



MEETING AGENDA

TIME/DATE: **9:30 a.m. / Wednesday, January 8, 2025**

LOCATION: **BOARD ROOM
County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside**

TELECONFERENCE SITES: **COUNCIL CHAMBER CONFERENCE ROOM
City of Palm Desert
73510 Fred Waring Drive, Palm Desert**

**LARGE CONFERENCE ROOM
French Valley Airport
37600 Sky Canyon Drive, Murrieta**

COMMISSIONERS

Chair – Karen Spiegel
Vice Chair – Raymond Gregory
Second Vice Chair – Jeremy Smith

Kevin Jeffries, County of Riverside, District 1
Karen Spiegel, County of Riverside, District 2
Chuck Washington, County of Riverside, District 3
V. Manuel Perez, County of Riverside, District 4
Yxstian Gutierrez, County of Riverside, District 5
David Happe / Rick Minjares, City of Banning
Lloyd White / Julio Martinez, City of Beaumont
Joseph DeConinck / Johnny Rodriguez, City of Blythe
Linda Molina / Wendy Hewitt, City of Calimesa
Jeremy Smith / Jennifer Dain, City of Canyon Lake
Raymond Gregory / Mark Carnevale, City of Cathedral City
Steven Hernandez / Stephanie Virgen, City of Coachella
Wes Speake / Jim Steiner, City of Corona
Scott Matas / Russell Betts, City of Desert Hot Springs
Clint Lorimore / Todd Rigby, City of Eastvale
Linda Krupa / Malcolm Lilienthal, City of Hemet
Dana Reed / Ty Peabody, City of Indian Wells

Waymond Fermon / Oscar Ortiz, City of Indio
Brian Berkson / Armando Carmona, City of Jurupa Valley
Kathleen Fitzpatrick / Deborah McGarrey, City of La Quinta
Bob Magee / Natasha Johnson, City of Lake Elsinore
Bob Karwin / Dean Deines, City of Menifee
Ulises Cabrera / Edward Delgado, City of Moreno Valley
Cindy Warren / Lori Stone, City of Murrieta
Berwin Hanna / Katherine Aleman, City of Norco
Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / Grace Garner, City of Palm Springs
Michael M. Vargas / Rita Rogers, City of Perris
Eve Fromberg Edelstein / Lynn Mallotto, City of Rancho Mirage
Chuck Conder / Patricia Lock Dawson, City of Riverside
Valerie Vandever / Alonso Ledezma, City of San Jacinto
James Stewart / Brenden Kalfus, City of Temecula
Joseph Morabito / Ashlee DePhillippo, City of Wildomar
Catalino Pining, Governor's Appointee Caltrans District 8

Comments are welcomed by the Commission. If you wish to provide comments to the Commission, please complete and submit a Speaker Card to the Clerk of the Board.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

www.rctc.org

MEETING AGENDA*

***Actions may be taken on any item listed on the agenda**

9:30 a.m.

Wednesday, January 8, 2025

Board Room

**County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside, CA**

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM

City of Palm Desert

73510 Fred Waring Drive, Palm Desert, CA

LARGE CONFERENCE ROOM

French Valley Airport

37600 Sky Canyon Drive, Murrieta, CA

This meeting is being conducted in person as well as via teleconference. Please visit <https://rivco.org/constituent-speaking-request> to complete a speaker slip and receive further instructions to participate via teleconference. For members of the public wishing to submit written comments, please email comments to the Clerk of the Board at lmobley@rctc.org prior to January 7, 2025, and your comments will be made part of the official record of proceedings.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

- #### **4. PUBLIC COMMENTS** – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Commission may, either at the direction of the Chair or by majority vote of the Commission, waive this three-minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Commission may terminate public comments if such comments become repetitious.*

Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Commission shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.

Under the Brown Act, the Commission should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. Commission members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

- 5. **ADDITIONS / REVISIONS** – *The Commission may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Commission subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Commission. If there are less than 2/3 of the Commission members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

- 6. **CONSENT CALENDAR** – *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – DECEMBER 11, 2024

Page 1

6B. MONTHLY INVESTMENT REPORT

Page 14

Overview

This item is for the Commission to:

- 1) Receive and file the Monthly Investment Report for the month ended November 30, 2024.

6C. QUARTERLY FINANCIAL STATEMENTS

Page 17

Overview

This item is for the Commission to:

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 2024.

6D. FISCAL YEAR 2023/24 COMMISSION AUDIT RESULTS

Page 27

Overview

This item is for the Commission to:

- 1) Receive and file the Fiscal Year 2023/24:
 - a) Annual Comprehensive Financial Report (ACFR);

- b) Local Transportation Fund (LTF) Financial and Compliance Report;
- c) State Transit Assistance (STA) Fund Financial and Compliance Report;
- d) State of Good Repair (SGR) Fund Financial and Compliance Report;
- e) Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
- f) Single Audit Report;
- g) RCTC 91 Express Lanes Fund Financial Report;
- h) 15 Express Lanes Fund Financial Report;
- i) Debt Compliance Report;
- j) Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
- k) Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives;
- l) Management certifications; and
- m) Auditor Required Communications Report.

6E. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 334

Overview

This item is for the Commission to:

- 1) Receive and file a state and federal legislative update.

7. ARTICLE 3 BICYCLE AND PEDESTRIAN FACILITIES PROGRAM UPDATE

Page 343

Overview

This item is for the Commission to:

- 1) Approve the revised Transportation Development Act (TDA) Article 3, or Senate Bill 821 (SB 821), Fiscal Year (FY) 2025/26 Call for Projects Guidelines, including the Evaluation Criteria.

8. ACTIVE TRANSPORTATION PROGRAM CYCLE 7 – METROPOLITAN PLANNING ORGANIZATION COMPONENT – SELECTION CRITERIA FOR RIVERSIDE COUNTY APPLICATIONS AND RIVERSIDE COUNTY PROJECT RECOMMENDATIONS

Page 366

Overview

This item is for the Commission to:

- 1) Approve the 20-points distribution methodology selection criteria for the Metropolitan Planning Organizations' (MPO) Regional Program Guidelines for Active Transportation Program (ATP) Cycle 7 and all future ATP cycles; and

- 2) Approve the ATP Cycle 7 list of recommended projects and contingency list in Riverside County for MPO adoption in the amount of \$4,437,000.

9. PRESENTATION OF THE 15/91 EXPRESS LANES CONNECTOR BEFORE AND AFTER STUDY

This item is for the Commission to:

- 1) Receive and file a presentation on the 15/91 Express Lanes Connector (ELC) before and after study.

10. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

11. EXECUTIVE DIRECTOR REPORT

12. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

13. ADJOURNMENT

The next Commission meeting is scheduled to be held on **Thursday, February 20, 2025, at the Temecula Creek Inn.**

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING MINUTES

Wednesday, December 11, 2024

1. CALL TO ORDER

The Riverside County Transportation Commission was called to order by Chair Lloyd White at 9:38 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501 and at the teleconference sites: Council Chamber Conference Room, City of Palm Desert, 73510 Fred Waring Drive, Palm Desert, California 92260, and the Large Conference Room, French Valley Airport, 37600 Sky Canyon Dr., Murrieta, California 92563. For public comment visit <https://rivco.org/constituent-speaking-request> to complete a speaker slip.

2. ROLL CALL

Commissioners/Alternates Present

Brian Berkson
Ulises Cabrera
Chuck Conder
Joseph DeConinck***
Kathleen Fitzpatrick****
Eve Fromberg Edelstein***
Raymond Gregory
Yxstian Gutierrez
Berwin Hanna
Jan Harnik***
Kevin Jeffries
Linda Krupa
Clint Lorimore
Bob Magee
Scott Matas***
Linda Molina

Lisa Middleton***
Joseph Morabito
V. Manuel Perez
Catalino Pining
Jeremy Smith
Wes Speake
Karen Spiegel
James Stewart**
Valerie Vandever
Michael M. Vargas
Cindy Warren
Chuck Washington
Lloyd White
Bill Zimmerman

Commissioners Absent

Waymond Fermon
David Happe
Steven Hernandez
Dana Reed

*Joined after the meeting was called to order.

