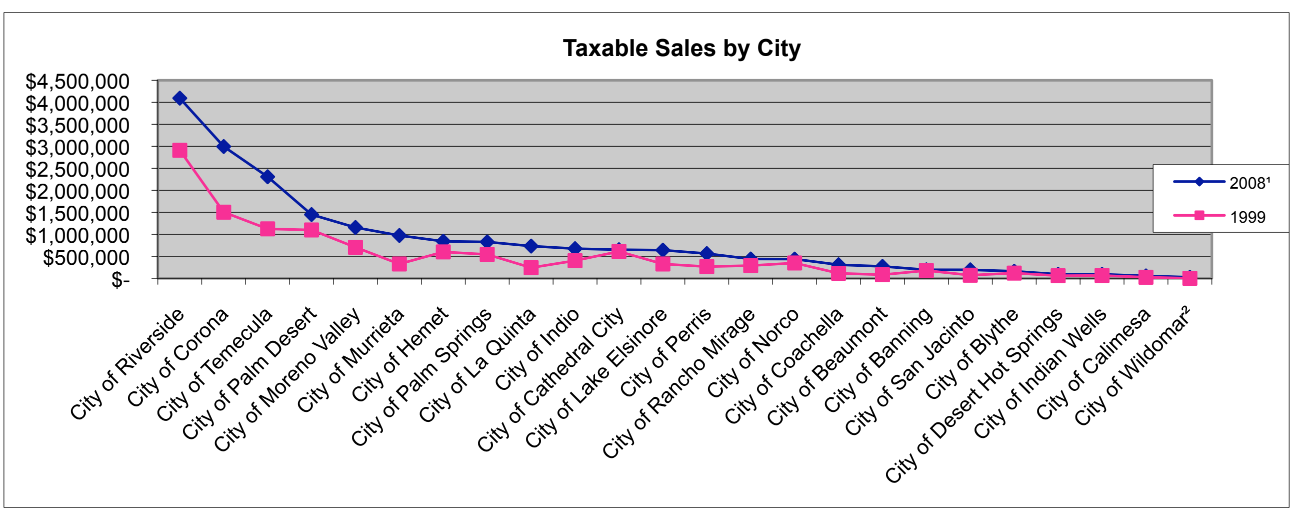
Current Year and Nine Years Ago

	2008[1]			1999		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Riverside	$ 4,093,218	2	15.7%	$ 2,909,532	2	19.3%
City of Corona	2,994,438	3	11.5%	1,503,069	3	10.0%
City of Temecula	2,307,072	4	8.9%	1,123,041	4	7.4%
City of Palm Desert	1,447,663	5	5.6%	1,098,211	5	7.3%
City of Moreno Valley	1,154,650	6	4.4%	704,546	6	4.7%
City of Murrieta	972,575	7	3.7%	325,156	12	2.2%
City of Hemet	840,655	8	3.2%	599,281	8	4.0%
City of Palm Springs	826,056	9	3.2%	542,041	9	3.6%
City of La Quinta	731,831	10	2.9%	240,453	16	1.6%
City of Indio	673,527	11	2.6%	401,104	10	2.7%
City of Cathedral City	649,612	12	2.5%	609,829	7	4.0%
City of Lake Elsinore	639,732	13	2.5%	324,924	13	2.1%
City of Perris	562,025	14	2.2%	264,810	15	1.8%
City of Rancho Mirage	438,400	15	1.7%	288,577	14	1.9%
City of Norco	436,753	16	1.7%	347,775	11	2.3%
City of Coachella	307,494	17	1.2%	113,485	19	0.7%
City of Beaumont	270,480	18	1.0%	80,763	20	0.5%
City of Banning	193,333	19	0.7%	176,486	17	1.2%
City of San Jacinto	192,541	20	0.7%	70,095	21	0.5%
City of Blythe	160,476	21	0.6%	117,920	18	0.8%
City of Desert Hot Springs	91,671	22	0.4%	58,491	23	0.4%
City of Indian Wells	91,534	23	0.4%	63,611	22	0.4%
City of Calimesa	54,285	24	0.2%	23,907	24	0.2%
City of Wildomar[2]	23,983	25	0.1%	N/A	N/A	N/A
City of Canyon Lake	12,300	26	0.0%	8,322	25	0.0%
Incorporated	20,166,304		77.6%	11,995,429		79.6%
Unincorporated	5,837,291	1	22.4%	3,081,516	1	20.4%
Countywide	$ 26,003,595		100.0%	$ 15,076,945		100.0%
California	$ 531,653,540			$ 394,736,245		

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

[1] Year represents most recent data available.

