SR-91 HOV Project

I-215 at Van Buren

Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

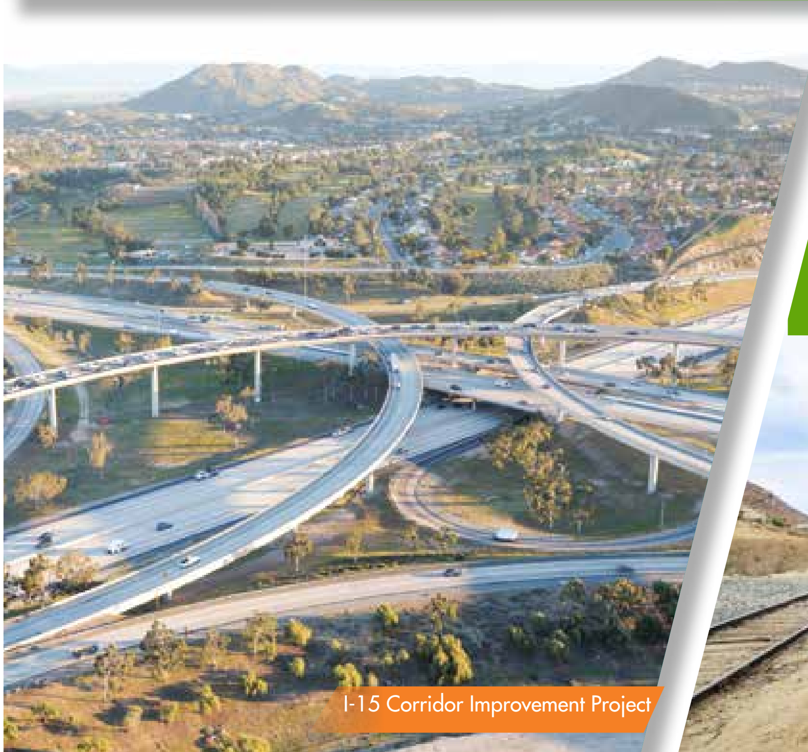
Coachella Valley Avenue 56 Grade Separation

Downtown Riverside Metrolink Station

RCTC
Riverside County Transportation Commissi

Riverside County Transportation Commission

Riverside County, California



I-15 Corridor Improvement Project

Perris Valley Line

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RIVERSIDE COUNTY, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2014

Submitted by:

Theresia Treviño,
Chief Financial Officer

Michele Cisneros,
Finance Manager/Controller

91 HOV Project Construction

Monterey Avenue at Varner Road

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Riverside County Transportation Commission

INTRODUCTORY Section

I-215/Van Buren Interchange

RCTC
Riverside County Transportation Commission
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October 31, 2014

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, 2014.

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 LLP has issued an unmodified opinion on the Commission's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

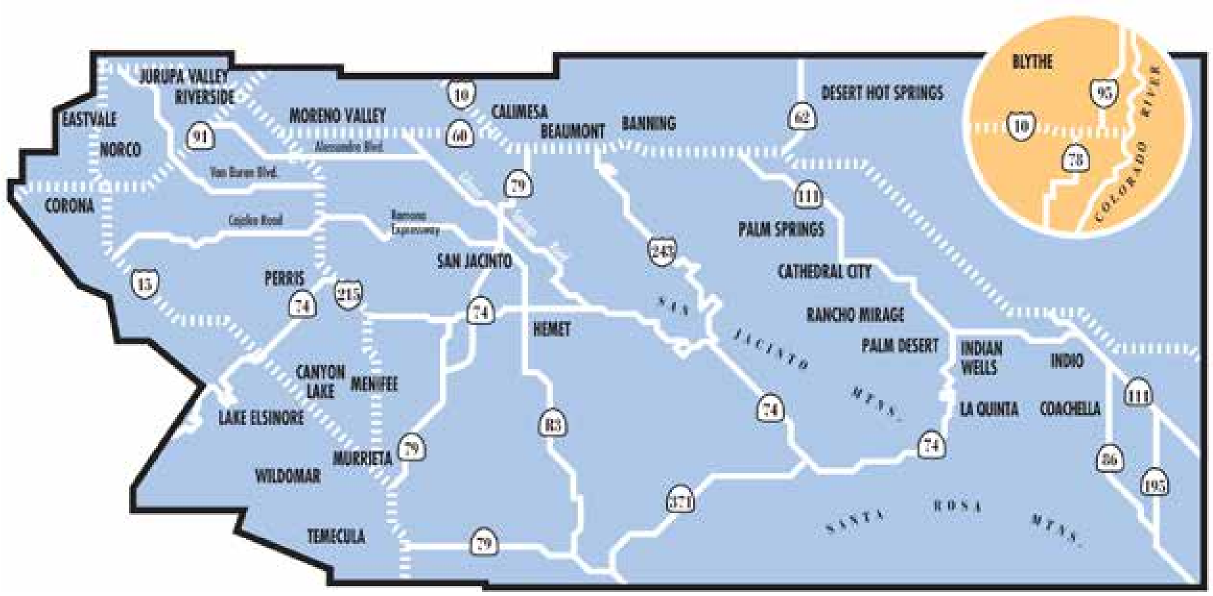
Profile of RCTC's Governance and Responsibilities

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. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transportation operators and agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, non-motorized travel (bicycle and pedestrian), and other transportation activities.

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

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

Additionally, the Commission provides motorist aid services designed to expedite traffic flow. These services include the Service Authority for Freeway Emergencies (SAFE), a program that provides call box service for motorists, and the Freeway Service Patrol (FSP), a roving tow truck service to assist motorists with disabled vehicles on the main highways of the



County during peak rush hour traffic periods. The motorist aid program also includes the operation of the Inland Empire 511 (IE511) system which provides comprehensive real time traveler information for freeways, bus and rail transit, and rideshare services. All services are provided at no charge to motorists and are funded through a $1 surcharge on vehicle registrations. The Commission is financially accountable for SAFE, a legally separate entity that is blended within the Commission's financial statements.

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

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

Local Economy

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego) including housing that was (and remains) more available and affordable and plentiful commercial real estate and land available for development at lower costs. Prior to the national recession, 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's employment and commercial base diversified and the County's share of the regional economy increased.

During the nationwide recession, the County experienced high unemployment; reduced personal income, taxable sales, and residential building permits; a decrease in 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 was amplified in the Inland Empire (i.e., Riverside and San Bernardino counties) due to its relatively greater growth and the relatively lower average income levels when compared to coastal areas. These factors resulted in fluctuating Measure A and LTF sales tax revenues and Transportation Uniform Mitigation Fees (TUMF); however, the sales tax revenues appear to have stabilized since FY 2009/10.

While recovery from the nationwide recession in the local Inland Empire economy has lagged the nation and other areas of California (State), the local economy is experiencing significant improvement. Sales tax revenues have rebounded from the recent economic downturn's low point in 2010, with Measure A revenues growing 10.7% in FY 2012/13 and 4.6% in FY 2013/14. The Commission's outlook for FY 2013/14 continues to be cautiously optimistic; however, the state and federal budget issues continue to affect funding of the Commission's capital projects and programs. Ongoing problems with funding of the Federal Highway Trust Fund could cause delays in receipt of federal funding. 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 future economic conditions, the Commission faces formidable ongoing challenges in terms of providing needed infrastructure enhancements to support a population and an economy that has outgrown the capacity of its existing infrastructure. Fortunately, the foundation of the regional economy continues to retain many of the fundamental positive attributes that fueled its earlier growth, including lower priced real estate with proximity to coastal communities, a large pool of skilled workers, and increasing wealth and education levels.

Long-term Financial Planning

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

At the state level, transportation funding has stabilized but there is significant debate regarding future priorities. Governor Brown's transportation secretary is in the midst of an effort to reform the California Department of Transportation (Caltrans) and has clearly stated a preference for a "Fix it First" orientation that stresses ongoing maintenance over capacity enhancement. In addition to a focus on maintenance, the State has made active transportation projects such as bicycle and pedestrian facilities a priority. Sustainability is now the key word of the day and will likely impact the direction of state funding for many years into the future.

The news on the federal level is somewhat less predictable. The comprehensive transportation bill known as Moving Ahead for Progress in the 21st Century (MAP-21) expired in June 2014, but has been extended by Congressional action until May 2015. One important provision of MAP-21 expands the Transportation Infrastructure Finance and Innovation Act (TIFIA). The Commission is utilizing TIFIA funding for its current project on State Route (SR) 91 in Corona and could seek additional financing from the program for other projects in the future.

In the meantime, the federal government will continue to be a source of highway funding through the Surface Transportation Program and the Congestion Mitigation Air Quality program since MAP-21 continues these programs at roughly the same funding level. Federal dollars are also needed by the Commission's transit partners for capital programs, and the Commission is utilizing $75 million in Federal Transit Administration (FTA) Small Starts funding to pay for its Metrolink expansion project to Perris.

Capital Project Delivery and Implementation

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 and February 2012. In order to make the needed investments, the plan relies on Measure A, State Transportation Improvement Program (STIP), and Proposition 1B dollars as well as the development of tolled express lanes on Interstate (I) 15 and the extension of the 91 Express Lanes into Riverside County.

While the Delivery Plan is ambitious, it is only one portion of a much larger program of projects and services the Commission will provide throughout the County. Additional responsibilities and challenges include working cooperatively with the Coachella Valley Association of Governments (CVAG) to fund projects, continued oversight and funding of transit services throughout the County, and a 24-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.

The Commission is currently in the midst of an unprecedented era of transportation investment. The results can be seen throughout Riverside County with numerous projects under construction, successful transit service, and promises of more on the way in the near future.

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

Highways: The Commission is currently working on the two remaining projects yet to be completed from the 1989 Measure A program. The largest of these two projects widens SR-91 through Downtown Riverside. The SR-91 high occupancy vehicle lane project construction in Riverside from Adams Street to the 60/91/215 interchange was approved for Proposition 1B Corridor Mobility Improvement Account (CMIA) funding. The Commission and Caltrans District 8 partnered on the design and right of way activities, and construction began in spring 2012 with an estimated completion date in 2015. The final 1989 Measure A project to be developed is the SR-74 curve widening. Construction for the SR-74 curve widening near Hemet began in early 2014 but has experienced a slight delay due to unforeseen conflicts with utilities. Once the relocation of a gas line is completed, construction should begin again in late 2014 or early 2015.

SR-74 Curve Widening Project

Looking forward to projects in the 2009 Measure A, the I-215 corridor from Murrieta to Perris continues to be an important corridor for the Commission. The Commission is adding a third mixed flow lane in each direction to the central segment from Scott Road to Nuevo Road, resulting in three continuous lanes from the I-15 interchange to the SR-60 interchange. Construction started in early 2013 and is funded by STIP and CMIA. Future improvements along the corridor include a widened connector where the southbound I-215 meets the I-15 in the Temecula Valley as well as the development of the Perris Valley Line Metrolink extension which runs parallel to I-215.

In February 2012 the Commission amended the Delivery Plan to include a truck climbing lanes safety project on SR-60 in the Badlands area in place of a similar nearby project on I-10. In partnership with Caltrans, the Commission is the project sponsor and Caltrans is the lead agency for preliminary engineering using federal funds. With a total project cost estimated at $122 million, construction of the project is expected to be completed by 2018.

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. Federal environmental approval was obtained in May 2012.

In December 2007 the Commission received approval from the FTA to enter into project development with a project rating of medium-high. A total of $75 million in FTA Section 5309 Small Starts funding was appropriated by Congress for this project. An additional $53 million in STIP funds is also identified for the project.

The project was temporarily delayed by litigation for a local neighborhood organization which pushed back construction until the end of 2013. The litigation has been settled favorably, and construction is well underway. A favorable construction bid of $132.2 million was approved by the Commission, and new commuter rail service on the Perris Valley Line is anticipated to commence in late 2015.


Perris Valley Line

Toll Program Moves Forward

91 Project Construction to Start: The SR-91 Corridor Improvement Project (91 Project) through Corona has been in construction since early 2014. Prior to the beginning of construction, the Commission obtained all necessary environmental approvals; executed a number of agreements with Caltrans, the Orange County Transportation Authority (OCTA), and a toll operator; approved and entered into a $632 million design-build contract; and successfully financed the $1.4 billion project.


SR-91 Freeway

The highlight of the financing plan included the approval of a $421 million TIFIA loan through the U.S. Department of Transportation. The 91 Project's plan of finance was developed by a financial team, which included Fieldman, Rolapp & Associates as financial advisor and Goldman Sachs and Bank of America Merrill Lynch serving as co-senior underwriters for the issuance of $176.7 million in toll revenue bonds and $462.2 million in sales tax revenue bonds.

The 91 Project includes two tolled express lanes in each direction in the median of SR-91. The extension of these lanes will provide a seamless connection to the OCTA 91 Express Lanes; expand the 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.

I-15 The Next Project: The I-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 will extend from the south near Cajalco Road to the north at SR-60. The lanes will have the same benefits mentioned previously for the 91 Project. The I-15 CIP's environmental studies and preliminary engineering work continue to progress and are scheduled for completion in late 2015, with construction expected to commence in 2018 after the completion of the 91 Project in 2017.

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 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 in place in western Riverside County (Western County) and administered by the Western Riverside Council of Governments. TUMF funds received by the Commission are split evenly between new corridors, including the Mid County Parkway, and regional arterials, including local projects and the SR-79 realignment project. To date, nine projects have been completed, seven projects are under construction, and three projects are in preliminary engineering.

Regional Projects Receive Significant Funding

In January, the Commission awarded more than $152 million to local jurisdictions for a wide variety of street improvements, expanded freeway interchanges, and active transportation improvements for bicyclists and pedestrians. A number of funding sources were combined to fund as many projects as possible, and the effort utilizes Measure A and two federal funding sources.

A total of 33 projects will receive funding during the next two years and 18 local jurisdictions including local cities, the County, and the Riverside Transit Agency (RTA) will move forward with the various projects. Among the higher profile projects are the widening of Clinton Keith Avenue in Murrieta, the construction of a truck climbing lane in the Banning Pass on SR-60, widening Magnolia Street in the city of Riverside, widening Highway 111 in Indio, and constructing a new freeway interchange at I-215/Newport Road in Menifee.

Additionally a number of active transportation projects received funding including the Santa Ana River Trail, the CV link project in the Coachella Valley, and a Bike Share Program in the city of Riverside.

Rail Development, Operations and Support

As one of five funding partners in the Southern California Regional Rail Authority, which operates the Metrolink commuter rail service, the Commission is engaged in a continual exercise of consensus building with its partners to provide effective regional service. Now consisting of seven lines serving six counties, the system carries an average of 42,600 passengers each weekday. The Commission owns and operates five stations served by the three Metrolink lines operating through the County and will add four more once the Perris Valley Line Extension begins carrying passengers in late 2015:

Downtown Riverside Metrolink Station

- *Riverside Line:* 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 5,000 daily riders.

- *Inland Empire Orange County (IEOC) Line:* Begins in nearby San Bernardino with stops at 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. Ridership on the IEOC line remained steady in the past year with an average daily ridership of 4,400. This line also provides weekend service.

- *91 Line:* Provides service from Riverside to Los Angeles with stops in La Sierra, North Main Corona, West Corona, Fullerton, Buena Park, Norwalk and Commerce before terminating at Union Station. Daily patronage on the line averages 3,000. The Perris Valley Line project will extend this line to Perris in 2015.

The Commission also owns the Perris Transit Center, a multimodal facility currently serving RTA bus operations and providing park and ride spaces. It will be one of four new Perris Valley Line commuter rail stations.

Motorist Assistance Powered by IE511

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 approximately 570 call boxes serving more than 500 centerline miles of highways. The call box program is funded by an annual $1 surcharge added to vehicle registrations. 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 4,700 calls during FY 2013/14.

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 21 tow trucks traveling along portions of SR-60, SR-91, I-15, and I-215 within the County during peak, weekday commute 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 optimize traffic flow and motorist safety during rush hour periods. The FSP is funded by the Riverside County SAFE and the State. During FY 2013/14, the FSP provided assistance to approximately 44,300 motorists. Another effort augments existing FSP service with additional tow trucks in construction areas as another means of construction-related congestion mitigation.

To further promote mobility, the Commission, in partnership with the San Bernardino Associated Governments (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 2013/14, IE511 assisted approximately 443,000 web visits and 328,000 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 18th year, to provide identical commuter assistance program for San Bernardino County.

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 County 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. The most prominent commuter product continues to be the Rideshare Incentives, a short-term incentive that 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 ridesharing to and from work with access to discounts at over 135,000 local and national merchants through RidesharePlus.

In providing commuter benefits to employers and employees, during FY 2013/14, the program attracted 1,106 drive alone commuters to rideshare and participate in the Rideshare Incentives program. RidesharePlus Rewards had 5,770 participants for the same period. In total, the Commuter Assistance program resulted in over 1.7 million one-way trips reduced, 40.9 million miles saved, and approximately 412,800 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 2,300 park and ride spaces available to Riverside County commuters.

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 Program

Following the Commission's approval and adoption of the Public Transit-Human Services Coordinated Plan for Riverside County in 2008, the Commission became eligible for federal funding of specialized transit in the County. The 2013 Universal Call for Projects for Specialized Transit (Universal Call) provided funding awards to 22 public and nonprofit agencies using a combination of Measure A funding and new federal funds under the JARC and New Freedom (NF) programs, over a two-year period. The 2013 Universal Call included approximately $2.7 million in new federal funding to augment the $5.2 million in Measure A funds committed locally by the Commission for FY 2013/14 and FY 2014/15. During FY 2013/14, public and nonprofit operators provided approximately 567,600 Measure A/JARC/NF one-way trips in both Western County and Coachella Valley.

Planning for the Future

In terms of future progress, the Commission gave 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 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 with the aforementioned improvements on the I-215 among the first to be completed. Environmental work is also progressing rapidly for the development of the Mid County Parkway between Perris and San Jacinto.

Another large planning effort affecting the Hemet and San Jacinto communities is the realignment of SR-79. This 2009 Measure A project is undergoing early project development, which was partially funded through the TUMF program and federal earmarks. An environmental document 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.

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, 2013. This was the 21st straight year the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Very truly yours,

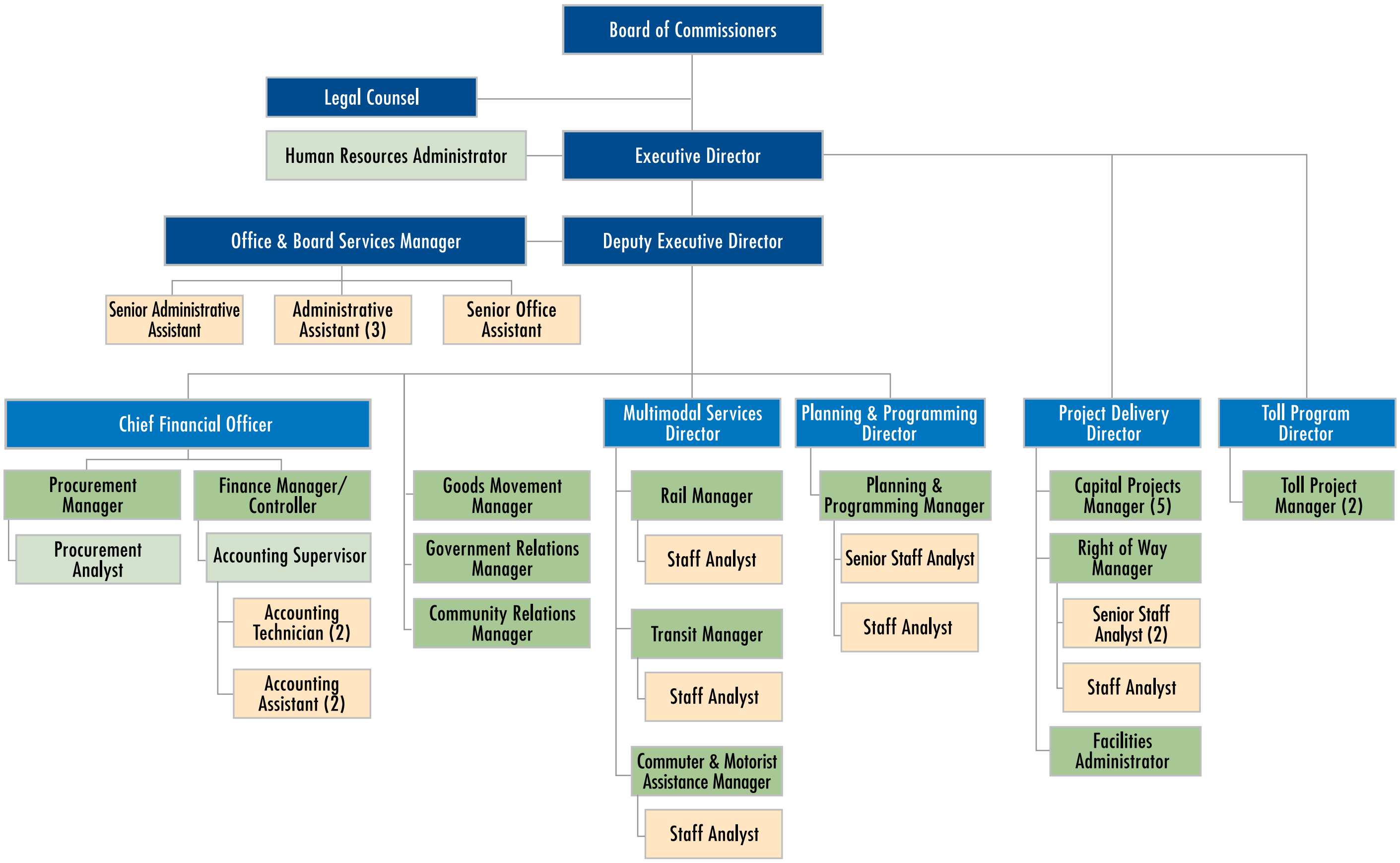
Anne E Mayer

ANNE MAYER
Executive Director

Theresia Treviño

THERESIA TREVIÑO
Chief Financial Officer

Riverside County Transportation Commission Organizational Chart
Fiscal Year 2013/14



Riverside County Transportation Commission

List of Principal Officials
As of June 30, 2014

Board of Commissioners

Name and Position	Title	Agency
Marion Ashley	Chair (Commission)	County of Riverside, District 5
Daryl Busch	Vice Chair (Commission)	City of Perris
Scott Matas	2nd Vice Chair (Commission) and Vice Chair (Eastern Riverside County Programs and Projects Committee)	City of Desert Hot Springs
Deborah Franklin	Member	City of Banning
Roger Berg	Vice Chair (Budget & Implementation Committee)	City of Beaumont
Joseph DeConinck	Member	City of Blythe
Ella Zanowic	Member	City of Calimesa
Mary Craton	Member	City of Canyon Lake
Greg Pettis	Member	City of Cathedral City
Steven Hernandez	Member	City of Coachella
Karen Spiegel	Member	City of Corona
Adam Rush	Member	City of Eastvale
Larry Smith	Member	City of Hemet
Douglas Hanson	Chair (Budget & Implementation Committee)	City of Indian Wells
Glenn Miller	Member	City of Indio
Frank Johnston	Chair (Western Riverside County Programs and Projects Committee)	City of Jurupa Valley
Terry Henderson	Chair (Eastern Riverside County Programs and Projects Committee)	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
Scott Mann	Member	City of Menifee
Jesse Molina	Member	City of Moreno Valley
Rick Gibbs	Member	City of Murrieta
Berwin Hanna	Member	City of Norco
Jan Harnik	Member	City of Palm Desert
Ginny Foat	Member	City of Palm Springs
Ted Weill	Member	City of Rancho Mirage
Steve Adams	Member	City of Riverside
Andrew Kotyuk	Member	City of San Jacinto
Ron Roberts	Member	City of Temecula
Ben Benoit	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
John F. Tavaglione	Member	County of Riverside, District 2
Jeff Stone	Member	County of Riverside, District 3
John J. Benoit	Member	County of Riverside, District 4
Basem Muallem	Governor's Appointee	Caltrans, District 8

Management Staff

Anne Mayer, Executive Director
John Standiford, Deputy Executive Director
Michael Blomquist, Toll Programs Director
Marlin Feenstra, Project Delivery Director
Shirley Medina, Planning and Programming Director
Theresia Treviño, Chief Financial Officer
Robert Yates, Multimodal Services Director

Government Finance Officers Association

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, 2013

Executive Director/CEO

RCTC
Riverside County Transportation Commission

FINANCIAL
Section

North Main Corona Station looking toward 91 Project in Corona

McGladrey

Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Riverside County Transportation Commission (the Commission) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Commission as of June 30, 2014, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, as listed in the table of contents as supplementary information, and the introductory and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

McGladrey LLP

Irvine, CA
October 31, 2014

Riverside County Transportation Commission

Management's Discussion and Analysis
Year Ended June 30, 2014

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, 2014. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-ix and the Commission's financial statements which begin on page 16.