**Joined the meeting at French Valley.

***Joined the meeting at Palm Desert.

3. PLEDGE OF ALLEGIANCE

Chair Lloyd White led the Commission in a flag salute.

4. PUBLIC COMMENTS

At this time, Aaron Hake, Executive Director, came up to the podium, individually recognized and thanked Commissioners Lisa Middleton, Bill Zimmerman, Berwin Hanna, and Kevin Jeffries for their years of service at RCTC and gave each of the Commissioners a plaque for leaving office.

Commissioners Middleton, Zimmerman, Hanna, and Jeffries each expressed their appreciation for all their years of service being on the Commission.

Aaron Hake noted that RCTC had a plaque for outgoing Commissioner David Happe who is not here today but will make arrangements to get it to him.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR

M/S/C (Vargas/Gregory) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – NOVEMBER 13, 2024

6B. MONTHLY INVESTMENT REPORT

- 1) Receive and file the Monthly Investment Report for the month ended October 31, 2024.

6C. ANNUAL INVESTMENT POLICY

- 1) Approve the revised annual Investment Policy (the “Policy”); and
- 2) Adopt Resolution No. 24-018, *“Resolution of the Riverside County Transportation Commission Regarding the Revised Investment Policy”*.

6D. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY - SEPTEMBER 2024

- 1) Receive and file the Quarterly Public Engagement Metrics Report for July - September 2024.

6E. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2024.

6F. AMENDMENT TO 2025 COMMISSION/COMMITTEE MEETING SCHEDULE

- 1) Adopt an amended 2025 Meeting Schedule.

7. AGREEMENT FOR THE PREPARATION OF PLANS, SPECIFICATIONS AND ESTIMATES FOR THE STATE ROUTE 79 REALIGNMENT PROJECT SEGMENT 3 CONSTRUCTION PACKAGE NO. 1

Lisa Mobley, Administrative Services Director/Clerk of the Board, announced she received a public comment for the SR-79 Realignment Project via text message directed to the Commissioners from Andrew Kotyuk and it will be distributed to the Commissioners right after this meeting is over.

Travis Randel, City of San Jacinto Deputy City Manager, stated the Commissioner's efforts to connect the Temecula Valley to the Coachella Valley via the San Jacinto Valley reflects a commitment of fostering regional connectivity and improving the quality of life for their communities. He discussed the history of the project which has been two decades in the making. San Jacinto and Hemet are the only two cities that do not have a freeway within their cities. Now they face a project that looks very different from what was originally envisioned, the city of San Jacinto staff has worked tirelessly with RCTC staff to understand where the project began to diverge. RCTC staff has been clear, and the changes have been well documented over the past several years. During the past several years this Commission and the committees have approved modifications that transform the freeway from a Caltrans standard to a county standard. What was once intended to be a six-lane freeway with interchanges, off ramps, bridges have now been reduced to what is a glorified arterial roadway. They are now looking at a two-lane roadway with stop lights, stop signs, at grade intersections, and a 14-foot sidewalk or a multipurpose trail, the new design is detailed in the Commission's agenda packet on Page 62. The city is requesting they really look at whether or not they want to build this arterial roadway, or an actual highway as originally envisioned in the 2004 EIR.

Joie Edles Yanez, Capital Projects Manager, presented the State Route 79 Segment 3 Modified Project Construction Package 1 (SR79 SEG3) update, highlighting the following areas:

- SR-79 Realignment – Scope, project limits, benefits and the project map
- Commission direction from 2024 Commission Workshop
- SR-79* Realignment Project to County Facility – Scope and project limits (*Project to be renamed as it is no longer to be a state route)
- Project Progress (1 of 2) – Right of way (ROW) mitigation land and environmental activities; ROW acquisition; Caltrans off network approval; funding identification (plans specifications and estimates (PS&E), ROW, program management)
- Project Progress (2 of 2) – Traffic Relief Plan (TRP); Public relations/community engagement; agency agreements; PS&E procurement

- Procurement process
- Agency agreements
- Funding – PS&E, ROW, Program management
- Fiscal impact
- Next steps

Commissioner Linda Krupa thanked Joie Edles Yanez for the presentation and expressed appreciation to see something happening on SR-79 and understands that this is not what it was intended to be 20 years ago. This is a step forward and asked the Commission to keep in mind as they build out regional arterials that stop signs and traffic signals can sometimes be a barrier to getting traffic flowing although she appreciates this. She stated she would like to move approval on this item when it gets to that point.

Commissioner Jeffries clarified that Joie Edles Yanes referred to it as SR-79 but then it was mentioned that it was going to be a county facility and asked if it is going to be a county or a state route.

Aaron Hake replied this is something that RCTC will have to address next year, this is no longer a state highway facility so the project will need a new name because this will be a county facility.

In response to Commissioner Jeffries' clarification that it is being referred to as a major corridor but is it just two lanes, Joie Edles Yanez replied that is correct two lanes in each direction for a total of four lanes.

Commissioner Yxstian Gutierrez stated that this is exciting for the region especially to approve Segment 3, and he understands that it is going to be a very long project but at least they are moving in those phases. He received a question from a coalition and asked if this is a topic for later or if it is right now but to have approval for this with an alternative design with grade separation and asked if Aaron Hake could respond to that and how much would it cost.

Aaron Hake replied that the answer to your last question is that it is unknown and would require some more work to do an estimate. He stated the current project as designed is what the Commission approved at its January 2024 Commission Workshop as what staff would bring forward by the end of the year. This is the concept that came out of the feasibility study that was requested by Commissioner Krupa two years ago to see could they get something started on SR-79 sooner than later and what was the most feasible option, this is what came out of that study. He understands the community's interest to request adding enhancements to what they have currently that is a conversation they can have but they must get something going.

Commissioner Wes Speake thanked staff for really pushing this forward Erik Galloway, Project Delivery Director, did a great job as they had to completely re-design this so it can

be planned to be built and expressed appreciation for Commissioner Krupa to be sitting here when it gets approved.

Commissioner Chuck Washington stated about a year ago he had some conversations with Aaron Hake about how they move away from the long anticipated argued about SR-79 Realignment as a Caltrans project that would cost about \$2 billion. RCTC was not going to find that money and they began discussing alternatives and a former councilmember from the city of San Jacinto Andrew Kotyuk approached as they have been forming a coalition and the Commission heard a reference to that coalition what they wanted, and they pushed for the original project. The Commission showed them that they could go to Western Riverside Council of Governments (WRCOG), he was joined by Commissioner Gutierrez and a member of that zone committee from Hemet and San Jacinto, they unanimously approved the Transportation Uniform Mitigation Fee (TUMF) funding out of their zone to go towards this new redesigned county facility. In looking at the letter from the Coalition there are a lot of coalition members the first member on top of that list is the city of San Jacinto, so he is a little surprised when a city sends a representative who then characterizes this project as just a glorified county road. The requests to do grade separation not only do they not have that in a county road design, but they do not have the money to do it and clarified that he does not want any Commissioner voting yes today thinking later they will come back, and this argument continues to be revived. RCTC had taken the lead he thanked Aaron Hake and his team for that, they can get that done they cannot get the other project done. He asked Joie Edles Yanez what she thinks of all that.

Joie Edles Yanez referred to Aaron Hake if she is allowed to answer that.

Aaron Hake replied that Joie Edles Yanez is an amazing engineer she has done a great job getting the Commission to this point she will get this done and if she wants to say something she can.

Joie Edles Yanez replied as someone relatively new to RCTC she is really excited for the SR-79 project because this is a greenfield project, and she sees the communities of Hemet and San Jacinto they are growing tremendously and to be involved in this it is an honor, and she is excited to be moving it forward.

Commissioner Karen Spiegel stated that Commissioner Jeffries addressed her first question that is the fact that it is still named SR-79 and asked if there a process to change it into a county facility.

Aaron Hake commended Caltrans and this project in this process and Catalino Pining, Governor's Appointee Caltrans District 8, will share his prospective but they were very collaborative with RCTC after the Commission gave staff direction to move from a state highway to a county expressway. They met with Caltrans and received a letter that is in the agenda packet where Caltrans relinquished their role as the California Environmental

Quality Act (CEQA) lead agency they still retain National Environmental Policy Act (NEPA) as the federally designated lead agency. Under the CEQA process RCTC is now the lead and that was a very collaborative conversation in this case he is pleased that occurred quickly and referred to Catalino Pining for his comments.

