RCTC

Riverside County Transportation Commission

Fiscal Year Ended June 30, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

91 Widening

Metrolink

60/215 Interchange

Riverside County Transportation Commission Riverside County, California

215 at Clinton Keith Road

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

RIVERSIDE COUNTY, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2011

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RCTC
Riverside County Transportation Commission

Corona Transit Center

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Riverside County Transportation Commission

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October 31, 2011

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, 2011.

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, 2011. 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 28 cities, and one non-voting member appointed by the Governor. This 34-member Board includes an official for a city newly incorporated in July 2011. 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 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 continuing effects from the nationwide recession, as evidenced by high unemployment; low 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 fluctuating Measure A and LTF sales tax revenues and Transportation Uniform Mitigation Fees (TUMF).

While economic reports indicate that the nationwide recession ended in June 2009 and economic growth has resumed, recovery in the local Inland Empire economy lags the nation and the rest of California. While sales tax revenues have rebounded slightly from the recent economic downturn's low point in 2010, the Commission's outlook for FY 2011/12 continues to be guarded, due to concerns regarding other economic indicators. Should Measure A and LTF sales tax revenues continue to fluctuate 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

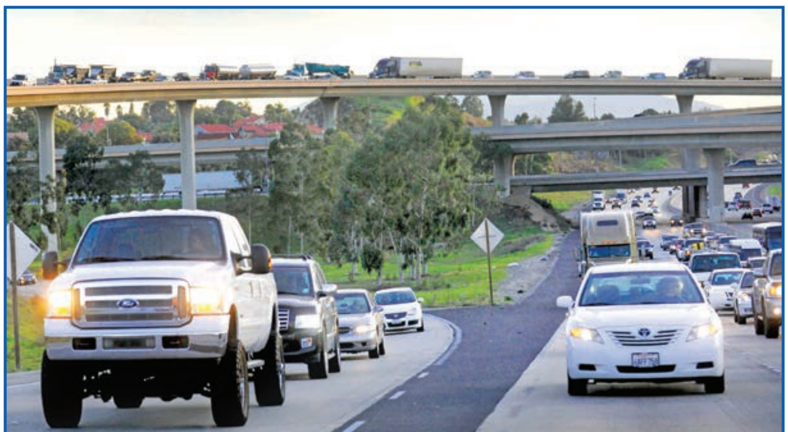
Proactive financial planning is a critical element for the success of the Commission as it builds for the future. Continually reviewing revenues and projecting expenditures ensures that the Commission's expectations are realistic and goals are achievable. Scarce resources, especially at the state and 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 Brown 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 (STP) 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 has been continued on a short-term basis until Congress can agree on a multi-month extension of the 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.

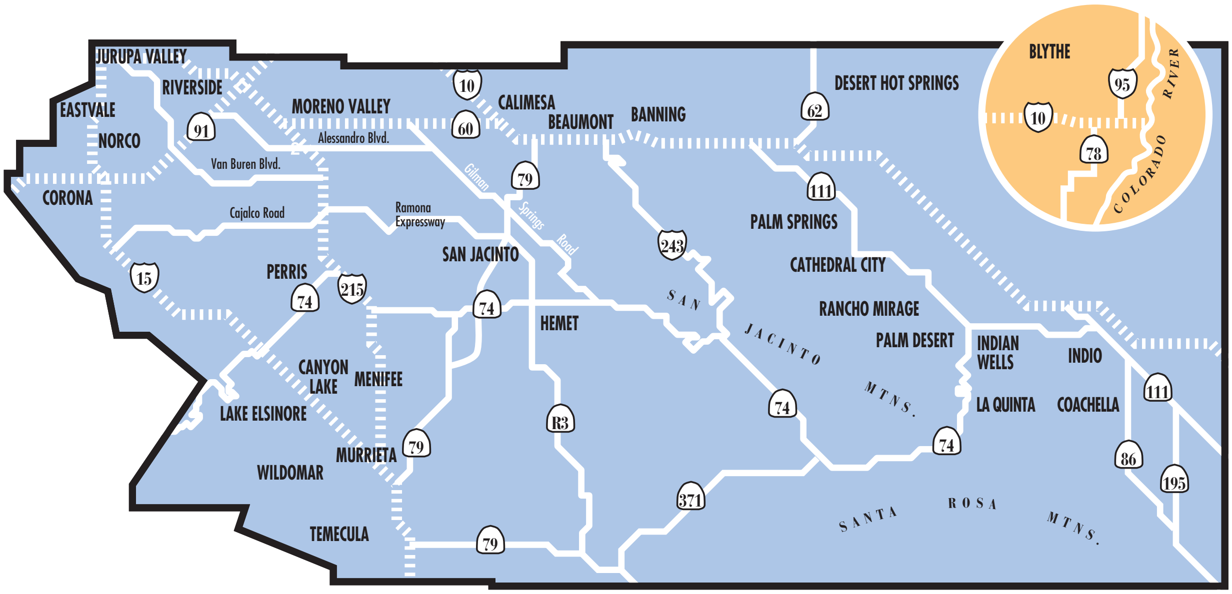
The widening of SR-91 is part of a multi-year Western Riverside County Delivery Plan (Delivery Plan) that focuses on investing more than $2 billion in improvements along a number of major freeways during the first ten years of the 2009 Measure A program. The Delivery Plan was adopted by the Commission 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.



91 Freeway at the 15 Freeway

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 how to spend millions of dollars on transportation projects to expand freeways, improve mobility on streets and roads, and improve rail passenger facilities.

Highways. The Commission is currently working on the few remaining projects yet to be completed from the 1989 Measure A program. For example, the design phase for the 60/215 East Junction High Occupancy Vehicle (HOV) connector project was completed during the year, and construction began this summer. 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 estimated completion date is Winter 2014.

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 early 2012 with an estimated completion date of Summer 2015.

74/215 Interchange

Two other 1989 Measure A projects along SR-74 are the 74/215 interchange and the SR-74 curve widening. The 74/215 project, which is currently under construction, will realign and widen the on-ramps from SR-74 to I-215 and widen the Redlands Avenue overcrossing. The project is funded with TUMF zonal funding and American Recovery and Reinvestment Act funding. Construction commenced in June 2010 and will take approximately 24 months to complete. With right of way acquisition underway, construction for the SR-74 curve widening from Calvert Avenue to California Avenue should begin in early 2012.

The I-215 corridor will prove to be an important corridor for the Commission in the coming years, and 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. Construction of this project, which will provide a third mixed flow lane in each direction of the existing median of I-215, commenced in April 2011. The project is funded with STIP and CMIA funds. 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 began in early 2011, and construction is anticipated to start in 2013. The project is funded with STIP, Measure A, STP, 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, and construction is expected to begin in Summer 2015.


215 at Scott Road


Downtown Perris Station

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. In July 2011 the Commission certified the Environmental Impact Report for the Perris Valley Line and approved the project.

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. A total of $75 million in FTA Section 5309 Small Starts funding has been appropriated by Congress for this project. An additional $53 million in STIP funds is also identified for the project. New commuter rail service on the Perris Valley Line is anticipated to commence in late 2013.

With the continued growth of patronage, commuter rail's challenges for the future include Positive Train Control development to ensure safety, locomotive rehabilitation and emissions improvements, 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 former Governor Schwarzenegger—marking a truly significant milestone for the 91 Project and the Commission.

91 Freeway Congestion in Corona

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 Spring 2012. 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, and a design-build contract award is anticipated in Spring 2013. The project's overall finance plan has been developed by a finance team, which includes Goldman Sachs and Bank of America Merrill Lynch serving as co-managing underwriters for a future toll revenue bond issue. The Commission hired Stantec, Inc. in July 2010 to perform an investment-grade traffic and revenue study in connection with the financing strategy. In March 2011 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. Although this effort was not successful, the Commission submitted another application for TIGER III funding in late October 2011. 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 tolled 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 continue to progress and are scheduled for completion in 2012.

The Commission initiated a level 2 toll feasibility study for the I-15 CIP 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 updated 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. As a result of this study, the Commission will determine a funding plan for the project following completion of the environmental work.

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 amended the memorandum of understanding and Administrative Plan in 2008 to lift the $400 million cap, resulting in the Commission receiving an equal share of the TUMF regional arterial revenue indefinitely.

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 $99 million in TUMF funding related to the approval of approximately $188 million in funding the regional arterial projects through construction. To date, four projects have been completed, and four projects are under construction. The majority of the remaining projects are currently in the project development stage with construction on seven projects scheduled to begin in FY 2011/12.

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 41,000 passengers each weekday. The Commission owns and operates five stations served by the three Metrolink lines operating through the County:

Downtown Riverside Station

- *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 Canyon, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel/Mission Viejo, San Juan Capistrano, and Oceanside. When initiated, this service was described as the first suburb-to-suburb commuter rail service in the nation. The IEOC line has experienced a slight increase in patronage with an average daily ridership of 3,800.

- *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 increased slightly with an average daily ridership of 2,300.

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.

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 2012.

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 613 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 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 5,250 calls during FY 2010/11.


Freeway Service Patrol

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 2010/11, the FSP provided assistance to approximately 45,750 motorists.

To further promote mobility, the Commission, in partnership with SANBAG, provides motorists with access to real-time freeway travel information and incident information on Southern California highways through its Inland Empire 511 (IE511) Traveler Information system. IE511 is available via the telephone by dialing 511 from any land line or cell phone within Riverside or San Bernardino County or online at www.ie511.org. IE511 is designed to promote mobility by fostering more informed travel decisions to avoid congestion as well as provide more choices for the individual commuter by identifying all travel options available to Riverside and San Bernardino County residents. Inland Empire commuters can access transit, Metrolink, carpooling, vanpooling, carpool lane, and toll road information, as well as detailed park and ride lot information for the entire Southern California region. IE511 is funded with Riverside County SAFE funds in addition to SANBAG reimbursements. In FY 2010/11, IE511 serviced approximately 244,000 web visits and 489,000 phone calls.

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 fifteenth year, to provide an identical commuter assistance program for San Bernardino County residents.

Commuter Assistance Program

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 2010/11, the program attracted 1,061 drive alone commuters to rideshare and participate in the Rideshare Incentives program. RidesharePlus Rewards had 5,518 participants for the same period. In total, the Commuter Assistance program resulted in over 1.4 million one-way trips reduced, 35.6 million miles saved, and approximately 631,980 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 2,000 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, persons with disabilities and persons with low incomes. Along with support of traditional dial-a-ride services, the Commission supports innovative programs providing transit assistance in hard-to-serve rural areas or for riders having very special transit needs.

Specialized Transit

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 2011 Universal Call included approximately $2.7 million in new federal funding to augment the $4.1 million in Measure A funds committed locally by the Commission for FY 2011/12 and FY 2012/13. During FY 2010/11, the nonprofit operators provided approximately 363,300 Measure A/JARC/NF one-way trips in both Western County and Coachella Valley, slightly exceeding the countywide goal for the year. The Commission will be conducting another cycle of Universal Call for Projects for Specialized Transit in 2013.

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.

Magnolia Avenue Grade Separation

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 in early 2012; two additional crossings (Auto Center Drive and Iowa Avenue) will start construction in 2012. Additionally, the ground access improvement project at the I-215 Van Buren interchange will start construction in 2012. Twenty-nine of the remaining 53 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. The 2008 Grade Separation Funding Strategy is in the process of being updated.

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, 2010. This was the 18th 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 for Riverside County residents and commuters.

Very truly yours,

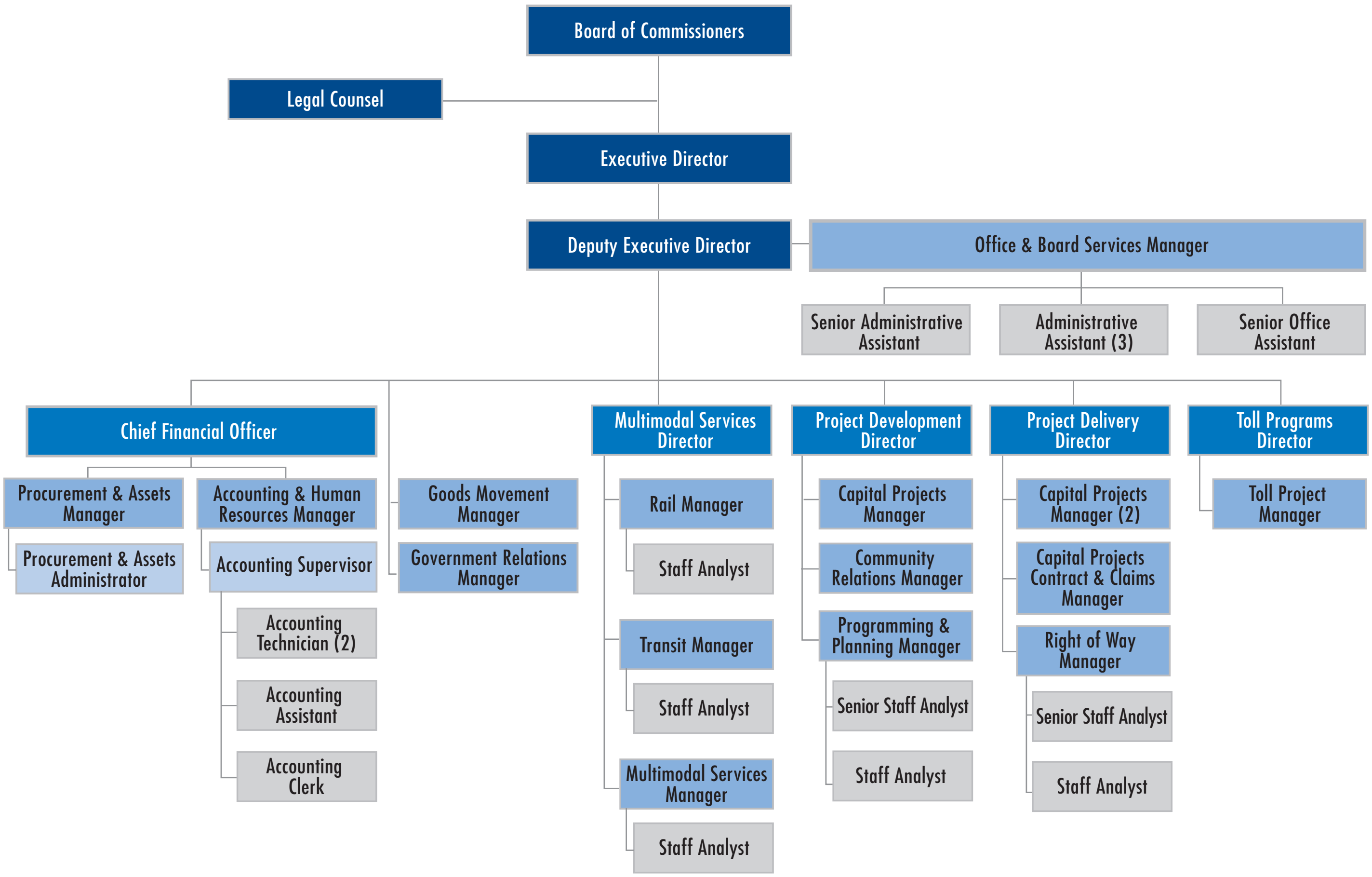
Anne E Mayer

ANNE MAYER
Executive Director

Theresia Treviño

THERESIA TREVIÑO
Chief Financial Officer

Riverside County Transportation Commission Organizational Chart
Fiscal Year 2010/11



Riverside County Transportation Commission

List of Principal Officials
As of June 30, 2011

Board of Commissioners

Name and Position	Title	Agency
Greg Pettis	Chair (Commission	City of Cathedral City
John J. Benoit	1st Vice Chair (Commission)	County of Riverside, District 4
Karen Spiegel	2nd Vice Chair (Commission)	City of Corona
Bob Botts	Member	City of Banning
Roger Berg	Member	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Ella Zanowic	Member	City of Calimesa
Mary Craton	Member	City of Canyon Lake
Steven Hernandez	Member	City of Coachella
Scott Matas	Chair (Budget & Implementation Committee); Vice Chair (Eastern Riverside County Programs and Projects Committee)	City of Desert Hot Springs
Adam Rush	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Eastvale
Larry Smith	Member	City of Hemet
Douglas Hanson	Member	City of Indian Wells
Glenn Miller	Member	City of Indio
Terry Henderson	Chair (Eastern Riverside County Programs and Projects Committee)	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
Darcy Kuenzi	Chair (Western Riverside County Programs and Projects Committee)	City of Menifee
Marcelo Co	Member	City of Moreno Valley
Rick Gibbs	Member	City of Murrieta
Berwin Hanna	Member	City of Norco
Jan Harnik	Member	City of Palm Desert
Steve Pougnet	Member	City of Palm Springs
Daryl Busch	Member	City of Perris
Scott Hines	Member	City of Rancho Mirage
Steve Adams	Member	City of Riverside
Scott Miller	Member	City of San Jacinto
Ron Roberts	Vice Chair (Budget & Implementation Committee)	City of Temecula
Ben Benoit	Member	City of Wildomar
Bob Buster	Member	County of Riverside, District 1
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, 2010

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.