Financial Highlights

- Total net position of the Commission was $553,854,373 and consisted of net investment in capital assets of $381,796,683; restricted net position of $642,385,244; and unrestricted net position (deficit) of ($470,327,554).

- The unrestricted net position (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 position decreased by $185,906,662 during fiscal 2014. General revenues consisting primarily of sales taxes are the major funding source for the governmental activities. The change in net position was lower than the prior year primarily as a result of an estimate for the portion of the State Route 91 (SR-91) corridor improvement project costs that are not capitalizable and not related to the tolled express lanes.

- Total capital assets, net of accumulated depreciation, were $527,471,351 at June 30, 2014, representing an increase of $40,010,002, or 8%, from June 30, 2013. 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 SR-91 corridor improvement projects.

- The Commission's governmental funds reported combined ending fund balances of $1,031,476,421, an increase of $409,289,526 compared to fiscal 2013 primarily due to the proceeds from the issuance of debt. Approximately 81% of the governmental fund balances represent amounts available for the Measure A program, including debt service and funding from the issuance of debt, and the TUMF program.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Commission's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report the functions of the Commission that are principally supported by sales taxes and intergovernmental revenues, or governmental activities. 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, and motorist assistance services. Measure A program services are divided within the three regions of Riverside County (County), namely Western County, Coachella Valley, and Palo Verde Valley.

The government-wide financial statements include only the Commission and its blended component unit. The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the Commission's funds are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. As a result, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and related statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the related statement of revenues, expenditures and changes in fund balances for the Commission's major governmental funds comprised of the General fund; Measure A Western County, Measure A Coachella Valley, Transportation Uniform Mitigation Fee, and Local Transportation Fund (LTF) Special Revenue funds; Commercial Paper and Bonds Capital Projects funds; and Debt Service fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section.

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

The governmental fund financial statements, including the reconciliation between the fund financial statements and the government-wide financial statements, can be found on pages 18-21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-50 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 51-55 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 56-63 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2014, the Commission's assets exceeded liabilities by $553,854,373, a $185,906,662 decrease from June 30, 2013. Our analysis below focuses on the net position and changes in net position of the Commission's governmental activities.

Net Position

Approximately 69%, compared to 46% in 2013, of the Commission's net position reflects its net investment in capital assets (i.e., construction in progress; land and improvements; construction and rail operating easements; rail stations; building and equipment held for resale; 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. Although the Commission's investments in capital assets is reported net of related debt, the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The most significant portion of the Commission's net position represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities represented approximately 116% and 84% of the total net position at June 30, 2014 and 2013, respectively. Restricted net position from governmental activities increased by $23,295,537, as a result of increased 2009 Measure A revenues available for Western County highways and for transit and specialized transportation programs.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position from governmental activities changed from a $216,162,697 deficit at June 30, 2013 to a $470,327,554 deficit at June 30, 2014. This deficit results primarily from the impact of recording of the Commission's long-term debt, consisting of bonds issued for Measure A highway, local street and road, and regional arterial projects. While a significant portion of the debt has been incurred to build these projects which are capital assets, upon completion for most projects with the exception of tolled express lanes, these projects are transferred to Caltrans or the local jurisdiction. Accordingly, such projects are not assets of the Commission that offset the long-term debt in the statement of net position.

The following is condensed financial data related to net position at June 30, 2014 and June 30, 2013:

Net Position	June 30, 2014	June 30, 2013
Current and other assets	$ 1,117,825,287	$ 674,469,833
Capital assets not being depreciated	468,090,945	424,755,502
Capital assets being depreciated, net of accumulated depreciation	59,380,406	62,705,847
Total assets	1,645,296,638	1,161,931,182
Deferred outflows of resources	21,837,570	22,795,319
Total assets and deferred outflows of resources	1,667,134,208	1,184,726,501
Long-term obligations	999,817,264	371,116,973
Other liabilities	113,462,571	73,848,493
Total liabilities	1,113,279,835	444,965,466
Net position:		
Net investment in capital assets	381,796,683	336,834,025
Restricted	642,385,244	619,089,707
Unrestricted (deficit)	(470,327,554)	(216,162,697)
Total net position	$ 553,854,373	$ 739,761,035

Changes in Net Position

The Commission's total program and general revenues were $392,913,586, while the total cost of all programs was $578,820,248. Total revenues increased by 35%, and the total cost of all programs increased by 146%. 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 decreased the Commission's net position by $185,906,662, and condensed financial data related to the change in net position is presented in the table below. Key elements of this decrease are as follows:

- Charges for services decreased by $207,396, or 22%, primarily due to a reduction in property management revenues generated from properties acquired in connection with the SR-91 corridor improvement project;
- Operating grants and contributions increased by $15,199,556, or 33%, primarily due to federal and state reimbursements related to the Coachella Valley/San Gorgonio Rail Pass corridor and 2009 Measure A highway projects, particularly the I-215 corridor improvement project;
- Capital grants and contributions increased by $66,847,625, or 1365%, because of an increase in the Perris Valley Line extension and SR-91 corridor improvement projects reimbursable federal and state costs;
- Measure A sales tax revenues increased by $6,927,770, or 5%, due to the continued economic recovery in the region;
- Transportation Development Act (TDA) sales taxes increased by $4,954,536, or 6%, as a result of an increase in Local Transportation fund revenues due to the continued economic recovery in the region;
- Unrestricted investment earnings increased $8,129,873, or 488%, as a result of higher cash and investment balances due to the issuance of debt;
- Other miscellaneous revenues decreased $48,132, or 8% due to prior year revenues related to the SR-91 Green River interchange project; and
- Gain on sale of capital assets, net relates to the sale of surplus rail property.

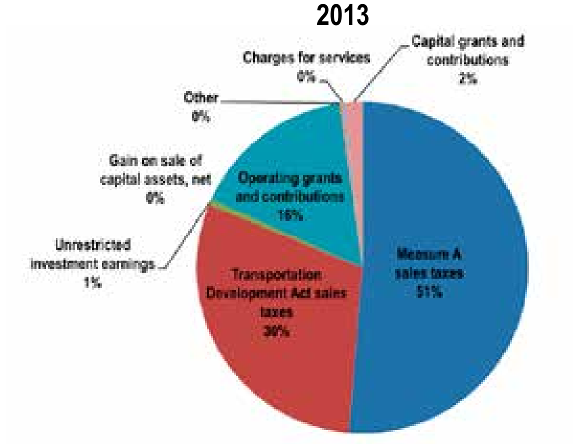
Changes in Net Position	Year Ended June 30, 2014	Year Ended June 30, 2013
Revenues		
Program revenues:		
Charges for services	$ 726,471	$ 933,867
Operating grants and contributions	61,767,456	46,567,900
Capital grants and contributions	71,744,926	4,897,301
General revenues:		
Measure A sales taxes	156,355,894	149,428,124
Transportation Development Act sales taxes	91,953,554	86,999,018
Unrestricted investment earnings	9,794,662	1,664,789
Other miscellaneous revenue	556,049	604,181
Gain on sale of capital assets, net	14,574	–
Total revenues	392,913,586	291,095,180
Expenses		
General government	6,994,832	6,959,827
Bicycle and pedestrian facilities	1,065,476	956,308
CETAP	2,195,074	954,700
Commuter assistance	3,171,842	2,904,048
Commuter rail	17,255,402	23,531,252
Highways	339,194,681	59,604,916
Local streets and roads	46,677,580	44,594,891
Motorist assistance	3,498,420	3,563,581
Planning and programming	3,216,441	3,725,703
Regional arterials	23,886,840	17,047,135
Transit and specialized transportation	78,723,898	55,659,188
Interest expense	52,939,762	15,364,677
Total expenses	578,820,248	234,866,226
Increase in net position	(185,906,662)	56,228,954
Net position at beginning of year	739,761,035	683,532,081
Net position at end of year	$ 553,854,373	$ 739,761,035

- General government expenses increased by $35,005, or less than 1%, primarily as a result of professional fees related to bond financing activities;
- Bicycle and pedestrian facilities expenses increased by $109,168, or 11%, due to an increase in claims for approved projects;
- CETAP expenses increased by $1,240,374, or 130%, due to an increase in consultant efforts related to the Mid County Parkway project;
- Commuter assistance expenses increased by $267,794, or 9%, due to the modifications to ridematching software;
- Commuter rail expenses decreased by $6,275,850, or 27%, as a result of litigation settlement and other professional costs incurred in FY 2012/13;
- Highway expenses increased by $279,589,765, or 469%, due to financing costs related to the SR-91 corridor improvement project, an estimate for the portion of the SR-91 corridor improvement project costs that are not capitalizable and not related to the tolled express lanes, the Multi-Species Habitat Conservation Planning funding commitment, and I-215 corridor improvement project costs;
- Local streets and roads expenses increased by $2,082,689, or 5%, because of an increase in the overall Measure A sales tax revenues which affect the local street and road distributions to local jurisdictions;
- Motorist Assistance expenses decreased by $65,161, or 2%, due to a reduction in programming and graphic design needs;

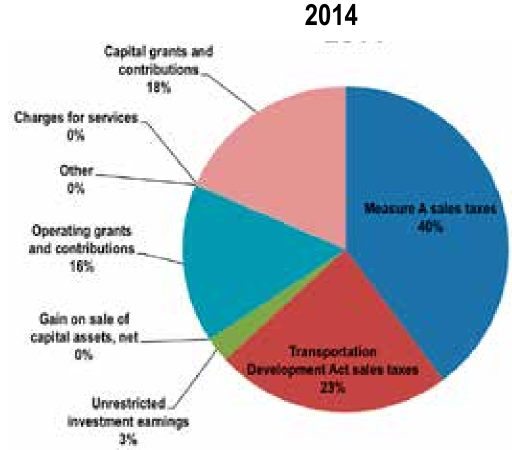
- Planning and programming expenses decreased by $509,262, or 14%, due to the decrease in goods movement activities;
- Regional arterial expenses increased by $6,839,705, or 40%, as a result of an increase in reimbursements to local jurisdictions for approved regional arterial projects;
- Transit and specialized transportation expenses increased by $23,064,710, or 41%, due to an increase in bus transit operating and capital claims in all three geographic areas; and
- Interest expenses increased by $37,575,085 or 245%, primarily as a result of interest related to the issuance of debt in July 2013.

The graphs below present the program and general revenues by source for the Commission's governmental activities for the fiscal years ended June 30, 2014 and June 30, 2013:

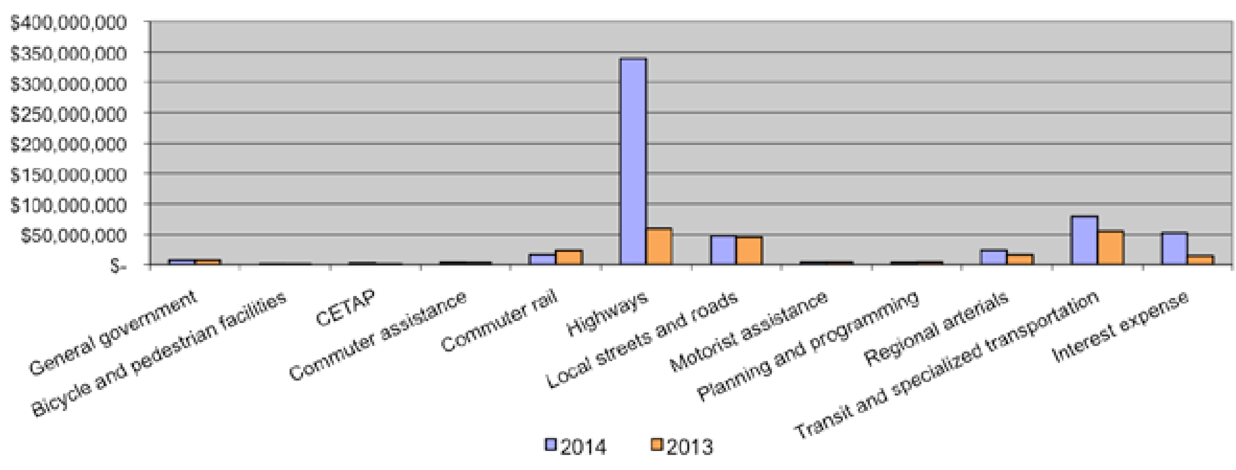
2013



2014



The following graph depicts program expenses for the Commission's governmental activities for the fiscal year ended June 30, 2014:



Financial Analysis of the Commission's Funds

As of June 30, 2014, the Commission's governmental funds reported combined ending fund balances of $1,031,476,421, an increase of $409,289,526 compared to 2013. About 3%, or $32,235,956, and less than 1%, or $5,258,703, are nonspendable and unrestricted fund balances, respectively. The nonspendable balances relate to prepaid amounts, and the unrestricted balances are assigned for general government administration activities. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- $4,624,230 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- $32,388,766 of TUMF funds for new CETAP corridors in Western County;
- $14,892,986 for commuter assistance activities such as expansion of park-and-ride facilities and other projects and programs that encourage commuters to use alternative modes of transportation under the 1989 Measure A and the 2009 Measure A programs;
- $68,690,596 in TDA and Measure A funds for commuter rail operations and capital projects including the Perris Valley Line extension which is expected to be completed in 2015 and $4,134,185 in Proposition 1B funds for Coachella Valley rail;
- $136,312,284 in 2009 Measure A funds and toll bonds proceeds available to pay sales tax and toll revenue bonds debt service over the next year;
- $479,796,792 for highway, economic development, and new corridor projects related to the 1989 Measure A and the 2009 Measure A programs;
- $2,787 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;
- $7,890,918 in state funds for motorist assistance services;
- $3,182,315 of TDA funds for planning and programming activities;
- $63,625,405 for regional arterial projects in Western County related to the TUMF and 2009 Measure A programs;
- $9,336,334 of Measure A funds for transit and specialized transportation in the Western County and $2,348,119 for specialized transportation in the Coachella Valley; and
- $166,756,045 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, 2014 and 2013:

	Fund Balances Year Ended June 30		
	2014	2013	% Change
General fund	$ 10,590,109	$ 12,840,351	(18)%
Special Revenue major funds:			
Measure A Western County	336,826,290	294,464,723	14%
Measure A Coachella Valley	33,433,491	27,356,273	22%
Transportation Uniform Mitigation Fee	57,318,771	67,306,789	(15)%
Local Transportation Fund	115,877,309	105,242,957	10%
Capital Projects major funds:			
Commercial Paper	28,409,089	36,097,201	(21)%
Bonds	245,180,453	4,477,116	5376%
Debt Service fund	136,312,284	11,225,363	1114%
Nonmajor governmental funds	67,528,625	63,176,122	7%

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

- The 18% decrease in the General fund resulted from reduced transfers in from the Local Transportation Fund for commuter rail costs and increased transit operating contributions to Southern California Regional Rail Authority (SCRRA);
- The 14% increase in Measure A Western County Special Revenue fund was attributed to the transfer in of debt proceeds and federal and state reimbursements for highway and commuter rail projects;

- The 22% 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 15% decrease in the Transportation Uniform Mitigation Fee Special Revenue fund was attributable to increased reimbursements to local jurisdictions for approved projects;
- The 10% increase in the Local Transportation Fund resulted from the excess of sales tax revenues over claims of allocations for transit operations and capital projects and for bicycle and pedestrian facility projects;
- The 21% decrease in the Commercial Paper Capital Projects fund was attributed to the repayments of advances receivable and the use of commercial paper proceeds for the advance funding of 2009 Measure A projects;
- The 5376% increase in Bonds Capital Projects fund was attributed to $638,854,602 of debt proceeds from sales tax and toll revenue bonds issued in July 2013 net of transfers out for project costs;
- The 1114% increase in the Debt Service fund was due to the transfer of capitalized interest and debt service reserve funds related to the sales tax and toll revenue bonds issued in July 2013; and
- The 7% increase in nonmajor governmental funds resulted from the Coachella Valley Rail Special Revenue fund Proposition 1B revenues.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General fund resulted in a $138,865 increase in appropriations and were related to the following changes:

- $75,000 increase to general government for information technology support services;
- $63,865 increase to the commuter rail program for program management activities;
- $78,000 decrease for various planning and programming activities;
- $78,000 increase for transit and specialized transportation activities;
- $23,000 increase to debt service for capital lease payments; and
- $23,000 decrease to capital outlay for furniture and equipment.

During the year, General fund revenues were below budgetary estimates by $318,256; expenditures were less than budgetary estimates by $8,170,248. General fund budgetary variances between the final amended budget and actual amounts are as follows:

	Year Ended June 30, 2014		
General Fund Budgetary Variances	Final Amended Budget	Actual	% Variance
Revenues			
Sales taxes	$ 2,800,000	$ 2,800,000	0%
Intergovernmental	844,000	526,238	(38)%
Investment income	20,200	59,245	193%
Other	224,800	185,261	(18)%
Total revenues	$ 3,889,000	$ 3,570,744	(8)%
Expenditures			
Current			
General government	$ 5,540,000	$ 4,653,454	16%
Commuter rail	15,501,265	11,858,991	23%
Planning and programming	5,767,000	2,548,111	56%
Transit and specialized transportation	429,800	391,298	9%
Debt service	23,000	22,881	0%
Capital outlay	416,200	32,282	92%
Total expenditures	$ 27,677,265	$ 19,507,017	30%
Other financing sources (uses)			
Transfers in	$ 15,581,365	$ 13,686,031	(12)%
Net change in fund balance	$ (8,206,900)	$ (2,250,242)	(73)%

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

- $317,762 negative variance for intergovernmental revenues primarily related to lower intergovernmental reimbursements related to commuter rail and planning, programming and monitoring expenditures;
- $39,045 positive variance for interest revenue related to higher cash and investment balances;
- $39,539 negative variance for other revenues related to anticipated revenues for rail maintenance activities not earned;
- $886,546 positive variance for general government expenditures primarily related to professional services and other expenditures such as insurance, training, and travel;
- $3,642,274 positive variance for commuter rail expenditures related to station maintenance and repairs and Metrolink operations;
- $3,218,889 positive variance for planning and programming expenditures related to grade separation project funding;
- $38,502 positive variance for transit and specialized transportation expenditures related to personnel costs and legal and professional services;
- $119 positive variance for debt service for capital lease expenditures;
- $383,918 positive variance for capital outlay expenditures; and
- $1,895,334 negative variance for transfers in related to the anticipated needs for administrative cost allocations as well as commuter rail and planning and programming activities.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2014, the Commission had $527,471,351, net of accumulated depreciation, invested in a broad range of capital assets including construction in progress; land and land improvements; construction 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 2013/14 was 8%.

Major capital asset additions during 2014 included construction in progress related to preliminary engineering costs for the 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 construction in progress related to the SR-91 corridor improvement project consists of approximately $109,971,100 in costs related to the tolled express lanes, which will be an intangible asset upon commencement of operations anticipated in 2017, and general purpose lane improvements, which title will primarily be transferred to Caltrans upon completion. The portion of capital assets related to the SR-91 corridor improvement project that will not remain as a capital, or intangible, asset of the Commission have been estimated and are not capitalized through construction.

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

	June 30, 2014	June 30, 2013
Capital Assets not being depreciated:		
Land and land improvements	$ 183,810,462	$ 215,548,472
Building and equipment held for resale	–	61,832
Construction easements	1,616,165	16,564
Rail operating easements	53,839,142	39,484,143
Construction in progress	228,825,176	169,644,491
Total capital assets not being depreciated	468,090,945	424,755,502
Capital Assets being depreciated, net of accumulated depreciation:		
Rail stations	59,058,045	62,375,971
Office improvements, furniture, equipment, and vehicles	322,361	329,876
Total capital assets, net of accumulated depreciation	59,380,406	62,705,847
Total capital assets	$ 527,471,351	$ 487,461,349

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

Debt Administration

As of June 30, 2014, the Commission had $946,622,129 outstanding in sales tax and toll revenue bonds. The total debt increased from the $311,400,000 outstanding as of June 30, 2013, as a result of the issuance in July 2013 of $462,200,000 in sales tax revenue bonds and $176,654,602 in senior toll revenue bonds to provide funding for the SR-91 corridor improvement project, retire $60,000,000 of the commercial paper notes, fund capitalized interest and a debt service reserve, and pay issuance costs. The Commission's sales tax revenue bonds received ratings of "AA+" from Standard & Poor's (S&P), "Aa2" from Moody's Investors Service (Moody's), and "AA" from Fitch Ratings (Fitch), and the toll revenue bonds received ratings of "BBB-" from S&P and Fitch. The Transportation Infrastructure Finance and Innovation Act (TIFIA) loan received a rating of "BBB-" from 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. In September 2013 the Commission reduced the program to $60,000,000 following the completion of financing activities related to the SR-91 corridor improvement project. The commercial paper notes are rated "A1" by S&P and "P1" by Moody's. As of June 30, 2014, the Commission had $0 in commercial paper notes outstanding.