Catalino Pining replied as far as other state routes within the county there is a process they call relinquishment so they can do it if there is a request. Caltrans evaluates it then go through the process it is lengthy as it needs to be studied.

Commissioner Spiegel replied the Commission is already ahead of that game now.

Catalino Pining confirmed.

Commissioner Spiegel stated there would be due diligence possibly if timeliness could jump in at the same time and that is looking at the alternative of building so that it can be expanded so that there can be directing towards the goal of what was done. To all those supporting it, the 91 continuing from the Orange County Line into Riverside County Line took more than 20 years so it is not uncommon for the Commission to take a good length of time and that was already somewhat in place but not to that magnitude. Same thing with Interstate 15 it is an interstate which should have had more cooperation from federal since it is a federal highway and that has taken a long time. As much as she supports this as they need to do something she is concerned that if they do not build it in a way that it can be expanded then the Commission is going to pay twice as much down the road then if they do it now. She stated in looking at the Mid County Parkway project it has been in the Community Environmental Transportation Acceptability Process (CETAP) at least 20 years. At least now they are talking movement which is progress so she is not sure if they could delay looking at the options if they do not then she hopes that those who are on the coalition and involved understand that is the decision of this Board.

Commissioner Washington clarified that Commissioner Krupa would like to make the motion and he asked Aaron Hake if early on they had discussed two different options crossing over Domenigoni Parkway this project that they are voting on now includes an at grade at Domenigoni Parkway. Is there anyway to address Commissioner Spiegel's comments to at some point adjust that one grade separation.

Aaron Hake replied yes, the first part of the consultant's work assuming the contract is awarded today will be to do a traffic analysis and a traffic study to see what the impacts are at that intersection and the others, out of that traffic study there will be solutions presented to the cities and county for the Commission to discuss, which will be brought back to the Commission as to what those options and alternatives are. He clarified that they are not studying in this contract a grade separated interchange though if that ends up being the solution that comes out of that traffic study as being warranted then they will have to look at it. If the jurisdiction there wants additional work done, the

Commission will need to have a conversation about what they are bringing to the table to do that additional work as part of that process.

Commissioner Washington stated if Commissioner Krupa is making the motion, he would like to second it.

In response to Commissioner Valerie Vandever's clarification regarding the grade separation being revisited, Aaron Hake replied no it is not part of this contract. As part of this contract award is the traffic analysis and traffic study to look at what mitigations would be necessary for the project and the Commission is not going to determine today what engineering solution is appropriate for a traffic situation they have not analyzed.

Commissioner Krupa stated that she would like to make a motion to proceed with this per staff recommendation.

M/S/C (Krupa/Washington) to:

- 1) Award Agreement No. 25-72-005-00 to Jacobs Engineering Group to prepare the plans, specifications and estimates (PS&E) for the State Route 79 Realignment Project Segment 3 Construction Package No. 1 (SR79 Seg3 or Project) from Newport Road to Simpson Road in the County of Riverside, in the amount of \$13,376,400 plus a contingency amount of \$1,337,700 for a total amount not to exceed \$14,714,100;**
- 2) Approve a non-funding Cooperative Agreement No. 24-72-075-00 with County of Riverside Transportation and Land Management Agency (CRTLMA) for SR79 Seg3 PS&E, right of way (ROW) acquisition, construction, and maintenance;**
- 3) Approve Memorandum of Understanding (MOU) Agreement No. 24-72-117-00 with Western Riverside Council of Governments (WRCOG) to allocate \$35,000,000 in Hemet/ San Jacinto Transportation Uniform Mitigation (TUMF) Zone funding towards the SR-79 Realignment Project. The remaining funding for the PS&E, ROW, and program management phases of the SR79 Seg3 Project will be funded by RCTC local funds;**
- 4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and**
- 5) Authorize the Executive Director or designee to approve contingency work as may be required for the Project.**

At this time, Commissioner Katleen Fitzpatrick joined the meeting.

8. STATE AND FEDERAL LEGISLATIVE UPDATE

Andrew Sall, Senior Management Analyst, presented the Commission's draft 2025 State and Federal Legislative Platform for adoption and provided a brief update on Climate Action Plan for Transportation Infrastructure (CAPTI).

Commissioner Jeffries clarified on Page 192 of the agenda packet regarding the draft 2025 State and Federal Legislative Platform the language stated "*the Commission's authorizing statutes shall be implemented by the Commission*" if somebody does an initiative, they do not have discretion as Commissioners.

Aaron Hake replied that maybe a word choice that may need to be reconsidered and wanted to get to the intent of what staff means by that. He explained today if a citizen's initiative were to qualify for the ballot in Riverside County for a transportation measure it is unclear in the law as to whether RCTC or the County of Riverside would implement that measure, and staff wants to clarify that it is in RCTC's jurisdiction it would not be something that would go to the County of Riverside.

Commissioner Jeffries appreciates the explanation that is not what this says this is direction to the Commission that it shall support it.

Aaron Hake clarified not to support it but if one happens RCTC wants it to be within their jurisdiction, he hears what Commissioner Jeffries is saying.

Commissioner Speake thanked Aaron Hake for inviting him to speak at the December 6, 2024, California Transportation Commission (CTC) meeting on the 2024 Draft CAPTI it was nice to hear a receptive CTC to their comments it was very disturbing to hear the California State Transportation Agency (CalSTA) representative trying to find ways to say they are going to take care of this later. There were a lot of folks there that spoke in favor of not adopting this and the CTC Commissioners were open to understanding that they are in different places. It was very much a different CTC then they had seen when the San Bernardino County Transportation Authority had their project come forward. They need more residents and more cities to send in their letters of opposition to adopt this because if it does it will change completely what this body and what each one of their cities will be able to do related to transportation.

M/S/C (Speake/Gregory) to:

- 1) **Adopt the Commission's 2025 State and Federal Legislative Platform; and**
- 2) **Receive and file a state and federal legislative update.**

No: Jeffries

9. ELECTION OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION OFFICERS

Chair White opened the nominations for the election of officers for 2025 for Chair, Vice Chair, and Second Vice Chair. He referred to Lisa Mobley to provide direction to the Commissioners.

Lisa Mobley stated this item is for the Commission to elect a Chair, Vice Chair, and Second Vice Chair for 2025 and at this point the Chair can ask for nominations either all as one vote or individually as well. Also, at all times, one officer needs to be a County Supervisor.

Chair White nominated Commissioner Karen Spiegel for Chair and Commissioner Raymond Gregory for Vice Chair.

Commissioner Smith seconded Chair White's motion. No other nominations were received.

Commissioner Gregory nominated Commissioner Jeremy Smith for Second Vice Chair. Commissioner Michael Vargas seconded Commissioner Gregory's motion.

Commissioner Berwin Hanna nominated Commissioner Brian Berkson for Second Vice Chair. Commissioner Wes Speake seconded Commissioner Hanna's motion.

Lisa Mobley stated she will call their name to register a yay or a nay for the nominees and then indicate either Smith or Berkson for second vice chair. After the votes were tallied, Lisa Mobley announced there were 22 votes for Commissioner Smith and 6 votes for Commissioner Berkson with one abstention for Second Vice Chair.

Chair White closed the nominations. Karen Spiegel was elected as the Commission's Chair, Raymond Gregory as Vice Chair, and Jeremy Smith as Second Vice Chair for 2025.

10. APPOINTMENT OF EXECUTIVE COMMITTEE MEMBERS

Chair white stated in the past they have done caucuses in the room and because of the remote locations the Commissioners have a different direction to follow.

Lisa Mobley announced this item is to appoint members to the Executive Committee for the 2025 and 2026 year. Members appointed will serve a two-year term and they are eligible for re-appointment. She described the makeup of the Executive Committee. There are four additional positions that need to be appointed which are the cities of Corona, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Riverside, and Temecula to appoint two representatives to the Executive Committee; the cities of Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Lake Elsinore, Norco, Perris, San Jacinto, and Wildomar to appoint one representative to the Executive Committee; and the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio,

La Quinta, Palm Desert, Palm Springs, and Rancho Mirage to appoint one representative to the Executive Committee.