President

Executive Director

McGladrey & Pullen, LLP
Certified Public Accountants

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 (Commission) as of and for the year ended June 30, 2011, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

In our opinion, the financial statements referred to previously 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, 2011, 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 the 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 31, 2011

Riverside County Transportation Commission

Management's Discussion and Analysis
Year Ended June 30, 2011

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, 2011. 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 $635,864,022 and consisted of invested capital assets, net of related debt, of $341,912,094; restricted net assets of $587,098,179; and unrestricted net asset (deficit) of ($293,146,251).

- 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 $21,752,753 during fiscal 2011. 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 increased Measure A sales taxes and program revenues.

- Total capital assets, net of accumulated depreciation, were $367,332,959 at June 30, 2011, representing an increase of $42,708,520, or 13%, from June 30, 2010. The increase in capital assets was primarily related to the land acquisition and 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 $589,364,644, an increase of $37,796,716 compared to fiscal 2010. 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 12 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 four 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 22-44 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 46-49 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 52-57 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, 2011, the Commission's assets exceeded liabilities by $635,864,022, a $21,752,753 increase from June 30, 2010. Our analysis below focuses on the net assets and changes in net assets of the Commission's governmental activities.

Net Assets

Approximately 54%, compared to 48% in 2010, 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 $47,693,831 in net assets invested in capital assets, net of related debt, from governmental activities resulted primarily from the land acquisition 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 92% and 90% of the total net assets at June 30, 2011 and 2010, respectively. Restricted net assets from governmental activities increased by $37,316,765, as a result of 2010 Measure A revenues available for Western County economic development, new corridor, and regional arterial projects compared to the 1989 Measure A program and the use of commercial paper proceeds and issuance of sales tax bond proceeds for certain 2009 Measure A Western County highway projects rather than the revenues from the 2009 Measure A sales taxes. These increases to restricted assets for highways were offset by increased highway 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 $229,888,408 deficit at June 30, 2010 to a $293,146,251 deficit at June 30, 2011. 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, 2011 and June 30, 2010:

Net Assets	June 30, 2011	June 30, 2010
Current and other assets	$ 660,756,107	$ 615,127,022
Capital assets not being depreciated	297,920,072	252,736,828
Capital assets being depreciated, net of accumulated depreciation	69,412,887	71,887,611
Total assets	1,028,089,066	939,751,461
Long-term obligations	324,044,547	264,605,365
Other liabilities	68,180,497	61,034,827
Total liabilities	392,225,044	325,640,192
Net assets:		
Invested in capital assets, net of related debt	341,912,094	294,218,263
Restricted	587,098,179	549,781,414
Unrestricted (deficit)	(293,146,251)	(229,888,408)
Total net assets	$ 635,864,022	$ 614,111,269

Changes in Net Assets

The Commission's total program and general revenues were $240,615,727, while the total cost of all programs was $218,862,974. Total revenues increased by 6%, and the total cost of all programs increased by 21%. Approximately 23% 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 $21,752,753, 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:

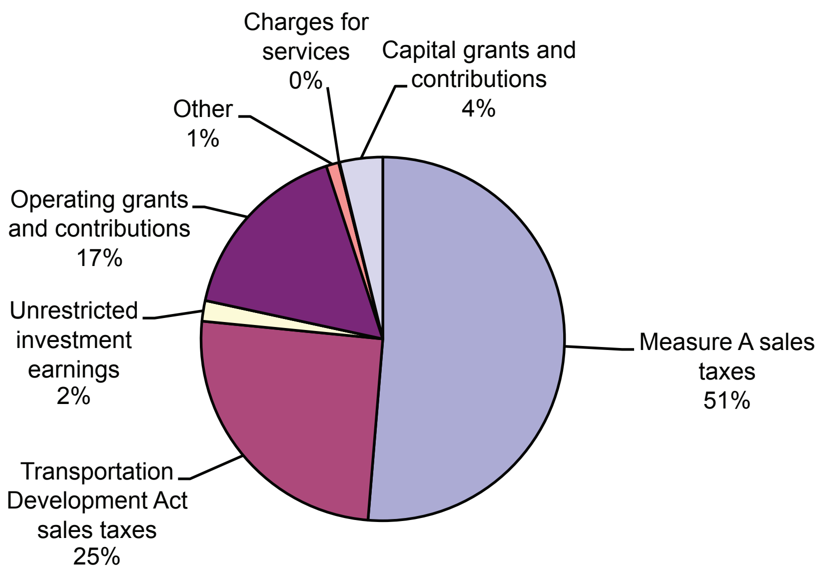
- Operating grants and contributions increased by $16,756,192, or 72%, primarily due to federal and state reimbursements related to 1989 Measure A and 2009 Measure A highway projects including the State Route (SR) 91 HOV lanes, 74/215 interchange project, and SR-91 Green River interchange project and to the federal cash subsidy related to the 2010 Sales Tax Revenue Bonds (Bonds), Series B (Taxable Build America Bonds);
- Capital grants and contributions decreased by $3,057,831, or 25%, because of federal, state, and local grants in the previous year which funded completed rail capital projects related to the Perris Transit Center, North Main Corona commuter rail station parking structure, and station rehabilitation and security projects;
- Measure A sales tax revenues increased by $8,913,579, or 8%, due to a modest economic recovery in the region;
- Transportation Development Act (TDA) sales taxes decreased by $8,727,046, or 13%, as a result of the previous year's unanticipated receipt of State Transit Assistance funds following the revised state budget approval of a gas tax swap which was offset by an increase in Local Transportation fund revenues due to the modest economic recovery in the region;
- Unrestricted investment earnings decreased $1,576,799, or 26%, because of lower interest rates;

Changes in Net Assets	Year Ended June 30, 2011	Year Ended June 30, 2010
Revenues		
Program revenues:		
Charges for services	$ 211,691	$ 196,527
Operating grants and contributions	39,886,648	23,130,456
Capital grants and contributions	9,199,268	12,257,099
General revenues:		
Measure A sales taxes	123,439,833	114,526,254
Transportation Development Act sales taxes	60,772,795	69,499,841
Unrestricted investment earnings	4,411,122	5,987,921
Other miscellaneous revenue	2,694,370	1,680,322
Total revenues	240,615,727	227,278,420
Expenses		
General government	8,453,876	7,024,517
Bicycle and pedestrian facilities	1,940,499	317,048
CETAP	5,490,993	2,362,393
Commuter assistance	2,868,630	3,266,834
Commuter rail	27,792,375	20,544,634
Highways	40,113,092	24,828,958
Local streets and roads	36,856,925	34,258,313
Motorist assistance	3,530,695	2,987,136
Planning and programming	4,683,272	5,321,121
Right of way management	1,270,487	1,428,066
Regional arterials	29,362,894	26,371,339
Transit and specialized transportation	44,699,650	43,820,225
Interest expense	11,799,586	7,099,038
Total expenses	218,862,974	179,629,622
Increase in net assets	21,752,753	47,648,798
Net assets at beginning of year	614,111,269	566,462,471
Net assets at end of year	$ 635,864,022	$ 614,111,269

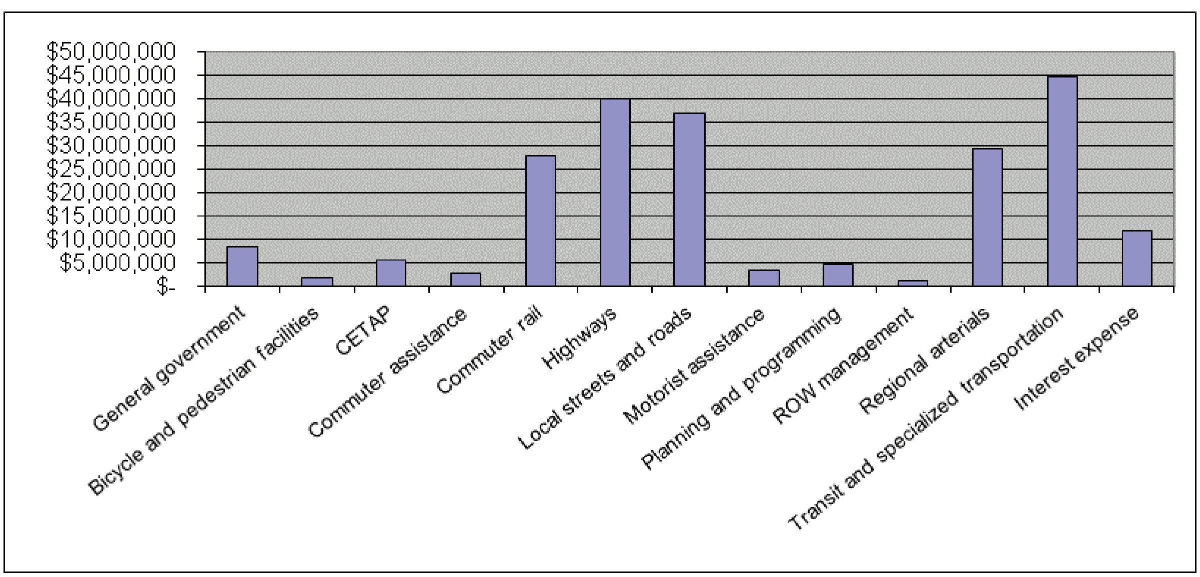
- General government expenses increased by $1,429,359, or 20%, primarily as a result of professional fees related to liquidity facilities for the commercial paper program and 2009 variable rate sales tax revenue bonds;
- Bicycle and pedestrian facilities expenses increased by $1,623,451, or 512%, due to an increase in claims for approved projects;
- CETAP expenses increased by $3,128,600, or 132%, due to an increase in consultant efforts related to the Mid County Parkway project;
- Commuter assistance expenses decreased by $398,204, or 12%, due to the detection station installations on Interstate (I) 15 and I-215 and Inland Empire 511 (IE511) implementation costs incurred during the prior year;
- Commuter rail expenses increased by $7,247,741, or 35%, as a result of increased right of way acquisitions related to the Perris Valley Line extension project;
- Highway expenses increased by $15,284,134, or 62%, due to preliminary engineering, right of way, and construction activities on various 1989 Measure A and 2009 Measure A Western County projects;
- Local streets and roads expenses increased by $2,598,612, or 8%, because of an increase in the overall Measure A sales tax revenues compared to the prior year;
- Motorist Assistance expenses increased by $543,559, or 18%, due to the newly implemented IE511 operations costs during the year;

- Planning and programming expenses decreased by $637,849, or 12%, due to the decrease in costs resulting from the completion of geotechnical field exploration and evaluation activities 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 $2,991,555, or 11%, as a result of an increase in reimbursements to local jurisdictions for approved regional arterial projects;
- Transit and specialized transportation expenses increased by $879,425, or 2%, due to a net increase in Western County bus transit operating and capital claims; and
- Interest expenses increased by $4,700,548, or 66%, primarily as a result of the issuance of the 2010 Bonds which provided funding for the 2009 Measure A projects and retired the all of the outstanding commercial paper notes.

The graph below presents the program and general revenues by source for the Commission's governmental activities for the fiscal year ended June 30, 2011:



The following graph depicts program expenses for the Commission's governmental activities for the fiscal year ended June 30, 2011:



Financial Analysis of the Commission's Funds

As of June 30, 2011, the Commission's governmental funds reported combined ending fund balances of $589,364,644, an increase of $37,796,716 compared to 2010. About 9%, or $5,533,172, and 1%, or $6,270,944, are nonspendable and unrestricted fund balances, respectively. The nonspendable balances relate to prepaid amounts, and the unrestricted balances are assigned for right of way management and general government administration activities. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- $3,270,222 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- $44,904,194 for new CETAP corridors in Western County;
- $14,063,225 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;
- $85,312,866 for commuter rail capital projects including the Perris Valley Line extension which is expected to be completed in 2013;
- $53,894,069 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;
- $170,974,134 for highway, economic development, and new corridor projects related to the 1989 Measure A program and the 2009 Measure A program;
- $32,341,705 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;
- $150,000 in advances receivable from the Freeway Service Patrol fund for amounts loaned by the Service Authority for Freeway Emergencies fund, both of which are nonmajor governmental funds, that were to repaid in fiscal 2012;
- $2,578 for local streets and roads programs that are returned to the jurisdictions within the County for maintenance of their roads and local arterials under the 2009 Measure A program;
- $6,896,938 for motorist assistance services;
- $1,786,515 for planning and programming activities;
- $41,962,114 for regional arterial projects in Western County;
- $10,050,980 of Measure A funds for transit and specialized transportation in the Western County and $881,733 for specialized transportation in the Coachella Valley; and
- $111,069,255 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, 2011 and 2010:

	Fund Balances Year Ended June 30		
	2011	2010	% Change
General fund	$ 13,524,354	$ 13,261,438	2%
Special Revenue major funds:			
Measure A Western County	258,599,521	260,141,532	(1)%
Measure A Coachella Valley	10,162,008	4,029,697	152%
Transportation Uniform Mitigation Fee	73,294,737	83,618,281	(12)%
Local Transportation Fund	82,210,219	74,875,969	10%
Capital Projects major funds:			
Commercial Paper	33,227,032	29,571,329	12%
Sales Tax Bonds	25,226,581	–	N/A
Debt Service fund	53,894,069	45,738,294	18%
Nonmajor governmental funds	39,226,123	40,331,388	(3)%

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

- The 152% increase in the Measure A Coachella Valley Special Revenue fund was attributed to excess 2009 Measure A revenues over expenditures for highway and regional arterial projects;
- The 12% decrease in the Transportation Uniform Mitigation Fee Special Revenue fund was due to increased regional arterial expenditure claims for approved regional arterial projects and CETAP project costs, net of transfers in;
- 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 12% increase in the Commercial Paper Capital Projects fund was attributed primarily to a state reimbursement for the SR-91 Green River interchange project; and
- The 18% increase in the Debt Service fund was due primarily to transfers in from the Measure A Western County Special Revenue fund for debt service and a cash subsidy payment received from the Internal Revenue Service related to the 2010 Bonds, Series B (Taxable Build America Bonds).

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General fund resulted in a $24,513,040 increase in appropriations and were related to the following changes:

- $283,100 increase to general government for election costs related to a ballot initiative to increase the Measure A debt limit in November 2010;
- $21,919,167 increase to the commuter rail program for an amendment to the FY 2010/11 Short Range Transit Plan related to an obligation of funds for Metrolink's rail car procurement and positive train control project;
- $2,344,619 increase for various planning and programming activities including allocations to local jurisdictions for grade separation projects;
- $100,000 decrease to right of way management for a transfer of highway property management expenditures to the Measure A Western County Special Revenue fund;
- $25,500 increase to debt service for capital lease payments; and
- $40,654 increase to capital outlay related to the Commission's commuter rail station improvements.

During the year, General fund revenues were below budgetary estimates by $19,094,802 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, 2011		
General Fund Budgetary Variances	Final Amended Budget	Actual	% Variance
Revenues			
Sales taxes	$ 21,354,519	$ 2,700,000	(87)%
Intergovernmental	3,059,276	2,626,434	(14)%
Interest	39,200	62,479	59%
Other	285,000	254,280	(11)%
Total revenues	$ 24,737,995	$ 5,643,193	(77)%
Expenditures			
Current			
General government	$ 4,977,800	$ 4,454,700	11%
Commuter rail	33,436,967	12,850,446	62%
Planning and programming	9,651,119	4,564,597	53%
Right of way management	1,420,100	1,270,487	11%
Transit and specialized transportation	189,800	146,565	23%
Debt service	25,500	77,480	(204)%
Capital outlay	211,254	69,043	67%
Total expenditures	$ 49,912,540	$ 23,433,318	53%
Other financing sources (uses)			
Transfers in	$ 22,643,121	$ 18,053,041	(20)%
Transfers out	(790,000)	–	100%
Total other financing sources (uses)	$ 21,853,121	$ 18,053,041	(17)%

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

- $18,654,519 negative variance in sales tax revenues primarily related to the reclassification of LTF revenues as operating transfers in for financial reporting purposes only;
- $432,842 negative variance for intergovernmental revenues primarily related to the reclassification of STA revenues as operating transfers in for financial reporting purposes only;
- $523,100 positive variance for general government expenditures primarily related to professional services and other expenditures such as insurance, training, and travel;
- $20,586,521 positive variance for commuter rail expenditures related to Metrolink operations and capital;
- $5,086,522 positive variance for planning and programming expenditures related to grade separation project funding;
- $4,590,080 negative variance for transfers in related to the anticipated needs for administrative cost allocations as well as commuter rail and property management activities; and
- $790,000 positive variance for transfers out from right of way management for a 1989 Measure A highway project.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2011, the Commission had $367,332,959, net of accumulated depreciation, invested in a broad range of capital assets including construction 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 2010/11 was 13%.