The sales tax revenue debt limitation for the Commission under the 2009 Measure A program is $975,000,000 which exceeds the total outstanding debt of $766,500,000. The Commission has also authorized the issuance of toll revenue bonds not to exceed $900,000,000, which is in excess of the total outstanding debt of $180,122,129. The TIFIA loan, which is a toll revenue bond that is subordinate to the senior toll revenue bonds, provides federal funding up to $421,054,409 which may be drawn upon after certain conditions have been met. There have been no draws on the TIFIA loan.

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 2014 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2014/15 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 2014/15 annual budget on June 11, 2014. Over 85% of the $1,022,298,200 balanced budget is related to capital project expenditures, including: $412,595,500 for preliminary engineering, right of way acquisition, construction, and design-build activities related to the SR-91 corridor improvement project consisting of tolled express and general purpose lanes and interchange improvements; $135,880,300 for the Perris Valley Line Metrolink extension project engineering, construction, and right of way acquisition; $52,291,400 for various Western County TUMF regional arterial projects; $41,650,000 for right of way acquisition and construction related to the I-215 corridor improvements from Scott Road to Nuevo Road; $9,127,000 for final design, right of way acquisition, and construction related to the SR-91 high occupancy vehicle lanes from Adams Street to the 60/91/215 interchange; $12,450,000 for preliminary engineering and right of way acquisition for the Mid County Parkway project; $5,700,000 for construction related to the Riverside quiet zones; $5,540,000 for final design and right of way acquisition on the 91/71 interchange improvements project; and $4,050,000 for preliminary engineering services and right of way support services related to the I-15 corridor improvement project.

Distributions to the local jurisdictions for local streets and roads are budgeted at $49,882,000. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate $111,096,400, and budgeted transfers out related to funding of commuter rail operations and capital are $13,151,600. Debt service costs are $54,696,200, or 5% of the budget.

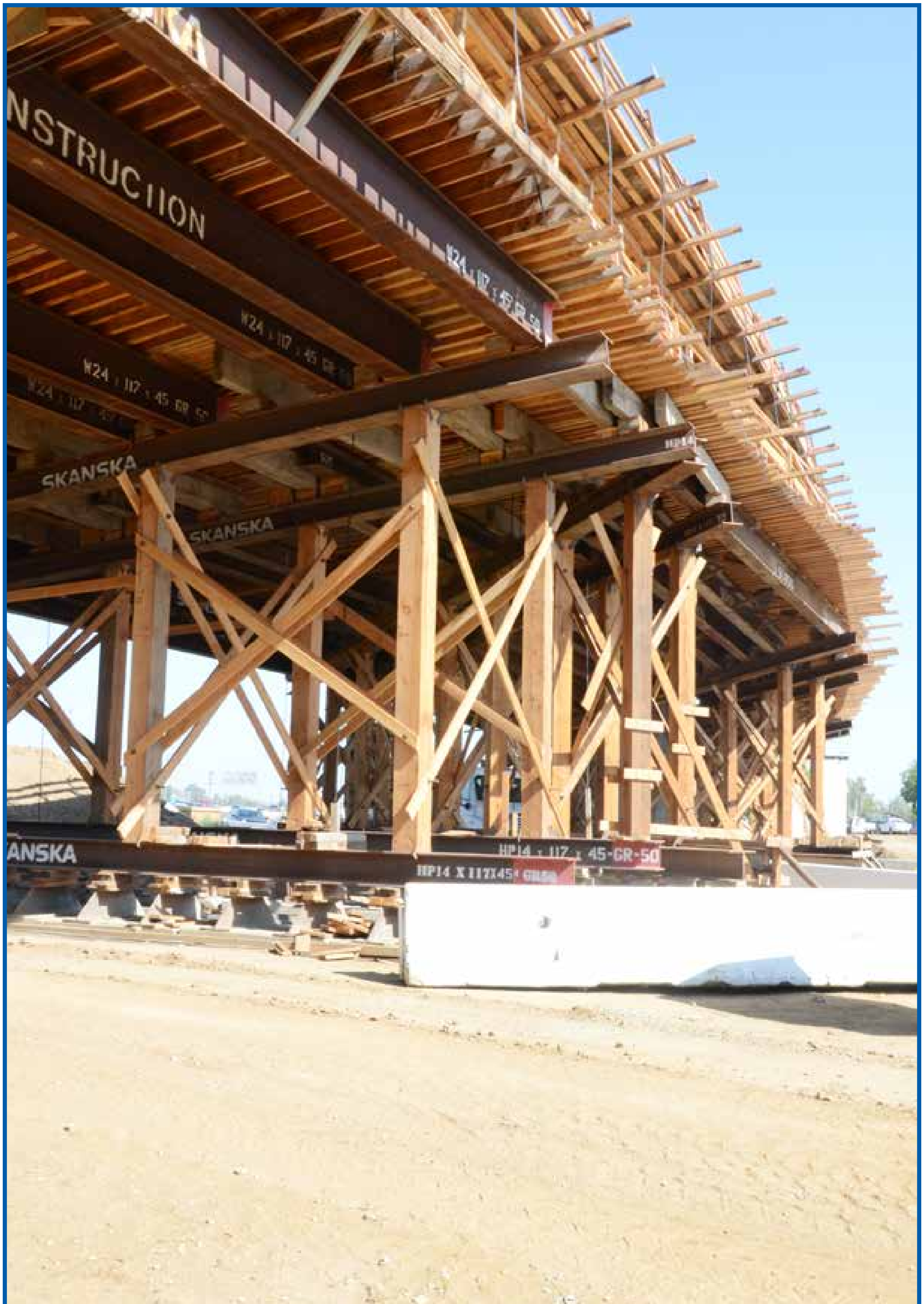
Leading economic indicators show that the local economic outlook is encouraging with the stabilization of sales tax revenues. However, the state and federal budget issues continue to affect funding of the Commission's capital projects and programs. These factors were considered in preparing the Commission's 2015 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 uncertainties regarding long-term federal transportation funding. The Commission continues to study alternative financing alternatives such as tolled express lane facilities and federal financing programs to support the delivery of 2009 Measure A projects.

Contacting the Commission's Management

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

I-215 Bi-County Project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Basic Financial Statements

Perris Valley Line Project

Riverside County Transportation Commission

Statement of Net Position

June 30, 2014

		Governmental Activities
Assets		
Cash and investments	$	574,282,521
Receivables:		
Accounts		90,983,205
Advances to other governments		34,406,285
Interest		1,544,499
Due from other governments		230,695
Prepaid expenses and other assets		32,235,956
Restricted investments held by trustee		384,142,126
Capital assets not being depreciated		468,090,945
Capital assets, net of accumulated depreciation		59,380,406
Total assets		1,645,296,638
Deferred outflows of resources		
Accumulated decrease in fair value of derivatives		21,837,570
Total assets and deferred outflows of resources		1,667,134,208
Liabilities		
Accounts payable		78,368,465
Interest payable		7,270,771
Other liabilities		5,985,765
Derivative instrument-swap		21,837,570
Long-term liabilities:		
Due within one year		14,323,360
Due in more than one year		985,493,904
Total liabilities		1,113,279,835
Net position		
Net investment in capital assets		381,796,683
Restricted for:		
Bicycle and pedestrian facilities		4,624,230
CETAP		32,388,766
Commuter assistance		14,893,356
Commuter rail		72,840,215
Debt service		9,583,150
Highways		254,672,444
Local streets and roads		228,872
Motorist assistance		7,890,918
Planning and programming		3,197,390
Regional arterials		63,625,405
Transit and specialized transportation		178,440,498
Unrestricted (deficit)		(470,327,554)
Total net position	$	553,854,373

See notes to financial statements

Riverside County Transportation Commission

Statement of Activities

Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government					
Governmental Activities:					
General government	$ 6,994,832	$ 999	$ 11,614	$ -	$ (6,982,219)
Bicycle and pedestrian facilities	1,065,476	-	-	-	(1,065,476)
CETAP	2,195,074	-	5,642,197	-	3,447,123
Commuter assistance	3,171,842	-	1,403,892	-	(1,767,950)
Commuter rail	17,255,402	297,911	4,315,047	32,571,926	19,929,482
Highways	339,194,681	412,535	40,154,214	39,173,000	(259,454,932)
Local streets and roads	46,677,580	-	-	-	(46,677,580)
Motorist assistance	3,498,420	15,026	4,190,974	-	707,580
Planning and programming	3,216,441	-	436,955	-	(2,779,486)
Regional arterials	23,886,840	-	5,599,002	-	(18,287,838)
Transit and specialized transportation	78,723,898	-	13,561	-	(78,710,337)
Interest expense	52,939,762	-	-	-	(52,939,762)
Total governmental activities	$ 578,820,248	$ 726,471	$ 61,767,456	$ 71,744,926	(444,581,395)

General Revenues:	
Measure A sales taxes	156,355,894
Transportation Development Act sales taxes	91,953,554
Unrestricted investment earnings	9,794,662
Other miscellaneous revenue	556,049
Gain on sale of capital assets, net	14,574
Total general revenues	258,674,733
Change in net position	(185,906,662)
Net position at beginning of year	739,761,035
Net position at end of year	$ 553,854,373

See notes to financial statements

Riverside County Transportation Commission

Balance Sheet - Governmental Funds

June 30, 2014

	Major Funds									
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper	Bonds	Debt Service	Other Nonmajor Governmental Funds	Total
Assets										
Cash and investments	$ 9,715,957	$ 309,540,326	$ 30,107,645	$ 52,685,873	$ 101,818,770	$ 294,236	$ 694,886	$ 6,083,997	$ 63,340,831	$ 574,282,521
Receivables:										
Accounts	704,294	59,523,189	7,037,026	3,245,935	14,843,497	-	-	-	5,629,264	90,983,205
Advances	-	442,175	-	-	-	29,842,851	4,121,259	-	-	34,406,285
Interest	8,095	194,042	24,063	45,736	79,523	1,321	770,925	370,699	50,095	1,544,499
Due from other funds	1,447,747	14,011,872	573,505	7,337,848	-	514,588	67,894	-	-	23,953,454
Prepaid expenditures and other assets	257,721	31,978,235	-	-	-	-	-	-	-	32,235,956
Restricted investments held by trustee	-	-	-	-	-	-	253,711,033	130,431,093	-	384,142,126
Total assets	$ 12,133,814	$ 415,689,839	$ 37,742,239	$ 63,315,392	$ 116,741,790	$ 30,652,996	$ 259,365,997	$ 136,885,789	$ 69,020,190	$ 1,141,548,046
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	$ 1,296,372	$ 66,150,238	$ 3,765,615	$ 5,185,621	$ 864,481	$ -	$ -	$ -	$ 1,106,138	$ 78,368,465
Due to other funds	-	7,628,517	543,133	811,000	-	-	14,011,872	573,505	385,427	23,953,454
Other liabilities	247,333	5,084,794	-	-	-	2,243,907	173,672	-	-	7,749,706
Total liabilities	1,543,705	78,863,549	4,308,748	5,996,621	864,481	2,243,907	14,185,544	573,505	1,491,565	110,071,625
Fund balances										
Nonspendable-prepaid amounts	257,721	31,978,235	-	-	-	-	-	-	-	32,235,956
Restricted for:										
Bicycle and pedestrian facilities	-	-	-	-	4,624,230	-	-	-	-	4,624,230
CETAP	-	-	-	32,388,766	-	-	-	-	-	32,388,766
Commuter assistance	-	14,892,986	-	-	-	-	-	-	-	14,892,986
Commuter rail	1,891,370	66,799,226	-	-	-	-	-	-	4,134,185	72,824,781
Debt service	-	-	-	-	-	-	-	136,312,284	-	136,312,284
Highways	-	175,123,267	31,083,983	-	-	28,409,089	245,180,453	-	-	479,796,792
Local streets and roads	-	842	1,389	-	-	-	-	-	556	2,787
Motorist assistance	-	-	-	-	-	-	-	-	7,890,918	7,890,918
Planning and programming	3,182,315	-	-	-	-	-	-	-	-	3,182,315
Regional arterials	-	38,695,400	-	24,930,005	-	-	-	-	-	63,625,405
Transit and specialized transportation	-	9,336,334	2,348,119	-	111,253,079	-	-	-	55,502,966	178,440,498
Assigned:										
General government	5,258,703	-	-	-	-	-	-	-	-	5,258,703
Total fund balances	10,590,109	336,826,290	33,433,491	57,318,771	115,877,309	28,409,089	245,180,453	136,312,284	67,528,625	1,031,476,421
Total liabilities and fund balances	$ 12,133,814	$ 415,689,839	$ 37,742,239	$ 63,315,392	$ 116,741,790	$ 30,652,996	$ 259,365,997	$ 136,885,789	$ 69,020,190	$ 1,141,548,046

See notes to financial statements

Riverside County Transportation Commission

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

June 30, 2014

Total fund balances - Governmental funds (page 18)	$	1,031,476,421
Amounts reported for governmental activities in the statement of net position (page 16) are different because:		
Amounts due from other governments are not an available resource and therefore, is not reported in the funds.		230,695
Deferred outflows of resources relate to the accumulated decrease in the fair value of derivatives, which is not recorded in the funds.		21,837,570
Capital assets, less related accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.		527,471,351
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,763,941
Interest payable on bonds outstanding is not due and payable in the current period and therefore is not reported in the funds.		(7,270,771)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Derivative instrument-swap		(21,837,570)
Compensated absences		(630,797)
Capital lease obligation		(72,011)
Multi-Species Habitat Conservation Plan funding liability		(18,000,000)
Remediation liability		(1,576,406)
Sales tax bonds payable		(766,500,000)
Toll revenue bonds payable		(180,122,129)
Premium on sales tax bonds payable		(36,153,513)
Discount on sales tax revenue bonds payable		870,854
Discount on toll revenue bonds payable		2,366,738
Net adjustment		(1,021,654,834)
Net position of governmental activities (page 16)	$	553,854,373

See notes to financial statements

Riverside County Transportation Commission

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

Year Ended June 30, 2014

	Major Funds									
		Special Revenue				Capital Projects				
	General	Measure A Western County	Measure A Coachella Valley	Transportation Uniform Mitigation Fee	Local Transportation Fund	Commercial Paper	Bonds	Debt Service	Other Nonmajor Governmental Funds	Total
Revenues										
Sales taxes	$ 2,800,000	$ 115,941,091	$ 36,471,460	$ -	$ 77,544,177	$ -	$ -	$ -	$ 15,552,720	$ 248,309,448
Transportation Uniform Mitigation Fee	-	171,321	-	11,113,073	-	-	-	-	-	11,284,394
Intergovernmental	526,238	110,845,186	-	(43,195)	-	-	-	2,767,401	8,390,975	122,486,605
Investment income	59,245	1,248,889	142,985	717,530	486,177	2,008,492	2,040,275	2,957,188	319,131	9,979,912
Other	185,261	1,081,087	-	-	-	-	-	-	16,172	1,282,520
Total revenues	3,570,744	229,287,574	36,614,445	11,787,408	78,030,354	2,008,492	2,040,275	5,724,589	24,278,998	393,342,879
Expenditures										
Current:										
General government	4,653,454	2,325,849	-	-	12,000	-	-	-	-	6,991,303
Bicycle and pedestrian facilities	-	-	-	-	1,065,476	-	-	-	-	1,065,476
CETAP	-	-	-	6,509,915	-	-	-	-	-	6,509,915
Commuter assistance	-	3,136,150	-	-	-	-	-	-	-	3,136,150
Commuter rail	11,858,991	56,148,017	-	-	-	-	-	-	65,406	68,072,414
Highways	-	286,354,957	12,743,165	-	-	300,000	-	-	-	299,398,122
Local streets and roads	-	32,769,052	12,765,185	-	-	-	-	-	1,143,343	46,677,580
Motorist assistance	-	-	-	-	-	-	-	-	3,498,420	3,498,420
Planning and programming	2,548,111	-	-	-	655,962	-	-	-	-	3,204,073
Regional arterials	-	1,441	-	23,885,399	-	-	-	-	-	23,886,840
Transit and specialized transportation	391,298	5,025,073	5,217,000	-	53,209,690	-	-	-	14,880,837	78,723,898
Total programs	19,451,854	385,760,539	30,725,350	30,395,314	54,943,128	300,000	-	-	19,588,006	541,164,191
Debt service:										
Principal	12,884	-	-	-	-	60,000,000	-	7,100,000	-	67,112,884
Interest	9,997	-	-	-	-	789	-	43,399,417	-	43,410,203
Cost of issuance	-	-	-	-	-	-	7,050,855	-	-	7,050,855
Total debt service	22,881	-	-	-	-	60,000,789	7,050,855	50,499,417	-	117,573,942
Capital outlay	110,888	33,000	-	-	-	-	-	-	-	143,888
Total expenditures	19,585,623	385,793,539	30,725,350	30,395,314	54,943,128	60,300,789	7,050,855	50,499,417	19,588,006	658,882,021
Excess (deficiency) of revenues over (under) expenditures	(16,014,879)	(156,505,965)	5,889,095	(18,607,906)	23,087,226	(58,292,297)	(5,010,580)	(44,774,828)	4,690,992	(265,539,142)
Other financing sources (uses):										
Debt issuance	-	-	-	-	-	-	638,854,602	-	-	638,854,602
Discount on debt issuance	-	-	-	-	-	-	(2,433,315)	-	-	(2,433,315)
Premium on debt issuance	-	-	-	-	-	-	38,328,775	-	-	38,328,775
Capital lease	78,606	-	-	-	-	-	-	-	-	78,606
Transfers in	13,686,031	224,964,163	188,123	9,413,795	-	60,001,951	-	172,817,272	916,400	481,987,735
Transfers out	-	(26,096,631)	-	(793,907)	(12,452,874)	(9,397,766)	(429,036,145)	(2,955,523)	(1,254,889)	(481,987,735)
Total other financing sources (uses)	13,764,637	198,867,532	188,123	8,619,888	(12,452,874)	50,604,185	245,713,917	169,861,749	(338,489)	674,828,668
Net change in fund balances	(2,250,242)	42,361,567	6,077,218	(9,988,018)	10,634,352	(7,688,112)	240,703,337	125,086,921	4,352,503	409,289,526
Fund balances at beginning of year	12,840,351	294,464,723	27,356,273	67,306,789	105,242,957	36,097,201	4,477,116	11,225,363	63,176,122	622,186,895
Fund balances at end of year	$ 10,590,109	$ 336,826,290	$ 33,433,491	$ 57,318,771	$ 115,877,309	$ 28,409,089	$ 245,180,453	$ 136,312,284	$ 67,528,625	$ 1,031,476,421

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, 2014

Net change in fund balances - Total governmental funds (page 20)	$ 409,289,526
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	43,448,849
Net gain on sale of assets	14,574
Depreciation expense	(3,453,421)
Net adjustments	40,010,002
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(443,867)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The adjustment combines the net changes of the following amounts:	
Principal payments for commercial paper notes	60,000,000
Principal payments for sales tax revenue bonds	7,100,000
Issuance of sales tax revenue bonds	(462,200,000)
Issuance of toll revenue bonds	(176,654,602)
Discount on toll revenue bonds	2,433,315
Premium on sales tax revenue bonds	(38,328,775)
Amortization of sales tax revenue bonds premium	2,175,262
Amortization of sales tax revenue bonds discount	(93,638)
Amortization of toll revenue bonds discount	(66,577)
Capital lease	(78,606)
Capital lease payments	12,883
Change in accrued interest	(6,062,031)
Change in accretion of capital appreciation bonds	(3,467,527)
Multi-Species Habitat Conservation Plan funding liability	(18,000,000)
Remediation liability	(1,576,406)
Net adjustments	(634,806,702)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The adjustment combines the net changes of the compensated absences.	44,379
Change in net position of governmental activities (page 17)	$ (185,906,662)

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 34 member board of commissioners (Board) consisting of one representative from each city in the county, all five county supervisors, and a nonvoting state representative.

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

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

Government-wide statements: The statement of net position and the statement of activities report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements. 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 Measure A Coachella Valley and Transportation Uniform Mitigation Fee Special Revenue funds and the Commercial Paper Capital Projects 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.

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

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

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. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Cash and investments: The Commission maintains cash and investments in accordance with an investment policy adopted initially by the Board in September 1995, and most recently amended in June 2012. The investment policy complies with, or is more restrictive than, applicable state statutes. This investment policy requires the Commission's investment program to meet three criteria in the order of their importance: safety, liquidity, and return on investments. Investments of bond and commercial paper proceeds as permitted by the applicable debt documents are maintained by U.S. Bank and Bank of New York Mellon, as custodial banks, and the earnings for each bond and commercial paper issue are accounted for separately. Cash from other Commission revenue sources is commingled for investment purposes, with investment earnings allocated to the different funds based on average monthly dollar balances in the funds.

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

Note 1. Summary of Significant Accounting Policies, Continued

Authorized Investment Type	Maximum Effective Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
United States (U.S.) Treasury obligations	5 years	No limit	No limit	None
Federal agency securities	5 years	No limit	No limit	None
State/Municipal obligations	3 years	15%	No limit	Aa3/AA-
Repurchase agreements	30 days	No limit	None	A
U.S. corporate debt	5 years	20%	None	Aa3/AA-
Commercial paper	270 days	30%	None	A
Banker's acceptances	180 days	40%	30%	None
Money market mutual funds	Not applicable	20%	None	None
Riverside County Pooled Investment Fund (RCPIF)	Not applicable	No limit	Set by RCPIF	Not applicable
Local Agency Investment Fund (LAIF)	Not applicable	No limit	Set by LAIF	Not applicable
Negotiable certificates of deposit	180 days	15%	None	P-1/A-1/F-1
Federally insured certificates of deposit	1 year	20%	None	Not applicable
Collateralized certificates of deposit	1 year	15%	None	Not applicable
Time deposits	5 years	No limit	None	Not applicable

Subsequently in September 2014, the Commission amended the investment policy to include mortgage and asset-backed securities; to increase the maximum maturity for state/municipal obligations to 5 years; and to modify the maximum percentages of portfolio limits for state/municipal obligations to 25%, U.S. corporate debt to 25%, and commercial paper to 25%.

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.

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, federal agency, municipal, corporate, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price.

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

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, 2014.

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.

Note 1. Summary of Significant Accounting Policies, Continued

Prepaid items and other assets: Certain payments to vendors and condemnation payments with the State, which are related primarily to the SR-91 corridor improvement project, 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 for bonds. Under the related bond resolutions and indentures, any remaining bond proceeds are restricted for the use of future construction improvements to the respective projects, for debt service, or for reserve requirements in accordance with applicable debt covenants.