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



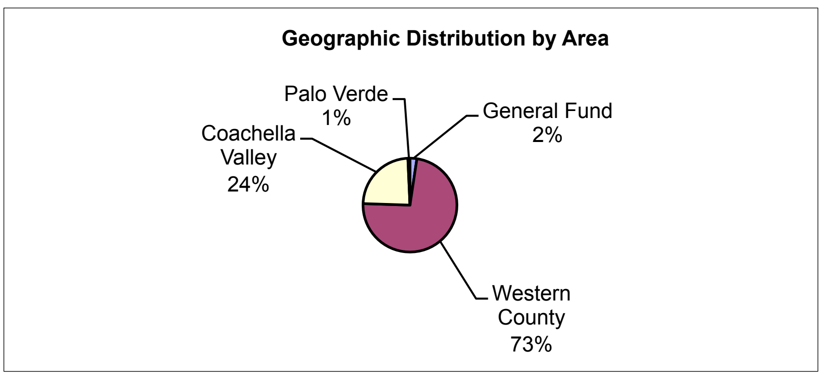
Riverside County Transportation Commission

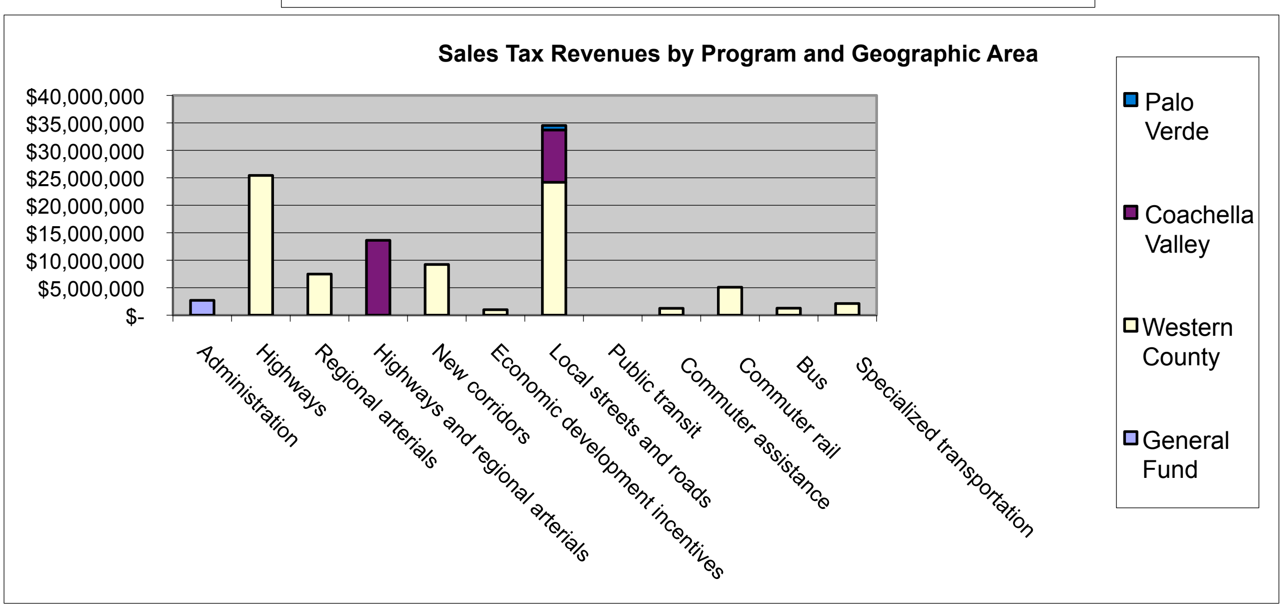
Measure A Sales Tax Revenues by Program and Geographic Area