At this time, Lisa Mobley called on the first group who is currently represented by Commissioner Berkson and Commissioner Speake to discuss and then appoint two representatives for two years.

Chair White clarified who is remote in that group at this point.

Lisa Mobley replied that the city of Temecula is remote.

At this time, Chair White asked those cities to caucus.

Steve DeBaun, Legal Counsel, recommended those that are within those cities will have these discussions here in the Board Room before everybody.

At this time, those cities began to discuss who to appoint as their representatives.

Chair White clarified for those that are on the Executive Committee it is an in-person meeting and Commissioners will need to come to RCTC for that meeting.

Chair White announced the cities of Corona, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Riverside, and Temecula appointed Commissioner Brian Berkson and Commissioner Wes Speake to continue as their representatives to the Executive Committee.

Commissioner Smith announced the cities of Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Lake Elsinore, Norco, Perris, San Jacinto, and Wildomar appointed Commissioner Linda Krupa to continue as their representative to the Executive Committee.

Commissioner Matas announced the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage appointed Commissioner Jan Harnik as their representative to the Executive Committee.

- 1) The cities of Corona, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Riverside, and Temecula to appoint two representatives to the Executive Committee;**
- 2) The cities of Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Lake Elsinore, Norco, Perris, San Jacinto, and Wildomar to appoint one representative to the Executive Committee; and**
- 3) The cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage to appoint one representative to the Executive Committee.**

In response to Commissioner Washington's question about how the selection for the Supervisors work, Lisa Mobley replied it happens at a Board of Supervisors meeting when they appoint to their various committees in January.

11. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION

There were no items pulled from the Consent Calendar.

12. EXECUTIVE DIRECTOR'S REPORT

Aaron Hake:

- Thanked RCTC staff who attended their Holiday Metrolink Train being held at the Riverside Downtown Station on December 7. They had 2,000 people ride the train and he also thanked their partners at Metrolink.
- Thanked Chair Lloyd White for his excellent stewardship of the Commission this year, it has been an honor.

Chair White thanked Aaron Hake for his comments.

13. COMMISSIONER COMMENTS

- 12A.** Commissioner V. Manuel Perez expressed appreciation to Joie Edles Yanez for being on top of it all and doing a good job. They are obviously lacking engineers and the fact that she is willing to take on such a task and the fact that she has grown up in the area means a lot.
- 12B.** Commissioner Spiegel announced Mobility 21 had their reception for the CTC last week there were a few Commissioners there. It is held here the first Wednesday of the month of December and asked everyone to mark their calendars for next year to plan to attend. She thanked the staff that stayed after hours to be there to host and the work they did.
- 12C.** Commissioner Harnik requested that SR-74 with potholes with dangerous situations knows that it is a Caltrans issue but, it is something the Commission needs to look at and even there are multi axle trucks that are allowed up there and would like some information. Commissioner Matas noted there has been some patching done in the last few weeks, but more specific details would be helpful. It might be beneficial for everybody to look at should bicycles be allowed on that road since they are looking at all these safety issues and that might be part of it. She suggested if they could have a report out so they can answer some community members about this issue.

Catalino Pining replied he would be happy to provide information regarding SR-74 and future projects identified along the route.

- 12D.** Chair White thanked everyone for supporting him over the last year and he has had the honor that very few chairs have and that is to be able to work with two separate executive directors and he did not see much of a change, transition. He thanked staff for Mobility 21 and the trip to Washington, D.C., for the preparation that David Knudsen, Deputy Executive Director, and Tyler Madary, Legislative Affairs Manager, made to help him move forward and everything that Lisa Mobley and Tara Byerly, Deputy Clerk of the Board, do. He is looking forward to the February Commission Workshop and a revisit of their satellite pilot program because as Chair there are a few issues that they really need to consider. They can get through the machinations of working through a meeting but explained his first meeting in person at the Commission and how they are taking that away from new Commissioners as they come in for those who are remote. He recognized the five Commissioners who are leaving he does not think he would have the relationship built with those Commissioners if they had all remained remote. There are some members in Palm Desert he noticed are new and thinks that they do better as group and hopes they visit this at the workshop. There are options that they could on a regular basis go to different parts of the county.
- 12E.** Commissioner Conder wanted to wish everyone Merry Christmas and Happy Hanukkah, everyone here has taken their time and done a good job, and they all need to be congratulated for their service.
- 12F.** Commissioner Hanna announced on December 14 the city of Norco has their Annual Christmas Celebration and beginning at dark there was the parade of lights.

At this, time, Commissioner Jeffries left the meeting.

- 12G.** Commissioner Washington congratulated Chair White for a good year. He wished everyone a Merry Christmas, Happy Holidays, and Happy New Year. He discussed how back in 1999 RCTC was reformed from 7 members to 34 members, as he sat on that committee. He has enjoyed the opportunity to work with RCTC and expressed appreciation to RCTC and how Aaron Hake has not disappointed.
- 12H.** Commissioner Brian Berkson announced repeating something he had said in the Executive Committee today, the city of Jurupa Valley had a tree lighting ceremony and had several booths set up. He appreciated having RCTC staff there with a booth highlighting what RCTC is and suggested all the Commissioners who have events to ask and include RCTC as part of their next event. This is going to open the eyes of people who do not know who RCTC is or what they do.

12I. Commissioner Cabrera congratulated all the newly appointed members to leadership to the Executive Committee and thanked Chair White for his leadership over the past year. It has been a pleasure to work with all the Commissioners and looks forward to the continued progress they are going to make in 2025. He then congratulated all those elected officials who are re-elected to their city council and all the newly elected officials around the county as well. He noted that Rancho Verde High School in the city of Moreno Valley is going to be marching in the Rose Parade. On December 7 the city of Moreno Valley celebrated their 40th Anniversary and had a tree lighting ceremony and he wished everyone Happy Holidays.

14. CLOSED SESSION

14A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 possible case

Steve DeBaun announced the Commission approved an agreement with the 15/91 connection contractor to settle all existing claims for \$2 million and release of warranty work in the spring.

15. ADJOURNMENT

There being no further business for consideration by the Riverside County Transportation Commission, Chair White adjourned the meeting at 11:18 a.m. The next Commission meeting is scheduled to be held on Wednesday, January 8, 2025.

Respectfully submitted,



Lisa Mobley
Administrative Services Director /
Clerk of the Board

AGENDA ITEM 6B

| RIVERSIDE COUNTY TRANSPORTATION COMMISSION | |
|---------------------------------------------------|-----------------------------------------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Megan Kavand, Toll Finance Manager Sergio Vidal, Chief Financial Officer |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | Monthly Investment Report |

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Monthly Investment Report for the month ended November 30, 2024.

BACKGROUND INFORMATION:

The Commission’s investment reports have generally reflected investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

As a result of significant project financings such as the State Route 91 Corridor Improvement Project (91 Project) and the Interstate 15 Express Lanes Project (I-15 ELP), the Commission engaged MetLife Investment Management, LLC, formerly Logan Circle Partners, L.P. (MetLife), as the investment manager for the bond proceeds and other required funds. Additionally, the Commission engaged Payden & Rygel Investment Management to make specific investments for Commission operating funds. The Commission approved initial agreements with the investment managers in May 2013 following a competitive procurement and has extended the agreements through the annual recurring contracts process.

MetLife invested the debt proceeds and subsequent other required contributions for the 91 Project and I-15 ELP in separate accounts of the Short-Term Actively Managed Program (STAMP). The Commission completed the 91 Project financing in 2013, the I-15 ELP and 91 Project completed financing (2017 Financing) in July 2017 and the 2021 91 Project refinancing (2021 Financing) in October 2021. Consistent with financing expectations, the Commission expended all 91 Project debt proceeds and equity contributions, except for the toll revenue bonds debt service reserve, and subsequent to commencement of operations, established other required accounts. Additionally as of October 2024, the Commission has fully expended the 2017 Financing bond proceeds for the I-15 ELP.