Major capital asset additions during 2011 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 land acquisition for the Perris Valley Line extension and the SR-91 corridor improvement projects.

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

	June 30, 2011	June 30, 2010
Capital Assets not being depreciated:		
Land and land improvements	$ 154,926,116	$ 143,088,211
Rail operating easements	39,484,143	39,484,143
Construction and development in progress	103,509,813	70,164,474
Total capital assets not being depreciated	297,920,072	252,736,828
Capital Assets being depreciated, net of accumulated depreciation:		
Rail stations	68,822,531	71,448,965
Office improvements, furniture, equipment, and vehicles	590,356	438,646
Total capital assets, net of accumulated depreciation	69,412,887	71,887,611
Total capital assets	$ 367,332,959	$ 324,624,439

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

Debt Administration

As of June 30, 2011, the Commission had $324,700,000 outstanding in 2009 and 2010 Bonds. The total debt increased from the $181,000,000 outstanding as of June 30, 2010, as a result of the issuance in November 2010 of $150,000,000 in sales tax revenue bonds to provide funding for the 2009 Measure A projects and retire $103,284,000 of the commercial paper notes. The Commission's bonds are rated "AA+" from Standard & Poor's (S&P), "Aa1" from Moody's Investors Service (Moody's), and "AA" from Fitch Ratings (Fitch).

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 in February 2010 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, 2011, the Commission had no commercial paper notes outstanding.

The sales tax revenue debt limitation for the Commission under the 2009 Measure A program is $975,000,000, which exceeds the total outstanding debt of $324,700,000. The Commission has also authorized the issuance of toll revenue bonds not to exceed $900,000,000.

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 2011 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2011/12 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 2011/12 annual budget on June 8, 2011. Over 62% of the $441,207,100 balanced budget is related to capital project expenditures, including: $67,355,800 for preliminary engineering, right of way acquisition, and design-build activities related to the SR-91 corridor improvement project consisting of tolled express and general purpose lanes and interchange improvements; $34,514,300 for various Western County TUMF regional arterial projects; $34,459,400 for the Perris Valley Line Metrolink extension project engineering, final design, construction, and right of way acquisition; $15,298,600 for construction related to the I-215 corridor improvements from I-15 to Scott Road; $15,231,400 for final design and right of way acquisition related to the SR-91 HOV lanes from Adams Street to the 60/91/215 interchange; $14,184,000 for preliminary engineering, final design, right of way acquisition, and construction management related to the I-215 corridor improvements from Scott Road to Nuevo Road; $10,682,000 for preliminary engineering/environmental and right of way acquisition related to the Mid County Parkway; $9,483,100 for construction and right of way acquisition related to the 74/215 interchange project; $7,309,000 for preliminary engineering services related to the I-15 corridor improvements consisting of tolled express lanes, high occupancy vehicle (HOV) lanes, and general purpose lanes; and $6,900,000 for highway and regional arterial projects and land mitigation in the Coachella Valley.

Distributions to the local jurisdictions for local streets and roads are budgeted at $33,168,000. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate $87,042,800, and budgeted transfers out related to funding of commuter rail operations and capital are $11,423,000. Debt service costs are $20,195,000, or 5% of the budget.

Leading economic indicators show that the local economy continues to be impacted by the last national recession, particularly in decreased spending and a housing slowdown. These factors were considered in preparing the Commission's 2012 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.

15/91 Interchange

215 at Van Buren Boulevard

Basic Financial Statements

Riverside County Transportation Commission

Statement of Net Assets

June 30, 2011

		Governmental Activities
Assets		
Cash and investments	$	482,416,703
Receivables:		
Accounts		64,221,952
Advances to other governments		32,341,705
Interest		657,933
Prepaid expenses and other assets		7,586,848
Deferred outflow of resources		19,021,234
Restricted investments held by trustee		54,509,732
Capital assets not being depreciated		297,920,072
Capital assets, net of accumulated depreciation		69,412,887
Total assets		1,028,089,066
Liabilities		
Accounts payable		47,268,331
Interest payable		1,036,446
Other liabilities		854,486
Derivative instrument-Swap		19,021,234
Long-term liabilities:		
Due within one year		6,741,295
Due in more than one year		317,303,252
Total liabilities		392,225,044
Net assets		
Invested in capital assets, net of related debt		341,912,094
Restricted for:		
Bicycle and pedestrian facilities		3,270,222
CETAP		44,904,194
Commuter assistance		14,138,095
Commuter rail		85,314,022
Debt service		53,894,069
Highways		204,449,277
Local streets and roads		7,200,765
Motorist assistance		7,046,938
Planning and programming		1,786,515
Regional arterials		43,092,114
Transit and specialized transportation		122,001,968
Unrestricted (deficit)		(293,146,251)
Total net assets	$	635,864,022

See notes to financial statements

Riverside County Transportation Commission

Statement of Activities

Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary Government					
Governmental Activities:					
General government	$ 8,453,876	$ 27,681	$ 89,073	$ -	$ (8,337,122)
Bicycle and pedestrian facilities	1,940,499	-	-	-	(1,940,499)
CETAP	5,490,993	-	3,246,458	-	(2,244,535)
Commuter assistance	2,868,630	-	518,477	-	(2,350,153)
Commuter rail	27,792,375	-	256,048	9,199,268	(18,337,059)
Highways	40,113,092	-	27,862,211	-	(12,250,881)
Local streets and roads	36,856,925	-	-	-	(36,856,925)
Motorist assistance	3,530,695	-	3,579,890	-	49,195
Planning and programming	4,683,272	-	843,114	-	(3,840,158)
Right of way management	1,270,487	184,010	-	-	(1,086,477)
Regional arterials	29,362,894	-	3,491,377	-	(25,871,517)
Transit and specialized transportation	44,699,650	-	-	-	(44,699,650)
Interest expense	11,799,586	-	-	-	(11,799,586)
Total governmental activities	$ 218,862,974	$ 211,691	$ 39,886,648	$ 9,199,268	(169,565,367)

General Revenues:	
Measure A sales taxes	123,439,833
Transportation Development Act sales taxes	60,772,795
Unrestricted investment earnings	4,411,122
Other miscellaneous revenue	2,694,370
Total general revenues	191,318,120
Change in net assets	21,752,753
Net assets at beginning of year	614,111,269
Net assets at end of year	$ 635,864,022

See notes to financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds

June 30, 2011

	Major Funds									
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper Capital Projects	Sales Tax Bonds	Debt Service	Other Nonmajor Governmental Funds	Total
Assets										
Cash and investments	$ 10,891,341	$ 237,719,596	$ 7,849,606	$ 76,224,958	$ 73,322,371	$ 793,364	$ -	$ 32,562,391	$ 43,053,076	$ 482,416,703
Receivables:										
Accounts	2,152,422	37,677,113	5,703,299	2,440,184	11,925,643	2,304,900	-	-	2,018,391	64,221,952
Advances	875,253	-	-	-	-	32,041,891	299,814	-	150,000	33,366,958
Interest	12,866	313,575	10,522	105,078	92,719	1,860	1,628	61,385	58,300	657,933
Due from other funds	6,612,744	9,195,130	-	256,508	-	680,464	-	-	-	16,744,846
Prepaid expenditures	143,397	4,259,775	-	1,130,000	-	-	-	-	-	5,533,172
Restricted investments held by trustee	-	-	-	-	-	30	32,705,912	21,803,790	-	54,509,732
Total assets	$ 20,688,023	$ 289,165,189	$ 13,563,427	$ 80,156,728	$ 85,340,733	$ 35,822,509	$ 33,007,354	$ 54,427,566	$ 45,279,767	$ 657,451,296
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	$ 6,993,169	$ 29,916,302	$ 2,760,254	$ 5,555,626	$ 716,212	$ -	$ 48,419	$ 533,497	$ 744,852	$ 47,268,331
Advances payable	-	-	-	875,253	-	-	-	-	150,000	1,025,253
Due to other funds	-	369,198	641,165	431,112	2,414,302	-	7,730,277	-	5,158,792	16,744,846
Other liabilities	170,500	280,168	-	-	-	2,595,477	2,077	-	-	3,048,222
Total liabilities	7,163,669	30,565,668	3,401,419	6,861,991	3,130,514	2,595,477	7,780,773	533,497	6,053,644	68,086,652
Fund balances										
Nonspendable-prepaid amounts	143,397	4,259,775	-	1,130,000	-	-	-	-	-	5,533,172
Restricted for:										
Bicycle and pedestrian facilities	-	-	-	-	3,270,222	-	-	-	-	3,270,222
CETAP	-	-	-	44,904,194	-	-	-	-	-	44,904,194
Commuter assistance	-	14,063,225	-	-	-	-	-	-	-	14,063,225
Commuter rail	5,372,869	79,939,997	-	-	-	-	-	-	-	85,312,866
Debt service	-	-	-	-	-	-	-	53,894,069	-	53,894,069
Highways	-	135,583,480	9,278,746	-	-	1,185,141	24,926,767	-	-	170,974,134
Loans and advances receivable	-	-	-	-	-	32,041,891	299,814	-	150,000	32,491,705
Local streets and roads	-	493	1,529	-	-	-	-	-	556	2,578
Motorist assistance	-	-	-	-	-	-	-	-	6,896,938	6,896,938
Planning and programming	1,737,144	-	-	-	49,371	-	-	-	-	1,786,515
Regional arterials	-	14,701,571	-	27,260,543	-	-	-	-	-	41,962,114
Transit and specialized transportation	-	10,050,980	881,733	-	78,890,626	-	-	-	32,178,629	122,001,968
Assigned:										
Right of way management	551,991	-	-	-	-	-	-	-	-	551,991
General government	5,718,953	-	-	-	-	-	-	-	-	5,718,953
Total fund balances	13,524,354	258,599,521	10,162,008	73,294,737	82,210,219	33,227,032	25,226,581	53,894,069	39,226,123	589,364,644
Total liabilities and fund balances	$ 20,688,023	$ 289,165,189	$ 13,563,427	$ 80,156,728	$ 85,340,733	$ 35,822,509	$ 33,007,354	$ 54,427,566	$ 45,279,767	$ 657,451,296

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, 2011

Total fund balances - Governmental funds (page 18)	$	589,364,644
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.		367,332,959
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in funds.		2,193,736
Interest payable on bonds outstanding is not due and payable in the current period and therefore is not reported in the funds.		(1,036,446)
Debt issuance costs are not current financial resources and therefore are not reported in the governmental funds.		2,053,676
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		(452,599)
Capital lease obligation		(54,874)
Debt issuance payable		(324,700,000)
Discount on debt issuances		1,162,926
Net adjustment		(324,044,547)
Net assets of governmental activities (page 16)	$	635,864,022

See notes to financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2011

	Major Funds									
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper Capital Projects	Sales Tax Bonds	Debt Service	Other Nonmajor Governmental Funds	Total
Revenues										
Sales taxes	$ 2,700,000	$ 91,274,334	$ 28,598,703	$ -	$ 60,772,795	$ -	$ -	$ -	$ 866,796	$ 184,212,628
Transportation Uniform Mitigation Fee	-	2,664,946	-	6,492,917	-	-	-	-	-	9,157,863
Intergovernmental	2,626,434	30,001,925	-	-	-	2,304,900	-	1,499,340	3,579,889	40,012,488
Interest	62,479	1,318,150	38,702	426,079	359,798	1,772,311	41,929	258,868	245,903	4,524,219
Other	254,280	1,320,036	-	695,100	-	-	-	-	608,964	2,878,380
Total revenues	5,643,193	126,579,391	28,637,405	7,614,096	61,132,593	4,077,211	41,929	1,758,208	5,301,552	240,785,578
Expenditures										
Current:										
General government	4,454,700	3,847,776	-	-	12,000	25,787	-	-	-	8,340,263
Bicycle and pedestrian facilities	-	-	-	-	1,940,499	-	-	-	-	1,940,499
CETAP	-	-	-	5,490,993	-	-	-	-	-	5,490,993
Commuter assistance	-	2,816,392	-	-	-	-	-	-	-	2,816,392
Commuter rail	12,850,446	22,632,065	-	-	-	-	-	-	-	35,482,511
Highways	-	73,361,790	1,649,908	-	-	-	-	-	-	75,011,698
Local streets and roads	-	25,828,983	10,121,777	-	-	-	-	-	906,165	36,856,925
Motorist assistance	-	-	-	-	-	-	-	-	3,530,695	3,530,695
Planning and programming	4,564,597	-	-	-	109,800	-	-	-	-	4,674,397
Right of way management	1,270,487	-	-	-	-	-	-	-	-	1,270,487
Regional arterials	-	-	8,638,637	20,724,257	-	-	-	-	-	29,362,894
Transit and specialized transportation	146,565	4,673,196	3,773,000	-	35,301,507	-	-	-	805,382	44,699,650
Total programs	23,286,795	133,160,202	24,183,322	26,215,250	37,363,806	25,787	-	-	5,242,242	249,477,404
Debt service:										
Principal	23,230	-	-	-	-	103,284,000	-	6,300,000	-	109,607,230
Interest	2,012	-	-	-	-	151,133	4,791,737	6,351,386	-	11,296,268
Cost of issuance	52,238	-	-	-	-	-	1,440,958	-	-	1,493,196
Total debt service	77,480	-	-	-	-	103,435,133	6,232,695	12,651,386	-	122,396,694
Capital outlay	69,043	78,254	-	-	-	-	-	-	-	147,297
Total expenditures	23,433,318	133,238,456	24,183,322	26,215,250	37,363,806	103,460,920	6,232,695	12,651,386	5,242,242	372,021,395
Excess (deficiency) of revenues over (under) expenditures	(17,790,125)	(6,659,065)	4,454,083	(18,601,154)	23,768,787	(99,383,709)	(6,190,766)	(10,893,178)	59,310	(131,235,817)
Other financing sources (uses):										
Debt issuance	-	-	-	-	-	20,000,000	150,000,000	-	-	170,000,000
Discount on debt issuance	-	-	-	-	-	-	(967,467)	-	-	(967,467)
Transfers in	18,053,041	32,006,488	1,678,228	8,699,301	-	103,284,000	-	20,727,181	906,600	185,354,839
Transfers out	-	(26,889,434)	-	(421,691)	(16,434,537)	(20,244,588)	(117,615,186)	(1,678,228)	(2,071,175)	(185,354,839)
Total other financing sources (uses)	18,053,041	5,117,054	1,678,228	8,277,610	(16,434,537)	103,039,412	31,417,347	19,048,953	(1,164,575)	169,032,533
Net change in fund balances	262,916	(1,542,011)	6,132,311	(10,323,544)	7,334,250	3,655,703	25,226,581	8,155,775	(1,105,265)	37,796,716
Fund balances at beginning 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
Fund balances at end of year	$ 13,524,354	$ 258,599,521	$ 10,162,008	$ 73,294,737	$ 82,210,219	$ 33,227,032	$ 25,226,581	$ 53,894,069	$ 39,226,123	$ 589,364,644

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, 2011

Net change in fund balances - Total governmental funds (page 20)	$	37,796,716
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		46,184,561
Depreciation expense		(3,476,041)
Net adjustments		42,708,520
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(169,851)
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 commercial paper notes		103,284,000
Principal payments for sales tax revenue bonds		6,300,000
Issuance of commercial paper notes		(20,000,000)
Issuance of sales tax revenue bonds		(150,000,000)
Discount on sales tax revenue bonds		967,467
Issuance costs on sales tax revenue bonds		1,493,196
Amortization of bond discount		(72,842)
Amortization of debt issuance costs		(133,328)
Capital lease payments		23,230
Change in accrued interest		(503,318)
Net adjustments		(58,641,595)
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		58,963
Change in net assets of governmental activities (page 17)	$	21,752,753

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 33 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 July 2011, the Board increased to 34 members as a result of the addition of a 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 transportation improvements until June 2039.