Capital assets: Capital assets consisting of land and land improvements; construction in progress; construction and rail easements; buildings and equipment held for resale; rail stations; office improvements; 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 (Caltrans), are included in highway program expenditures. Infrastructure consisting primarily of highway construction and right of way acquisition is generally not recorded as a capital asset, because the Commission does not have title to such assets or rights of way. However, costs related to the development of tolled express lanes are recorded as land and land improvements and construction in progress. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Rail stations, office improvements, 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 improvements	7 to 10 years
Office furniture and equipment	3 to 5 years
Vehicles	5 years

Project costs that have been incurred for the tolled express lanes projects, consisting of the SR-91 corridor improvement project and the Interstate 15 (I-15) corridor improvement project, and are expected to remain the Commission's assets, will be capitalized as intangible assets that will be amortized over the life of the service concession arrangement with Caltrans. These capitalizable costs have been accumulated in the capital assets as land and land improvements and construction in progress. The costs of the tolled express lanes projects that are not capitalized are expensed as incurred based on management's estimation which is generally based upon the allocation of Measure A and other funding sources, including toll-supported debt. As of June 30, 2014, the estimated project costs incurred but not capitalized related to the SR-91 corridor improvement project is approximately 85% of right of way and 60% of engineering and construction costs, or approximately $80,300,000 and $165,100,000, respectively. All costs related to the I-15 corridor improvement project are considered capitalizable.

Note 1. Summary of Significant Accounting Policies, Continued

Changes in accounting estimates result from new information or subsequent development and, accordingly, better insight or improved judgment. Subsequent to June 30, 2013, the Commission changed its policy to capitalize project costs that are expected to remain the Commission's assets after the project is completed. As a result of this policy change, the Commission expensed approximately $100,800,000 of project costs during the year ended June 30, 2014 that were capitalized through June 30, 2013. The provisions made to estimate the noncapitalizable costs for the SR-91 corridor improvement project reflect a change in accounting estimate during the fiscal period. A change in estimate is not accounted for by changing amounts reported in financial statements of prior periods; rather, it is a change that affects the current and future periods. Furthermore, the effect of prior period accumulated costs of approximately $100,800,000 is considered insignificant when compared to the aggregate total of the Commission's assets of $1,645,296,638.

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. All earned vacation leave, including the amount 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 workers' compensation; torts; theft of, damage to, or destruction of assets; and errors or omissions. The Commission protects itself against such losses by a balanced program of risk retention, risk transfers, and the purchase of commercial insurance. Loss exposures retained by the Commission are treated as normal expenditures and include any loss contingency not covered by the Commission's purchased insurance policies. Construction projects and rail properties are protected through a combination of commercial insurance, insurance required of Commission consultants, and a self-insurance fund established by the Southern California Regional Rail Authority (SCRRA). Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

Deferred outflows of resources: In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or expenditure, until then. The Commission only has one item, accumulated decrease in fair value of derivatives, which qualifies for reporting in this category in the government-wide statement of net position. Because the terms of the derivatives qualify as a hedge, the change in the fair value of derivatives is deferred until termination or maturity of the derivatives.

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

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

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

Note 1. Summary of Significant Accounting Policies, Continued

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

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

Unassigned fund balance is residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories.

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

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

Net investment in capital assets 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 position represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties and enabling legislation.

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

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

Administration expenditures: The Commission's staff and resources are used in the performance of its responsibilities relating to the activities of the Commission and its component unit. Accordingly, the Commission allocates salaries and benefits to each applicable fund on the basis of actual hours spent by activity, and other indirect overhead is allocated based on a systematic basis. Administrative salaries and benefits of $1,199,094 allocated to Measure A in 2014 were less than 1% of revenues and in compliance with the law.

Note 2. Cash and Investments

Cash and investments at June 30, 2014 consist of the following:

	Unrestricted			Restricted	
	Cash	Investments	Total	Investments	Total
Cash in bank	$37,234,520	$ –	$ 37,234,520	$ –	$ 37,234,520
Petty cash	1,018	–	1,018	–	1,018
RCPIF	–	533,418,645	533,418,645	–	533,418,645
LAIF	–	3,628,338	3,628,338	–	3,628,338
Investments with fiscal agents	–	–	–	384,142,126	384,142,126
Total cash and investments	$37,235,538	$ 537,046,983	$ 574,282,521	$ 384,142,126	$ 958,424,647

Restricted investments at June 30, 2014 represent investments held by bond trustees for project costs and debt service.

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

As of June 30, 2014, the Commission had the following investments:

Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Year)
Unrestricted:					
RCPIF	$ 533,418,645	$533,692,695	0.33% - 0.42%	1 day - 5 years	481 days or 1.37
LAIF	3,628,338	3,627,254	0.22% - 0.26%	232 -257 days	257 days or .70
Total unrestricted investments	$ 537,046,983	$537,319,949			
Unrestricted investment portfolio weighted average					1.37
Restricted:					
Commercial paper	$ 151,505,098	$146,412,386	0.301% – 1.917%	7/1/14 - 8/22/14	0.105
Corporate notes	81,685,462	83,393,133	0.255% – 1.740%	8/1/14 - 11/6/17	1.879
Money market mutual funds	4,649,148	4,649,149	0.000% – 0.040%	7/1/2014	0.005
Mortgage and asset-backed securities	47,522,625	48,140,476	0.214% – 0.706%	6/15/15 - 11/15/18	3.585
Municipal bonds	17,468,212	17,334,163	0.463% – 1.261%	12/1/15 - 11/1/20	3.679
U.S. agency securities	35,668,305	35,533,362	0.062% – 3.105%	7/15/14 - 7/20/41	6.666
U.S. Treasury obligations	39,648,276	39,368,755	0.072% – 2.415%	1/31/16 - 5/15/23	3.792
Variable rate notes	5,995,000	5,995,000	0.110% – 0.130%	11/1/20 - 4/1/46	14.755
Total restricted investments	$ 384,142,126	$380,826,424			
Restricted investment portfolio weighted average					2.314

Note 2. Cash and Investments, Continued

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

As of June 30, 2014, mortgage and asset-backed securities totaled $47,522,625. The underlying assets are consumer receivables that include credit cards, auto/equipment, and home loans. The securities have a fixed interest rate and are rated AAA/Aaa by at least two of the three nationally recognized statistical rating organizations, except for $1,000,000 which is rated A2 by Moody's Investors Service (Moody's) and AA+ by Standard & Poor's Rating Service (S&P).

As of June 30, 2014, the Commission had the following variable rate note investments:

Investments	Fair Value	Coupon Type	Coupon Reset Date
Wisconsin Housing and Economic Development Authority	$ 1,805,000	Variable	Weekly
New Hampshire Department of Labor	4,190,000	Variable	Weekly
Total variable rate notes	$ 5,995,000		

These investments are highly sensitive to interest rate fluctuations which affect expected cash flows and, accordingly, fair value.

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 $39,803,667 with a financial institution; bank balances over $5,000,000 are swept daily into a money market account. Of the bank balance, up to $250,000 is federally insured under the Federal Depository Insurance Corporation with balances in excess of $250,000 collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Credit risk: The Commission's investment policy as well as the specific bond indentures set minimum acceptable credit ratings for investments from any of the three nationally recognized statistical rating organizations. The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each category's fair value at June 30, 2014; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

Investments	Moody's	S&P	Fitch	% of Portfolio
RCPIF	Aaa/bf	NR	AAA/V1	57.91%
LAIF	NR	NR	NR	0.39%
Commercial paper				
Various	P2	A1	F2	0.82%
Various	P2	A2	F2	11.67%
Various	P2	A2	NR	3.12%
Various	P2	A2	F1	0.33%
Various	P3	A2	F2	0.49%
Corporate notes				
Notes	A1	A+	A+	0.11%
Notes	A1	AA+	NR	0.90%
Notes	A2	A	A	0.66%

Note 2. Cash and Investments, Continued

Investments	Moody's	S&P	Fitch	% of Portfolio
Notes	A2	A	NR	0.05%
Notes	A2	A-	A+	0.69%
Notes	A2	A+	AA-	0.38%
Notes	A3	A	A+	0.42%
Notes	A3	A-	A	0.85%
Notes	A3	A-	A-	0.33%
Notes	A3	A-	BBB+	0.63%
Notes	A3	A-	NR	0.12%
Notes	Aa1	AA	AA	0.07%
Notes	Aa1	AA-	AA	0.11%
Notes	Aa1	AA-	AA-	0.09%
Notes	Aa1	AA+	NR	0.76%
Notes	Aa2	AA-	NR	0.39%
Notes	Aa3	AA-	A	0.63%
Notes	Aa3	AA-	A+	0.05%
Notes	Aa3	AA-	AA	0.22%
Notes	Aa3	AA-	AA-	0.47%
Notes	Aa3	AA-	NR	0.22%
Notes	Baa1	A	BBB+	0.29%
Notes	Baa1	A-	A	0.32%
Notes	Baa2	A-	A	0.12%
Money market mutual funds				
Funds	Aaa	AAA	AAA	0.41%
Funds	NR	NR	NR	0.09%
Mortgage and asset-backed securities				
Securities	A2	AA+	NR	0.11%
Securities	NR	AAA	AAA	0.17%
Securities	Aaa	AAA	AAA	0.99%
Securities	Aaa	AAA	NR	0.90%
Securities	Aaa	NR	AAA	2.99%
Municipal bonds				
City of Dallas	Aa1	AA+	NR	0.31%
Hamilton County	Aa2	AA+	NR	1.10%
New York City	Aa2	AA	AA	0.14%
New Hampshire Department of Labor	NR	AA	NR	0.35%
U.S. agency notes				
FNMA and GMNA	Aaa	AA+	AAA	3.82%
Federal Home Loan Banks	P-1	A-1+	NR	0.06%
U.S. Treasuries	Aaa	AA+	AAA	4.30%
Variable rate notes				
Notes	NR	AA	NR	0.46%
Notes	Aaa	NR	NR	0.19%
Total				100.00%

Concentration of credit risk: The Commission's investment policy places a limit of 10% on the amount of investment holdings with any one non-U.S. Government or non-federal agency issuer. As of June 30, 2014, the Commission did not have investments in any one issuer that represent more than 5% of the Commission's total investments.

Note 3. Advances

The Commission has approved interest-bearing advances to other governments, which may be funded by debt proceeds, to the cities of Blythe, Canyon Lake, and Indio and the Coachella Valley Association of Governments (CVAG) in the amounts of $1,500,000, $600,000, $4,000,000, and $43,300,000, respectively. The cities have pledged their share of 2009 Measure A local streets and roads revenues, and CVAG has pledged its share of 2009 Measure A highway and regional road revenue allocations in accordance with repayment terms specified in each agreement for actual advances. Repayment amounts are withheld from revenue allocations on a monthly basis. The final maturities of the cities of Blythe and Indio advances are due on or before September 1, 2019; the final maturity of the city of Canyon Lake advance is due on or before December 1, 2019; and the final maturities of the CVAG advances are due on or before September 1, 2029. Interest rates range from .910% to 7.307%, excluding the portion of cash subsidy payments (as discussed in Note 6) that may be received by CVAG to reduce its repayment obligations. The available advances to CVAG are $0 as of June 30, 2014.

The outstanding advances, including capitalized interest of $1,764,038, as of June 30, 2014 were as follows:

City of Blythe	$ 1,061,234
City of Canyon Lake	442,175
City of Indio	3,025,333
Coachella Valley Associated Governments	29,877,543
Total advances receivable	$ 34,406,285

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions/ Transfers	Retirements/ Transfers/ Deletions	Change in Estimate	Balance June 30, 2014
Governmental activities					
Capital assets not being depreciated:					
Land and land improvements	$ 215,548,472	$ 13,382,182	$ (1,820,192)	$ (43,300,000)	$ 183,810,462
Construction in progress	169,644,491	116,680,685	–	(57,500,000)	228,825,176
Rail operating easements	39,484,143	14,354,999	–	–	53,839,142
Construction easements	16,564	1,599,601	–	–	1,616,165
Buildings and equipment held for resale	61,832	–	(61,832)	–	–
Total capital assets not being depreciated	424,755,502	146,017,467	(1,882,024)	(100,800,000)	468,090,945
Capital assets being depreciated:					
Rail stations	98,812,574	–	–	–	98,812,574
Office improvements	72,782	–	–	–	72,782
Office furniture, equipment and vehicles	1,526,822	127,980	(117,130)	–	1,537,672
Total capital assets being depreciated	100,412,178	127,980	(117,130)	–	100,423,028
Less accumulated depreciation for:					
Rail stations	(36,436,603)	(3,317,926)	–	–	(39,754,529)
Office improvements	(66,446)	(2,303)	–	–	(68,749)
Office furniture, equipment and vehicles	(1,203,282)	(133,192)	117,130	–	(1,219,344)
Total accumulated depreciation	(37,706,331)	(3,453,421)	117,130	–	(41,042,622)
Total capital assets being depreciated, net	62,705,847	(3,325,441)	–	–	59,380,406
Governmental activities capital assets, net	$ 487,461,349	$ 142,692,026	$ (1,882,024)	$ (100,800,000)	$ 527,471,351

The change in estimate is discussed in Note 1.

Note 4. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the Commission's governmental activities during the year ended June 30, 2014 as follows:

General government	$ 71,652
Commuter rail	3,332,992
Commuter assistance	35,692
Highway	717
Planning and programming	12,368
Total depreciation expense	$ 3,453,421

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, 2014 is as follows:

Receivable Fund	Payable Fund	Amount	Explanation
General fund	Nonmajor Governmental funds	$ 7,570	Fringe benefits allocation
General fund	Nonmajor Governmental funds	338,488	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	793,907	Administrative cost allocation
General fund	Transportation Uniform Mitigation Fee Special Revenue fund	17,093	Fringe benefits allocation
General fund	Measure A Western County Special Revenue fund	189,909	Fringe benefits allocation
General fund	Measure A Western County Special Revenue fund	100,760	Reimbursement for rail station costs
General fund	Measure A Coachella Valley Special Revenue fund	20	Fringe benefits allocation
Measure A Western County Special Revenue fund	Bonds Capital Projects fund	14,011,872	Reimbursement for highway capital costs
Measure A Coachella Valley Special Revenue fund	Debt Service fund	573,505	Advance loan payment adjustment
Transportation Uniform Mitigation Fee Special Revenue fund	Measure A Western County Special Revenue fund	7,337,848	Reimbursement for regional arterial project costs
Commercial Paper Capital Projects fund	Nonmajor Governmental funds	39,369	Advance loan payment adjustment
Commercial Paper Capital Projects fund	Measure A Coachella Valley Special Revenue fund	475,219	Advance loan payment adjustment
Bonds Capital Projects fund	Measure A Coachella Valley Special Revenue fund	67,894	Advance loan payment adjustment
Total due from/to other funds		$ 23,953,454	

Note 5. Interfund Transactions, Continued

Interfund transfers: During 2014, interfund transfers were as follows:

Transfers Out	Transfers In	Amount	Explanation
Measure A Western County Special Revenue fund	General fund	$ 100,761	Allocation for commuter rail costs
Measure A Western County Special Revenue fund	Transportation Uniform Mitigation Fee Special Revenue fund	9,413,795	Highway project costs reimbursements
Measure A Western County Special Revenue fund	Debt Service fund	16,580,124	Debt service funding related to highway projects for Western County and to loan agreements for Western County jurisdictions
Measure A Western County Special Revenue fund	Commercial Paper Capital Projects fund	1,951	Escrow refunds related to highway project costs reimbursements
Transportation Uniform Mitigation Fee Special Revenue fund	General fund	793,907	Administrative cost allocation
Local Transportation Fund	General fund	12,452,874	Allocation for administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs
Commercial Paper Capital Projects fund	Debt Service fund	3,469,494	Debt service related to loan agreements for Coachella Valley and Palo Verde Valley jurisdictions
Commercial Paper Capital Projects fund	Measure A Western County Special Revenue fund	5,928,272	Highway project costs reimbursements
Bonds Capital Projects fund	Measure A Western County Special Revenue fund	216,268,491	Highway project costs reimbursements
Bonds Capital Projects fund	Debt Service fund	2	Interest earnings
Bonds Capital Projects fund	Debt Service fund	152,767,652	Transfer of bond proceeds related to capitalized interest and debt service reserve
Bonds Capital Projects fund	Commercial Paper Capital Projects fund	60,000,000	Transfer of bond proceeds for retirement of commercial paper notes
Debt Service fund	Measure A Western County Special Revenue fund	2,767,400	Transfer of cash subsidies available after debt service payment
Debt Service fund	Measure A Coachella Valley Special Revenue fund	188,123	Transfer of share of cash subsidy related to CVAG loan agreement
Nonmajor Governmental funds	General fund	338,489	Administrative cost allocation
Nonmajor Governmental funds	Nonmajor Governmental funds	916,400	Call box program augmentation of freeway service patrol operations
Total transfers		$481,987,735	

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, 2014:

	Balance July 1, 2013	Additions / Accretion	Reductions	Balance June 30, 2014	Due Within One Year
Sales tax revenue bonds:					
2009 Bonds	$ 161,400,000	$ –	$ (7,100,000)	$ 154,300,000	$ 7,400,000
2010 Bonds	150,000,000	–	–	150,000,000	–
2013 Bonds	–	462,200,000	–	462,200,000	–
Toll revenue bonds:					
2013 Bonds	–	180,122,129	–	180,122,129	–
Total bonds payable	311,400,000	642,322,129	(7,100,000)	946,622,129	7,400,000
Less: Sales tax revenue bonds discount	(964,492)	–	93,638	(870,854)	(89,756)
Less: Toll revenue bonds discount	–	(2,433,315)	66,577	(2,366,738)	(73,073)
Add: Sales tax revenue bonds premium	–	38,328,775	(2,175,262)	36,153,513	2,175,262
Total bonds payable, net	310,435,508	678,217,589	(9,115,047)	979,538,050	9,412,433
Commercial paper notes	60,000,000	–	(60,000,000)	–	–
Multi-Species Habitat Conservation Plan (MSHCP) funding liability	–	18,000,000	–	18,000,000	3,000,000
Remediation liability	–	1,642,000	(65,594)	1,576,406	1,576,406
Capital lease	6,289	78,606	(12,884)	72,011	11,654
Compensated absences	675,176	91,665	(136,044)	630,797	322,867
Total long-term obligations	$ 371,116,973	$698,029,860	$ (69,329,569)	$ 999,817,264	$ 14,323,360

The Commission has pledged a portion of future sales tax revenues through maturities of the bonds to repay $766,500,000 in sales tax revenue bonds payable issued in October 2009 (2009 Bonds), November 2010 (2010 Bonds), and July 2013 (2013 Sales Tax Bonds) and outstanding at June 30, 2014. The bonds and commercial paper notes are payable solely from the 2009 Measure A sales tax revenues on a senior and subordinate lien basis, respectively. Annual principal and interest payments on the bonds and notes, after utilization of capitalized interest deposits for the 2013 Sales Tax Bonds through December 1, 2017, are expected to require less than 36% of 2009 Measure A revenues. For the current year, interest paid on the bonds and commercial paper notes was $43,399,417 and $789, respectively. Cash subsidies of $2,767,401 related to the bonds were received from the U.S. Treasury during the current year and were recorded as intergovernmental revenues.

Additionally, the toll revenue bonds issued in July 2013 (2013 Toll Bonds) are secured by a senior lien on the trust estate, which consists primarily of toll revenues and account revenues less operating and maintenance expenses of the RCTC 91 Express Lanes, which are expected to open in July 2017. The Commission also executed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement for up to $421,054,409 in July 2013 secured on a subordinate basis to the 2013 Toll Bonds, except in the case of any bankruptcy related event, as defined in the toll indenture and TIFIA loan agreement, when the TIFIA loan automatically becomes a senior lien obligation. The TIFIA loan is evidenced by a toll revenue bond issued pursuant to the toll bond indentures; however, no amounts are outstanding under the TIFIA loan at June 30, 2014.

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

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, 2014:

	Outstanding
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. A portion of the 2009 Bonds was used to current refund all, or $126,395,000, of the 2008 Sales Tax Revenue Bonds (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 secured by Standby Bond Purchase Agreements (SBPAs), as amended in July 2011, with JPMorgan Chase Bank (JPMorgan) which expire in September 2014; however, in September 2014, the SBPAs with JP Morgan were substituted with SBPAs with Bank of Tokyo, which expire in March 2019. Under the SBPAs with Bank of Tokyo, 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, Bank of Tokyo is required to purchase the 2009 Bonds. Any of the 2009 Bonds purchased by Bank of Tokyo 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 Bank of Tokyo within 180 days following Bank of Tokyo'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 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. (Barclays), Stifel, Nicolaus & Company (Stifel), as assigned by E.J. De La Rosa & Co., Inc., and Backstrom McCarley Berry & Co., LLC (Backstrom) are the remarketing agents for the 2009 Bonds Series A, B, and C, respectively. In September 2014 Backstrom resigned as remarketing agent. In connection with the substitution of the SBPAs, the Commission terminated the remaining remarketing agent agreements and executed new remarketing agreements with Stifel for the 2009 Bonds Series A and Barclays for the 2009 Bonds Series B and C. 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 Commission is required to pay to Bank of Tokyo an annual commitment fee for the SBPAs on 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 on the outstanding principal amount of the bonds. The required reserve amount of $14,213,201 was released in its entirety for project purposes in October 2011 upon the effective date of the amendment of the prior SBPAs.	$ 154,300,000

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

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 variable interest rates at June 30, 2014 and excluding related interest rate swap payments, throughout the term of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 7,400,000	$ 91,316	$ 7,491,316
2016	7,800,000	87,174	7,887,174
2017	8,100,000	82,321	8,182,321
2018	8,500,000	77,522	8,577,522
2019	8,900,000	72,490	8,972,490
2020-2024	50,700,000	279,121	50,979,121
2025-2029	62,900,000	114,891	63,014,891
	$ 154,300,000	$ 804,835	$ 155,104,835

If the SBPAs with Bank of Tokyo are not renewed or replaced upon expiration in March 2019 and the Commission does not otherwise refinance the 2009 Bonds and the remarketing agent is unable to resell the bonds that are tendered for redemption, the annual debt service requirements for the succeeding fiscal years will be accelerated over a five year term based on an assumed interest rate of 9.0%.