The monthly investment report for November 2024, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project, 2021 Financing and available operating cash. As of November 30, 2024, total cash and investments in the Commission’s portfolio totaled approximately \$1.68 billion and were comprised of the following:

| CASH AND INVESTMENTS PORTFOLIO | AMOUNTS ¹ |
|-----------------------------------------------|-------------------------|
| Operating | \$ 1,065,239,263 |
| Trust | 337,577,691 |
| Commission-managed | 213,446,653 |
| STAMP for 91 CIP | 62,126,251 |
| Total | \$ 1,678,389,858 |
| Note: ¹ Unreconciled and unaudited | |

As of November 30, 2024, the Commission’s cash and investments are in compliance with both the Commission’s investment policy adopted on December 11, 2024, and permitted investments described in the indenture for the Commission’s sales tax revenue bonds and the master indenture for the Commission’s toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

FISCAL IMPACT:

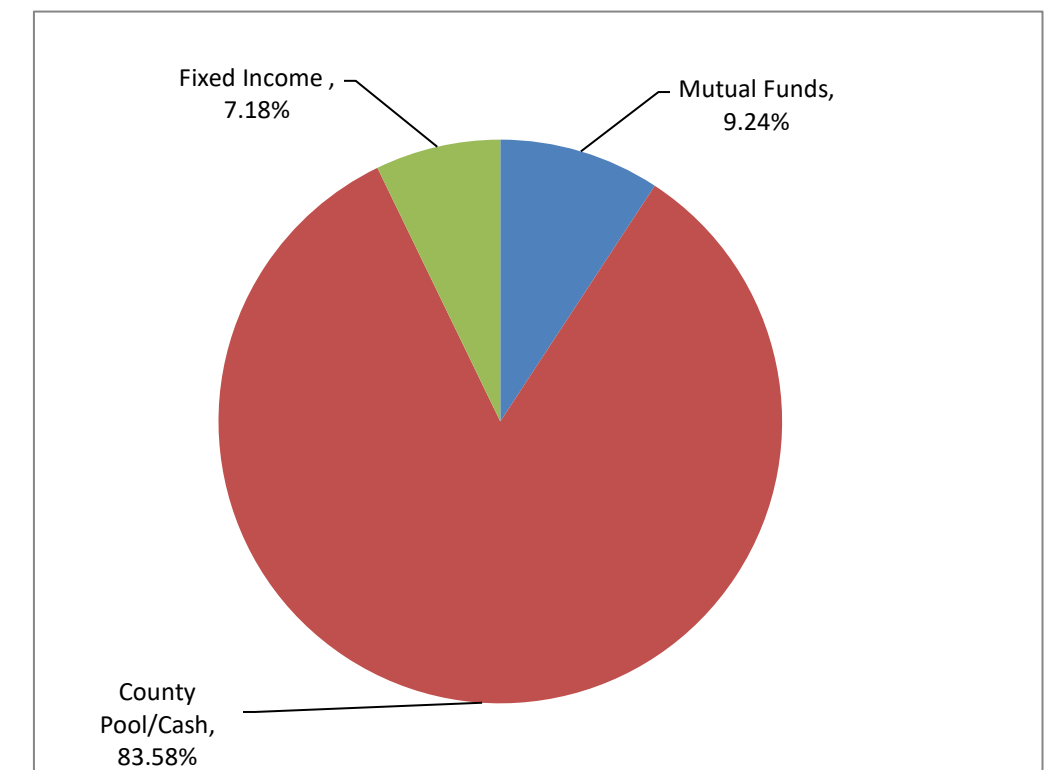
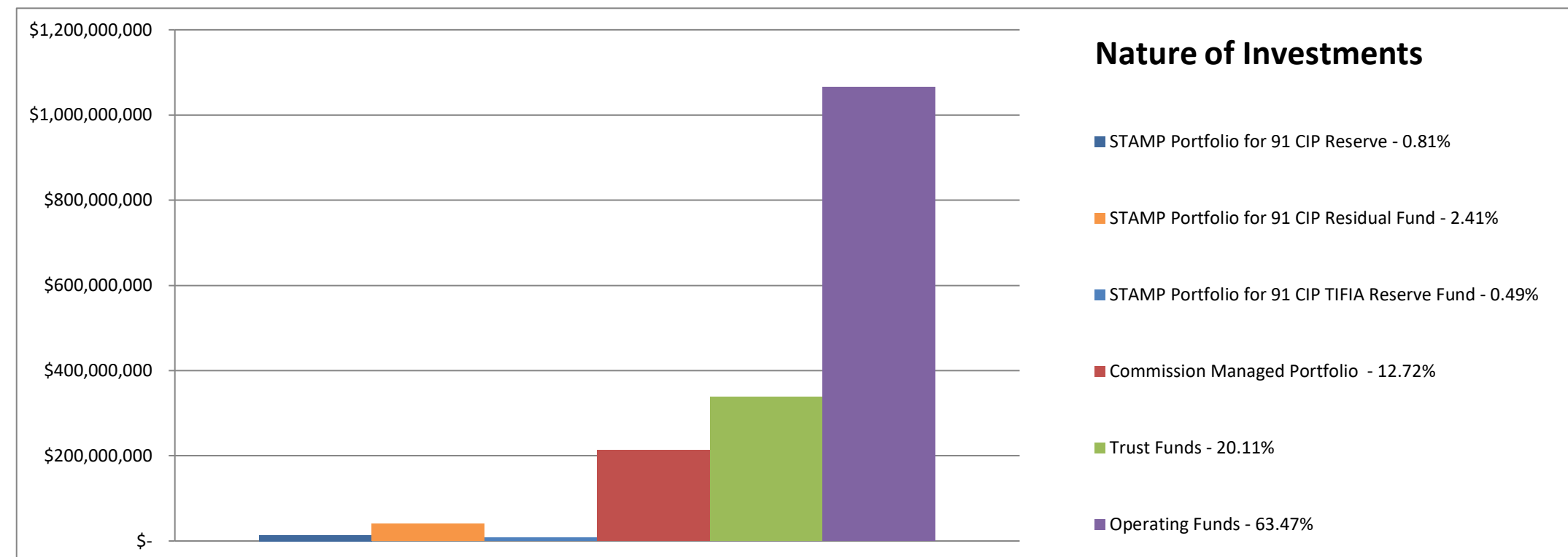
This is an information item. There is no fiscal impact.

Attachment: Investment Portfolio Report

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: November 30, 2024

| | STATEMENT BALANCE ¹ | FINANCIAL INSTUTION | STATEMENTS | RATING MOODY'S / S&P | COUPON RATE | PAR VALUE | PURCHASE DATE | MATURITY DATE | YIELD TO MATURITY | PURCHASE COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|----------------------------------------------|-----------------------------------|------------------------|------------------------|----------------------------|----------------|--------------|------------------|------------------------|----------------------|------------------|-----------------|---------------------------|
| OPERATING FUNDS | | | | | | | | | | | | |
| City National Bank Deposits | 20,240,648 | City National Bank | Available upon request | A3/BBB+ | N/A | | | | N/A | | | |
| County Treasurer's Pooled Investment Fund | 1,044,998,615 | County Treasurer | Available upon request | Aaa-bf | | | | | | | | |
| Subtotal Operating Funds | 1,065,239,263 | | | | | | | | | | | |
| FUNDS HELD IN TRUST | | | | | | | | | | | | |
| County Treasurer's Pooled Investment Fund: | | | | | | | | | | | | |
| Local Transportation Fund | 337,577,691 | County Treasurer | Available upon request | | | | | Available upon request | | | | |
| Subtotal Funds Held in Trust | 337,577,691 | | | | | | | | | | | |
| COMMISSION MANAGED PORTFOLIO | | | | | | | | | | | | |
| US Bank Payden & Rygel Operating | 58,433,491 | US Bank | Available upon request | | | | | Available upon request | | | | |
| First American Government Obligation Fund | 155,013,162 | US Bank | Available upon request | N/A | N/A | | | | N/A | | | |
| Subtotal Commission Managed Portfolio | 213,446,653 | | | | | | | | | | | |
| STAMP PORTFOLIO for 91 CIP | | | | | | | | | | | | |
| 2013 Series A & Series B Reserve Fund | 13,529,002 | US Bank | Available upon request | | | | | Available upon request | | | | |
| 2021 Series B Reserve Fund | 40,436,764 | US Bank | Available upon request | | | | | Available upon request | | | | |
| 2021 Series C Reserve Fund | 8,160,485 | US Bank | Available upon request | | | | | Available upon request | | | | |
| Subtotal STAMP Portfolio - 91 CIP | 62,126,251 | | | | | | | | | | | |
| TOTAL All Cash and Investments | \$ 1,678,389,858 | | | | | | | | | | | |

Notes:
¹ Unreconciled and unaudited



AGENDA ITEM 6C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

| | |
|-----------------|---------------------------------------------------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Michele Cisneros, Deputy Director of Finance Sergio Vidal, Chief Financial Officer |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | Quarterly Financial Statements |

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 2024.