Year Ended June 30, 2010

	General Fund	Special Revenue Funds: Western County	Special Revenue Funds: Coachella Valley	Special Revenue Funds: Palo Verde	Total
Administration	$ 2,700,000	$ -	$ -	$ -	$ 2,700,000
Highways	-	25,434,863	-	-	25,434,863
Regional arterials	-	7,480,842	-	-	7,480,842
Highways and regional arterials	-	-	13,625,545	-	13,625,545
New corridors	-	9,226,372	-	-	9,226,372
Economic development incentives	-	997,446	-	-	997,446
Local streets and roads	-	24,188,057	9,524,863	811,428	34,524,348
Public transit:					
Commuter assistance	-	1,246,807	-	-	1,246,807
Commuter rail	-	5,086,973	-	-	5,086,973
Bus	-	1,271,743	-	-	1,271,743
Specialized transportation	-	2,119,572	-	-	2,119,572
Bus and specialized transportation	-	-	4,078,985	-	4,078,985
Bond financing	-	6,732,758	-	-	6,732,758
	$ 2,700,000	$ 83,785,433	$ 27,229,393	$ 811,428	$ 114,526,254

Source: Finance Department





Riverside County Transportation Commission

Measure A Sales Tax by Economic Category

Last Four Calendar Years

Economic Category	% of Total			
	2009[1]	2008	2007	2006
General retail	30.9	28.2	26.8	25.5
Transportation	22.8	24.9	26.1	26.5
Food products	17.8	16.0	14.4	13.3
Business to business	15.2	16.4	15.9	15.3
Construction	11.1	12.3	14.4	16.9
Miscellaneous	2.2	2.2	2.4	2.5
Total	100.0	100.0	100.0	100.0

Source: MuniServices LLC

[1] Year represents most recent data available.

Riverside County Transportation Commission

Measure A Revenues and Pledged Revenue Coverage [1]

Last Ten Fiscal Years

	Sales Tax Revenue Bonds						
Fiscal Year	Net Measure A Sales Tax Revenues[2]	Measure A Sales Tax Revenue Growth (Decline) Rate	Senior Lien Debt Service	Senior Lien Coverage Ratio	Subordinate Lien Debt Service	Total Debt Service	Total Debt Service Coverage Ratio
2010[3]	$ 114,526,253	-4.31%	$ 8,918,183	12.84	$ -	$ 8,918,183	12.84
2009[4]	119,688,289	-16.03%	34,020,724	3.52	1,452,634	35,473,358	3.37
2008	142,537,548	-7.77%	34,002,732	4.19	1,470,388	35,473,120	4.02
2007	154,539,723	-1.71%	34,005,357	4.54	1,469,588	35,474,945	4.36
2006	157,236,314	13.18%	34,012,634	4.62	1,470,587	35,483,221	4.43
2005	138,921,247	15.23%	34,013,294	4.08	1,472,237	35,485,531	3.91
2004	120,564,890	17.69%	34,004,981	3.55	1,472,237	35,477,218	3.40
2003	102,442,647	6.95%	34,076,553	3.01	1,472,925	35,549,478	2.88
2002	95,782,282	6.77%	34,075,484	2.81	1,470,412	35,545,896	2.69
2001	89,710,797	N/A	33,539,199	2.67	1,470,012	35,009,211	2.56

Source: Finance Department

[1] This schedule meets the requirements for Continuing Disclosure of historical Measure A sales tax revenues.

[2] Sales tax revenue bonds are backed by the sales tax revenues, net of Board of Equalization fees, during the fiscal year.

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

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

Riverside County Transportation Commission

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities							
Year	Sales Tax Revenue Bonds	Commercial Paper	Contract Payable	Note Payable	Capital Leases	Total Governmental Activities	County of Riverside Population	Debt per Capita
2010	$ 181,000,000	$ 83,284,000	$ -	$ -	$ 78,104	$ 264,362,104	2,139,535	$ 123.56
2009	126,395,000	110,000,000	-	-	100,652	236,495,652	2,107,653	112.21
2008	160,025,000	-	1,100,000	-	-	161,125,000	2,088,322	77.16
2007	65,495,000	80,005,000	2,100,000	-	-	147,600,000	2,031,625	72.65
2006	95,695,000	30,005,000	3,100,000	-	25,591	128,825,591	1,953,330	65.95
2005	124,335,000	30,005,000	4,100,000	-	55,009	158,495,009	1,877,000	84.44
2004	151,535,000	-	5,100,000	-	83,082	156,718,082	1,776,780	88.20
2003	177,352,519	-	-	-	109,870	177,462,389	1,705,625	104.05
2002	201,983,730	-	-	58,490	-	202,042,220	1,644,275	122.88
2001	225,541,447	-	-	117,431	-	225,658,878	1,609,370	140.22