	Outstanding
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. For the Series B Build America Bonds (BABs), $44,800,000 was designated as recovery zone economic development bonds (RZEDBs). A portion of the 2010 Bonds was used to retire $103,284,000 of the outstanding commercial paper notes with the remaining proceeds used to fund 2009 Measure A Western County and Coachella Valley capital projects and pay costs of issuance for the 2010 Bonds. 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, but is not guaranteed, to receive a cash subsidy from the U.S. Treasury equal to 35% of the interest payable on the BABs or 45% of the interest payable on the Series B bonds additionally designated as RZEDBs.	$ 150,000,000

During 2014 the cash subsidy related to the 2010 Bonds that was received from the U.S. Treasury was approximately $214,700 less than the amount anticipated. The subsidy reduction resulted from federal sequestration cuts of 7.2% for federal fiscal year ending September 30, 2015. The federal sequestration cuts may continue for an unknown duration.

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

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

Year Ending June 30	Principal	Interest	Total	Subsidy	Total, net
2015	$ –	$ 9,530,500	$ 9,530,500	$ (2,982,100)	$ 6,548,400
2016	–	9,530,500	9,530,500	(2,982,100)	6,548,400
2017	–	9,530,500	9,530,500	(2,982,100)	6,548,400
2018	–	9,530,500	9,530,500	(2,982,100)	6,548,400
2019	–	9,530,500	9,530,500	(2,982,100)	6,548,400
2020-2024	–	47,652,600	47,652,600	(14,910,600)	32,742,000
2025-2029	–	47,652,600	47,652,600	(14,910,600)	32,742,000
2030-2034	66,800,000	41,017,800	107,817,800	(14,551,500)	93,266,300
2035-2039	83,200,000	17,452,200	100,652,200	(7,386,000)	93,266,200
	$ 150,000,000	$ 201,427,700	$ 351,427,700	$ (66,669,200)	$ 284,758,500

	Outstanding
2013 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt): In July 2013, the Commission issued $462,200,000 principal amount of serial bonds at a premium of $38,328,775 to retire all, or $60,000,000, of the outstanding principal amount of commercial paper notes, fund a portion of the SR-91 corridor improvement project costs, pay capitalized interest during construction, and pay cost of issuance. The $286,065,000 of serial bonds mature in annual installments ranging from $12,090,000 to $24,450,000 on various dates from June 1, 2018 through June 1, 2033 at interest rates ranging from 5.00 to 5.25%. The $176,135,000 of term bonds is due on June 1, 2039 with annual sinking fund payments ranging from $25,735,000 to $33,235,000 on June 1, 2034 through June 1, 2039 at an interest rate of 5.25%.	$ 462,200,000

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

Year Ending June 30	Principal	Interest	Total
2015	$ –	$ 24,041,100	$ 24,041,100
2016	–	24,041,100	24,041,100
2017	–	24,041,100	24,041,100
2018	22,960,000	24,041,100	47,001,100
2019	12,090,000	22,893,100	34,983,100
2020-2024	70,130,000	104,772,100	174,902,100
2025-2029	90,165,000	84,734,500	174,899,500
2030-2034	116,455,000	58,446,900	174,901,900
2035-2039	150,400,000	24,496,200	174,896,200
	$ 462,200,000	$ 391,507,200	$ 853,707,200

Toll revenue bonds payable: In July 2010, the Commission authorized the issuance and sale of not to exceed $900 million of toll revenue bonds related to the SR-91 Corridor Improvement Project.

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

	Outstanding
2013 Toll Revenue Bonds, Series A (Current Interest Obligation): In July 2013, the Commission issued $123,825,000 principal amount of serial current interest bonds (CIBs) at a discount of $2,433,315 to fund a portion of the SR-91 corridor improvement project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an Operations and Maintenance Fund, and pay costs of issuance. The CIBs consist of a serial bond maturing on June 1, 2044 in the amount of $39,315,000 at an interest rate of 5.75% and a term bond due on June 1, 2048 in the amount of $84,510,000 with annual sinking funds payments of $42,255,000 on June 1, 2047 and June 1, 2048 at an interest rate of 5.75%.	$ 123,825,000

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

Year Ending June 30	Principal	Interest	Total
2015	$ –	$ 7,119,900	$ 7,119,900
2016	–	7,119,900	7,119,900
2017	–	7,119,900	7,119,900
2018	–	7,119,900	7,119,900
2019	–	7,119,900	7,119,900
2020-2024	–	35,599,700	35,599,700
2025-2029	–	35,599,700	35,599,700
2030-2034	–	35,599,700	35,599,700
2035-2039	–	35,599,700	35,599,700
2040-2044	39,315,000	35,599,700	74,914,700
2045-2048	84,510,000	17,007,600	101,517,600
	$ 123,825,000	$ 230,605,600	$ 354,430,600

	Outstanding
2013 Toll Revenue Bonds, Series A (Capital Appreciation Obligation): In July 2013, the Commission issued $52,829,602 principal amount of serial capital appreciation bonds (CABs) to fund a portion of the SR-91 corridor improvement project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an Operations and Maintenance Fund, and pay costs of issuance. The CABs will not pay current interest as interest will be compounded commencing December 2013 semiannually and paid at maturity. Therefore, the CABs will increase in value, or accrete, by the accumulation of such compounded interest from its initial principal amount to the maturity value in installments ranging from $3,440,000 to $34,220,000 on various dates from June 1, 2022 through June 1, 2043. Interest rates and yield to maturity range from 5.30% to 7.15%. During 2014, the accretion amount was $3,467,527.	$ 56,297,129

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

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

Year Ending June 30	Principal	Accreted Interest	Total
2022-2023	$ 5,494,800	$ 3,655,200	$ 9,150,000
2024-2028	18,364,700	22,490,300	40,855,000
2029-2033	15,215,000	34,850,000	50,065,000
2034-2038	1,963,300	6,196,700	8,160,000
2039-2043	11,791,800	78,458,200	90,250,000
	$ 52,829,600	$ 145,650,400	$ 198,480,000

TIFIA Loan Agreement: In July 2013, the Commission executed a TIFIA loan of up to $421,054,409, which proceeds, when drawn upon, will finance a portion of the costs for the SR-91 corridor improvement project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on December 1, 2021, which is five years after substantial completion of the SR-91 corridor improvement project, through June 1, 2051. The interest rate of the TIFIA loan is 3.47%. There were no draws on the TIFIA loan during 2014. $ -

Pursuant to the toll indenture and TIFIA loan agreement, the Commission will deposit with the trustee $136,451,515 into an equity account for payment of SR-91 corridor improvement project costs. Such deposits are due annually in amounts ranging from $29,501,918 to $34,983,199 through 2017. The Commission expects to make such deposits or direct payments from 2009 Measure A revenues; the fiscal 2014 contribution requirement of $36,983,199 was satisfied with state reimbursement revenues of $39,173,000. These annual equity contribution payments occur during the period in which interest is capitalized on the 2013 Sales Tax Bonds.

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

Commercial paper notes payable: In February 2005, the Commission authorized the issuance of tax-exempt commercial paper notes in an amount not to exceed $200,000,000 for the primary purpose of financing right of way and mitigation land acquisition and project development costs of capital projects under the 2009 Measure A. The Commission reduced the authorization to $60,000,000 in September 2013. During fiscal 2013 the Commission issued commercial paper notes aggregating $60,000,000, which were retired in July 2013 in connection with the financing for the SR-91 corridor improvement project. As of June 30, 2014, 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%.

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; the agreement was terminated upon expiration. In April 2012, the Commission entered into two irrevocable direct draw letters of credit and reimbursement agreements of $60,750,000, for an aggregate of $121,500,000,

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

with Union Bank, N.A. (Union Bank) and The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch (Bank of Tokyo), as credit and liquidity support for the commercial paper notes through October 2014. The Commission terminated the letter of credit agreement with Bank of Tokyo in July 2013. In October 2014 the Commission terminated the letter of credit agreement with Union Bank and entered into a new direct draw letter of credit and reimbursement agreement of $60,750,000 with State Street Bank and Trust Company, which expires in October 2017.

Funds are drawn under the letter of credit to pay debt service on the commercial paper notes, and the Commission is required to reimburse the bank for such drawings. Amounts drawn on the letter of credit and not reimbursed within 30 days are not due until five years after the date of such draw. Accordingly, the commercial paper notes are classified as long-term liabilities in the Commission's government-wide financial statements. There were no unreimbursed draws by the Commission on the remaining letter of credit during the year ended June 30, 2014, nor were there any amounts outstanding under the remaining letter of credit agreement at June 30, 2014.

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

Capital lease obligation: The Commission has entered into a lease agreement for financing the acquisition of office equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments. The office equipment book value of $78,606 isrecorded 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, 2014 are as follows:

Year Ending June 30	Total
2015	$ 24,857
2016	24,857
2017	24,857
2018	8,286
Total minimum lease payments	82,857
Less amount representing interest	(10,846)
Present value of minimum lease payments	$ 72,011

Interest rate swaps: As a means to achieve a greater level of interest rate stability, specifically rising interest rates that would negatively impact cash flows, the Commission entered into two forward-starting interest rate swaps in August 2006 for a total original notional amount of $185,000,000 whereby it swapped obligations to pay fixed rates for those that pay a floating rate. The swaps 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 original notional amount) is Bank of America, and the counterparty for the second swap ($85,000,000 original 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).

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

The Commission's interest rate swaps are derivative instruments that hedge identified financial risks. If the derivative instrument is determined to be effective in reducing the identified exposure, hedge accounting provides that changes in the fair value of the hedging instrument—in this instance, the interest rate swap—be reported as either deferred inflows or deferred outflows in a government's statement of net position. 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, 2014 are ($13,382,739) and ($8,454,831), respectively. This is the amount the Commission would owe as of this date should the swaps be terminated. The terms and fair values (liabilities) of the outstanding swaps as of June 30, 2014 are as follows:

Associated Debt Issue	Counterparty	Notional Amount	Effective Date	Fixed Rate to be Paid	Variable Rate to be Received	Fair Value (Liability)	Swap Termination Date
2009 Bonds	Bank of America	$ 83,400,000	10/01/2009	3.679%	67% of LIBOR	$ (13,382,739)	06/01/2029
2009 Bonds	Deutsche Bank	70,900,000	10/01/2009	3.206%	67% of LIBOR	(8,454,831)	06/01/2029
		$ 154,300,000				$ (21,837,570)	

The fair value (liabilities) of the outstanding swaps at June 30, 2013 was ($22,795,319), resulting in a decrease in the liabilities of $957,749 during the year ended June 30, 2014.

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, 2014 against their threshold amounts and credit ratings for termination:

Bank of America	Moody's	S&P
Counterparty Senior Debt Rating	A2	A
Threshold Amount	$15,000,000	$15,000,000
Threshold for Termination	Baa1	BBB+

Deutsche Bank	Moody's	S&P
Counterparty Senior Debt Rating	A3	A
Threshold Amount	$10,000,000	$15,000,000
Threshold for Termination	Baa1	BBB+

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 Commission'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, 2014, the Commission's 2009 Bonds, Series A, which are hedged by the Deutsche Bank swap, and 2009 Bonds, Series B and C, which are hedged by the Bank of America swap, had weighted average variable rates of

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

0.049% and 0.065%, respectively. Over the same period, the weighted average of 67% of one-month LIBOR was 0.111%, an approximate 6.2 basis point gain and 4.6 basis point gain 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.

Swap payments and associated debt: Using a variable rate of 0.05% for the 2009 Bonds Series A, 0.06% for the 2009 Bonds Series B, and 0.08% for the 2009 Bonds Series C as of June 30, 2014, debt service requirements of the 2009 Bonds and the swap payments, assuming current interest rates remain the same for their term, are as follows:

	Variable Rate Debt				
Year Ending June 30	Principal	Interest	Total	Interest Rate Swap, Net	Total Fixed Debt Service
2015	$ 7,400,000	$ 91,316	$ 7,491,316	$ 5,178,667	$ 12,669,983
2016	7,800,000	87,174	7,887,174	5,157,516	13,044,690
2017	8,100,000	82,321	8,182,321	4,908,486	13,090,807
2018	8,500,000	77,522	8,577,522	4,645,921	13,223,443
2019	8,900,000	72,490	8,972,490	4,372,850	13,345,340
2020-2024	50,700,000	279,121	50,979,121	17,306,040	68,285,161
2025-2029	62,900,000	114,891	63,014,891	8,335,914	71,350,805
	$ 154,300,000	$ 804,835	$ 155,104,835	$ 49,905,394	$ 205,010,229

As rates vary, the variable interest payments and net interest rate swap payments will vary.

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, 2014.

MSHCP funding liability: Under the 2009 Measure A, the Commission is required to provide $153,000,000 of Measure A funding under the Western County MSHCP. Through the current year, the Commission has fulfilled approximately $132,000,000 of the funding requirement. In March 2012, the Commission authorized a $24,000,000 commitment to the Western Riverside County Regional Conservation Authority (RCA) to provide funding for its remaining obligation to the MSHCP for its covered activities. Under the terms of the agreement, the commitment will be paid over eight years at $3,000,000 per year through December 2019. However, if, within the first two years of the agreement, the RCA received a federal loan guarantee related to the MSHCP or its revenues have returned to 2005 levels, the Commission may modify its commitment. The Commission did not modify its commitment within the first two year period, and, accordingly, the remaining liability of $18,000,000 is recorded as a liability in the government-wide financial statements.

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

Remediation liability: In connection with the acquisition of real property in December 2013, the Commission is responsible for the cleanup of hazardous substances at the site under a voluntary cleanup agreement with the California Department of Toxic Substances Control. The Commission in consultation with its consultants calculates expected outlays related to this hazardous substance remediation to approximate $1,642,000, of which $65,594 was expended during FY 2013/14. The remediation liability balance at June 30, 2014 of $1,576,406 is expected to be fully expended in FY 2014/15 and is recorded as a liability in the government-wide financial statements. The amount of the estimated remediation liability assumes there will be no major increase in the cost of providing these cleanup services. There are no expected recoveries to offset the remediation costs.

Note 7. Net Position and Fund Balances

Net position: Net investment in capital assets of $381,796,683, as reported on the government-wide statement of net position, represents capital assets, net of accumulated depreciation, of $527,471,351 less the related debt of $145,674,668. The related debt includes the portion of the sales tax revenue and toll revenue bonds that was used for the development of tolled express lane capital assets. Additionally, the government-wide statement of net position reports $642,385,244 of restricted – net position, of which $381,663,545 is restricted by enabling legislation.

Fund balances

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

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

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. Certain state revenues are restricted for the planning and development of the new Coachella Valley/San Gorgonio Pass corridor rail service.

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

Note 7. Net Position and Fund Balances, Continued

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

Commuter assistance and transit: Funds for public transit are used to promote and subsidize commuter assistance programs such as ridesharing and telecommuting and specialized transportation to guarantee reduced transit fares, expand existing transit services, and implement new transit services for seniors and persons with disabilities. These funds are restricted as stipulated by the 1989 Measure A and 2009 Measure A. Funds for intercity bus services in Western County and bus replacement and more frequent service in the Coachella Valley are restricted as stipulated by the 2009 Measure A.

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

Transportation Development Act: Restricted fund balance for the Local Transportation Fund represents the apportionments related to transit programs by geographic area, bicycle and pedestrian facilities, and planning and programming services and unapportioned revenues. Restricted fund balance for the State Transit Assistance represents the apportionments for transit by geographic area. The TDA restrictions at June 30, 2014 are as follows:

	Local Transportation Fund	State Transit Assistance	Total
Bicycle and pedestrian facilities	$ 4,624,230	$ –	$ 4,624,230
Transit and specialized transportation			
Western County:			
Bus transit:			
City of Banning	$ –	$ 537,356	$ 537,356
City of Beaumont	–	394,935	394,935
City of Corona	–	1,743,454	1,743,454
City of Riverside	–	460,002	460,002
Riverside Transit Agency	3,381,035	1,793,501	5,174,536
Apportioned and unallocated	61,074,766	27,880,790	88,955,556
Commuter rail:			
Commission	2,000,000	100,000	2,100,000
Apportioned and unallocated	21,646,399	11,904,353	33,550,752
Total Western County	88,102,200	44,814,391	132,916,591
Coachella Valley:			
SunLine Transit Agency	796,738	5,002,256	5,798,994
Apportioned and unallocated	12,050,389	5,359,242	17,409,631
Total Coachella Valley	12,847,127	10,361,498	23,208,625
Palo Verde Valley:			
Palo Verde Valley Transit Agency	29,500	140,487	169,987
Apportioned and unallocated for transit and local streets and roads	1,059,833	186,590	1,246,423
Total Palo Verde Valley	1,089,333	327,077	1,416,410
Unapportioned funds	9,214,419	–	9,214,419
Total transit and specialized transportation	$115,877,309	$ 55,502,966	$ 171,380,275

Note 7. Net Position and Fund Balances, Continued

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

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

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

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

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

Motorist assistance: Funds in the SAFE and Freeway Service Patrol Special Revenue funds, which are reported as nonmajor governmental funds, of $6,394,219 and $1,496,699, respectively, to assist motorists on County roads are restricted as stipulated by the State.

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, as amended, is for a period of 15 years expiring in October 2017 and may be extended for one additional five-year term. Rental expenditures for the fiscal year ended June 30, 2014 were approximately $369,500.

Year Ending June 30	Amount
2015	$ 377,820
2016	385,375
2017	393,085
2018	126,800
Total minimum rental commitment	$ 1,283,080

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

In November 2012, the Commission entered into an agreement with the BNSF Railway Company (BNSF) for the acquisition and use of a rail easement in connection with a rail project for an amount of $25,000,000. Under the terms of the agreement, the Commission has paid $14,999,999 through 2014. The remaining balance of $10,000,001 is due at various dates through the earlier of the closing date, which may be extended to March 31, 2015, or 90 days prior to the scheduled commencement of rail service on the rail project, which is projected to occur by December 2015. Furthermore, the agreement may be terminated by the Commission if the Commission is not prepared to proceed to closing. Should the closing not occur, BNSF is required to return up to $24,349,999 of payments received through closing.

Note 8. Commitments and Contingencies, Continued

Litigation: Certain claims involving disputed construction costs have arisen in the ordinary course of business. Additionally, the Commission is a defendant in lawsuits. Although the outcome of these matters is not presently determinable, management does not expect that the resolution of these matters will have a material adverse impact on the financial condition of the Commission.

Note 9. Joint Agreements

Joint ventures: The Commission is one of five members of the SCRRA, an independent joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority (OCTA), the San Bernardino Associated Governments, and the Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for its pro rata share of rail lines servicing the County. The Commission expended $8,264,705 during 2014 for its share of Metrolink operating costs. As of June 30, 2014, cumulative capital contributions were $42,308,556. Other funds for rail service are contributed to the SCRRA by the State from state rail bonds on behalf of the Commission. Separate financial statements are prepared by and available from the SCRRA, which is located at One Gateway Plaza, 12th Floor, Los Angeles, California 90012.

In May 2013 the Commission became a full voting member of the Los Angeles—San Diego—San Luis Obispo (LOSSAN) Rail Corridor Agency with the intent to have greater involvement in regional rail issues because of its legal ownership rights regarding passenger rail service between Fullerton and Los Angeles. The LOSSAN Rail Corridor Agency is a locally governed joint powers authority comprised of 13 agencies created to oversee the intercity passenger rail service in the travel corridor between San Diego and San Luis Obispo County. The Commission's share of administration costs is subject to future negotiations; however, during 2014 the Commission contributed $43,100 for administration efforts.

Cooperative agreement: In May 2006 the Commission entered into a cooperative agreement, Riverside Orange Corridor Authority, with OCTA and the Transportation Corridor Agencies to jointly exercise the common powers of the parties to manage geotechnical studies regarding the Riverside Orange Corridor, which have been completed. The Commission was the recipient and administering entity of federal and state funds as necessary to accomplish this work, and the three agencies shared in meeting the local agency matching requirements. As of June 30, 2014, 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.

Note 10. Employees' Pension Plans, Continued

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, 2012 valuation (most current valuation available), the estimated amount of the side fund liability was $1,455,321.

All permanent Commission employees are eligible to participate in PERS. Employees hired prior to January 1, 2013 and attaining the age of 55 with five years of credited California service (service) are eligible for normal retirement and are entitled to a monthly benefit of 2.7% of their final compensation for each year of service. Final compensation is defined as the highest annual salary earned. Retirement may begin at age 50 with a reduced benefit rate. The plan also credits employees for unused sick leave. Employees hired on or after January 1, 2013 who are not "classic" members and attaining the age of 62 with five years of credited service are eligible for normal retirement and are entitled to a monthly benefit of 2% of their three-year final compensation for each year of service. Retirement may begin at age 52 with a reduced benefit rate. Upon separation from the plan prior to retirement, members' accumulated contributions are refundable with interest credited through the date of separation.

The Commission pays the employee paid member contribution (EPMC) of 5% of regular earnings. The Commission is required to contribute the remaining amounts necessary to fund the benefits of its members, using the actuarially determined rate, which was 23.557% for the fiscal year ended June 30, 2014.

Three-year trend information for PERS:

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2014	$ 1,226,250	100%	$ –
2013	1,054,621	100%	–
2012	994,806	100%	–

In May 2013, the Commission approved the implementation of employees' cost sharing of EPMC phased in over a three-year period with 3% beginning in July 2013, 6% in July 2014 and 8% in July 2015. The 8% EPMC paid by the Commission will be eliminated in FY 2015/16.

401(a) plan: The Commission offers its employees a 401(a) single-employer defined contribution plan referred to as the Money Purchase Plan & Trust (Plan), which covers all permanent full-time employees. Employees are fully vested in the Plan after five years. The Plan, which is administered by the International City/County Management Association (ICMA), requires the Commission to make a contribution of 7.5% of the employees' earnings for the Plan year. Fiduciary responsibility and reporting of the Plan assets rests with ICMA. The Commission has the authority to amend the contribution requirements. Total payroll for covered employees for the current year was $4,316,567. The Commission's contributions to the Plan were $322,155 for the year ended June 30, 2014.

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

Note 11. Other Postemployment Benefits (OPEB), Continued

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.

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 9.2% for the fiscal year ended June 30, 2014.

Annual OPEB cost: For 2014, the Commission's OPEB cost of $378,000 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 2014 and the preceding two years were as follows:

Fiscal Year Ended June 30	OPEB ARC	Percentage of OPEB ARC Contributed	Net OPEB Obligation
2014	$ 378,000	100%	$ –
2013	409,000	100%	–
2012	397,000	100%	–

Funded status and funding progress: The funded status of the plan as of June 30, 2013, based on the June 30, 2013 actuarial valuation (most current valuation available), was as follows:

Actuarial accrued liability (AAL)	$ 4,047,000
Actuarial value of plan assets	3,335,000
Unfunded actuarial accrued liability (UAAL)	$ 712,000
Funded ratio (actuarial value of plan assets/AAL)	82.4%
Covered payroll (active plan members)	$ 3,822,793
UAAL as a percentage of covered payroll	18.6%

The schedule of funding progress for postretirement health care that immediately follows the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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.