BACKGROUND INFORMATION:

During the first three months of the fiscal year (FY), staff monitored the revenues and expenditures of the Commission. The first quarter of the fiscal year is primarily directed toward completing fiscal year-end activities for the prior fiscal year along with the transactions between July 1 through September 30. In the upcoming quarter, staff anticipates revenue and expenditure categories to present a more realistic outlook beginning in the second quarter.

The operating statement shows the Measure A and Local Transportation Fund (LTF) sales tax revenues for the first quarter at 7 percent of the budget. This is a result of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for nonexchange Transactions*. GASB Statement No. 33 requires sales tax revenues to be accrued for the period in which they are collected at the point of destination or sale, as applicable. The California Department of Tax and Fee Administration collects the sales tax funds and remits these funds to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. Accordingly, these financial statements reflect revenues related to collections for July 2024.

When comparing to the prior fiscal year quarter ending September 30, Measure A and LTF sales tax receipts are 1.83 lower and 0.32 higher, respectively. State Transit Assistance revenues, including State of Good Repair for the first quarter of FY 2024/25, are expected to be received in the second quarter of FY 2024/25. Staff will continue to monitor the trends in the sales taxes and report to the Commission any necessary adjustments in revenue projections.

Federal, state, and local reimbursements are generally received on a reimbursement basis. The Commission will receive these revenues as eligible project costs are incurred and invoiced to the respective agencies. The negative revenue amounts for federal, state, or local reimbursements reflect the reversal of FY 2023/24 accrued revenues at the beginning of FY 2024/25 in excess of amounts billed during the first quarter. Reimbursement invoices for expenditures for the first quarter will be prepared and submitted during the second quarter. Furthermore, also during the first quarter, the Commission received \$138 million in SB125 funding for the Transit and Intercity Rail Capital Program and Zero-Emission Transit Capital Program, administered by the California State Transportation Agency. This revenue source is reported under the State reimbursements category.

The Commission has estimated Transportation Uniform Mitigation Fee (TUMF) revenues at \$30 million for the current fiscal year. During the first quarter of FY 2024/25, the Commission received TUMF revenues for July 2024. The Commission expects to receive the August and September 2024 TUMF revenues in the second quarter. The negative TUMF zone revenue reimbursement reflects the reversal of the FY 2023/24 accrued revenues at the beginning of FY 2024/25 in excess of amounts billed during the first quarter for the I-15 Franklin Street Interchange project.

The RCTC 91 Express Lanes and 15 Express Lanes toll revenues, penalties, and fees collected during the period is approximately \$26 million and \$13 million, respectively, totaling \$39 million for the first quarter of FY 2024/25. The operating statement shows toll revenues, penalties, and fees at 33 percent of the budget. This reflects periodic toll rate changes made based on traffic volumes according to the approved toll policy. Staff will continue to monitor the toll transactions and/or trips and non-toll revenues.

The operating statement (Quarterly Budget to Actual) presents other revenues received at 2 percent of the \$9.8 million FY 2024/25 budget. Specifically, a contribution of \$9 million from the 15 Express Lanes Enterprise fund for the payoff of a Measure A loan will be reflected during the second quarter of the fiscal year along with further collection of property management lease revenues.

During the FY 2024/25 budget process, the Commission estimated investment income at approximately \$34 million. The operating statement (Quarterly Budget to Actual) shows investment income, which includes net unrealized investment gains and losses at approximately \$6.7 million.

The expenditures/expenses and other financing sources/uses categories are in line overall with the expectations with the following exceptions:

- Salaries and benefits are under budget primarily due to unfilled positions for an Accounting Supervisor, External Affairs Director, Financial Budget Manager, IT Administrator, Senior Accountant, two Senior Capital Projects Managers, and Senior Procurement Analyst;

- Professional services are under budget primarily due to unused budget authority for general legal services; financial advisory services; audit services; rail operations and development activities; and highway, commuter assistance, specialized transportation, and regional conservation other professional services;
- Program operations are under budget due to unused budget authority for rail station security; toll operations; motorist and commuter assistance program operations; and highway and rail program management;
- The status of significant Commission capital projects (engineering, construction, design-build, and right of way/land) with budget amounts exceeding \$5 million is discussed within Attachment 1;
- Operating and capital disbursements are made as claims are submitted to the Commission by transit operators;
- Special studies unused budget authority is related to feasibility studies;
- Local street and roads expenditures are related to Measure A sales tax revenues. The financial statements reflect the disbursement for the period July 2024;
- Regional arterial expenditures represent expenditures for the highway and regional arterial program administered by the Coachella Valley Association of Governments (CVAG). CVAG requests reimbursements from the Commission based on available funds and sufficient budget authority;
- Debt service principal payments are made annually on June 1, while debt service interest payments are made semiannually on December 1 and June 1. In accordance with the applicable accounting standards related to the Enterprise funds, both the RCTC 91 and 15 Express Lanes Enterprise funds record accrued and compounded interest on its related debt such as the RCTC 91 Express Lanes 2021 Toll Refunding Bonds and 2013 Toll Revenue Bonds, Series B capital appreciation bonds for the 91 Project as well as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the 15 Express Lanes project;
- Capital outlay expenditures are under budget due to unused budget authority for office improvements, property improvements for station rehabilitation, toll operations equipment, and Commission network, hardware, and software improvements;
- Depreciation is recorded as part of the accrual adjustments in the RCTC 91 and 15 Express Lanes Enterprise funds accounting records; however, depreciation is considered a non-cash transaction and not included in the FY 2024/25 budget; and
- Transfers in and out include the first quarter administrative cost allocation process, Measure A Sales Tax Bonds debt funding, and LTF disbursements for planning and programming activities.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachments:

- 1) Quarterly Project Status – September 2024
- 2) Quarterly Financial Statements – September 2024

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY PROJECT STATUS
1st QUARTER
FOR THREE MONTHS ENDED 09/30/2024

| Project Description | FY 2024/25 through 1 st Quarter Budget | Expenditures through 1 st Quarter Actuals | Project Status |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>91 Express Lanes (P009103 & P009104) These projects provide repair and rehabilitation of SR-91 general purpose and express lanes, as well as the implementation of a new back-office system. The FY2024/25 budget amount is \$13,150,900.</p> | \$3,287,725 | \$1,170,641 | <p>The under run of the FY 2024/25 budget at the first quarter is due to the following for each project:</p> <ul style="list-style-type: none"> 91 Express Lanes Roadway Repair and Rehabilitation: the under run is due to accruals that haven't yet been billed on the pavement rehabilitation project for Parsons (\$0.2 million). Additionally, there was a slow ramp up for construction (\$0.6 million) for the 5-year pavement maintenance and occupancy detection system express lanes barrier wall. 91 Express Lanes System Repair and Rehabilitation: the under run is due to construction (\$0.2 million) for advanced traffic management system procurement, Dynamic pricing engine lane side updates, and occupancy detection system landside as well as accruals that haven't yet been billed for toll services (\$0.8 million) back-office system implementation). |
| <p>15/91 Express Lanes Connector (P003039) The 15/91 Express Lane Connector (ELC) project constructs an express lanes median direct connector from southbound I-15 to westbound SR-91 and from eastbound SR-91 to northbound I-15 in the city of Corona. The project also adds tolled express lanes in each direction of I-15 from the 15/91 ELC to Hidden Valley Parkway; adds a tolled express lane in each direction of SR-91 from east of Lincoln Avenue to the 15/91 ELC; extends the tolled express lane along eastbound SR-91 from I-15 to west of Promenade Avenue; and extends an eastbound auxiliary lane along SR-91 from west of I-15 to west of Promenade Avenue. The project also includes the addition of a toll collection system infrastructure along I-15 and SR-91. The estimated project cost is \$270 million, and the project is partially funded by state funds allocated under Senate Bill (SB) 132 legislation. The connector opened to traffic in 2023. The FY2024/25 budget amount is \$6,471,900.</p> | \$1,708,475 | \$330,995 | <p>The under run the FY 2024/25 budget at the first quarter is due to late invoicing from the design builder (\$1.4 million) that was offset by an overrun of the project construction manager (\$0.2 million).</p> |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY PROJECT STATUS
 1st QUARTER
 FOR THREE MONTHS ENDED 09/30/2024**