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

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

Note 1. Summary of Significant Accounting Policies, Continued

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

Basis of presentation: The Commission's basic financial statements consist of government-wide financial statements, including a statement of net 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 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 when all applicable eligibility requirements have been met, interest revenue, and vehicle registration user fees.

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 11, 2011. 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, 2011.

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 and are primarily included within the function of current expenditures in the fund financial statements. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets 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 intangible assets within construction in progress. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

Note 1. Summary of Significant Accounting Policies, Continued

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 may report nonspendable, restricted, committed, assigned, and unassigned fund balances to show the level of constraint governing the use of the funds.

> **Nonspendable** fund balances cannot be spent, because they are in nonspendable form such as prepaid expenditures or are required to be maintained intact.
>
> **Restricted** fund balances are restricted for specific purposes by third parties or enabling legislation.
>
> **Committed** fund balances include amounts that can be used only for specific purposes determined by formal action of the Board. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use through the same type of formal action taken to establish the commitment.
>
> **Assigned** fund balances comprise amounts intended to be used by the Commission for specific purposes but are not restricted or committed. The Board delegates the authority to assign amounts to be used for specific purposes to the Chief Financial Officer.
>
> **Unassigned** fund balances are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories.

When both restricted and unrestricted resources are available for an incurred expenditure, it is the Commission's policy to spend restricted resources first and then unrestricted resources, as necessary. When unrestricted resources are available for an incurred expenditure, it is the Commission's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts. The Commission established a policy on reporting and classifying fund balance in the General fund in June 2011 that complies with GASB Statement No. 54.

Note 1. Summary of Significant Accounting Policies, Continued

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.

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 $1,102,517 allocated to Measure A in 2011 were less than 1% of revenues and in compliance with the law.

Note 2. Cash and Investments

Cash and investments at June 30, 2011 consist of the following:

	Cash	Unrestricted Investments	Total	Restricted Investments	Total
Cash in bank	$ 891,727	$ –	$ 891,727	$ –	$ 891,727
Petty cash	1,016	–	1,016	–	1,016
RCPIF	–	477,926,404	477,926,404	14,363,120	492,289,524
LAIF	–	3,597,556	3,597,556	–	3,597,556
Investments with fiscal agents	–	–	–	40,146,612	40,146,612
Total cash and investments	$ 892,743	$ 481,523,960	$ 482,416,703	$ 54,509,732	$ 536,926,435

As of June 30, 2011, the Commission had the following investments:

Investment	Maturities	Fair Value
First American Government Obligations mutual fund	51 days average	$ 2,646,683
LAIF	237 days average	3,597,556
RCPIF	478 days average	492,289,524
US Bank Money Market mutual fund	51 days average	37,499,929
Total investments		$ 536,033,692

Note 2. Cash and Investments, Continued

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

The Commission has deposits with a bank balance of $3,987,591 with a financial institution; bank balances over $5,000,000 are swept daily into a money market account. Of the bank balance, up to $250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of $250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

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, 2011, 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 US Bank Money Market mutual fund and First American Government Obligations mutual fund were both 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 91.8% of the Commission's investments. The investments in the Sales Tax Bonds Capital Projects fund are unexpended bond proceeds invested in the US Bank Money Market fund. The investments in the Debt Service fund are reserve funds invested in the RCPIF, First American Government Obligations fund, and US Bank Money Market 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 Blythe, Canyon Lake, and Indio and the Coachella Valley Association of Governments (CVAG) in the amounts of $1,500,000, $600,000, $4,000,000, and $43,300,000, respectively. The cities have pledged their share of 2009 Measure A local streets and roads revenues, and CVAG has pledged its share of 2009 Measure A highway and regional road revenue allocations in accordance with repayment terms specified in each agreement for actual advances. Repayment amounts are withheld from revenue allocations on a monthly basis. The final maturities of the cities of Blythe and Indio loans are due on or before September 1, 2019; the final maturity of the city of Canyon Lake loan is due within ten years following the initial advance; and the final maturities of the CVAG loans are due on or before September 1, 2029. No amounts were advanced to the city of Canyon Lake as of June 30, 2011. The outstanding advances, including capitalized interest of $2,173,335, as of June 30, 2011 were as follows:

City of Blythe	$ 1,553,411
City of Indio	4,428,415
Coachella Valley Associated Governments	26,359,879
Total loans receivable	$ 32,341,705

Note 3. Advances, Continued

Additionally, the General Fund has incurred $875,253 related to administration on behalf of the Transportation Uniform Mitigation Fee Special Revenue Fund and will be reimbursed in the next fiscal year. The Service Authority for Freeway Emergencies Special Revenue Fund advanced $150,000 to the Freeway Service Patrol Special Revenue Fund on a short-term basis for cash flow purposes. This advance was repaid in August 2011 upon the receipt of amounts due from the State.

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2011
Governmental activities				
Capital assets not being depreciated:				
Land and land improvements	$143,088,211	$ 11,837,905	$ –	$154,926,116
Construction in progress	69,889,170	33,620,643	–	103,509,813
Development in progress	275,304	–	(275,304)	–
Rail operating easements	39,484,143	–	–	39,484,143
Total capital assets not being depreciated	252,736,828	45,458,548	(275,304)	297,920,072
Capital assets being depreciated:				
Rail stations	97,829,374	748,010	(35,497)	98,541,887
Office improvements	72,782	–	–	72,782
Office furniture, equipment and vehicles	1,203,374	288,804	–	1,492,178
Total capital assets being depreciated	99,105,530	1,036,814	(35,497)	100,106,847
Less accumulated depreciation for:				
Rail stations	(26,380,409)	(3,338,947)	–	(29,719,356)
Office improvements	(38,977)	(10,307)	–	(49,284)
Office furniture, equipment and vehicles	(798,533)	(126,787)	–	(925,320)
Total accumulated depreciation	(27,217,919)	(3,476,041)	–	(30,693,960)
Total capital assets being depreciated, net	71,887,611	(2,439,227)	(35,497)	69,412,887
Governmental activities capital assets, net	$324,624,439	$ 43,019,321	$ (310,801)	$367,332,959

Depreciation expense was charged to functions/programs of the Commission's governmental activities during the year ended June 30, 2011 as follows:

General government	$ 86,580
Commuter rail	3,343,834
Commuter assistance	36,752
Planning and programming	8,875
Total depreciation expense	$ 3,476,041

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, 2011 is as follows:

Note 5. Interfund Transactions, Continued

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Measure A Western County Special Revenue fund	$ 112,690	Fringe benefits
General fund	Measure A Coachella Valley Special Revenue fund	70	Fringe benefits
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	9,421	Fringe benefits
General fund	Nonmajor Governmental funds	4,999	Fringe benefits
General fund	Local Transportation Fund Special Revenue fund	2,414,302	Allocation for grade separation costs
General fund	Nonmajor Governmental funds	3,325,000	Allocation for commuter rail capital costs
General fund	Nonmajor Governmental funds	324,571	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	421,691	Administrative cost allocation
Measure A Western County Special Revenue fund	Sales Tax Bonds Capital Projects fund	7,730,277	Highway project costs
Measure A Western County Special Revenue fund	Nonmajor Governmental funds	1,464,853	Allocation for commuter rail capital costs
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	256,508	Highway project costs
Commercial Paper Capital Projects fund	Measure A Coachella Valley Special Revenue fund	641,095	Advance loan payment adjustments
Commercial Paper Capital Projects fund	Nonmajor Governmental funds	39,369	Advance loan payment adjustment
Total due from/to other funds		$ 16,744,846	

Note 5. Interfund Transactions, Continued

Interfund transfers: During 2011, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	$ 8,699,301	Highway project costs
Measure A Western County Special Revenue fund	Debt Service fund	18,190,133	Debt service related to highways for Western County
Transportation Uniform Mitigation Fee Special Revenue fund	General fund	421,691	Administrative cost allocation
Local Transportation Fund	General fund	16,414,537	Allocation for administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs
Local Transportation Fund	Measure A Western County Special Revenue fund	20,000	Allocation for commuter rail capital costs
Commercial Paper Capital Projects fund	Measure A Western County Special Revenue fund	17,707,540	Highway and economic development project costs
Commercial Paper Capital Projects fund	Debt Service fund	2,537,048	Debt service related to loan agreements for Coachella Valley and Palo Verde Valley jurisdictions
Sales Tax Bonds Capital Projects fund	Measure A Western County Special Revenue fund	14,278,948	Highway and economic development project costs
Sales Tax Bonds Capital Projects fund	Commercial Paper Capital Projects fund	103,284,000	Transfer of bond proceeds for retirement of commercial paper notes
Sales Tax Bonds Capital Projects fund	General fund	52,238	Funding of debt issuance costs
Nonmajor Governmental funds	General fund	840,004	Allocation for commuter rail costs
Nonmajor Governmental funds	General fund	324,571	Administrative cost allocation
Nonmajor Governmental funds	Nonmajor Governmental funds	906,600	Call box program augmentation of freeway service patrol operations
Debt Service fund	Measure A Coachella Valley Special Revenue fund	1,678,228	Transfer of remaining debt service reserve for project costs
Total transfers		$185,354,839	

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, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Bonds payable:					
2009 Bonds	$ 181,000,000	$ –	$ (6,300,000)	$ 174,700,000	$ 6,500,000
2010 Bonds	–	150,000,000	–	150,000,000	–
Total bonds payable	181,000,000	150,000,000	(6,300,000)	324,700,000	6,500,000
Less: Issuance discounts	(268,301)	(967,467)	72,842	(1,162,926)	(101,037)
Total bonds payable, net	180,731,699	149,032,533	(6,263,094)	323,537,074	6,398,963
Commercial paper notes	83,284,000	20,000,000	(103,284,000)	–	–
Capital lease	78,104	–	(23,230)	54,874	24,654
Compensated absences	511,562	685,817	(744,780)	452,599	317,678
Total long-term obligations	$ 264,605,365	$149,718,350	$ (90,315,104)	$ 324,044,547	$ 6,741,295

The Commission has pledged a portion of future sales tax revenues to repay $174,700,000 and $150,000,000 in sales tax revenue bonds payable issued in October 2009 and November 2010 and outstanding at June 30, 2011. The bonds and commercial paper 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 18% of 2009 Measure A revenues. For the current year, interest paid on the bonds and commercial paper notes was $4,791,737 and $151,133, respectively.

Toll revenue bonds payable: In July 2010, the Commission authorized the issuance and sale of not to exceed $900 million of toll revenue bonds related to the SR-91 Corridor Improvement Project. No toll revenue bonds were issued as of June 30, 2011.

Sales tax revenue bonds payable: Under the provisions of the 2009 Measure A, as amended by Measure K approved by the voters in November 2010, the Commission has the authority to issue bonds subject to a bond debt limitation of $975,000,000. The following is a summary of bonds issued and secured by 2009 Measure A revenues that are outstanding at June 30, 2011:

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,

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

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; however, in July 2011, the SBPAs with JPMorgan were amended and renewed for an additional three-year period through September 2014. 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 five years. The Commission is required to pay to JPMorgan an annual commitment fee for the SBPAs of 0.79% 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 0.10% of the outstanding principal amount of the bonds. The required reserve amount is $14,213,201; however, upon the effective date of the amended SBPAs in September 2011, the required reserve was released in its entirety.	$174,700,000

In accordance with the bond maturity schedule and assuming the bonds are remarketed, annual debt service requirements to maturity for the 2009 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
2012	$ 6,500,000	$ 7,694,555	$ 14,194,555
2013	6,800,000	7,194,368	13,994,368
2014	7,100,000	6,905,762	14,005,762
2015	7,400,000	6,604,707	14,004,707
2016	7,800,000	6,304,887	14,104,887
2017-2021	44,400,000	26,205,406	70,605,406
2022-2026	55,300,000	15,897,408	71,197,408
2027-2029	39,400,000	3,569,528	42,969,528
	$ 174,700,000	$ 80,376,621	$ 255,076,621

If the SBPAs with JPMorgan are not renewed or replaced upon expiration in September 2014 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 8.50% are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 15,430,000	$ 8,476,566	$ 23,906,566
2016	30,860,000	10,747,524	41,607,524
2017	30,860,000	8,095,677	38,955,677
2018	30,860,000	5,472,577	36,332,577
2019	30,860,000	2,849,477	33,709,477
2020	15,430,000	441,974	15,871,974
	$ 154,300,000	$ 36,083,795	$ 190,383,795

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

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.

2010 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt) and Series B (Taxable Build America Bonds): In November 2010, the Commission issued sales tax revenue bonds consisting of the $37,630,000 Series A and $112,370,000 Series B, for a total issuance of $150,000,000 (2010 Bonds). A portion of the Series B Build America Bonds (BABs) was designated as recovery zone economic development bonds (RZEDBs). A portion of the 2010 Bonds was used to retire $103,284,000 of the outstanding commercial paper notes with the remaining proceeds used to fund 2009 Measure A Western County and Coachella Valley capital projects and pay costs of issuance for the 2010 Bonds. The 2010 Bonds Series A mature in annual installments ranging from $12,105,000 to $12,815,000 on various dates from June 1, 2030 through June 1, 2032 at an interest rate of 5.00%, and the 2010 Bonds Series B mature in annual installments ranging from $530,000 to $17,980,000 on various dates from June 1, 2032 to June 1, 2039 at an interest rate of 6.807%. The Commission expects to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the BABs or 45% of the interest payable on the Series B bonds additionally designated as RZEDBs. $150,000,000

In accordance with the bond maturity schedule, annual debt service requirements to maturity for the 2010 Bonds payable throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Subsidy	Total, net
2012	$ –	$ 9,530,500	$ (2,982,100)	$ 6,548,400
2013	–	9,530,500	(2,982,100)	6,548,400
2014	–	9,530,500	(2,982,100)	6,548,400
2015	–	9,530,500	(2,982,100)	6,548,400
2016	–	9,530,500	(2,982,100)	6,548,400
2017-2021	–	47,652,600	(14,910,600)	32,742,000
2022-2026	–	47,652,600	(14,910,600)	32,742,000
2027-2031	24,815,000	47,047,400	(14,910,600)	56,951,800
2032-2036	73,215,000	32,849,100	(12,797,700)	93,266,400
2037-2039	51,970,000	7,165,000	(3,175,500)	55,959,500
	$ 150,000,000	$ 230,019,200	$ (75,615,500)	$ 304,403,700

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. During 2010 and in September 2010, the Commission issued commercial paper notes of $27,000,000 and $20,000,000, respectively. In December 2010 the Commission retired $103,284,000 representing all of the outstanding commercial paper notes with the proceeds of the 2010 Bonds. At June 30, 2011, there were no outstanding commercial paper notes. The source of revenue to repay the commercial paper notes and any subsequent long-term debt refinancing is the 2009 Measure A sales tax. Interest is payable on the respective maturity dates of the commercial paper notes, which is up to 270 days from the date of issuance. The maximum allowable interest rate on the commercial paper notes is 12%.

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

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 unreimbursed draws by the Commission on this letter of credit authorization during the year ended June 30, 2011, nor were there any amounts outstanding under this letter of credit agreement at June 30, 2011.

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

Capital lease obligation: The Commission has entered into a lease agreement for financing the acquisition of office equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments. The office equipment 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, 2011 are as follows:

Year Ending June 30	Total
2012	$ 25,241
2013	25,241
2014	6,321
Total minimum lease payments	56,803
Less amount representing interest	(1,929)
Present value of minimum lease payments	$ 54,874

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 swaps are part of a synthetic fixed rate financing with the Commission's 2009 Bonds. The floating rate receipts under the swaps correspond to the floating rate payments on the 2009 Bonds. The fixed rate payment remains for the Commission as its primary interest obligation.

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) is Deutsche Bank AG (Deutsche Bank). 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 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

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

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, 2011 are ($12,302,700) and ($6,718,534), 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, 2011 are as follows:

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	$ 94,400,000	10/01/2009	3.679%	67% of LIBOR	$ (12,302,700)	06/01/2029
2009 Bonds	Deutsche Bank	80,300,000	10/01/2009	3.206%	67% of LIBOR	(6,718,534)	06/01/2029
		$ 174,700,000				$ (19,021,234)	

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, 2011 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. It is expected that this is offset partly by a decrease in payments on the 2009 Bonds.

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, 2011, 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 0.22% and 0.24%, respectively. Over the same period, the weighted average of 67% of one-month LIBOR was 0.17%, an approximate 5 and 7 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.

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

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, 2011.