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

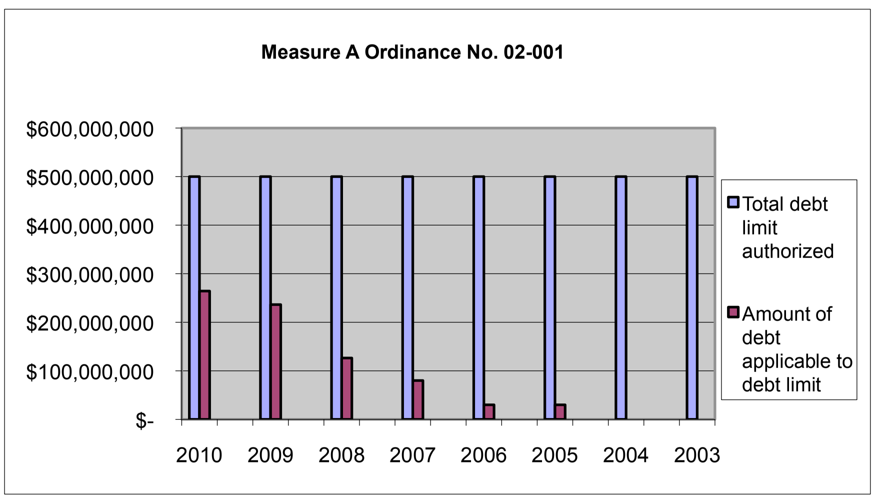
Computation of Legal Debt Margin[1]

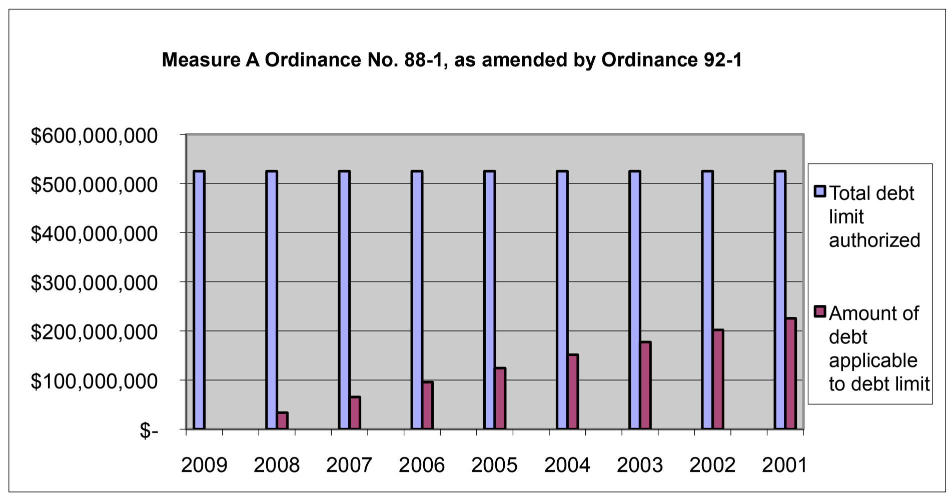
Last Ten Fiscal Years

	Fiscal Year 2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Measure A Ordinance No. 02-001[2]										
Total debt limit authorized	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000		
Amount of debt applicable to debt limit	264,284,000	236,395,000	126,395,000	80,005,000	30,005,000	30,005,000	-	-		
Legal debt margin	$ 235,716,000	$ 263,605,000	$ 373,605,000	$ 419,995,000	$ 469,995,000	$ 469,995,000	$ 500,000,000	$ 500,000,000		
% of debt to legal debt limit	52.9%	47.3%	25.3%	16.0%	6.0%	6.0%	0.0%	0.0%		
Measure A Ordinance No. 88-1, as amended by Ordinance 92-1[3]										
Total debt limit authorized		$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000	$ 525,000,000
Amount of debt applicable to debt limit		-	33,630,000	65,495,000	95,695,000	124,335,000	151,535,000	177,352,519	201,983,730	225,541,447
Legal debt margin		$ 525,000,000	$ 491,370,000	$ 459,505,000	$ 429,305,000	$ 400,665,000	$ 373,465,000	$ 347,647,481	$ 323,016,270	$ 299,458,553
% of debt to legal debt limit		0.0%	6.4%	12.5%	18.2%	23.7%	28.9%	33.8%	38.5%	43.0%