| Project Description | FY 2024/25 through 1 st Quarter Budget | Expenditures through 1 st Quarter Actuals | Project Status |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>I-15 Express Lanes Southern Extension (P003044) The project will add express lanes between SR-74 and Cajalco Road. The estimated project cost is \$544 million with the Project Approval and Environmental Document (PA/ED) phase of work funded by federal Congestion Mitigation and Air Quality (CMAQ) funds and Measure A. The FY2024/25 budget amount is \$22,296,500.</p> | \$5,574,125 | \$1,090,829 | <p>The under run of the FY 2024/25 budget at the first quarter is due to slow billings from the project construction manager's subconsultants (\$2.1 million) and preliminary engineering (\$1.8 million) that is expected to ramp up and produce documents in the second and third quarters.</p> |
| <p>Mid County Parkway (MCP) (P002302, P002317, P002320, P002324, & P002328) The environmental document for a new corridor from I-215 to SR-79 was approved in April 2015. The first design package is under construction. Construction of this new facility will be completed over many years as funding becomes available; the total project cost is estimated at \$1.3 to \$2.1 billion. The FY2024/25 budget amount is \$39,354,200.</p> | \$10,404,425 | \$8,615,230 | <p>The under run of the FY 2024/25 budget at the first quarter is primarily due to the following for each project:</p> <ul style="list-style-type: none"> • MCP: The under run is due to ROW acquisitions (\$0.05 million). • MCP I-215/Placentia Interchange: The minimal over run for this project was due to construction management (\$0.02 million) and final design (0.01 million). • MCP Mitigation: The first year of plant establishment was completed at the beginning of the third quarter in FY 2020/21 and the under run in the first quarter of FY 2024/25 was due to mitigation property monitoring (ROW acquisitions and support services) (\$0.7 million). • MCP2 and MCP3: The Commission approved the shift from MCP2 to MCP3 at the May 2022 Commission meeting. The overrun was due to ROW acquisition/support services on MCP2 (\$3.4 million) that was offset by the under run for MCP3 due to pending offers in negotiation for ROW acquisitions/support services (\$4.1 million). |
| <p>71/91 Connector Project (P003021) The project includes ROW acquisition, utility relocation, and environmental revalidation work for improvements to the 71/91 connector. The estimated project cost is \$118 million. The FY2024/25 budget amount is \$52,125,500.</p> | \$8,696,375 | \$3,585,526 | <p>The underrun of the FY 2024/25 budget in the first quarter is due to delayed billings for construction (\$4.7 million), construction management (\$0.3 million) and program management costs (\$0.1)million).</p> |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY PROJECT STATUS
 1st QUARTER
 FOR THREE MONTHS ENDED 09/30/2024**

| Project Description | FY 2024/25 through 1st Quarter Budget | Expenditures through 1st Quarter Actuals | Project Status |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>SR-79 Project (P003003, P005127, & P005146) The project includes the preliminary engineering environmental document, which was approved in October 2016, ROW activities for the mitigation of the project, and Segment 3 design of a new county expressway (approximately 2.7 miles), including ROW acquisition. The FY 2024/25 budget amount is \$28,449,200.</p> | \$7,112,300 | \$51,177 | <p>The under run of the FY2024/25 budget at the first quarter is primarily due to the following for each project:</p> <ul style="list-style-type: none"> • SR-79 Realignment ROW: The under run was due to ongoing negotiations with landowners for ROW acquisition (\$2.5 million). • SR-79 Re-Alignment Segment 3: The design contract is in the procurement process and offers are still in progress. The under run at the first quarter was due to design (\$0.8 million) and ROW acquisition (\$3.75 million). |
| <p>Smart Freeways (P003051) The project includes environmental clearance, design, and commence construction of a pilot project to install a smart freeway system on northbound I-15 in the city of Temecula. The FY2024/25 budget amount is \$19,499,300.</p> | \$1,124,825 | \$47,499 | <p>The under run of the FY 2024/25 budget at the first quarter is due to lower-than-expected costs for Information Technology System Operator (\$0.2 million). and slow ramp up for construction management (\$0.5 million). Construction is not scheduled to commence until the second quarter of FY 2024/25.</p> |
| <p>Santa Ana River Trail Extension (SART) (P007201 & P007202) The Commission provides support to the Riverside County Regional Park and Open Space District (District) for the projects under a cooperative planning and development agreement. The District is the lead agency for environmental compliance for NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction. The projects are a joint effort with several public and private agencies including the county of Orange and the United States Army Corps of Engineers. The district is responsible for 100% of costs. The FY2024/25 budget amount is \$18,033,800.</p> | \$179,700 | \$41,239 | <p>The minimal under run of the FY 2024/25 budget at the first quarter is due to final design (\$0.03 million) for SART 1. The under run in SART 2 is due to final design ramping down (\$0.1 million) in preparations to start construction in third quarter of FY 2024/25 contingent on funding from Riverside County Parks.</p> |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY PROJECT STATUS
 1st QUARTER
 FOR THREE MONTHS ENDED 09/30/2024**

| Project Description | FY 2024/25 through 1st Quarter Budget | Expenditures through 1st Quarter Actuals | Project Status |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>South Perris Station and Layover Facility (P003837) The South Perris Station and Layover Facility Project is the result of the combined efforts between the Commission and SCRRA, to improve the existing loading platform, along the Metrolink Perris Valley Line. The improvements, along with other added amenities, will add 1,100 feet of new track which will service two additional passenger trains for load and deboarding services. In addition, the project includes a 4th layover track at the south layover maintenance yard for various operations of the track. <i>The FY 2024/25 budget amount is \$10,949,400.</i></p> | \$168,800 | (\$226,649) | <p>The under run of the FY 2024/25 budget at the first quarter is due to FY 2023/2024 accrual reversal for final design that has not yet been billed (0.4 million). Furthermore, construction is scheduled to commence in the third quarter of FY 2024/25.</p> |

This list discusses the significant capital projects (i.e., total budgeted costs in excess of \$5 million) and related status. Capital project expenditures are generally affected by lags in invoices submitted by contractors and consultants, as well as issues encountered during certain phases of the projects. The capital projects budgets tend to be based on aggressive project schedules.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY BUDGET TO ACTUAL
1st QUARTER
FOR THREE MONTHS ENDED 09/30/2024