Note 11. Other Postemployment Benefits (OPEB), Continued

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, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.75% investment rate of return and a 3% inflation rate assumption. 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 pronouncements issued prior to June 30, 2014 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for periods beginning after June 15, 2014;
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective beginning after December 15, 2013;
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective beginning after June 15, 2013; and
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date–an Amendment of GASB Statement No. 68*, effective simultaneously with the provisions of GASB Statement No. 68.

Management has not currently determined what, if any, impact implementation of these statements may have on the financial statements of the Commission, except that GASB Statement No. 68 will have an effect on the Commission's net position. However, management has not calculated such effect.

SR-60/I-215 East Junction Project

Required Supplementary Information

Avenue 56 Grade Separation Project

Riverside County Transportation Commission

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

Year Ended June 30, 2014

	General			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**
Revenues				
Sales taxes	$ 2,800,000	$ 2,800,000	$ 2,800,000	$ -
Intergovernmental	1,144,000	844,000	526,238	(317,762)
Investment income	20,200	20,200	59,245	39,045
Other	224,800	224,800	185,261	(39,539)
Total revenues	4,189,000	3,889,000	3,570,744	(318,256)
Expenditures				
Current:				
General government	5,465,000	5,540,000	4,653,454	886,546
Commuter rail	15,437,400	15,501,265	11,858,991	3,642,274
Planning and programming	5,845,000	5,767,000	2,548,111	3,218,889
Transit and specialized transportation	351,800	429,800	391,298	38,502
Total programs	27,099,200	27,238,065	19,451,854	7,786,211
Debt service:				
Principal	-	13,000	12,884	116
Interest	-	10,000	9,997	3
Total debt service	-	23,000	22,881	119
Capital outlay	439,200	416,200	110,888	305,312
Total expenditures	27,538,400	27,677,265	19,585,623	8,091,642
Excess (deficiency) of revenues over (under) expenditures	(23,349,400)	(23,788,265)	(16,014,879)	7,773,386
Other financing sources (uses)				
Capital lease	-	-	78,606	78,606
Transfers in	14,896,600	15,581,365	13,686,031	(1,895,334)
Total other financing sources (uses)	14,896,600	15,581,365	13,764,637	(1,816,728)
Net change in fund balances	$ (8,452,800)	$ (8,206,900)	(2,250,242)	$ 5,956,658
Fund balances at beginning of year			12,840,351	
Fund balances at end of year			$ 10,590,109	

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, 2014

	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	$ 108,401,000	$ 115,918,000	$ 115,941,091	$ 23,091	$ 34,781,000	$ 37,193,000	$ 36,471,460	$ (721,540)	$ -	$ -	$ -	$ -	$ 72,500,000	$ 76,500,000	$ 77,544,177	$ 1,044,177
Transportation Uniform Mitigation Fee	423,400	423,400	171,321	(252,079)	-	-	-	-	6,300,000	7,400,000	11,113,073	3,713,073	-	-	-	-
Intergovernmental	221,689,300	221,884,241	110,845,186	(111,039,055)	-	-	-	-	-	-	(43,195)	(43,195)	-	-	-	-
Investment income	621,800	621,800	1,248,889	627,089	14,100	14,100	142,985	128,885	60,300	60,300	717,530	657,230	214,500	214,500	486,177	271,677
Other	855,000	855,000	1,081,087	226,087	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	331,990,500	339,702,441	229,287,574	(110,414,867)	34,795,100	37,207,100	36,614,445	(592,655)	6,360,300	7,460,300	11,787,408	4,327,108	72,714,500	76,714,500	78,030,354	1,315,854
Expenditures																
Current:																
General government	-	2,620,400	2,325,849	294,551	-	-	-	-	-	-	-	-	12,000	12,000	12,000	-
Bicycle and pedestrian facilities	-	-	-	-	-	-	-	-	-	-	-	-	1,280,000	1,280,000	1,065,476	214,524
CETAP	-	-	-	-	-	-	-	-	9,357,300	9,520,300	6,509,915	3,010,385	-	-	-	-
Commuter assistance	4,404,700	4,410,200	3,136,150	1,274,050	-	-	-	-	-	-	-	-	-	-	-	-
Commuter rail	156,791,000	160,701,509	56,148,017	104,553,492	-	-	-	-	-	-	-	-	-	-	-	-
Highways	463,172,700	460,999,800	286,354,957	174,644,843	25,014,500	26,237,500	12,743,165	13,494,335	-	-	-	-	-	-	-	-
Local streets and roads	30,634,900	32,768,800	32,769,052	(252)	12,173,000	12,908,100	12,765,185	142,915	-	-	-	-	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	-	-	-	-	543,800	656,000	655,962	38
Regional arterials	2,307,500	2,309,500	1,441	2,308,059	-	-	-	-	50,718,800	52,502,300	23,885,399	28,616,901	-	-	-	-
Transit and specialized transportation	6,071,800	6,071,800	5,025,073	1,046,727	5,503,500	5,503,500	5,217,000	286,500	-	-	-	-	67,439,000	67,439,000	53,209,690	14,229,310
Total programs	663,382,600	669,882,009	385,760,539	284,121,470	42,691,000	44,649,100	30,725,350	13,923,750	60,076,100	62,022,600	30,395,314	31,627,286	69,274,800	69,387,000	54,943,128	14,443,872
Capital outlay	357,000	353,500	33,000	320,500	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	663,739,600	670,235,509	385,793,539	284,441,970	42,691,000	44,649,100	30,725,350	13,923,750	60,076,100	62,022,600	30,395,314	31,627,286	69,274,800	69,387,000	54,943,128	14,443,872
Excess (deficiency) of revenues over (under) expenditures	(331,749,100)	(330,533,068)	(156,505,965)	174,027,103	(7,895,900)	(7,442,000)	5,889,095	13,331,095	(53,715,800)	(54,562,300)	(18,607,906)	35,954,394	3,439,700	7,327,500	23,087,226	15,759,726
Other financing sources (uses)																
Transfers in	354,136,700	354,136,700	224,964,163	(129,172,537)	-	-	188,123	188,123	32,319,500	32,319,500	9,413,795	(22,905,705)	-	-	-	-
Transfers out	(34,804,900)	(42,586,265)	(26,096,631)	16,489,634	-	-	-	-	(16,013,300)	(16,013,300)	(793,907)	15,219,393	(13,716,100)	(14,165,000)	(12,452,874)	1,712,126
Total other financing sources (uses)	319,331,800	311,550,435	198,867,532	(112,682,903)	-	-	188,123	188,123	16,306,200	16,306,200	8,619,888	(7,686,312)	(13,716,100)	(14,165,000)	(12,452,874)	1,712,126
Net change in fund balances	$ (12,417,300)	$ (18,982,633)	42,361,567	$ 61,344,200	$ (7,895,900)	$ (7,442,000)	6,077,218	$ 13,519,218	$ (37,409,600)	$ (38,256,100)	(9,988,018)	$ 28,268,082	$ (10,276,400)	$ (6,837,500)	10,634,352	$ 17,471,852
Fund balances at beginning of year			294,464,723				27,356,273				67,306,789				105,242,957	
Fund balances at end of year			$ 336,826,290				$ 33,433,491				$ 57,318,771				$ 115,877,309	

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, 2013	$ 3,335,000	$ 4,047,000	$ 712,000	82.4%	$ 3,822,793	18.6%
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. The Commission obtains an actuarial valuation on a biennial basis. The most recent actuarial valuation performed was as of June 30, 2013.

RCTC
Riverside County Transportation Commission

Other Supplementary Information

North Main Corona Metrolink Station

Riverside County Transportation Commission

Nonmajor Governmental Funds Description

Special Revenue Funds

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

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

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

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

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

Riverside County Transportation Commission

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2014

	Special Revenue					
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Coachella Valley Rail	Total
Assets						
Cash and investments	$ 556	$ 1,022,332	$ 6,234,670	$ 51,890,555	$ 4,192,718	$ 63,340,831
Receivables:						
Accounts	220,604	924,010	573,597	3,911,053	-	5,629,264
Interest	-	1,064	5,063	42,223	1,745	50,095
Total assets	$ 221,160	$ 1,947,406	$ 6,813,330	$ 55,843,831	$ 4,194,463	$ 69,020,190
Liabilities and fund balances						
Liabilities:						
Accounts payable	$ 181,235	$ 274,802	$ 248,958	$ 340,865	$ 60,278	$ 1,106,138
Due to other funds	39,369	175,905	170,153	-	-	385,427
Total liabilities	220,604	450,707	419,111	340,865	60,278	1,491,565
Fund balances:						
Commuter rail	-	-	-	-	4,134,185	4,134,185
Local streets and roads	556	-	-	-	-	556
Motorist assistance	-	1,496,699	6,394,219	-	-	7,890,918
Transit and specialized transportation	-	-	-	55,502,966	-	55,502,966
Total fund balances	556	1,496,699	6,394,219	55,502,966	4,134,185	67,528,625
Total liabilities and fund balances	$ 221,160	$ 1,947,406	$ 6,813,330	$ 55,843,831	$ 4,194,463	$ 69,020,190

Riverside County Transportation Commission

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

Year Ended June 30, 2014

	Special Revenue					
	Measure A Palo Verde Valley	Freeway Service Patrol	Service Authority for Freeway Emergencies	State Transit Assistance	Coachella Valley Rail	Total Nonmajor Governmental Funds
Revenues						
Sales taxes	$ 1,143,343	$ -	$ -	$ 14,409,377	$ -	$ 15,552,720
Intergovernmental	-	2,131,514	2,059,461	-	4,200,000	8,390,975
Investment income (loss)	-	3,993	34,609	280,938	(409)	319,131
Other	-	1,146	15,026	-	-	16,172
Total revenues	1,143,343	2,136,653	2,109,096	14,690,315	4,199,591	24,278,998
Expenditures						
Current:						
Commuter rail	-	-	-	-	65,406	65,406
Local streets and roads	1,143,343	-	-	-	-	1,143,343
Motorist assistance	-	2,618,669	879,751	-	-	3,498,420
Transit and specialized transportation	-	-	-	14,880,837	-	14,880,837
Total expenditures	1,143,343	2,618,669	879,751	14,880,837	65,406	19,588,006
Excess (deficiency) of revenues over (under) expenditures	-	(482,016)	1,229,345	(190,522)	4,134,185	4,690,992
Other financing sources (uses):						
Transfers in	-	916,400	-	-	-	916,400
Transfers out	-	(170,826)	(1,084,063)	-	-	(1,254,889)
Total other financing sources (uses)	-	745,574	(1,084,063)	-	-	(338,489)
Net change in fund balances	-	263,558	145,282	(190,522)	4,134,185	4,352,503
Fund balances at beginning of year	556	1,233,141	6,248,937	55,693,488	-	63,176,122
Fund balances at end of year	$ 556	$ 1,496,699	$ 6,394,219	$ 55,502,966	$ 4,134,185	$ 67,528,625

Riverside County Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual—Nonmajor Special Revenue Funds

Year Ended June 30, 2014

Measure A Palo Verde Valley

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ 1,018,000	$ 1,089,000	$ 1,143,343	$ 54,343
Intergovernmental	-	-	-	-
Investment income (loss)	-	-	-	-
Other	-	-	-	-
Total revenues	1,018,000	1,089,000	1,143,343	54,343
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	1,018,000	1,189,000	1,143,343	45,657
Motorist assistance	-	-	-	-
Transit and specialized transportation	-	-	-	-
Total expenditures	1,018,000	1,189,000	1,143,343	45,657
Excess (deficiency) of revenues over (under) expenditures	-	(100,000)	-	100,000
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ (100,000)	-	$ 100,000
Fund balances at beginning of year			556	
Fund balances at end of year			$ 556	

Freeway Service Patrol

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ -	$ -	$ -	$ -
Intergovernmental	2,680,000	2,680,000	2,131,514	(548,486)
Investment income (loss)	1,300	1,300	3,993	2,693
Other	600	600	1,146	546
Total revenues	2,681,900	2,681,900	2,136,653	(545,247)
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	-	-	-	-
Motorist assistance	3,695,600	3,698,100	2,618,669	1,079,431
Transit and specialized transportation	-	-	-	-
Total expenditures	3,695,600	3,698,100	2,618,669	1,079,431
Excess (deficiency) of revenues over (under) expenditures	(1,013,700)	(1,016,200)	(482,016)	534,184
Other financing sources (uses)				
Transfers in	950,000	950,000	916,400	(33,600)
Transfers out	(214,400)	(214,400)	(170,826)	43,574
Total other financing sources (uses)	735,600	735,600	745,574	9,974
Net change in fund balances	$ (278,100)	$ (280,600)	263,558	$ 544,158
Fund balances at beginning of year			1,233,141	
Fund balances at end of year			$1,496,699	

Service Authority for Freeway Emergencies

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ -	$ -	$ -	$ -
Intergovernmental	1,992,000	1,992,000	2,059,461	67,461
Investment income (loss)	11,700	11,700	34,609	22,909
Other	10,000	10,000	15,026	5,026
Total revenues	2,013,700	2,013,700	2,109,096	95,396
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	-	-	-	-
Motorist assistance	1,769,000	1,765,500	879,751	885,749
Transit and specialized transportation	-	-	-	-
Total expenditures	1,769,000	1,765,500	879,751	885,749
Excess (deficiency) of revenues over (under) expenditures	244,700	248,200	1,229,345	981,145
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,076,500)	(1,076,500)	(1,084,063)	(7,563)
Total other financing sources (uses)	(1,076,500)	(1,076,500)	(1,084,063)	(7,563)
Net change in fund balances	$ (831,800)	$ (828,300)	145,282	$ 973,582
Fund balances at beginning of year			6,248,937	
Fund balances at end of year			$6,394,219	

State Transit Assistance

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ 13,298,000	$ 13,298,000	$ 14,409,377	$ 1,111,377
Intergovernmental	-	-	-	-
Investment income (loss)	106,700	106,700	280,938	174,238
Other	-	-	-	-
Total revenues	13,404,700	13,404,700	14,690,315	1,285,615
Expenditures				
Current:				
Commuter rail	-	-	-	-
Local streets and roads	-	-	-	-
Motorist assistance	-	-	-	-
Transit and specialized transportation	25,852,000	25,852,000	14,880,837	10,971,163
Total expenditures	25,852,000	25,852,000	14,880,837	10,971,163
Excess (deficiency) of revenues over (under) expenditures	(12,447,300)	(12,447,300)	(190,522)	12,256,778
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (12,447,300)	$ (12,447,300)	(190,522)	$ 12,256,778
Fund balances at beginning of year			55,693,488	
Fund balances at end of year			$ 55,502,966	

Coachella Valley Rail

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	4,500,000	4,200,000	(300,000)
Investment income (loss)	-	-	(409)	(409)
Other	-	-	-	-
Total revenues	-	4,500,000	4,199,591	(300,409)
Expenditures				
Current:				
Commuter rail	-	400,000	65,406	334,594
Local streets and roads	-	-	-	-
Motorist assistance	-	-	-	-
Transit and specialized transportation	-	-	-	-
Total expenditures	-	400,000	65,406	334,594
Excess (deficiency) of revenues over (under) expenditures	-	4,100,000	4,134,185	34,185
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ 4,100,000	4,134,185	$ 34,185
Fund balances at beginning of year			-	
Fund balances at end of year			$ 4,134,185	

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, 2014

	Capital Projects Funds											
	Commercial Paper				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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,744,000	$ 2,744,000	$ 2,767,401	$ 23,401
Investment income (loss)	75,800	75,800	2,008,492	1,932,692	1,801,900	1,801,900	2,040,275	238,375	1,098,200	1,098,200	2,957,188	1,858,988
Total revenues	75,800	75,800	2,008,492	1,932,692	1,801,900	1,801,900	2,040,275	238,375	3,842,200	3,842,200	5,724,589	1,882,389
Expenditures												
Current:												
Highways	-	300,000	300,000	-	1,248,100	65,500	-	65,500	788,300	817,300	-	817,300
Total programs	-	300,000	300,000	-	1,248,100	65,500	-	65,500	788,300	817,300	-	817,300
Debt service:												
Principal	80,000,000	76,599,500	60,000,000	16,599,500	-	-	-	-	7,100,000	7,100,000	7,100,000	-
Interest	100,000	63,500	789	62,711	-	-	-	-	41,012,300	43,412,800	43,399,417	13,383
Cost of issuance	-	-	-	-	7,500,000	7,051,300	7,050,855	445	-	-	-	-
Total debt service	80,100,000	76,663,000	60,000,789	16,662,211	7,500,000	7,051,300	7,050,855	445	48,112,300	50,512,800	50,499,417	13,383
Total expenditures	80,100,000	76,963,000	60,300,789	16,662,211	8,748,100	7,116,800	7,050,855	65,945	48,900,600	51,330,100	50,499,417	830,683
Excess (deficiency) of revenues over (under) expenditures	(80,024,200)	(76,887,200)	(58,292,297)	18,594,903	(6,946,200)	(5,314,900)	(5,010,580)	304,320	(45,058,400)	(47,487,900)	(44,774,828)	2,713,072
Other financing sources (uses)												
Debt issuance	20,000,000	20,000,000	-	(20,000,000)	722,158,000	728,855,000	638,854,602	(90,000,398)	-	-	-	-
Discount on debt issuance	-	-	-	-	-	(2,433,300)	(2,433,315)	(15)	-	-	-	-
Premium on debt issuance	-	-	-	-	68,616,000	61,919,000	38,328,775	(23,590,225)	-	-	-	-
Transfers in	80,000,000	61,205,700	60,001,951	(1,203,749)	-	-	-	-	154,023,000	172,817,300	172,817,272	(28)
Transfers out	(17,498,400)	(9,952,900)	(9,397,766)	555,134	(542,752,200)	(542,752,200)	(429,036,145)	113,716,055	(10,000,000)	(10,000,000)	(2,955,523)	7,044,477
Total other financing sources (uses)	82,501,600	71,252,800	50,604,185	(20,648,615)	248,021,800	245,588,500	245,713,917	125,417	144,023,000	162,817,300	169,861,749	7,044,449
Net change in fund balances	$ 2,477,400	$ (5,634,400)	(7,688,112)	$ (2,053,712)	$ 241,075,600	$ 240,273,600	240,703,337	$ 429,737	$ 98,964,600	$ 115,329,400	125,086,921	$ 9,757,521
Fund balances at beginning of year			36,097,201				4,477,116				11,225,363	
Fund balances at end of year			$ 28,409,089				$ 245,180,453				$ 136,312,284	

Riverside County Transportation Commission

Schedule of Expenditures for Local Streets and Roads
by Geographic Area - All Special Revenue Funds
Year Ended June 30, 2014

Western County:		
City of Banning	$	495,479
City of Beaumont		-
City of Calimesa		139,887
City of Canyon Lake		158,056
City of Corona		3,469,096
City of Eastvale		1,017,709
City of Hemet		1,507,885
City of Jurupa Valley		1,685,883
City of Lake Elsinore		1,063,952
City of Menifee		1,345,367
City of Moreno Valley		3,355,602
City of Murrieta		1,932,596
City of Norco		560,343
City of Perris		1,266,424
City of Riverside		6,227,467
City of San Jacinto		722,104
City of Temecula		2,567,815
City of Wildomar		519,346
Riverside County		4,733,755
Other		286
		32,769,052
Coachella Valley:		
City of Cathedral City		1,311,341
City of Coachella		588,431
City of Desert Hot Springs		462,570
City of Indian Wells		228,315
City of Indio		1,605,432
City of La Quinta		-
City of Palm Desert		2,543,037
City of Palm Springs		1,916,126
City of Rancho Mirage		819,335
Riverside County		1,878,446
Coachella Valley Association of Governments, including $705,989 due to City of La Quinta		1,411,977
Other		175
		12,765,185
Palo Verde Valley:		
City of Blythe		910,357
Riverside County		232,986
		1,143,343
Total local streets and roads expenditures	$	46,677,580

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, 2014

		Sales Taxes		
	Measure A	Local Transportation Fund	State Transit Assistance	Total
Western County:				
Blindness Support Services, Inc.	$ 62,571	$ -	$ -	$ 62,571
Boys and Girls Club of Southwest County	210,163	-	-	210,163
CASA for Riverside County	57,503	-	-	57,503
Care-A-Van	342,057	-	-	342,057
Care Connexxus	250,000	-	-	250,000
City of Banning	-	1,029,444	73,958	1,103,402
City of Beaumont	-	1,768,870	206,426	1,975,296
City of Coachella	-	1,686,917	-	1,686,917
City of Norco	59,971	-	-	59,971
City of Riverside	-	2,562,758	33,748	2,596,506
Community Connect	246,528	-	-	246,528
Friends of the Moreno Valley Senior Citizens	54,936	-	-	54,936
Independent Living Partnership	555,823	-	-	555,823
Inland Aids Project	77,204	-	-	77,204
Operation Safe House	24,936	-	-	24,936
Riverside County Regional Medical Center	151,740	-	-	151,740
Riverside Transit Agency	2,721,693	34,553,300	13,036,341	50,311,334
United States Veterans Initiative	43,292	-	-	43,292
Other	166,656	-	-	166,656
	5,025,073	41,601,289	13,350,473	59,976,835
Coachella Valley:				
SunLine Transit Agency	5,217,000	10,770,729	1,470,046	17,457,775
	5,217,000	10,770,729	1,470,046	17,457,775
Palo Verde Valley:				
Palo Verde Valley Transit Agency	-	837,672	60,318	897,990
	-	837,672	60,318	897,990
Total transit and specialized transportation expenditures	$ 10,242,073	$ 53,209,690	$ 14,880,837	$ 78,332,600

SR-74 Curve Project

Riverside County Transportation Commission

STATISTICAL Section

SR-91 HOV Project at Arlington Avenue

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
STATISTICAL SECTION OVERVIEW

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

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

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

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

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

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

Measure A Revenue and 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

SR-91 HOV Project

Riverside County Transportation Commission

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Net Investment in capital assets	$ 381,796,683 [6]	$ 336,834,025	$ 327,277,502	$ 341,912,094 [5]	$ 294,218,263 [4]	$ 266,647,382 [3]	$ 207,478,034 [2]	$ 147,874,291	$ 137,129,082	$ 133,225,528 [1]
Restricted	642,385,244	619,089,707	572,183,941	587,098,179	549,781,414	505,474,075	521,711,172	531,154,177	442,129,220	325,504,623
Unrestricted (deficit)	(470,327,554)	(216,162,697)	(215,929,362)	(293,146,251)	(229,888,408)	(205,658,986)	(149,004,964)	(118,675,049)	(102,074,881)	(124,274,292)
Total governmental activities net position	$ 553,854,373	$ 739,761,035	$ 683,532,081	$ 635,864,022	$ 614,111,269	$ 566,462,471	$ 580,184,242	$ 560,353,419	$ 477,183,421	$ 334,455,859

Source: Finance Department

[1] The beginning balance of net investment in capital assets 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.