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 $367,332,959, net of related debt of $25,420,865. The related debt includes the portion of the 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 $587,098,179 of restricted assets, of which $586,500,806 is restricted by enabling legislation.

Fund balances

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

> **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.

Note 7. Net Assets and Fund Balances, Continued

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

Local streets and roads: Funds to be expended by local jurisdictions for the construction, repair, and maintenance of local streets and roads are reflected as restricted as stipulated by 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.

Public Transit

Note 7. Net Assets and Fund Balances, Continued

Transportation Development Act: Restricted fund balance for the Local Transportation Fund represent the unclaimed apportionments related to claims for transit programs by geographic area, allocations available for bicycle and pedestrian facilities, and unapportioned and earned but not received revenues. Restricted fund balance for the State Transit Assistance represents the unclaimed apportionments related to claims for transit by geographic area. The TDA restrictions at June 30, 2011 are as follows:

	Local Transportation Fund	State Transit Assistance	Total
Bicycle and pedestrian facilities	$ 3,270,222	$ –	$ 3,270,222
Planning and programming, allocated and unclaimed	$ 49,371	$ –	$ 49,371
Transit and specialized transportation			
Western County:			
Bus transit:			
City of Banning	$ –	$ 784,346	$ 784,346
City of Beaumont	–	1,200,290	1,200,290
City of Corona	–	292,792	292,792
City of Riverside	–	405,000	405,000
Riverside Transit Agency	–	8,761,376	8,761,376
Apportioned and unallocated	43,284,856	12,839,275	56,124,131
Commuter rail:			
Commission	2,480,768	837,487	3,318,255
Apportioned and unallocated	17,823,807	2,665,894	20,489,701
Total Western County	63,589,431	27,786,460	91,375,891
Coachella Valley:			
SunLine Transit Agency	836,298	1,050,375	1,886,673
Apportioned and unallocated	3,381,041	2,974,873	6,355,914
Total Coachella Valley	4,217,339	4,025,248	8,242,587
Palo Verde Valley:			
Palo Verde Valley Transit Agency	517,989	194,644	712,633
Apportioned and unallocated for transit and local streets and roads	265,267	172,277	437,544
Total Palo Verde Valley	783,256	366,921	1,150,177
Unapportioned funds	10,300,600	–	10,300,600
Total transit and specialized transportation	$ 78,890,626	$ 32,178,629	$ 111,069,255

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

Planning and programming: Restricted fund balance in the General fund represents TDA monies 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.

Note 7. Net Assets and Fund Balances, Continued

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

Advances receivable: The restricted amount in the nonmajor governmental funds of $150,000 represents an advance to a fund which is to repaid in the subsequent year.

Motorist assistance: Funds in the Service Authority for Freeway Emergencies and Freeway Service Patrol Special Revenue funds, which are reported as nonmajor governmental funds, of $6,299,565 and $597,373, respectively, to assist motorists on County roads are restricted as stipulated by the State.

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

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

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, 2011 were $363,456.

The total minimum rental commitment at June 30, 2011 is due as follows:

Year Ending June 30	Amount
2012	$ 347,845
2013	119,428
Total minimum rental commitment	$ 467,273

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.

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, 2011, 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, 2011, there were no additional advances to the State from the TUMF Special Revenue fund for the SR-60 widening project.

Note 8. Commitments and Contingencies, Continued

Cumulative advances as of June 30, 2011 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 $9,498,110 during 2011 for its share of Metrolink capital and operating costs. As of June 30, 2011, cumulative capital contributions were $32,330,908. 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.

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, 2011, 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.

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, 2009 valuation (most current valuation available), the estimated amount of the side fund liability was $1,693,388.

Note 10. Employees' Pension Plans, Continued

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 19.729% for the fiscal year ended June 30, 2011.

Three-year trend information for PERS:

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2011	$ 1,016,336	100%	$ –
2010	807,367	100%	–
2009	893,063	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 $3,791,900. The Commission's contributions to the Plan were $274,656 for the year ended June 30, 2011.

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 prior to the adoption of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, 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.

Note 11. Other Postemployment Benefits (OPEB), Continued

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, 2011.

Annual OPEB cost: For 2011, the Commission's OPEB cost of $249,000 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 2011 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
2011	$ 249,000	100%	$ –
2010	241,000	100%	–
2009	172,000	100%	–

Funded status and funding progress: The funded status of the plan as of June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	$ 3,543,000
Actuarial value of plan assets	2,340,000
Unfunded actuarial accrued liability (UAAL)	$ 1,203,000
Funded ratio (actuarial value of plan assets/AAL)	66.0%
Covered payroll (active plan members)	$ 3,791,900
UAAL as a percentage of covered payroll	31.7%

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 June 30, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.75% investment rate of return. The annual healthcare cost trend rate for non-Medicare eligible premiums were 9.5%; Medicare eligible premiums were 10.0%. The trend rate was reduced by decrements to an ultimate rate of 5.0% 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, 2011 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. 59, *Financial Instruments Omnibus*;
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*;
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*;
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*;
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an Amendment of GASB Statement No. 53*.

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Bike Lockers at Riverside Metrolink Station

Required Supplementary Information

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund

Year Ended June 30, 2011

	General			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ 19,009,000	$ 21,354,519	$ 2,700,000	$ (18,654,519)
Intergovernmental	1,568,800	3,059,276	2,626,434	(432,842)
Interest	39,200	39,200	62,479	23,279
Other	285,000	285,000	254,280	(30,720)
Total revenues	20,902,000	24,737,995	5,643,193	(19,094,802)
Expenditures				
Current:				
General government	4,694,700	4,977,800	4,454,700	523,100
Commuter rail	11,517,800	33,436,967	12,850,446	20,586,521
Planning and programming	7,306,500	9,651,119	4,564,597	5,086,522
Right of way management	1,520,100	1,420,100	1,270,487	149,613
Transit and specialized transportation	189,800	189,800	146,565	43,235
Total programs	25,228,900	49,675,786	23,286,795	26,388,991
Debt service:				
Principal	-	23,400	23,230	170
Interest	-	2,100	2,012	88
Cost of issuance	-	-	52,238	(52,238)
Total debt service	-	25,500	77,480	(51,980)
Capital outlay	170,600	211,254	69,043	142,211
Total expenditures	25,399,500	49,912,540	23,433,318	26,479,222
Excess (deficiency) of revenues over (under) expenditures	(4,497,500)	(25,174,545)	(17,790,125)	7,384,420
Other financing sources (uses)				
Transfers in	2,299,100	22,643,121	18,053,041	(4,590,080)
Transfers out	(770,000)	(790,000)	-	790,000
Total other financing sources (uses)	1,529,100	21,853,121	18,053,041	(3,800,080)
Net change in fund balances	$ (2,968,400)	$ (3,321,424)	262,916	$ 3,584,340
Fund balances at beginning of year			13,261,438	
Fund balances at end of year			$ 13,524,354	

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, 2011

	Measure A Western County				Measure A Coachella Valley				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)	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	$ 77,397,000	$ 86,040,100	$ 91,274,334	$ 5,234,234	$ 25,153,000	$ 27,741,600	$ 28,598,703	$ 857,103	$ -	$ -	$ -	$ -	$ 52,500,000	$ 56,700,000	$ 60,772,795	$ 4,072,795
Transportation Uniform Mitigation Fee	5,000,000	5,000,000	2,664,946	(2,335,054)	-	-	-	-	5,000,000	4,300,000	6,492,917	2,192,917	-	-	-	-
Intergovernmental	55,774,500	48,774,500	30,001,925	(18,772,575)	-	-	-	-	-	-	-	-	-	-	-	-
Interest	913,200	913,200	1,318,150	404,950	4,300	4,300	38,702	34,402	205,600	205,600	426,079	220,479	265,300	265,300	359,798	94,498
Other	-	-	1,320,036	1,320,036	-	-	-	-	-	-	695,100	695,100	-	-	-	-
Total revenues	139,084,700	140,727,800	126,579,391	(14,148,409)	25,157,300	27,745,900	28,637,405	891,505	5,205,600	4,505,600	7,614,096	3,108,496	52,765,300	56,965,300	61,132,593	4,167,293
Expenditures																
Current:																
General government	3,901,000	3,901,000	3,847,776	53,224	-	-	-	-	-	-	-	-	712,000	712,000	12,000	700,000
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-	-	-	-	-	2,660,000	2,660,000	1,940,499	719,501
CETAP	-	-	-	-	-	-	-	-	7,482,000	11,556,000	5,490,993	6,065,007	-	-	-	-
Commuter assistance	4,157,600	4,152,600	2,816,392	1,336,208	-	-	-	-	-	-	-	-	-	-	-	-
Commuter rail	71,170,700	67,331,790	22,632,065	44,699,725	-	-	-	-	-	-	-	-	-	-	-	-
Highways	159,102,400	152,591,900	73,361,790	79,230,110	14,661,700	2,783,700	1,649,908	1,133,792	-	-	-	-	-	-	-	-
Local streets and roads	22,343,000	25,828,984	25,828,983	1	8,129,600	10,121,777	10,121,777	-	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	-	-	-	-	1,690,300	2,104,600	109,800	1,994,800
Regional arterials	-	-	-	-	-	14,000,000	8,638,637	5,361,363	49,404,000	59,093,500	20,724,257	38,369,243	-	-	-	-
Transit and specialized transportation	4,232,500	5,007,592	4,673,196	334,396	3,773,000	3,773,000	3,773,000	-	-	-	-	-	57,362,000	58,517,227	35,301,507	23,215,720
Total programs	264,907,200	258,813,866	133,160,202	125,653,664	26,564,300	30,678,477	24,183,322	6,495,155	56,886,000	70,649,500	26,215,250	44,434,250	62,424,300	63,993,827	37,363,806	26,630,021
Capital outlay	417,000	117,670	78,254	39,416	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	265,324,200	258,931,536	133,238,456	125,693,080	26,564,300	30,678,477	24,183,322	6,495,155	56,886,000	70,649,500	26,215,250	44,434,250	62,424,300	63,993,827	37,363,806	26,630,021
Excess (deficiency) of revenues over (under) expenditures	(126,239,500)	(118,203,736)	(6,659,065)	111,544,671	(1,407,000)	(2,932,577)	4,454,083	7,386,660	(51,680,400)	(66,143,900)	(18,601,154)	47,542,746	(9,659,000)	(7,028,527)	23,768,787	30,797,314
Other financing sources (uses)																
Transfers in	90,770,000	99,790,000	32,006,488	(67,783,512)	-	-	1,678,228	1,678,228	6,350,000	16,050,000	8,699,301	(7,350,699)	-	-	-	-
Transfers out	(21,130,000)	(55,474,021)	(26,889,434)	28,584,587	(2,352,800)	(1,812,774)	-	1,812,774	(1,362,200)	(6,062,200)	(421,691)	5,640,509	-	-	(16,434,537)	(16,434,537)
Total other financing sources (uses)	69,640,000	44,315,979	5,117,054	(39,198,925)	(2,352,800)	(1,812,774)	1,678,228	3,491,002	4,987,800	9,987,800	8,277,610	(1,710,190)	-	-	(16,434,537)	(16,434,537)
Net change in fund balances	$(56,599,500)	$(73,887,757)	(1,542,011)	$ 72,345,746	$ (3,759,800)	$ (4,745,351)	6,132,311	$ 10,877,662	$(46,692,600)	$(56,156,100)	(10,323,544)	$ 45,832,556	$ (9,659,000)	$ (7,028,527)	7,334,250	$ 14,362,777
Fund balances at beginning of year			260,141,532				4,029,697				83,618,281				74,875,969	
Fund balances at end of year			$ 258,599,521				$ 10,162,008				$ 73,294,737				$ 82,210,219	

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
June 30, 2011	$ 2,340,000	$ 3,543,000	$ 1,203,000	66.0%	$ 3,791,900	31.7%
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.

Columbia Avenue Grade Separation

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.

Riverside County Transportation Commission

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2011

	Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Total Nonmajor Governmental Funds
Assets					
Cash and investments	$ 556	$ 81,192	$ 5,963,100	$ 37,008,228	$ 43,053,076
Receivables:					
Accounts	172,861	1,075,941	769,589	-	2,018,391
Advances	-	-	150,000	-	150,000
Interest	-	137	8,055	50,108	58,300
Total assets	$ 173,417	$ 1,157,270	$ 6,890,744	$ 37,058,336	$ 45,279,767
Liabilities and fund balances					
Liabilities:					
Accounts payable	$ 133,492	$ 256,683	$ 264,823	$ 89,854	$ 744,852
Advances payable	-	150,000	-	-	150,000
Due to other funds	39,369	153,214	176,356	4,789,853	5,158,792
Total liabilities	172,861	559,897	441,179	4,879,707	6,053,644
Fund balances:					
Loans and advances receivable	-	-	150,000	-	150,000
Local streets and roads	556	-	-	-	556
Motorist assistance	-	597,373	6,299,565	-	6,896,938
Transit and specialized transportation	-	-	-	32,178,629	32,178,629
Total fund balances	556	597,373	6,449,565	32,178,629	39,226,123
Total liabilities and fund balances	$ 173,417	$ 1,157,270	$ 6,890,744	$ 37,058,336	$ 45,279,767

Riverside County Transportation Commission

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

Year Ended June 30, 2011

	Special Revenue				
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Total Nonmajor Governmental Funds
Revenues					
Sales taxes	$ 866,796	$ -	$ -	$ -	$ 866,796
Intergovernmental	-	1,911,572	1,668,317	-	3,579,889
Interest	(1)	1,683	32,097	212,124	245,903
Other	-	141	608,823	-	608,964
Total revenues	866,795	1,913,396	2,309,237	212,124	5,301,552
Expenditures					
Current:					
Local streets and roads	906,165	-	-	-	906,165
Motorist assistance	-	2,369,291	1,161,404	-	3,530,695
Transit and specialized transportation	-	-	-	805,382	805,382
Total programs	906,165	2,369,291	1,161,404	805,382	5,242,242
Total expenditures	906,165	2,369,291	1,161,404	805,382	5,242,242
Excess (deficiency) of revenues over (under) expenditures	(39,370)	(455,895)	1,147,833	(593,258)	59,310
Other financing sources (uses):					
Transfers in	-	906,600	-	-	906,600
Transfers out	-	(150,405)	(1,080,766)	(840,004)	(2,071,175)
Total other financing sources (uses)	-	756,195	(1,080,766)	(840,004)	(1,164,575)
Net change in fund balances	(39,370)	300,300	67,067	(1,433,262)	(1,105,265)
Fund balances at beginning of year	39,926	297,073	6,382,498	33,611,891	40,331,388
Fund balances at end of year	$ 556	$ 597,373	$ 6,449,565	$ 32,178,629	$ 39,226,123

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual—Nonmajor Special Revenue Funds

Year Ended June 30, 2011

	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	$ 750,000	$ 866,800	$ 866,796	$ (4)	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	2,602,900	2,602,900	1,911,572	(691,328)
Interest	-	-	(1)	(1)	3,000	3,000	1,683	(1,317)
Other	-	-	-	-	-	-	141	141
Total revenues	750,000	866,800	866,795	(5)	2,605,900	2,605,900	1,913,396	(692,504)
Expenditures								
Current:								
Local streets and roads	513,800	906,165	906,165	-	-	-	-	-
Motorist assistance	-	-	-	-	3,087,500	3,100,500	2,369,291	731,209
Transit and specialized transportation	-	-	-	-	-	-	-	-
Total programs	513,800	906,165	906,165	-	3,087,500	3,100,500	2,369,291	731,209
Total expenditures	513,800	906,165	906,165	-	3,087,500	3,100,500	2,369,291	731,209
Excess (deficiency) of revenues over (under) expenditures	236,200	(39,365)	(39,370)	(5)	(481,600)	(494,600)	(455,895)	38,705
Other financing sources (uses)								
Transfers in	-	-	-	-	906,600	906,600	906,600	-
Transfers out	(236,200)	(236,200)	-	236,200	(208,200)	(208,200)	(150,405)	57,795
Total other financing sources (uses)	(236,200)	(236,200)	-	236,200	698,400	698,400	756,195	57,795
Net change in fund balances	$ -	$ (275,565)	(39,370)	$ 236,195	$ 216,800	$ 203,800	300,300	$ 96,500
Fund balances at beginning of year			39,926				297,073	
Fund balances at end of year			$ 556				$ 597,373	