Source: Finance Department

[1] The Commission's debt limits were approved by the voters of Riverside County as part of the sales tax ordinances and are specific to the Commission; accordingly, there are no overlapping debt considerations.
[2] Ordinance No. 02-001 was approved by a 2/3 majority of the voters in November 2002.
[3] Ordinance No. 88-1 expired on June 30, 2009. All outstanding debt related to Ordinance 88-1 matured prior to the expiration date.





Riverside County Transportation Commission

Demographic and Economic Statistics for the County of Riverside

Last Ten Calendar Years

Calendar Year	Population[1]	Personal Income (thousands)[2]	Per Capita Personal Income	Unemployment Rate[3]
2008[4]	2,077,183	$ 64,503,728	$ 31,053	8.5%
2007	2,031,625	61,023,518	30,037	6.0%
2006	1,953,330	57,666,983	29,522	5.1%
2005	1,877,000	52,850,398	28,157	5.4%
2004	1,776,780	49,443,185	27,827	5.8%
2003	1,705,625	45,016,790	26,393	6.3%
2002	1,644,275	42,010,066	25,549	6.3%
2001	1,609,370	39,974,556	24,839	5.5%
2000	1,522,910	37,014,951	24,305	5.4%
1999	1,473,307	34,088,221	23,137	5.5%

Sources:

[1] California State Department of Finance as of January 1.

[2] U.S. Department of Commerce Bureau of Economic Analysis

[3] Riverside County Economic Development Agency

[4] Year represents most recent data available.

Riverside County Transportation Commission

Employment Statistics by Industry for the County of Riverside

Calendar Year 2008 and Nine Years Prior

Industry Type	2008 [1]	% of Total Employment	1999	% of Total Employment
Farm	8,121	0.9%	15,021	2.4%
Agricultural services, forestry, fishing and other	7,573	0.9%	19,298	3.1%
Mining	1,527	0.2%	925	0.1%
Construction	79,752	9.2%	57,251	9.2%
Manufacturing	53,842	6.2%	54,936	8.8%
Transportation, warehousing, and public utilities	30,549	3.5%	19,979	3.2%
Wholesale trade	26,500	3.1%	20,178	3.2%
Retail trade	106,769	12.4%	112,112	18.0%
Finance, insurance, and real estate	77,488	9.0%	46,716	7.5%
Services	340,411	39.4%	186,187	29.9%
Federal government, civilian	6,729	0.8%	6,299	1.0%
Military	3,514	0.4%	3,006	0.5%
State government	13,296	1.5%	11,544	1.8%
Local government	108,037	12.5%	70,284	11.3%
Total employment	864,108	100.0%	623,736	100.0%

Source: U.S. Department of Commerce Bureau of Economic Analysis

[1] Year represents most recent data available.

Riverside County Transportation Commission

Full-time Equivalent Employees by Function/Program

Last Ten Fiscal Years

	As of June 30									
Function/Program	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Management services and administration	8.9	12.7	17.6	15.0	12.2	12.7	12.5	13.0	13.3	13.2
Planning and programming	5.5	5.1	5.4	6.4	5.0	3.4	3.7	3.6	3.6	3.9
Rail operations	3.3	2.9	3.1	2.8	3.1	1.6	2.0	2.4	2.5	2.5
Right of way management	1.7	1.4	1.1	2.0	1.7	1.0	1.1	0.7	0.7	0.6
Specialized transit/transportation	2.6	2.2	2.0	2.4	2.3	1.4	1.3	1.2	1.4	1.2
Commuter assistance	1.8	1.2	1.3	1.3	2.1	2.1	2.5	2.2	1.6	1.8
Motorist assistance	0.7	0.8	0.7	0.7	0.8	0.8	0.8	1.0	1.0	1.0
Capital project development and delivery	12.5	9.7	6.8	4.4	3.0	2.0	1.1	0.9	0.9	0.8
Total full-time equivalents	37.0	36.0	38.0	35.0	30.2	25.0	25.0	25.0	25.0	25.0