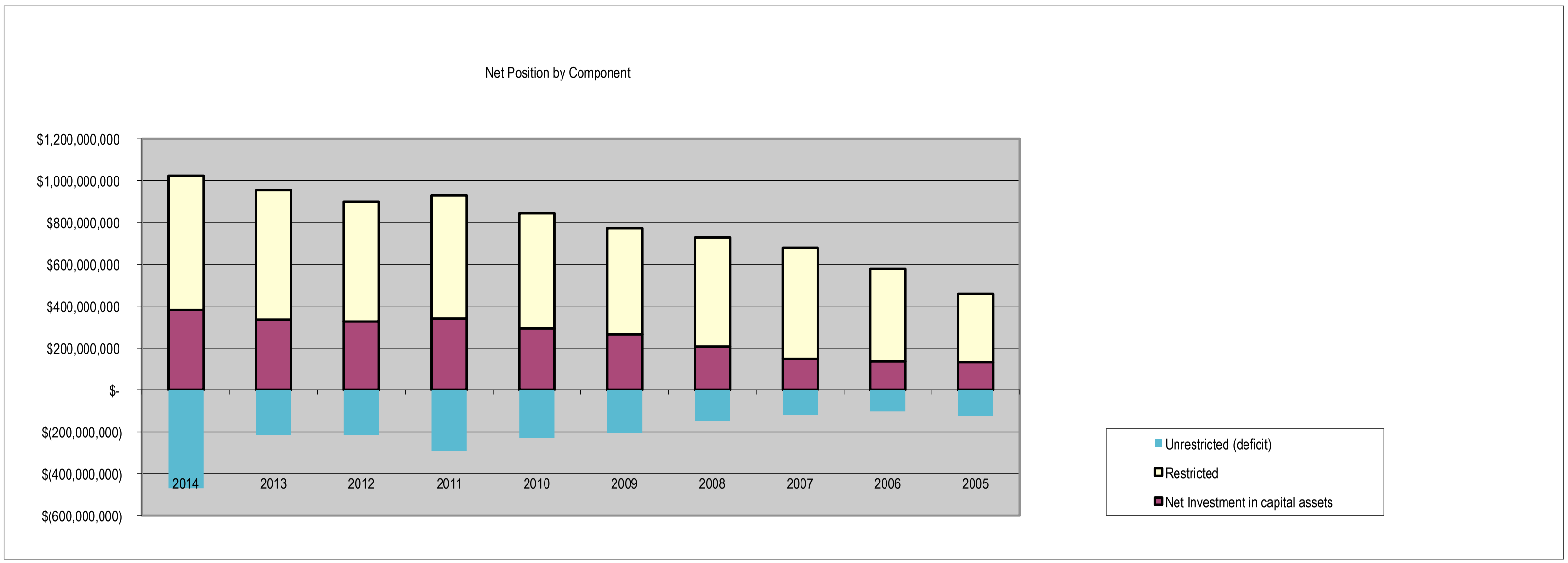
[2] Net investment in capital assets increased in 2008 primarily as a result of right of way purchases related to the Mid County Parkway project.

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

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

[5] Net investment in capital assets 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.

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



Riverside County Transportation Commission

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30									
	2014	2013	2012 [2]	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	$ 6,994,832	$ 6,959,827	$ 7,780,478	$ 8,453,876	$ 7,024,517	$ 5,525,963	$ 5,299,048	$ 5,592,637	$ 4,848,292	$ 4,115,907
Bicycle and pedestrian projects	1,065,476	956,308	1,389,567	1,940,499	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637
CETAP	2,195,074	954,700	4,464,387	5,490,993	2,362,393	4,832,008	8,017,024	5,433,499	3,549,683	4,147,758
Commuter assistance	3,171,842	2,904,048	3,193,172	2,868,630	3,266,834	5,199,032	3,464,834	3,122,306	2,888,451	2,599,448
Commuter rail	17,255,402	23,531,252	21,480,248	27,792,375	20,544,634	16,038,028	14,832,473	12,458,895	11,350,220	8,907,828
Highways	339,194,681	59,604,916	72,341,578	40,113,092	24,828,958	143,532,009	59,988,334	42,436,979	36,226,705	35,362,793
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155	54,520,115	60,099,526	60,389,876	53,333,169
Motorist assistance	3,498,420	3,563,581	3,846,245	3,530,695	2,987,136	2,623,184	3,983,252	2,408,612	2,280,646	2,191,061
Planning and programming	3,216,441	3,725,703	3,924,413	4,683,272	5,321,121	10,126,142	7,931,869	6,561,185	5,976,647	4,328,038
Right of way management	-	-	- [1]	1,270,487	1,428,066	1,399,316	551,960	631,996	622,498	580,224
Regional arterials	23,886,840	17,047,135	5,816,666	29,362,894	26,371,339	20,948,530	31,131,731	30,756,287	17,164,803	17,621,505
Transit and specialized transportation	78,723,898	55,659,188	51,221,772	44,699,650	43,820,225	77,417,741	83,927,945	75,567,829	62,527,276	55,905,814
Interest expense	52,939,762	15,364,677	15,221,031	11,799,586	7,099,038	9,515,282	6,281,232	6,881,128	7,832,733	8,348,928
Total governmental activities expenses	578,820,248	234,866,226	230,807,447	218,862,974	179,629,622	345,565,541	281,366,527	252,711,719	216,506,789	198,464,110
Program Revenues										
Governmental activities:										
Charges for services										
Commuter assistance	-	1,500	-	-	-	-	-	-	-	-
Commuter rail	297,911	107,194	145,735	-	-	2,525,314	352,826	463	382	2,564
Right of way management	-	-	-	184,010	196,527	421,738	507,298	497,656	445,313	547,075
Highways	412,535	796,385	-	-	-	-	-	-	50	-
Motorist assistance	15,026	13,915	-	-	-	19,778	-	-	-	-
Planning and programming	-	-	-	-	-	-	-	-	-	-
Other	999	14,873	-	27,681	-	46	2,331	2,367	26,273	24,972
Operating grants and contributions	61,767,456	46,567,900	54,641,955	39,886,648	23,130,456	90,280,426	28,391,787	47,313,916	90,389,018	72,202,430
Capital grants and contributions	71,744,926	4,897,301	5,228,621	9,199,268	12,257,099	25,321,886	9,742,280	620,292	997,362	877,665
Total governmental activities program revenues	134,238,853	52,399,068	60,016,311	49,297,607	35,584,082	118,569,188	38,996,522	48,434,694	91,858,398	73,654,706
Net Revenues (Expenses)										
Governmental activities	(444,581,395)	(182,467,158)	(170,791,136)	(169,565,367)	(144,045,540)	(226,996,353)	(242,370,005)	(204,277,025)	(124,648,391)	(124,809,404)
General Revenues										
Governmental activities:										
Measure A sales taxes	156,355,894	149,428,124	134,984,307	123,439,833	114,526,254	119,688,289	142,537,548	154,539,723	157,236,314	138,921,247
Transportation Development Act sales taxes	91,953,554	86,999,018	80,044,131	60,772,795	69,499,841	77,920,485	93,042,150	104,160,163	90,927,244	77,818,565
Unrestricted investment earnings	9,794,662	1,664,789	4,196,452	4,411,122	5,987,921	14,211,197	25,055,456	23,897,399	11,639,575	5,146,325
Other miscellaneous revenue	556,049	604,181	1,287,981	2,694,370	1,680,322	1,454,611	1,565,674	1,571,716	1,698,024	2,366,380
Gain on sale of capital assets	14,574	-	-	-	-	-	-	3,278,022	5,874,796	123,054
Total governmental activities general revenues	258,674,733	238,696,112	220,512,871	191,318,120	191,694,338	213,274,582	262,200,828	287,447,023	267,375,953	224,375,571
Changes in Net Position										
Governmental activities	$ (185,906,662)	$ 56,228,954	$ 49,721,735	$ 21,752,753	$ 47,648,798	$ (13,721,771)	$ 19,830,823	$ 83,169,998	$ 142,727,562	$ 99,566,167

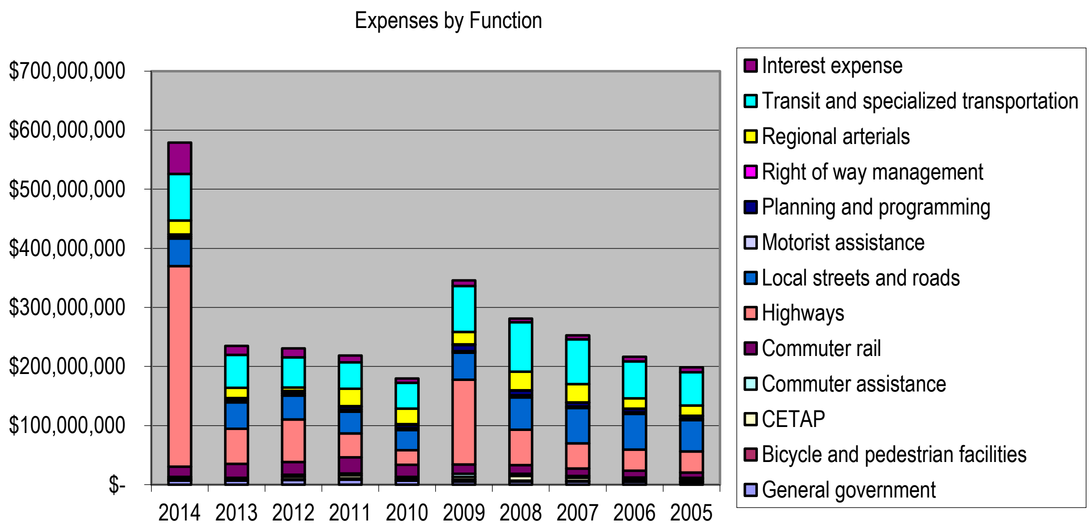
Source: Finance Department

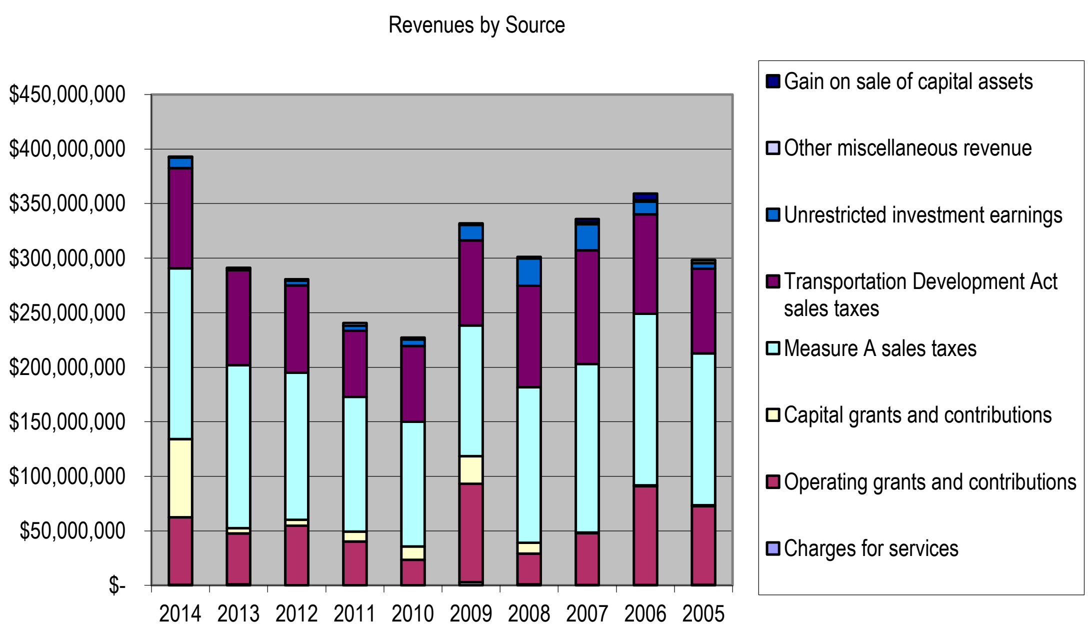
[1] Right of way expenditures were classified as highways or commuter rail expenditures beginning in 2012.

[2] In FY 2012 the Commission implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Prior year amounts in this presentation have not been revised to reflect this change.

Riverside County Transportation Commission

Changes in Net Position (Continued)
Last Ten Fiscal Years





Riverside County Transportation Commission

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL FUND										
General fund:										
Nonspendable	$ 257,721	$ 194,794	$ 157,957	$ 143,397	$ 253,819					
Restricted	5,073,685	7,412,686	8,114,440	7,110,013	7,266,584 [1]					
Committed	-	-	-	-	1,606,976 [1]					
Assigned	5,258,703	5,232,871	5,412,830	6,270,944	4,134,059 [1]					
Total general fund	$ 10,590,109	$ 12,840,351	$ 13,685,227	$ 13,524,354	$ 13,261,438					
General fund:										
Reserved						$ 6,756,708	$ 6,886,986	$ 7,070,115	$ 7,215,579	$ 6,304,837
Unreserved						3,348,711	3,238,251	2,877,923	2,014,480	2,215,643
Total general fund						$ 10,105,419	$ 10,125,237	$ 9,948,038	$ 9,230,059	$ 8,520,480
ALL OTHER GOVERNMENTAL FUNDS										
All other governmental funds:										
Nonspendable	$ 31,978,235	$ 3,274,483	$ 1,481,019	$ 5,389,775	$ 2,554,136					
Restricted	988,908,077	606,072,061	560,412,373	570,450,515	535,752,354 [1]					
Total all other governmental funds	$ 1,020,886,312	$ 609,346,544	$ 561,893,392	$ 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
Unreserved, reported in:										
Special revenue funds						8,289,036	7,297,744	6,936,417	5,745,792	4,895,792
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

Source: Finance Department

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

Riverside County Transportation Commission

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

Fiscal Year

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Sales taxes	$ 248,309,448	$ 236,427,142	$ 215,028,438	$ 184,212,628	$ 184,026,095	$ 197,608,774	$ 235,579,698	$ 258,699,886	$ 248,163,558	$ 216,739,812
Transportation Uniform Mitigation Fee	11,284,394	12,421,110	8,116,420	9,157,863	8,618,231	10,957,420	14,556,029	40,757,248	85,228,383	46,325,334
Intergovernmental	122,486,605	38,817,347	51,516,775	40,012,488	26,769,324	105,512,656	22,249,107	5,498,660	4,365,183	25,241,083
Investment income	9,979,912	1,769,709	4,308,395	4,524,219	5,663,178	13,567,938	23,744,305	23,897,399	11,639,575	5,146,325
Vehicle registration user fees	-	-	-	-	-	1,677,374	1,684,088	1,681,130	1,629,087	1,541,216
Other	1,282,520	1,540,542	1,430,195	2,878,380	1,853,641	1,876,349	2,072,972	2,175,372	2,143,330	3,118,002
Total revenues	393,342,879	290,975,850	280,400,223	240,785,578	226,930,469	331,200,511	299,886,199	332,709,695	353,169,116	298,111,772
Expenditures										
Current:										
General Government	6,991,303	6,692,187	7,586,207	8,340,263	6,920,479	5,368,677	5,290,616	5,545,466	4,674,157	3,827,427
Programs:										
Bicycle and pedestrian facilities	1,065,476	956,308	1,389,567	1,940,499	317,048	2,747,151	1,436,710	760,840	848,959	1,021,637
CETAP	6,509,915	954,700	4,464,387	5,490,993	2,362,393	35,809,396	21,098,240	5,433,499	3,549,683	8,600,659
Commuter assistance	3,136,150	2,868,356	3,157,480	2,816,392	3,228,709	5,155,263	3,377,881	3,097,534	2,883,352	2,583,679
Commuter rail	68,072,414	27,118,480	39,870,670	35,482,511	33,733,888	40,704,106	21,470,133	14,044,435	10,570,931	7,580,484
Highways	299,398,122	118,750,336	111,049,502	75,011,698	45,698,211	165,100,551	65,697,249	48,359,404	37,073,826	36,340,818
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155	54,520,115	60,099,526	60,389,876	53,333,169
Motorist assistance	3,498,420	3,563,581	3,846,245	3,530,695	2,987,136	2,623,184	3,983,252	2,408,612	2,280,646	2,191,061
Planning and programming	3,204,073	3,712,596	3,913,520	4,674,397	5,312,246	9,193,944	6,939,409	5,586,992	4,884,556	3,621,810
Right of way management	-	-	- [4]	1,270,487	1,428,066	1,399,316	551,960	631,996	622,498	580,224
Regional arterials	23,886,840	17,047,135	5,816,666	29,362,894	26,371,339	20,948,530	59,841,509	30,756,287	19,462,949	22,174,406
Transit and specialized transportation	78,723,898	55,659,188	51,221,772	44,699,650	43,820,225	77,417,741	83,927,945	75,567,829	62,527,276	55,905,814
Debt service:										
Principal	67,112,884	6,824,654	46,523,931	109,607,230	57,738,548	33,646,475	141,870,000	30,225,589	28,669,418	27,228,073
Interest	43,410,203	15,404,719	15,008,695	11,296,268	5,240,307	12,026,942	6,657,569	6,564,973	7,679,019	8,400,410
Cost of Issuance	7,050,855	-	-	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
Capital outlay	143,888	220,443	209,716	147,297	124,080	1,055,997	335,023	161,268	290,461	179,818
Total expenditures	658,882,021	304,367,574	334,186,248	372,021,395	270,216,452	459,834,261	479,251,739	290,218,443	247,735,756	236,855,841
Other financing sources (uses):										
Sales of capital assets	-	-	-	-	-	-	-	4,240,148	11,360,556	-
Capital lease	-	-	-	-	-	117,127	-	-	-	-
Debt issuance	638,854,602	60,000,000	40,000,000	170,000,000	268,284,000	53,716,000	160,249,021	50,000,000	-	30,005,000
Discount on debt issuance	(2,433,315)	-	-	(967,467)	(278,685)	-	-	-	-	-
Premium on debt issuance	38,328,775	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(129,394,875)	-	-	-	-	-
Transfers in	481,987,735	133,065,312	123,977,167	185,354,839	104,833,227	33,466,298	164,063,070	34,745,015	34,517,083	37,050,167
Transfers out	(481,987,735)	(133,065,312)	(123,977,167)	(185,354,839)	(104,833,227)	(33,466,298)	(164,063,070)	(34,745,015)	(34,517,083)	(37,050,167)
Total other financing sources (uses)	674,750,062	60,000,000	40,000,000	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	$ 409,210,920	$ 46,608,276	$ (13,786,025)	$ 37,796,716	$ 95,324,457	$ (74,800,623)	$ (19,116,519)	$ 96,731,400	$ 116,793,916	$ 91,260,931
Debt service as a percentage of noncapital expenditures	19.1% [5]	9.3%	22.5%	32.5% [3]	23.3% [2]	9.9%	31.0% [1]	12.7%	14.7%	15.0%

Source: Finance Department

[1] 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.
[2] 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.
[3] 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.
[4] Right of way management expenditures were classified as highways or commuter rail expenditures beginning in 2012.
[5] Debt service as a percentage of noncapital expenditures in 2014 increased significantly as a result of the retirement of $60,000,000 of commercial paper, which is included in principal payments and interest payments and cost of issuance as a result of the issuance of $638,854,602 in debt.

Riverside County Transportation Commission

Sources of County of Riverside Taxable Sales by Business Type

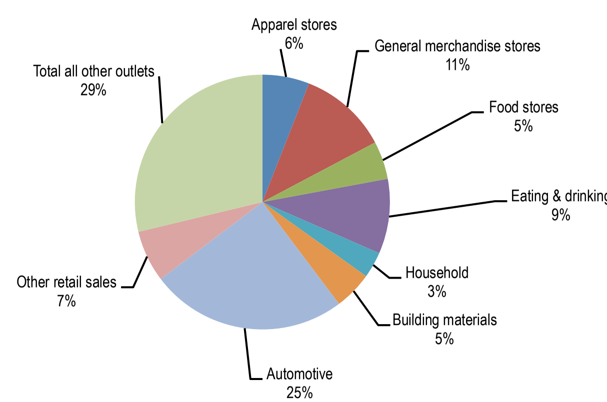
Last Ten Calendar Years (In Thousands)

	2012 [1]	2011	2010	2009	2008	2007	2006	2005	2004	2003
Apparel stores	$ 1,672,482	$ 1,505,821	$ 1,391,174	$ 1,293,271	$ 1,121,543	$ 1,171,013	$ 1,080,385	$ 990,129	$ 867,276	$ 746,015
General merchandise stores	3,174,022	3,051,709	2,947,905	2,855,733	3,389,936	3,593,134	3,553,554	3,304,474	3,026,335	2,671,971
Food stores	1,356,148	1,304,731	1,267,758	1,251,220	1,254,366	1,352,609	1,309,782	1,197,438	1,079,972	1,028,392
Eating & drinking	2,668,324	2,473,339	2,317,486	2,266,853	2,340,554	2,388,039	2,316,422	2,157,801	2,007,338	1,775,146
Household	930,068	914,888	412,325	858,098	816,379	843,945	948,217	964,629	862,551	691,051
Building materials	1,364,513	1,303,073	1,232,145	1,237,518	1,435,337	1,961,911	2,390,236	2,424,898	2,596,661	1,678,347
Automotive	7,009,138	6,311,272	5,306,408	4,749,994	6,126,512	7,137,075	6,956,756	6,751,648	6,240,712	5,198,391
Other retail sales	1,841,973	1,711,453	1,951,385	1,442,875	3,250,335	2,794,790	1,024,551	944,155	1,191,029	592,415
Total all other outlets	8,079,341	7,065,212	6,326,194	6,272,315	6,268,633	7,781,093	10,236,334	9,521,319	7,365,274	7,327,407
	$ 28,096,009	$ 25,641,498	$ 23,152,780	$ 22,227,877	$ 26,003,595	$ 29,023,609	$ 29,816,237	$ 28,256,491	$ 25,237,148	$ 21,709,135
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.

Sources of County of Riverside Taxable Sales by Business Type for 2012



Riverside County Transportation Commission

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Measure A Direct Rate [1]	County of Riverside	
2014	0.50%	8.00%	
2013	0.50%	8.00%	[4]
2012	0.50%	7.75%	[3]
2011	0.50%	8.75%	
2010	0.50%	8.75%	
2009	0.50%	8.75%	[2]
2008	0.50%	7.75%	
2007	0.50%	7.75%	
2006	0.50%	7.75%	
2005	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 decreased the state sales tax rate by 1%.