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	1,811,500	1,811,500	1,668,317	(143,183)	-	-	-	-
Interest	29,200	29,200	32,097	2,897	73,000	73,000	212,124	139,124
Other	46,800	46,800	608,823	562,023	-	-	-	-
Total revenues	1,887,500	1,887,500	2,309,237	421,737	73,000	73,000	212,124	139,124
Expenditures								
Current:								
Local streets and roads	-	-	-	-	-	-	-	-
Motorist assistance	1,363,000	1,350,000	1,161,404	188,596	-	-	-	-
Transit and specialized transportation	-	-	-	-	5,839,800	5,839,800	805,382	5,034,418
Total programs	1,363,000	1,350,000	1,161,404	188,596	5,839,800	5,839,800	805,382	5,034,418
Total expenditures	1,363,000	1,350,000	1,161,404	188,596	5,839,800	5,839,800	805,382	5,034,418
Excess (deficiency) of revenues over (under) expenditures	524,500	537,500	1,147,833	610,333	(5,766,800)	(5,766,800)	(593,258)	5,173,542
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,055,300)	(1,055,300)	(1,080,766)	(25,466)	-	-	(840,004)	(840,004)
Total other financing sources (uses)	(1,055,300)	(1,055,300)	(1,080,766)	(25,466)	-	-	(840,004)	(840,004)
Net change in fund balances	$ (530,800)	$ (517,800)	67,067	$ 584,867	$ (5,766,800)	$ (5,766,800)	(1,433,262)	$ 4,333,538
Fund balances at beginning of year			6,382,498				33,611,891	
Fund balances at end of year			$ 6,449,565				$ 32,178,629	

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual—Capital Projects and Debt Service Funds

Year Ended June 30, 2011

	Capital Projects Funds											
	Commercial Paper				Sales Tax Bonds				Debt Service Fund			
	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												
Intergovernmental	$ -	$ -	$ 2,304,900	$ 2,304,900	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,499,340	$ 1,499,340
Interest	39,200	579,226	1,772,311	1,193,085	16,000	16,000	41,929	25,929	242,000	242,000	258,868	16,868
Total revenues	39,200	579,226	4,077,211	3,497,985	16,000	16,000	41,929	25,929	242,000	242,000	1,758,208	1,516,208
Expenditures												
Current:												
General government	-	26,000	25,787	213	-	-	-	-	-	-	-	-
Highways	12,770,000	8,961,700	-	8,961,700	-	50,400	-	50,400	-	-	-	-
Regional arterials	-	2,479,900	-	2,479,900	-	200,000	-	200,000	-	-	-	-
Total programs	12,770,000	11,467,600	25,787	11,441,813	-	250,400	-	250,400	-	-	-	-
Debt service:												
Principal	83,300,000	102,134,200	103,284,000	(1,149,800)	-	-	-	-	9,000,000	6,300,000	6,300,000	-
Interest	1,305,000	155,000	151,133	3,867	-	4,791,800	4,791,737	63	11,100,000	6,640,500	6,351,386	289,114
Cost of issuance	-	-	-	-	1,500,000	1,520,000	1,440,958	79,042	-	-	-	-
Total debt service	84,605,000	102,289,200	103,435,133	(1,145,933)	1,500,000	6,311,800	6,232,695	79,105	20,100,000	12,940,500	12,651,386	289,114
Total expenditures	97,375,000	113,756,800	103,460,920	10,295,880	1,500,000	6,562,200	6,232,695	329,505	20,100,000	12,940,500	12,651,386	289,114
Excess (deficiency) of revenues over (under) expenditures	(97,335,800)	(113,177,574)	(99,383,709)	13,793,865	(1,484,000)	(6,546,200)	(6,190,766)	355,434	(19,858,000)	(12,698,500)	(10,893,178)	1,805,322
Other financing sources (uses)												
Debt issuance	50,000,000	20,000,000	20,000,000	-	135,000,000	150,000,000	150,000,000	-	-	-	-	-
Discount on debt issuance	-	-	-	-	-	(967,500)	(967,467)	33	-	-	-	-
Transfers in	83,300,000	82,759,974	103,284,000	20,524,026	-	-	-	-	28,789,000	28,789,000	20,727,181	(8,061,819)
Transfers out	(50,000,000)	(50,000,000)	(20,244,588)	29,755,412	(130,300,000)	(130,300,000)	(117,615,186)	12,684,814	(5,000,000)	(5,000,000)	(1,678,228)	3,321,772
Total other financing sources (uses)	83,300,000	52,759,974	103,039,412	50,279,438	4,700,000	18,732,500	31,417,347	12,684,847	23,789,000	23,789,000	19,048,953	(4,740,047)
Net change in fund balances	$ (14,035,800)	$ (60,417,600)	3,655,703	$ 64,073,303	$ 3,216,000	$ 12,186,300	25,226,581	$ 13,040,281	$ 3,931,000	$ 11,090,500	8,155,775	$ (2,934,725)
Fund balances at beginning of year			29,571,329				-				45,738,294	
Fund balances at end of year			$ 33,227,032				$ 25,226,581				$ 53,894,069	

Riverside County Transportation Commission

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

Year Ended June 30, 2011

Western County:		
City of Banning	$	408,413
City of Calimesa		110,431
City of Canyon Lake		138,402
City of Corona		2,849,242
City of Eastvale		498,435
City of Hemet		1,207,542
City of Lake Elsinore		847,049
City of Menifee		962,095
City of Moreno Valley		2,673,955
City of Murrieta		1,584,599
City of Norco		469,600
City of Perris		865,506
City of Riverside		5,104,817
City of San Jacinto		512,903
City of Temecula		2,133,511
City of Wildomar		420,522
Riverside County		5,041,348
Other		613
		25,828,983
Coachella Valley:		
City of Cathedral City		1,075,796
City of Coachella		463,251
City of Desert Hot Springs		319,372
City of Indian Wells		193,223
City of Indio		1,249,858
City of Palm Desert		2,061,817
City of Palm Springs		1,525,417
City of Rancho Mirage		712,811
Riverside County		1,260,099
Coachella Valley Association of Governments		1,260,133
		10,121,777
Palo Verde Valley:		
City of Blythe		736,940
Riverside County		169,225
		906,165
Total local streets and roads expenditures	$	36,856,925

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, 2011

	Sales Taxes			
	Measure A	Local Transportation Fund	State Transit Assistance	Total
Western County:				
Beaumont Unified School District	$ 18,948	$ -	$ -	$ 18,948
Blindness Support Services, Inc.	57,410	-	-	57,410
Boys and Girls Club of Southwest County	189,058	-	-	189,058
CASA for Riverside County	53,460	-	-	53,460
Care-A-Van	351,848	-	-	351,848
Care Connexxus	242,678	-	-	242,678
City of Banning	-	998,274	-	998,274
City of Beaumont	-	1,018,000	-	1,018,000
City of Corona	-	1,503,217	-	1,503,217
City of Norco	78,591	-	-	78,591
City of Riverside	-	2,191,371	-	2,191,371
Community Connect	199,673	-	-	199,673
Friends of the Moreno Valley Senior Citizens	61,942	-	-	61,942
Independent Living Partnership	485,492	-	-	485,492
Inland Aids Project	69,036	-	-	69,036
Operation Safe House	20,000	-	-	20,000
Riverside County Regional Medical Center	189,697	-	-	189,697
Riverside Transit Agency	2,281,350	19,408,234	751,509	22,441,093
Valley Resource Center	46,655	-	-	46,655
Other	327,358	-	-	327,358
	4,673,196	25,119,096	751,509	30,543,801
Coachella Valley:				
SunLine Transit Agency	3,773,000	9,592,414	45,232	13,410,646
	3,773,000	9,592,414	45,232	13,410,646
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	589,997	8,641	598,638
	-	589,997	8,641	598,638
Total transit and specialized transportation expenditures	$ 8,446,196	$ 35,301,507	$ 805,382	$ 44,553,085

71/91 Interchange

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:

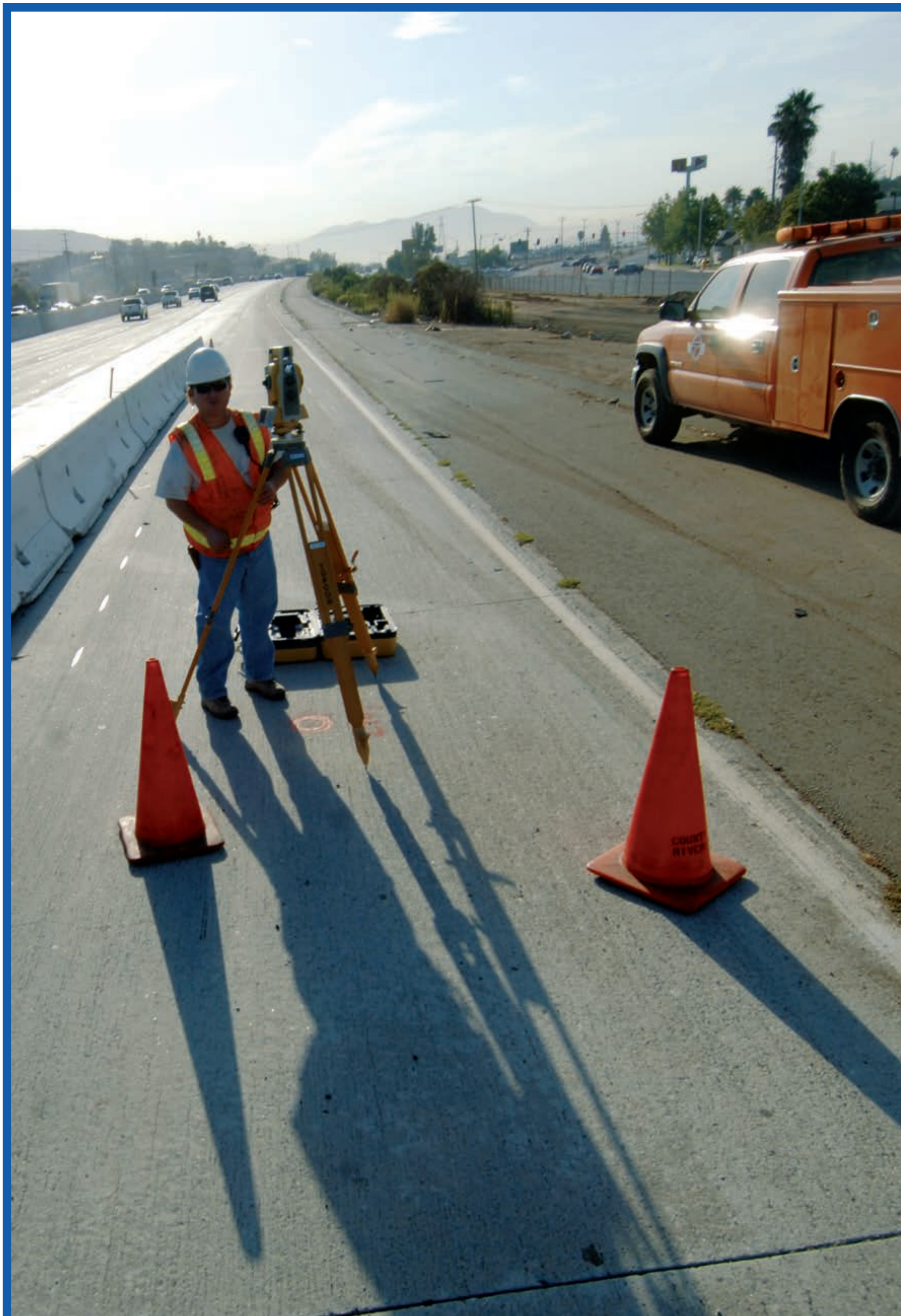
Pledged Revenue Coverage
Ratios of Outstanding Debt by Type
Computation of Legal Debt Margin

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



60 at Valley Way

Riverside County Transportation Commission

Net Assets by Component

Last Ten Fiscal Years

(Accrual Basis)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
Invested in capital assets,										
net of related debt	$ 341,912,094 [7]	$ 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	587,098,179	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	(293,146,251)	(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	$ 635,864,022	$ 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

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.

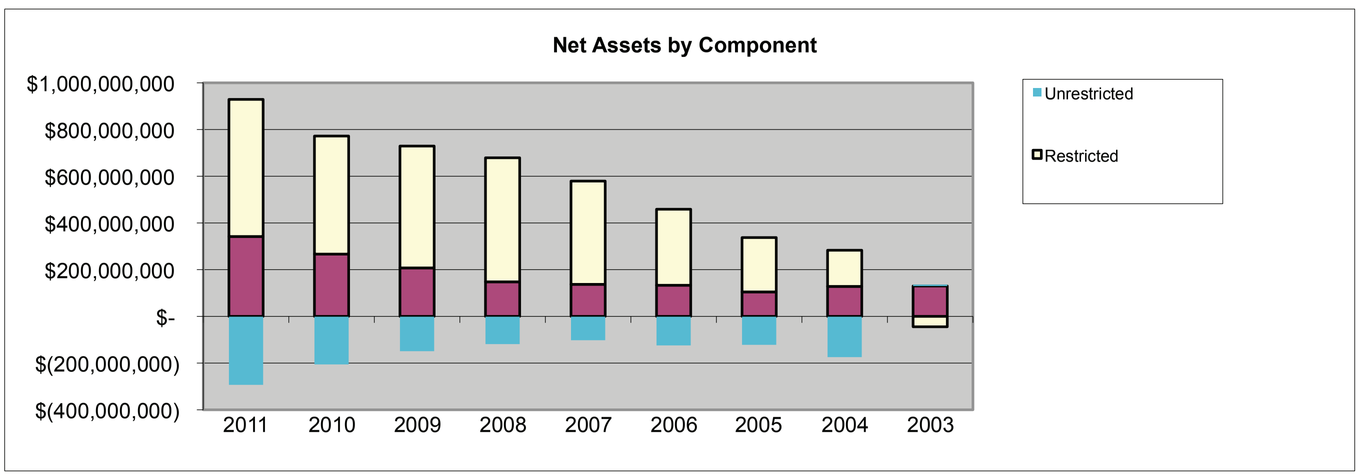
[3] The beginning balance of invested in capital assets, net of related debt, was restated due to a correction in the accounting for certain rail capital assets in the 2005 financial statements, resulting in an increase of $19,283,259. Prior year amounts in this presentation have not been revised to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

[7] Invested in capital cassets, net of related debt, increased in 2011 primarily as a result of the planning and development of toll projects and right of way acquisiton for the SR-91 corridor improvement and Perris Valley Line extension projects.



Riverside County Transportation Commission

Changes in Net Assets

Last Ten Fiscal Years

(Accrual Basis)

	Fiscal Year Ended June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government	$ 8,453,876	$ 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	1,940,499	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637	927,138 [1]	-	-
CETAP	5,490,993	2,362,393	4,832,008	8,017,024	5,433,499	3,549,683	4,147,758	608,882 [2]	-	-
Commuter assistance	2,868,630	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	27,792,375	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	40,113,092	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	36,856,925	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	3,530,695	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	4,683,272	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	1,270,487	1,428,066	1,399,316	551,960	631,996	622,498	580,224	338,353	154,582	145,158
Regional arterials	29,362,894	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	44,699,650	43,820,225	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	11,799,586	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	218,862,974	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	184,010	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	27,681	-	46	2,331	2,367	26,273	24,972	55,255	4,498	7,293
Operating grants and contributions	39,886,648	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	9,199,268	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	49,297,607	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	(169,565,367)	(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	123,439,833	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	60,772,795	69,499,841	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 [5]
Unrestricted investment earnings	4,411,122	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	2,694,370	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	191,318,120	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	$ 21,752,753	$ 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

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 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.