Source: Finance Department

Riverside County Transportation Commission

Operating Indicators

Last Ten Fiscal Years

	As of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Commuter rail operations:										
Weekday trips	11,340	12,224	12,304	11,696	11,391	9,721	9,532	8,818	7,589	7,283
Growth of average daily ridership on commuter lines:										
Riverside line	5,124	5,269	5,184	4,769	4,370	4,566	4,462	4,241	4,200	4,521
IEOC line	4,011	4,611	4,859	4,651	4,149	3,634	3,641	3,169	2,923	2,757
91 line	2,205	2,344	2,261	2,276	2,107	1,876	1,700	1,557	240	N/A
Farebox recovery ratio:										
Riverside line	52.5%	51.0%	53.01%	67.07%	48.5%	46.9%	51.1%	49.8%	55.3%	50.9%
IEOC line	28.3%	37.3%	42.60%	42.19%	45.5%	48.7%	56.6%	49.3%	46.3%	50.4%
91 line	49.3%	53.0%	45.53%	49.02%	57.2%	107.0%	101.4%	71.3%	16.6%	N/A
Specialized transit/transportation:										
Specialized transit grants awarded	22	22	14	15	9	10	8	10	9	8
Commuter assistance:										
Club Ride members	N/A	7,378	5,860	4,436	3,901	2,837	1,994	1,960	1,792	2,005
Rideshare Incentive members	1,131	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rideshare Plus Rewards members	7,080	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Incoming 1-866-RIDESHARE telephone calls	2,145	2,423	3,709	2,613	2,433	801	829	1,243	N/A	N/A
RideSmart Tips produced	N/A	N/A	N/A [1]	45,304	27,790	32,379	9,335	N/A	N/A	N/A
Rideguides produced	43,319	34,940	23,121	24,676	N/A	N/A	N/A	N/A	N/A	N/A
Commuter Exchange events	50	73	71	60	23	5	9	8	10	9
Motorist assistance:										
Call boxes	614	614	630	682	979	1,058	1,083	1,090	1,085	947
Calls made from call boxes	5,934	6,574	7,543	9,595	15,390	19,945	23,713	28,404	37,730	44,158
Contracted Freeway Service Patrol vehicles	22	20	20	17	15	15	15	13	13	12
Vehicles assisted by Freeway Service Patrol	48,312	43,119	45,500	40,025	31,838	32,542	32,564	27,485	25,952	25,679
Transportation Uniform Mitigation Fee program:										
Approved regional arterial projects	24	24	24	24	24	24	-	-	-	-
Measure A program:										
Highways	$ 45,698,211	$ 165,100,551	$ 65,697,249	$ 48,359,404	$ 37,073,826	$ 36,340,818	$ 33,133,748	$ 29,459,603	$ 11,959,224	$ 9,872,346
Commuter rail	20,312,056	32,089,238	12,419,675	14,044,435	2,784,423	2,250,187	8,116,270	24,973,615	4,254,712	2,025,664
Regional arterials	11,920,846	12,645,090	18,220,540	30,756,287	10,350,500	10,056,326	8,246,797	8,445,554	9,734,705	10,534,691
Local streets and roads	34,258,313	45,661,155	54,520,115	59,202,631	60,389,876	53,333,169	46,208,968	40,260,340	36,030,413	34,339,969
Specialized transit and commuter assistance	10,161,780	9,838,990	9,071,302	6,358,224	7,887,298	7,458,994	7,238,299	6,295,180	6,403,786	8,426,277
Total program expenditures	$ 122,351,206	$ 265,335,024	$ 159,928,881	$ 158,720,981	$ 118,485,923	$ 109,439,494	$ 102,944,082	$ 109,434,292	$ 68,382,840	$ 65,198,947

Source: Commission Departments

[1] This brochure was discontinued beginning FY 2007/08.

Riverside County Transportation Commission

Capital Asset Statistics by Program

Last Ten Fiscal Years

	As of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Commuter rail:										
Commuter rail stations owned and managed	5	5	5	5	5	5	5	5	4	4
Miles of commuter rail easements	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6
Commuter Assistance:										
Commuter Exchange Vehicle	1	1	1	1	1	1	1	1	1	1

Source: Commission Departments

Riverside County Transportation Commission

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