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

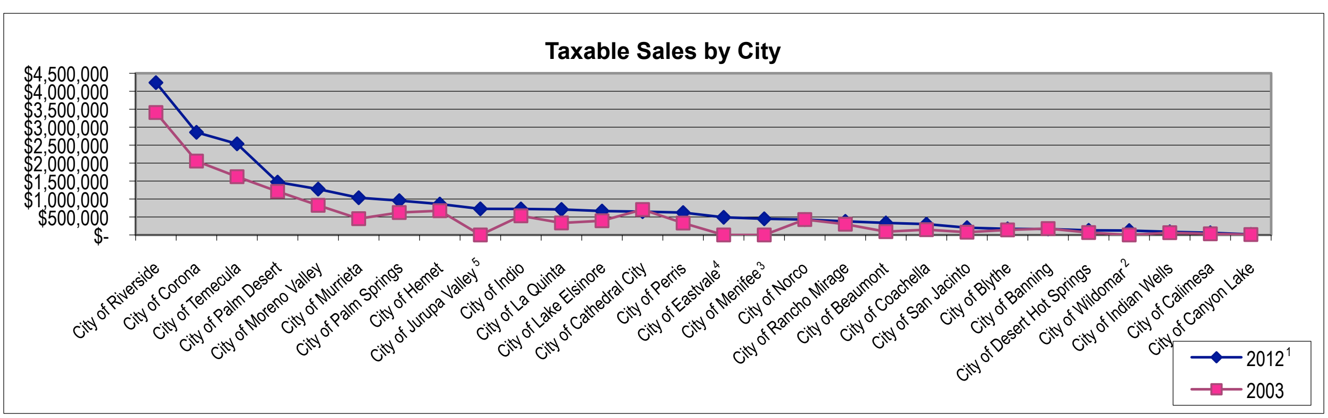
Riverside County Transportation Commission

Principal Taxable Sales Generation by City
Current Year and Nine Years Ago

	2012[1]				2003			
	Taxable Sales (in thousands)		Rank	Percentage of Total	Taxable Sales (in thousands)		Rank	Percentage of Total
City of Riverside	$	4,238,975	2	15.1%	$	3,407,252	2	18.7%
City of Corona		2,855,833	3	10.2%		2,055,770	3	11.3%
City of Temecula		2,535,380	4	9.0%		1,621,447	4	8.9%
City of Palm Desert		1,470,982	5	5.2%		1,211,069	5	6.6%
City of Moreno Valley		1,275,922	6	4.5%		824,707	6	4.5%
City of Murrieta		1,035,828	7	3.7%		453,067	11	2.5%
City of Palm Springs		955,731	8	3.4%		623,956	9	3.4%
City of Hemet		859,861	9	3.1%		673,955	8	3.7%
City of Jurupa Valley[5]		726,309	10	2.7%		-	-	N/A
City of Indio		724,256	11	2.7%		531,686	10	2.9%
City of La Quinta		710,127	12	2.5%		333,840	14	1.8%
City of Lake Elsinore		665,409	13	2.4%		394,323	13	2.1%
City of Cathedral City		648,817	14	2.3%		707,465	7	3.9%
City of Perris		622,840	15	2.2%		331,046	15	1.8%
City of Eastvale[4]		490,881	16	1.7%		-	-	N/A
City of Menifee[3]		449,121	17	1.5%		-	-	N/A
City of Norco		429,119	18	1.5%		428,851	12	2.4%
City of Rancho Mirage		378,753	19	1.3%		298,849	16	1.6%
City of Beaumont		334,876	20	1.2%		91,387	20	0.5%
City of Coachella		302,053	21	1.1%		146,254	18	0.8%
City of San Jacinto		202,402	22	0.7%		76,532	21	0.4%
City of Blythe		169,341	23	0.6%		140,223	19	0.8%
City of Banning		165,579	24	0.6%		177,761	17	1.0%
City of Desert Hot Springs		128,734	25	0.5%		66,584	22	0.4%
City of Wildomar[2]		122,891	26	0.4%		-	-	N/A
City of Indian Wells		87,861	27	0.3%		62,958	23	0.3%
City of Calimesa		60,894	28	0.2%		31,544	24	0.2%
City of Canyon Lake		15,611	29	0.1%		11,055	25	0.1%
Incorporated		22,664,386		80.7%		14,701,581		80.6%
Unincorporated		5,431,623	1	19.3%		3,529,974	1	19.4%
Countywide	$	28,096,009		100.0%	$	18,231,555		100.0%
California	$	558,387,250			$	441,517,560		

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

1 Year represents most recent data available.
2 City of Wildomar was incorporated on July 1, 2008.
3 City of Menifee was incorporated on October 1, 2008.
4 City of Eastvale was incorporated on October 1, 2010.
5 City of Jurupa Valley was incorporated on July 1, 2011.

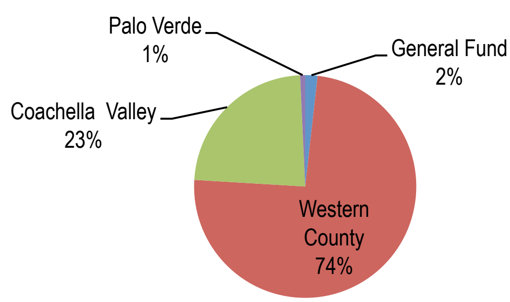


Riverside County Transportation Commission
Measure A Sales Tax Revenues by Program and Geographic Area
Year Ended June 30, 2014

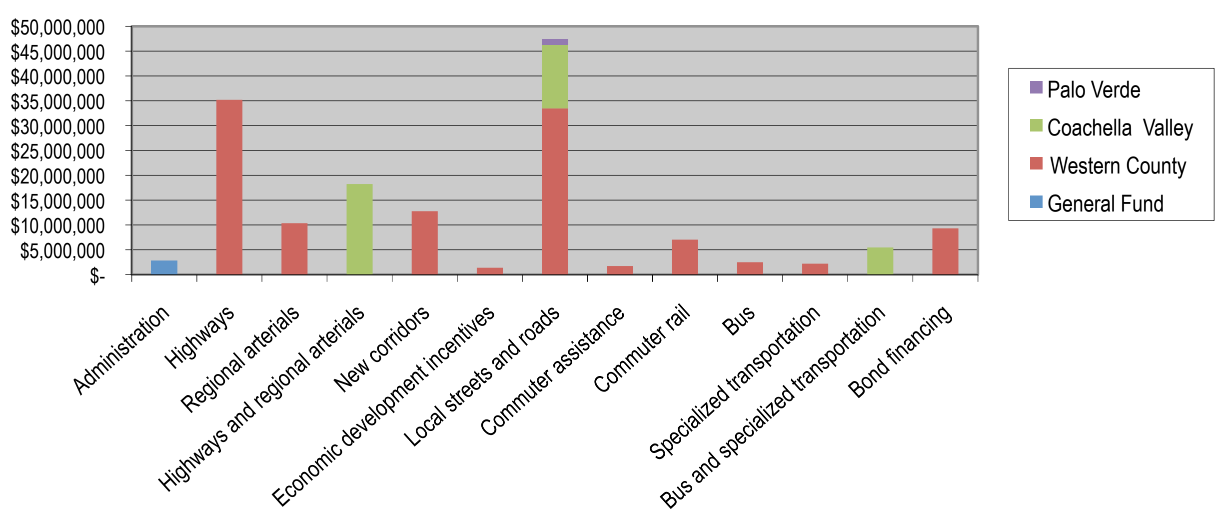
	General Fund	Special Revenue Funds: Western County	Coachella Valley	Palo Verde	Total
Administration	$ 2,800,000	$ -	$ -	$ -	$ 2,800,000
Highways	-	35,196,403	-	-	35,196,403
Regional arterials	-	10,351,883	-	-	10,351,883
Highways and regional arterials	-	-	18,235,730	-	18,235,730
New corridors	-	12,767,322	-	-	12,767,322
Economic development incentives	-	1,380,251	-	-	1,380,251
Local streets and roads	-	33,471,089	12,765,011	1,143,343	47,379,443
Public transit:					
Commuter assistance	-	1,725,314	-	-	1,725,314
Commuter rail	-	7,039,281	-	-	7,039,281
Bus	-	2,493,078	-	-	2,493,078
Specialized transportation	-	2,199,775	-	-	2,199,775
Bus and specialized transportation	-	-	5,470,719	-	5,470,719
Bond financing	-	9,316,695	-	-	9,316,695
	$ 2,800,000	$ 115,941,091	$ 36,471,460	$ 1,143,343	$ 156,355,894

Source: Finance Department

Geographic Distribution by Area



Sales Tax Revenues by Program and Geographic Area



Riverside County Transportation Commission

Measure A Sales Tax by Economic Category
Last Eight Calendar Years

Economic Category	% of Total							
	2013[1]	2012	2011	2010	2009	2008	2007	2006
General retail	28.7	28.8	29.8	30.9	30.9	28.2	26.8	25.5
Transportation	27.0	26.9	27.1	25.0	22.8	24.9	26.1	26.5
Food products	16.1	16.2	16.4	17.0	17.8	16.0	14.4	13.3
Business to business	14.5	15.0	14.1	14.5	15.2	16.4	15.9	15.3
Construction	11.8	11.1	10.5	10.5	11.1	12.3	14.4	16.9
Miscellaneous	1.9	2.0	2.1	2.1	2.2	2.2	2.4	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

[1] Year represents most recent data available.

Riverside County Transportation Commission

Measure A Revenues and Pledged Revenue Coverage [1]

Last Ten Fiscal Years

	Sales Tax Revenue Bonds						
Fiscal Year	Net Measure A Sales Tax Revenues[2]	Measure A Sales Tax Revenue Growth (Decline) Rate	Senior Lien Debt Service	Senior Lien Coverage Ratio	Subordinate Lien Debt Service	Total Debt Service	Total Debt Service Coverage Ratio
2014	$ 156,355,894	4.64%	$ 50,499,417	3.10	$ -	$ 50,499,417	3.10
2013	149,428,124	10.70%	22,156,116	6.74	-	22,156,116	6.74
2012	134,984,307	9.35%	21,503,582	6.28	-	21,503,582	6.28
2011	123,439,833	7.78%	12,651,386	9.76	-	12,651,386	9.76
2010[3]	114,526,254	-4.31%	8,918,183	12.84	-	8,918,183	12.84
2009[4]	119,688,289	-16.03%	34,020,724	3.52	1,452,634	35,473,358	3.37
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

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	Toll Revenue Bonds	Commercial Paper	Contract Payable	MSHCP Funding Liability	Remediation Liability	Capital Leases	Total Governmental Activities	Percentage of Personal Income [1]	Debt per Capita [1]
2014	$ 766,500,000	$ 180,122,129	$ -	$ -	$ 18,000,000	$ 1,576,406	$ 72,011	$ 966,270,546	N/A	$423.81
2013	311,400,000	-	60,000,000	-	-	-	6,289	371,406,289	N/A	167.47
2012	317,138,111	-	-	-	-	-	30,943	317,169,054	0.44%	142.38
2011	323,537,074	-	-	-	-	-	54,874	323,591,948	0.48%	145.91
2010	180,731,699	-	83,284,000	-	-	-	78,104	264,093,803	0.41%	121.16
2009	127,538,888	-	110,000,000	-	-	-	100,652	237,639,540	0.38%	111.01
2008	163,738,235	-	-	1,100,000	-	-	-	164,838,235	0.26%	78.39
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

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 80 for personal income and population data.

Riverside County Transportation Commission

Computation of Legal Debt Margin[1]

Last Ten Fiscal Years

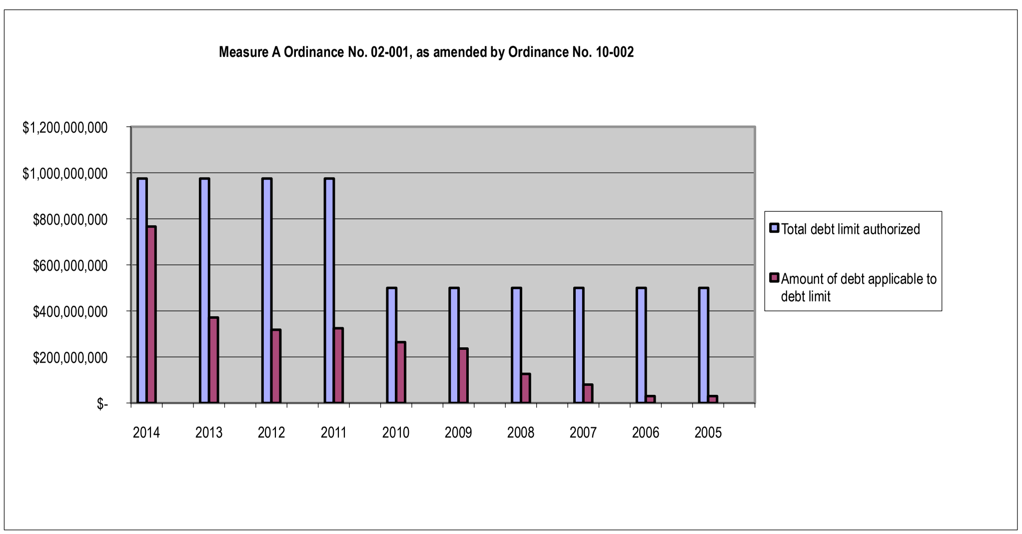
	Fiscal Year 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002[2]										
Total debt limit authorized	$ 975,000,000	$ 975,000,000	$ 975,000,000	$ 975,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000
Amount of debt applicable to debt limit	766,500,000	371,400,000	318,200,000	324,700,000	264,284,000	236,395,000	126,395,000	80,005,000	30,005,000	30,005,000
Legal debt margin	$ 208,500,000	$ 603,600,000	$ 656,800,000	$ 650,300,000	$ 235,716,000	$ 263,605,000	$ 373,605,000	$ 419,995,000	$ 469,995,000	$ 469,995,000
% of debt to legal debt limit	78.6%	38.1%	32.6%	33.3%	52.9%	47.3%	25.3%	16.0%	6.0%	6.0%
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
Amount of debt applicable to debt limit						-	33,630,000	65,495,000	95,695,000	124,335,000
Legal debt margin						$ 525,000,000	$ 491,370,000	$ 459,505,000	$ 429,305,000	$ 400,665,000
% of debt to legal debt limit						0.0%	6.4%	12.5%	18.2%	23.7%

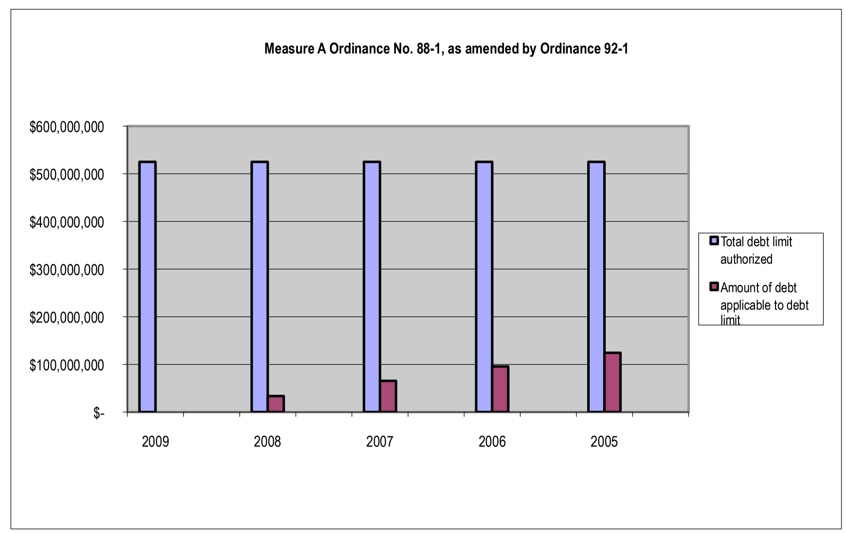
Source: Finance Department

[1] The Commission's debt limits were approved by the voters of Riverside County as part of the sales tax ordinance 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]
2014	2,279,967	N/A	N/A	N/A
2013	2,255,059	N/A	N/A	10.3%
2012	2,227,577	$ 72,015,057	$ 31,742	12.2%
2011	2,217,778	67,024,780	29,927	12.4%
2010	2,179,692	64,376,498	29,222	14.7%
2009	2,140,626	63,228,086	29,748	13.4%
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%

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 2012 and Nine Years Prior

Industry Type	2012 [1]	% of Total Employment	2003	% of Total Employment
Agricultural services, forestry, fishing and other	12,900	2.3%	16,200	3.0%
Mining	400	0.0%	500	0.1%
Construction	35,200	6.2%	60,800	11.4%
Manufacturing	39,500	6.9%	50,000	9.3%
Transportation, warehousing, and public utilities	21,100	3.7%	12,300	2.3%
Wholesale trade	20,600	3.6%	16,300	3.0%
Retail trade	81,100	14.2%	70,000	13.1%
Professional & business services	60,300	10.6%	58,400	10.9%
Education & health services	75,900	13.3%	56,700	10.6%
Leisure & hospitality	72,200	12.7%	60,600	11.3%
Finance, insurance, and real estate	19,300	3.4%	19,500	3.5%
Other services	19,200	3.4%	18,000	3.4%
Federal government, civilian	6,800	1.2%	6,400	1.2%
State government	15,700	2.8%	13,900	2.7%
Local government	89,600	15.7%	76,000	14.2%
Total employment	569,800	100.0%	535,600	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	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Management services and administration	13.8	14.1	13.9	12.7	8.9	12.7	17.6	15.0	12.2	12.7
Planning and programming	5.9	4.9	5.1	5.2	5.5	5.1	5.4	6.4	5.0	3.4
Rail operations and maintenance	3.1	2.9	3.3	3.1	3.3	2.9	3.1	2.8	3.1	1.6
Specialized transit/transportation	3.4	2.5	2.5	2.6	2.6	2.2	2.0	2.4	2.3	1.4
Commuter assistance	1.7	1.8	1.6	1.6	1.8	1.2	1.3	1.3	2.1	2.1
Motorist assistance	0.9	0.9	1.2	0.9	0.7	0.8	0.7	0.7	0.8	0.8
Capital project development and delivery	15.2	13.9	12.3	11.9	14.2	11.1	7.9	6.4	4.7	3.0
Total full-time equivalents	44.0	41.0	40.0	38.0	37.0	36.0	38.0	35.0	30.2	25.0

Source: Finance Department

Riverside County Transportation Commission

Operating Indicators
Last Ten Fiscal Years

	As of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Commuter rail operations:										
Weekday trips	12,478	11,635	11,675	11,321	11,340	12,224	12,304	11,696	11,391	9,721
Growth of average daily ridership on commuter lines:										
Riverside line	5,056	4,911	5,279	5,177	5,124	5,269	5,184	4,769	4,370	4,566
IEOC line	4,385	4,317	4,142	3,855	4,011	4,611	4,859	4,651	4,149	3,634
91 line	3,037	2,407	2,254	2,289	2,205	2,344	2,261	2,276	2,107	1,876
Farebox recovery ratio:										
Riverside line	57.4%	57.0%	58.5%	59.8%	52.5%	51.0%	53.01%	67.07%	48.5%	46.9%
IEOC line	34.7%	34.9%	31.3%	31.1%	28.3%	37.3%	42.60%	42.19%	45.5%	48.7%
91 line	45.3%	42.2%	49.7%	54.6%	49.3%	53.0%	45.53%	49.02%	57.2%	107.0%
Specialized transit/transportation:										
Specialized transit grants awarded	22	22	21	22	22	22	14	15	9	10
Commuter assistance:										
Club Ride members	N/A	N/A	N/A	N/A	N/A	7,378	5,860	4,436	3,901	2,837
Rideshare Incentive members	1,106	926	1,056	1,061	1,131	N/A	N/A	N/A	N/A	N/A
Rideshare Plus Rewards members	5,770	6,786	4,848	5,518	7,080	N/A	N/A	N/A	N/A	N/A
Incoming 1-866-RIDESHARE telephone calls	2,625	2,527	1,531	1,257	2,145	2,423	3,709	2,613	2,433	801
Rideshare Connection bulletins produced	10	13	11	13	N/A	N/A	N/A	N/A	N/A	N/A
RideSmart Tips produced	N/A	N/A	N/A	N/A	N/A	N/A	N/A [1]	45,304	27,790	32,379
Rideguides produced	10,059	14,813	15,628	29,052	43,319	34,940	23,121	24,676	N/A	N/A
Commuter Exchange events	54	55	52	52	50	73	71	60	23	5
Motorist assistance:										
Call boxes	570	580	594	613	614	614	630	682	979	1,058
Calls made from call boxes	4,685	5,337	5,043	5,251	5,934	6,574	7,543	9,595	15,390	19,945
Contracted Freeway Service Patrol vehicles	21	21	21	22	22	20	20	17	15	15
Vehicles assisted by Freeway Service Patrol	44,278	43,633	42,748	45,751	48,312	43,119	45,500	40,025	31,838	32,542
IE511 web visits	443,359	399,730	341,716	244,277	N/A	N/A	N/A	N/A	N/A	N/A
IE511 call volumes	306,108	351,161	362,957	489,036	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	24	24	24
Measure A program:										
Highways	$ 299,398,122	$ 118,750,336	$ 111,049,502	$ 75,011,698	$ 45,698,211	$ 165,100,551	$ 65,697,249	$ 48,359,404	$ 37,073,826	$ 36,340,818
Commuter rail	56,148,017	15,895,661	19,690,126	22,632,065	20,312,056	32,089,238	12,419,675	14,044,435	2,784,423	2,250,187
Regional arterials	1,441	1,787	124	8,638,637	11,920,846	12,645,090	18,220,540	30,756,287	10,350,500	10,056,326
Local streets and roads	46,677,580	44,594,891	40,127,890	36,856,925	34,258,313	45,661,155	54,520,115	59,202,631	60,389,876	53,333,169
Specialized transit and commuter assistance	13,378,223	11,927,634	11,930,437	11,262,588	10,161,780	9,838,990	9,071,302	6,358,224	7,887,298	7,458,994
Total program expenditures	$ 415,603,383	$ 191,170,309	$ 182,798,079	$ 154,401,913	$ 122,351,206	$ 265,335,024	$ 159,928,881	$ 158,720,981	$ 118,485,923	$ 109,439,494

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Commuter rail:										
Transit centers owned and managed	1	1	1	-	-	-	-	-	-	-
Commuter rail stations owned and managed	5	5	5	5	5	5	5	5	5	5
Miles of commuter rail easements	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6
Commuter Assistance:										
Commuter Exchange Vehicle	1	1	1	1	1	1	1	1	1	1

Source: Commission Departments