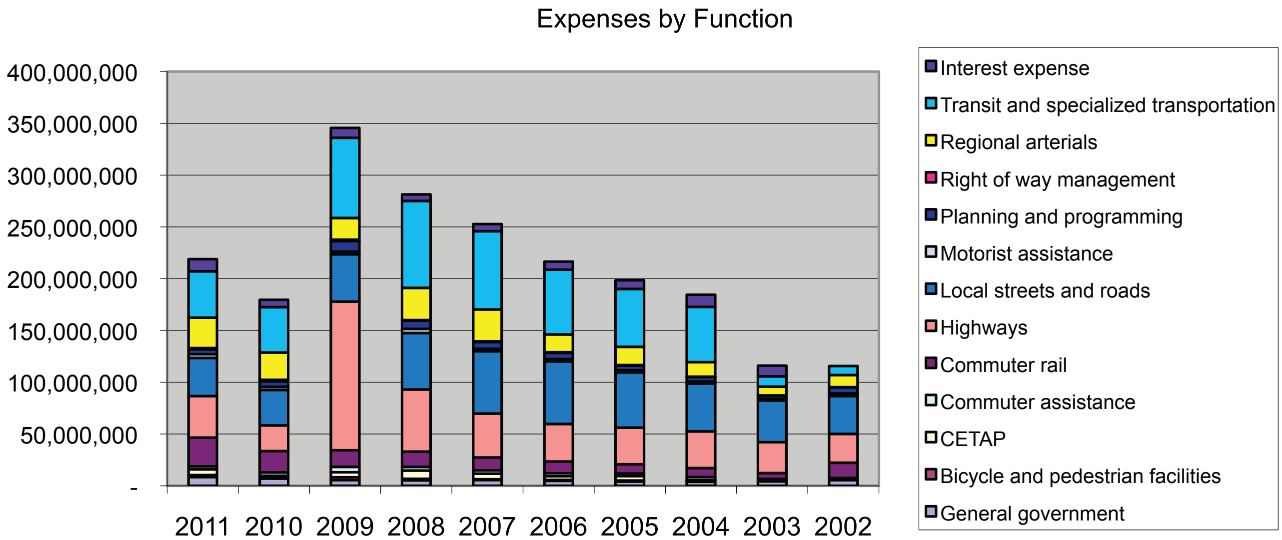
[5] Vehicle registration fees were classified as charges for services in subsequent years.

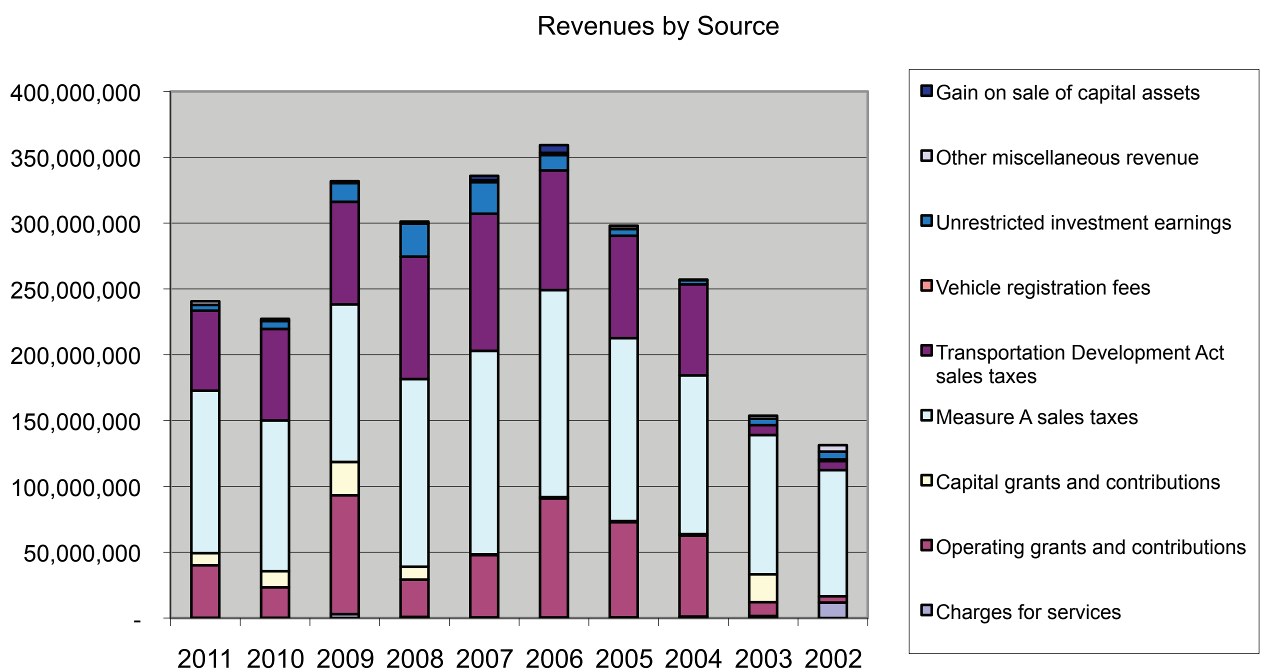
Riverside County Transportation Commission

Changes in Net Assets (Continued)

Last Ten Fiscal Years

(Accrual Basis)





Riverside County Transportation Commission

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
GENERAL FUND										
General fund:										
Nonspendable	$ 143,397	$ 253,819								
Restricted	7,110,013	7,266,584 [2]								
Committed	-	1,606,976 [2]								
Assigned	6,270,944	4,134,059 [2]								
Total general fund	$ 13,524,354	$ 13,261,438								
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
Unreserved			3,348,711	3,238,251	2,877,923	2,014,480	2,215,643	1,531,151	756,299	885,890
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
ALL OTHER GOVERNMENTAL FUNDS										
All other governmental funds:										
Nonspendable	$ 5,389,775	$ 2,554,136								
Restricted	570,450,515	535,752,354 [2]								
Total all other governmental funds	$ 575,840,290	$ 538,306,490								
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
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
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

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									
	2011	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Revenues										
Sales taxes	$ 184,212,628	$ 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
Transportation Uniform Mitigation Fee	9,157,863	8,618,231	10,957,420	14,556,029	40,757,248	85,228,383	46,325,334	35,615,226 [2]	-	-
Intergovernmental	40,012,488	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
Interest	4,524,219	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
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
Other	2,878,380	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
Total revenues	240,785,578	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
Expenditures										
Current:										
General Government	8,340,263	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
Programs:										
Bicycle and pedestrian facilities	1,940,499	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637	927,138 [1]	-	-
CETAP	5,490,993	2,362,393	35,809,396	21,098,240	5,433,499	3,549,683	8,600,659	608,882 [2]	-	-
Commuter assistance	2,816,392	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
Commuter rail	35,482,511	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
Highways	75,011,698	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
Local streets and roads	36,856,925	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
Motorist assistance	3,530,695	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	4,674,397	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
Right of way management	1,270,487	1,428,066	1,399,316	551,960	631,996	622,498	580,224	338,353	154,582	145,158
Regional arterials	29,362,894	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
Transit and specialized transportation	44,699,650	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
Debt service:										
Principal	109,607,230	57,738,548	33,646,475	141,870,000	30,225,589	28,669,418	27,228,073	26,316,788	25,199,054	24,068,939
Interest	11,296,268	5,240,307	12,026,942	6,657,569	6,564,973	7,679,019	8,400,410	9,191,799	10,381,795	11,476,956
Cost of Issuance	1,493,196	675,464	-	1,261,668	-	236,058	2,580,124	-	-	-
Intergovernmental distributions	-	-	975,833	992,460	974,193	1,092,091	706,228	750,183	667,234	605,485
Capital outlay	147,297	124,080	1,055,997	335,023	161,268	290,461	179,818	8,000	315,240	569,041
Total expenditures	372,021,395	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
Other financing sources (uses):										
Sales of capital assets	-	-	-	-	4,240,148	11,360,556	-	-	-	-
Capital lease	-	-	117,127	-	-	-	-	-	-	-
Debt issuance	170,000,000	268,284,000	53,716,000	160,249,021	50,000,000	-	30,005,000	-	-	-
Discount on debt issuance	(967,467)	(278,685)	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(129,394,875)	-	-	-	-	-	-	-	-
Transfers in	185,354,839	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
Transfers out	(185,354,839)	(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)
Total other financing sources (uses)	169,032,533	138,610,440	53,833,127	160,249,021	54,240,148	11,360,556	30,005,000	-	-	-
Net change in fund balances	$ 37,796,716	$ 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
Debt service as a percentage of noncapital expenditures	37.6% [5]	27.4% [4]	12.1%	35.4% [3]	13.1%	15.0%	16.8%	17.9%	25.5%	30.0%

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] 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.

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

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

Riverside County Transportation Commission

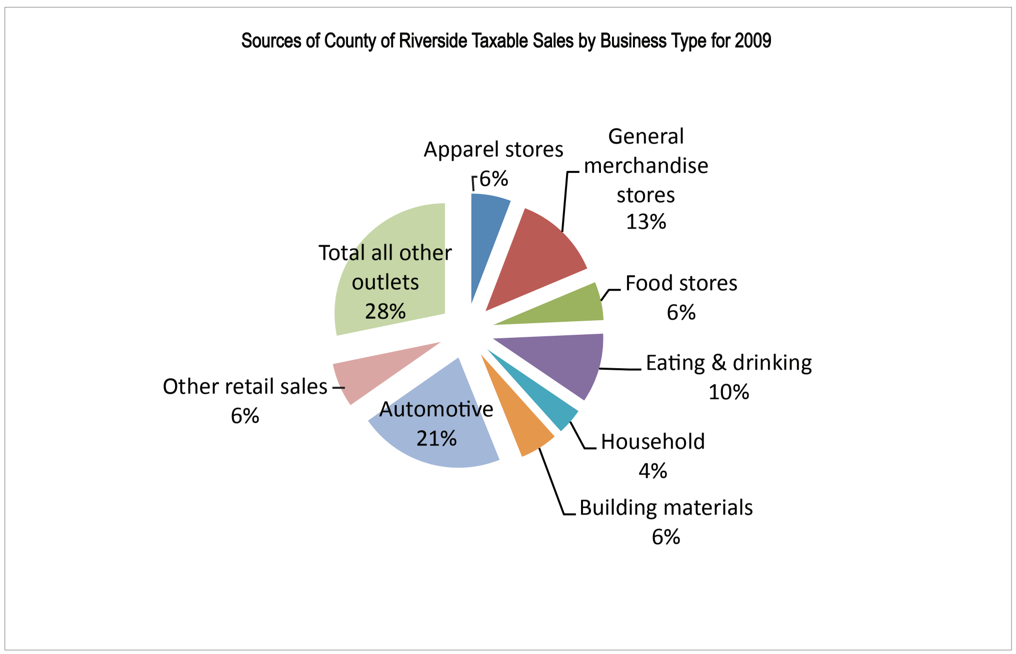
Sources of County of Riverside Taxable Sales by Business Type

Last Ten Calendar Years (In Thousands)

	2009 [1]	2008	2007	2006	2005	2004	2003	2002	2001	2000
Apparel stores	$ 1,293,271	$ 1,121,543	$ 1,171,013	$ 1,080,385	$ 990,129	$ 867,276	$ 746,015	$ 610,388	$ 565,295	$ 538,578
General merchandise stores	2,855,733	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
Food stores	1,251,220	1,254,366	1,352,609	1,309,782	1,197,438	1,079,972	1,028,392	967,171	930,232	889,894
Eating & drinking	2,266,853	2,340,554	2,388,039	2,316,422	2,157,801	2,007,338	1,775,146	1,617,674	1,521,717	1,422,153
Household	858,098	816,379	843,945	948,217	964,629	862,551	691,051	594,049	526,083	517,578
Building materials	1,237,518	1,435,337	1,961,911	2,390,236	2,424,898	2,596,661	1,678,347	1,427,831	1,339,020	1,210,838
Automotive	4,749,994	6,126,512	7,137,075	6,956,756	6,751,648	6,240,712	5,198,391	4,803,171	4,358,688	4,011,068
Other retail sales	1,442,875	3,250,335	2,794,790	1,024,551	944,155	1,191,029	592,415	1,151,821	1,109,093	1,112,012
Total all other outlets	6,272,315	6,268,633	7,781,093	10,236,334	9,521,319	7,365,274	7,327,407	5,867,843	5,605,691	5,214,590
	$ 22,227,877	$ 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
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
2011	0.50%	8.75% [3]
2010	0.50%	8.75%
2009	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%

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

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

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

[3] Effective July 1, 2011, the State of California will decrease the state sales tax rate by 1%.

Riverside County Transportation Commission

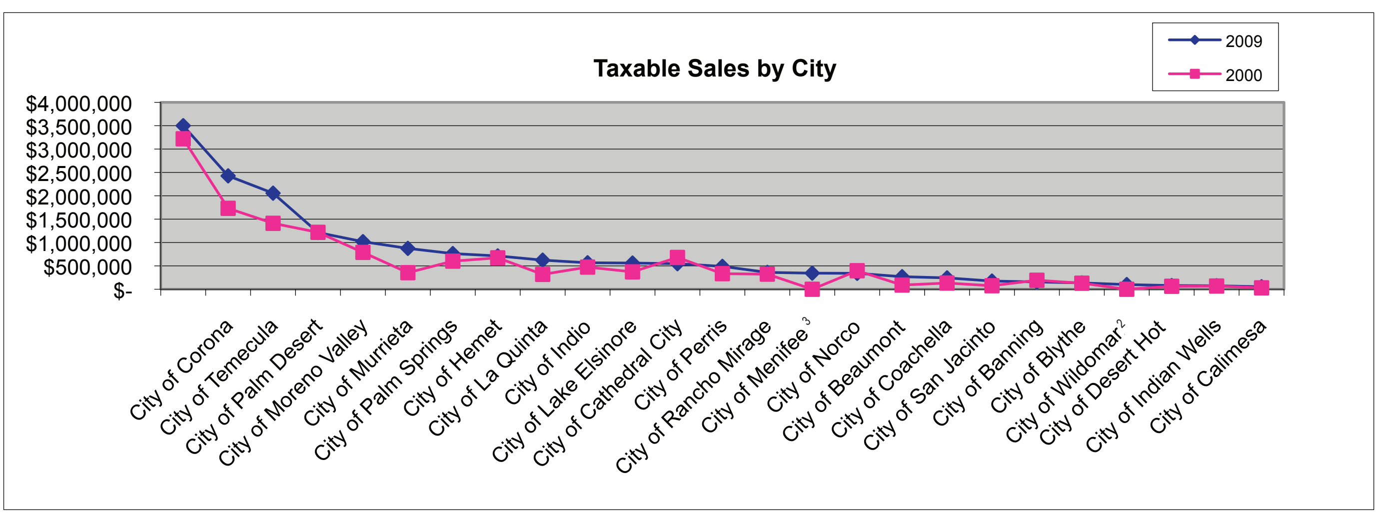
Principal Taxable Sales Generation by City

Current Year and Nine Years Ago

	2009			2000		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
	$ 3,500,514	2	15.7%	$ 3,219,894	2	19.0%
City of Corona	2,426,746	3	10.9%	1,731,757	3	10.2%
City of Temecula	2,055,847	4	9.2%	1,411,051	4	8.3%
City of Palm Desert	1,213,935	5	5.5%	1,217,986	5	7.2%
City of Moreno Valley	1,018,353	6	4.6%	789,232	6	4.6%
City of Murrieta	874,619	7	3.9%	354,251	13	2.1%
City of Palm Springs	763,354	8	3.4%	601,316	9	3.5%
City of Hemet	713,003	9	3.2%	672,174	8	4.0%
City of La Quinta	623,012	10	2.9%	318,057	16	1.9%
City of Indio	566,670	11	2.5%	473,781	10	2.8%
City of Lake Elsinore	560,924	12	2.6%	371,686	12	2.2%
City of Cathedral City	546,894	13	2.5%	680,502	7	4.0%
City of Perris	489,591	14	2.2%	333,045	14	2.0%
City of Rancho Mirage	360,711	15	1.6%	322,987	15	1.9%
City of Menifee[3]	343,867	16	1.5%	N/A	-	N/A
City of Norco	340,697	17	1.5%	396,535	11	2.3%
City of Beaumont	268,725	18	1.2%	89,639	20	0.5%
City of Coachella	243,176	19	1.1%	132,640	18	0.8%
City of San Jacinto	175,394	20	0.8%	75,195	21	0.4%
City of Banning	156,232	21	0.7%	192,644	17	1.1%
City of Blythe	135,631	22	0.6%	129,240	19	0.8%
City of Wildomar[2]	100,049	23	0.5%	N/A	-	N/A
City of Desert Hot Springs	79,192	24	0.4%	63,475	23	0.4%
City of Indian Wells	74,343	25	0.3%	68,599	22	0.4%
City of Calimesa	53,092	26	0.2%	30,188	24	0.2%
City of Canyon Lake	10,493	27	0.0%	10,909	25	0.1%
Incorporated	17,695,064		79.6%	13,686,783		80.6%
Unincorporated	4,532,813	1	20.4%	3,292,666	1	19.4%
Countywide	$ 22,227,877		100.0%	$ 16,979,449		100.0%
California	$ 456,492,945			$ 441,854,412		

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.
[2] City of Menifee was incorporated on October 1, 2008.



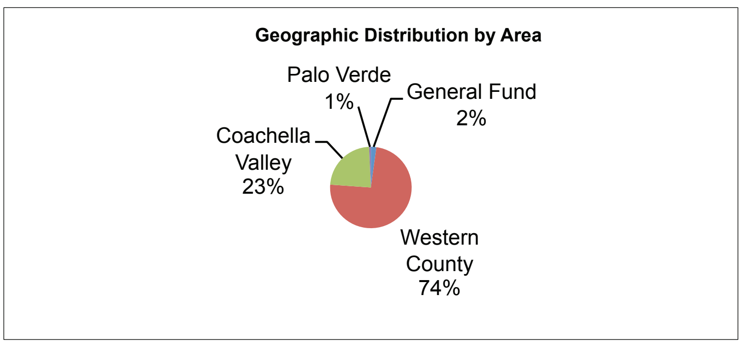
Riverside County Transportation Commission

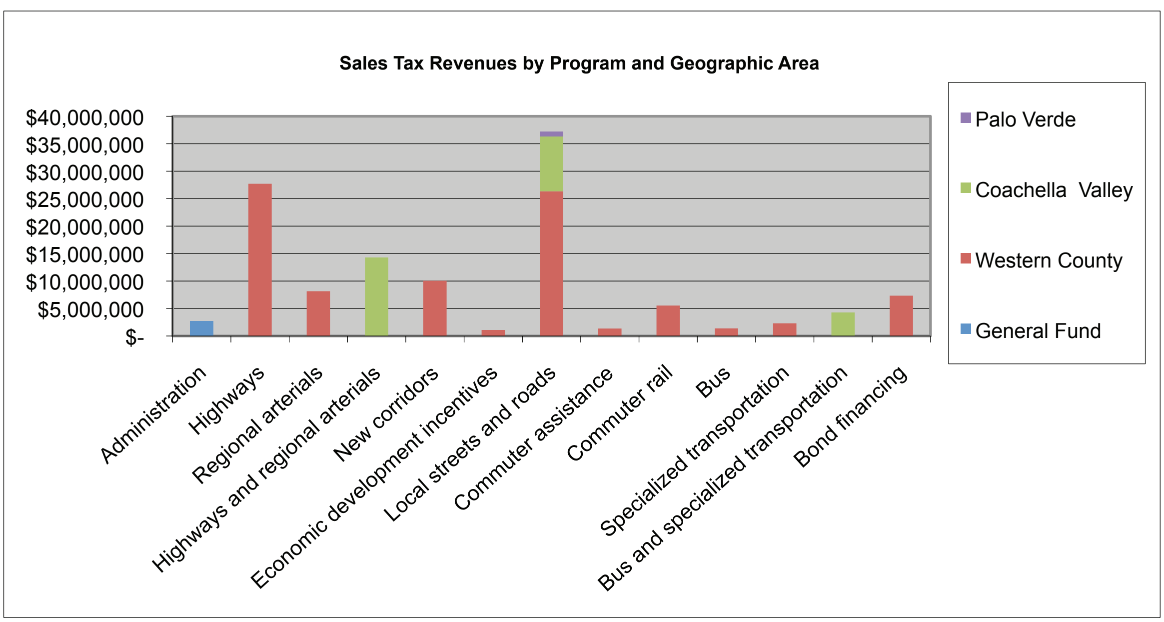
Measure A Sales Tax Revenues by Program and Geographic Area

Year Ended June 30, 2011

	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	-	27,708,280	-	-	27,708,280
Regional arterials	-	8,149,494	-	-	8,149,494
Highways and regional arterials	-	-	14,299,352	-	14,299,352
New corridors	-	10,051,043	-	-	10,051,043
Economic development incentives	-	1,086,599	-	-	1,086,599
Local streets and roads	-	26,350,031	10,009,546	866,796	37,226,373
Public transit:					
Commuter assistance	-	1,358,249	-	-	1,358,249
Commuter rail	-	5,541,656	-	-	5,541,656
Bus	-	1,385,414	-	-	1,385,414
Specialized transportation	-	2,309,023	-	-	2,309,023
Bus and specialized transportation	-	-	4,289,805	-	4,289,805
Bond financing	-	7,334,545	-	-	7,334,545
	$ 2,700,000	$ 91,274,334	$ 28,598,703	$ 866,796	$ 123,439,833

Source: Finance Department





Riverside County Transportation Commission

Measure A Sales Tax by Economic Category

Last Five Calendar Years

	% of Total				
Economic Category	2010[1]	2009	2008	2007	2006
General retail	30.9	30.9	28.2	26.8	25.5
Transportation	25.0	22.8	24.9	26.1	26.5
Food products	17.0	17.8	16.0	14.4	13.3
Business to business	14.5	15.2	16.4	15.9	15.3
Construction	10.5	11.1	12.3	14.4	16.9
Miscellaneous	2.1	2.2	2.2	2.4	2.5
Total	100.0	100.0	100.0	100.0	100.0

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

[1] Year represents most recent data available.

Riverside County Transportation Commission

Measure A Revenues and Pledged Revenue Coverage [1]

Last Ten Fiscal Years

	Sales Tax Revenue Bonds						
Fiscal Year	Net Measure A Sales Tax Revenues[2]	Measure A Sales Tax Revenue Growth (Decline) Rate	Senior Lien Debt Service	Senior Lien Coverage Ratio	Subordinate Lien Debt Service	Total Debt Service	Total Debt Service Coverage Ratio
2011	$ 123,439,833	7.78%	$ 12,651,386	9.76	$ -	$ 12,651,386	9.76
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

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	Percentage of Personal Income [1]	Debt per Capita [1]
2011	$ 324,700,000	$ -	$ -	$ -	$ 54,874	$ 324,754,874	N/A	$ 146.43
2010	181,000,000	83,284,000	-	-	78,104	264,362,104	N/A	121.28
2009	126,395,000	110,000,000	-	-	100,652	236,495,652	0.37%	110.48
2008	160,025,000	-	1,100,000	-	-	161,125,000	0.25%	76.63
2007	65,495,000	80,005,000	2,100,000	-	-	147,600,000	0.24%	72.00
2006	95,695,000	30,005,000	3,100,000	-	25,591	128,825,591	0.22%	65.20
2005	124,335,000	30,005,000	4,100,000	-	55,009	158,495,009	0.30%	83.61
2004	151,535,000	-	5,100,000	-	83,082	156,718,082	0.32%	86.37
2003	177,352,519	-	-	-	109,870	177,462,389	0.39%	102.57
2002	201,983,730	-	-	58,490	-	202,042,220	0.48%	122.06

Sources: Finance Department for outstanding debt for the fiscal year ended June 30 and California State Department of Finance for population as of January 1.

[1] See the Schedule of Demographic and Economic Statistics on page 74 for personal income and population data.

Riverside County Transportation Commission

Computation of Legal Debt Margin[1]

Last Ten Fiscal Years

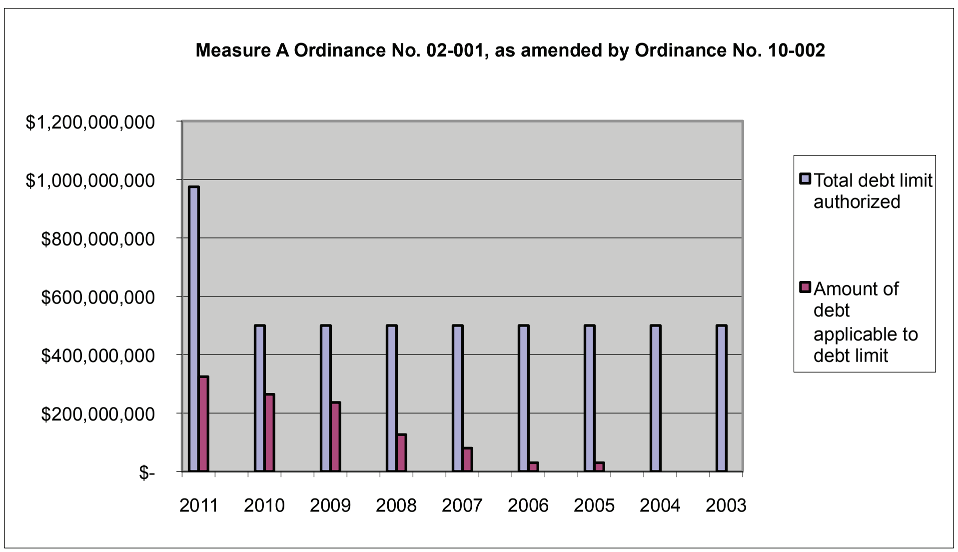
	Fiscal Year 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002[2]										
Total debt limit authorized	$ 975,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	
Amount of debt applicable to debt limit	324,700,000	264,284,000	236,395,000	126,395,000	80,005,000	30,005,000	30,005,000	-	-	
Legal debt margin	$ 650,300,000	$ 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	33.3%	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
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
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
% of debt to legal debt limit			0.0%	6.4%	12.5%	18.2%	23.7%	28.9%	33.8%	38.5%

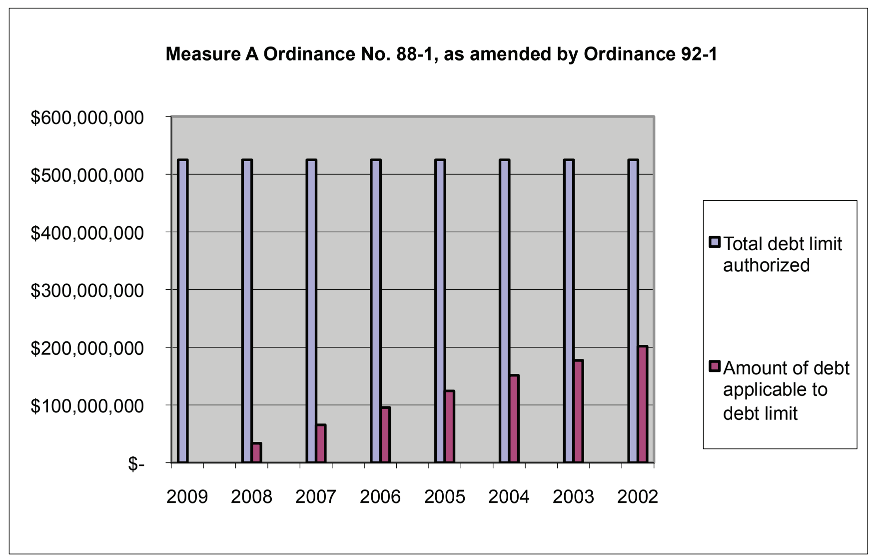
Source: Finance Department

[1] The Commission's debt limits were approved by the voters of Riverside County as part of the sales tax ordinances and are specific to the Commission; accordingly, there are no overlapping debt considerations.

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

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





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 [2]	Unemployment Rate[3]
2011	2,217,778	N/A	N/A	N/A
2010	2,179,692	N/A	N/A	14.7%
2009	2,140,626	$ 63,228,086	$ 29,748	13.4%
2008	2,102,741	64,503,728	30,676	8.5%
2007	2,049,902	61,023,518	29,769	6.0%
2006	1,975,913	57,666,983	29,185	5.0%
2005	1,895,695	52,850,398	28,157	5.4%
2004	1,814,485	49,443,185	27,827	6.0%
2003	1,730,219	45,016,790	26,393	6.5%
2002	1,655,291	42,010,066	25,549	6.5%

Sources:

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

[2] U.S. Department of Commerce Bureau of Economic Analysis. Represents most recent data available.

[3] Riverside County Economic Development Agency. Represents most recent data available.

Riverside County Transportation Commission

Employment Statistics by Industry for the County of Riverside

Calendar Year 2009 and Nine Years Prior

Industry Type	2009 [1]	% of Total Employment	2000	% of Total Employment
Agricultural services, forestry, fishing and other	12,400	2.3%	17,600	3.8%
Mining	500	0.1%	500	0.1%
Construction	40,400	7.4%	48,400	10.4%
Manufacturing	39,000	7.1%	51,800	11.1%
Transportation, warehousing, and public utilities	19,700	3.6%	10,200	2.2%
Wholesale trade	18,700	3.4%	13,500	2.9%
Retail trade	78,800	14.4%	60,000	12.9%
Professional & business services	53,600	9.8%	42,200	9.0%
Education & health services	57,900	10.6%	44,000	9.4%
Leisure & hospitality	68,700	12.6%	55,400	11.9%
Finance, insurance, and real estate	20,700	3.8%	16,000	3.4%
Other services	26,600	4.9%	22,800	4.9%
Federal government, civilian	6,900	1.3%	6,800	1.5%
State government	15,800	2.9%	12,800	2.8%
Local government	86,600	15.9%	64,500	13.8%
Total employment	546,300	100.0%	466,500	100.0%

Source: State of California Economic Development Department

[1] Year represents most recent data available.

Riverside County Transportation Commission

Full-time Equivalent Employees by Function/Program

Last Ten Fiscal Years

	As of June 30									
Function/Program	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Management services and administration	12.7	8.9	12.7	17.6	15.0	12.2	12.7	12.5	13.0	13.3
Planning and programming	5.2	5.5	5.1	5.4	6.4	5.0	3.4	3.7	3.6	3.6
Rail operations	3.1	3.3	2.9	3.1	2.8	3.1	1.6	2.0	2.4	2.5
Right of way management	1.3	1.7	1.4	1.1	2.0	1.7	1.0	1.1	0.7	0.7
Specialized transit/transportation	2.6	2.6	2.2	2.0	2.4	2.3	1.4	1.3	1.2	1.4
Commuter assistance	1.6	1.8	1.2	1.3	1.3	2.1	2.1	2.5	2.2	1.6
Motorist assistance	0.9	0.7	0.8	0.7	0.7	0.8	0.8	0.8	1.0	1.0
Capital project development and delivery	10.6	12.5	9.7	6.8	4.4	3.0	2.0	1.1	0.9	0.9
Total full-time equivalents	38.0	37.0	36.0	38.0	35.0	30.2	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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Commuter rail operations:										
Weekday trips	11,321	11,340	12,224	12,304	11,696	11,391	9,721	9,532	8,818	7,589
Growth of average daily ridership on commuter lines:										
Riverside line	5,177	5,124	5,269	5,184	4,769	4,370	4,566	4,462	4,241	4,200
IEOC line	3,855	4,011	4,611	4,859	4,651	4,149	3,634	3,641	3,169	2,923
91 line	2,289	2,205	2,344	2,261	2,276	2,107	1,876	1,700	1,557	240
Farebox recovery ratio:										
Riverside line	59.8%	52.5%	51.0%	53.01%	67.07%	48.5%	46.9%	51.1%	49.8%	55.3%
IEOC line	31.1%	28.3%	37.3%	42.60%	42.19%	45.5%	48.7%	56.6%	49.3%	46.3%
91 line	54.6%	49.3%	53.0%	45.53%	49.02%	57.2%	107.0%	101.4%	71.3%	16.6%
Specialized transit/transportation:										
Specialized transit grants awarded	22	22	22	14	15	9	10	8	10	9
Commuter assistance:										
Club Ride members	N/A	N/A	7,378	5,860	4,436	3,901	2,837	1,994	1,960	1,792
Rideshare Incentive members	1,061	1,131	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rideshare Plus Rewards members	5,518	7,080	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Incoming 1-866-RIDESHARE telephone calls	1,257	2,145	2,423	3,709	2,613	2,433	801	829	1,243	N/A
Rideshare Connection bulletins produced	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RideSmart Tips produced	N/A	N/A	N/A	N/A [1]	45,304	27,790	32,379	9,335	N/A	N/A
Rideguides produced	29,052	43,319	34,940	23,121	24,676	N/A	N/A	N/A	N/A	N/A
Commuter Exchange events	52	50	73	71	60	23	5	9	8	10
Motorist assistance:										
Call boxes	613	614	614	630	682	979	1,058	1,083	1,090	1,085
Calls made from call boxes	5,251	5,934	6,574	7,543	9,595	15,390	19,945	23,713	28,404	37,730
Contracted Freeway Service Patrol vehicles	22	22	20	20	17	15	15	15	13	13
Vehicles assisted by Freeway Service Patrol	45,751	48,312	43,119	45,500	40,025	31,838	32,542	32,564	27,485	25,952
IE511 web vists	244,277	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IE511 call volumes	489,036	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation Uniform Mitigation Fee program:										
Approved regional arterial projects	24	24	24	24	24	24	24	-	-	-
Measure A program:										
Highways	$ 75,011,698	$ 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
Commuter rail	22,632,065	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
Regional arterials	8,638,637	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
Local streets and roads	36,856,925	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
Specialized transit and commuter assistance	11,262,588	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
Total program expenditures	$154,401,913	$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

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Commuter rail:										
Commuter rail stations owned and managed	6	5	5	5	5	5	5	5	5	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

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RCTC
Riverside County Transportation Commission