| | FY 2024/25 BUDGET | 1st QUARTER ACTUAL | REMAINING BALANCE | PERCENT UTILIZATION |
|--------------------------------------------------|-----------------------|-------------------------|-----------------------|------------------------|
| Revenues | | | | |
| Sales tax | 475,916,600 | 33,038,021 | 442,878,579 | 7% |
| Federal reimbursements | 75,121,600 | (412,718) | 75,534,318 | -1% |
| State reimbursements | 128,027,600 | 124,086,046 | 3,941,554 | 97% |
| Local reimbursements | 73,199,100 | 2,346,914 | 70,852,186 | 3% |
| Transportation Uniform Mitigation Fee | 30,610,000 | 2,991,604 | 27,618,396 | 10% |
| Tolls, penalties, and fees | 119,373,000 | 39,345,031 | 80,027,969 | 33% |
| Other revenues | 9,767,500 | 237,459 | 9,530,041 | 2% |
| Investment income | 33,880,600 | 6,712,072 | 27,168,528 | 20% |
| Total revenues | 945,896,000 | 208,344,426 | 737,551,574 | 22% |
| Expenditures/Expenses | | | | |
| Salaries and benefits | 19,954,400 | 3,238,760 | 16,715,640 | 16% |
| Professional and support | | | | |
| Professional services | 27,473,000 | 2,121,294 | 25,351,706 | 8% |
| Support costs | 21,367,300 | 5,568,224 | 15,799,076 | 26% |
| Total Professional and support costs | 48,840,300 | 7,689,518 | 41,150,782 | 16% |
| Projects and operations | | | | |
| Program operations | 57,926,700 | (363,863) | 58,290,563 | -1% |
| Engineering | 59,395,300 | (1,935,341) | 61,330,641 | -3% |
| Construction | 261,324,200 | 1,548,732 | 259,775,468 | 1% |
| Design Build | 19,753,000 | 76,902 | 19,676,098 | 0% |
| Right of way/land | 85,368,500 | 6,821,928 | 78,546,572 | 8% |
| Operating and capital disbursements | 329,946,900 | 52,208,580 | 277,738,320 | 16% |
| Special studies | 7,101,000 | (1,984,196) | 9,085,196 | -28% |
| Local streets and roads | 85,122,200 | 6,423,999 | 78,698,201 | 8% |
| Regional arterials | 30,000,000 | (9,178,652) | 39,178,652 | -31% |
| Total projects and operations | 935,937,800 | 53,618,088 | 882,319,712 | 6% |
| Debt service | | | | |
| Principal | 207,957,500 | - | 207,957,500 | 0% |
| Interest | 59,049,300 | 5,898,128 | 53,151,172 | 10% |
| Total debt service | 267,006,800 | 5,898,128 | 261,108,672 | 2% |
| Capital outlay | 10,186,000 | 1,115,464 | 9,070,536 | 11% |
| Depreciation | - | 6,199,554 | (6,199,554) | N/A |
| Total Expenditures | 1,281,925,300 | 77,759,511 | 1,204,165,789 | 6% |
| Excess revenues over (under) expenditures | (336,029,300) | 130,584,915 | (466,614,215) | -39% |
| Other financing sources/(uses) | | | | |
| Transfer in | 224,429,100 | 29,148,505 | 195,280,595 | 13% |
| Transfer out | (224,429,100) | (29,148,505) | (195,280,595) | 13% |
| Total financing sources/(uses) | - | - | - | N/A |
| Net change in fund balances | (336,029,300) | 130,584,915 | (466,614,215) | -39% |
| Fund balance July 1, 2024 | 1,278,326,000 | 1,655,935,491 | 377,609,491 | 130% |
| Fund balance September 30, 2024 | <u>\$ 942,296,700</u> | <u>\$ 1,786,520,406</u> | <u>\$ 811,711,785</u> | <u>190%</u> |

QUARTERLY ACTUAL BY FUND
1st QUARTER
FOR THREE MONTHS ENDED 09/30/2024

SPECIAL REVENUE FUNDS

| | MEASURE A SALES TAX | | | | TRANSPORTATION DEVELOPMENT ACT | | | | | | | | | |
|---------------------------------------------|---------------------|------------------|---------------------|--------------------|--------------------------------|---------------------------|--------------------------|----------------------|--------------------|----------------------------------------------|-----------------------|-----------------------|-----------------------|--------------------|
| | GENERAL FUND | FSP/SAFE | WESTERN COUNTY | COACHELLA VALLEY | PALO VERDE VALLEY | LOCAL TRANSPORTATION FUND | STATE TRANSIT ASSISTANCE | STATE OF GOOD REPAIR | SB 125 - TIRCP | TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) | COACHELLA VALLEY RAIL | OTHER AGENCY PROJECTS | REGIONAL CONSERVATION | SB132 |
| Revenues | | | | | | | | | | | | | | |
| Sales tax | \$ - | \$ - | \$ 17,173,004 | \$ 3,980,979 | \$ 72,974 | \$ 11,811,064 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal reimbursements | (84,571) | - | (338,147) | - | - | - | - | - | - | - | - | - | - | - |
| State reimbursements | 512,142 | (90,865) | (14,546,221) | - | - | - | - | - | 138,210,990 | - | - | - | - | - |
| Local reimbursements | 6,533 | - | (75,281) | - | - | - | - | - | - | (5,648) | - | (49,954) | 1,846,056 | - |
| Transportation Uniform Mitigation Fee | - | - | - | - | - | - | - | - | - | 2,991,604 | - | - | - | - |
| Tolls, penalties, and fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other revenues | 158 | - | 205,454 | - | - | - | - | - | - | 6,000 | - | - | - | - |
| Investment income | - | - | 913,847 | 168,518 | - | - | 337,036 | - | - | 337,036 | - | - | - | - |
| Total revenues | 434,261 | (90,865) | 3,342,656 | 4,149,497 | 72,974 | 11,811,064 | 337,036 | - | 138,210,990 | 3,328,992 | - | (49,954) | 1,846,056 | - |
| Expenditures/Expenses | | | | | | | | | | | | | | |
| Salaries and benefits | 1,384,971 | 22,054 | 673,978 | - | - | - | - | - | 135 | 77,033 | 19,827 | 14,214 | 616,890 | 35,775 |
| Professional and support | | | | | | | | | | | | | | |
| Professional services | 436,286 | 995 | 471,654 | 2,292 | - | - | 4,582 | - | 1,162 | 21,925 | 2,761 | 1,370 | 849,129 | 22,403 |
| Support costs | 1,457,302 | 25,536 | 1,000,986 | - | - | - | - | - | - | 151 | 611 | - | 320,388 | 4,191 |
| Total Professional and support costs | 1,893,589 | 26,531 | 1,472,640 | 2,292 | - | - | 4,582 | - | 1,162 | 22,076 | 3,372 | 1,370 | 1,169,517 | 26,594 |
| Projects and operations | | | | | | | | | | | | | | |
| Program operations | 1,009 | 738,074 | 1,633,438 | - | - | - | - | - | 2,375 | 49,745 | 7,096 | 14,689 | 7,913 | (4,994,917) |
| Engineering | - | - | (390,436) | - | - | - | - | - | - | (1,578,488) | - | 33,582 | - | - |
| Construction | - | - | 395,358 | - | - | - | - | - | - | (284,240) | - | - | - | - |
| Design Build | - | - | (49,504) | - | - | - | - | - | - | - | - | - | - | 263,543 |
| Right of way/land | - | - | 6,011,723 | - | - | - | - | - | - | 762,193 | - | (22,616) | 70,629 | - |
| Operating and capital disbursements | 1,169,476 | - | 418,775 | 1,373,000 | - | 50,533,014 | (996,701) | (288,983) | - | - | - | - | - | - |
| Special studies | (1,984,196) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local streets and roads | - | - | 4,957,683 | 1,393,343 | 72,974 | - | - | - | - | - | - | - | - | - |
| Regional arterials | - | - | - | (9,178,652) | - | - | - | - | - | - | - | - | - | - |
| Total projects and operations | (813,711) | 738,074 | 12,977,037 | (6,412,310) | 72,974 | 50,533,014 | (996,701) | (288,983) | 2,375 | (1,050,791) | 7,096 | 25,655 | 78,542 | (4,731,375) |
| Debt service | | | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total debt service | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 31,140 | - | 1,084,324 | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures/Expenses | 2,495,989 | 786,660 | 16,207,980 | (6,410,018) | 72,974 | 50,533,014 | (992,120) | (288,983) | 3,672 | (951,682) | 30,296 | 41,239 | 1,864,948 | (4,669,005) |
| Excess revenues over (under) expenditures | (2,061,728) | (877,525) | (12,865,323) | 10,559,515 | - | (38,721,950) | 1,329,156 | 288,983 | 138,207,318 | 4,280,674 | (30,296) | (91,193) | (18,892) | 4,669,005 |
| Other financing sources/(uses) | | | | | | | | | | | | | | |
| Transfer in | 16,648,024 | - | - | - | - | - | - | - | - | - | - | - | - | (5,000,000) |
| Transfer out | (307,900) | (61,100) | (18,324,147) | (108,900) | (3,900) | (14,107,024) | - | - | - | (79,300) | (11,200) | - | (498,900) | - |
| Total financing sources/(uses) | 16,340,124 | (61,100) | (18,324,147) | (108,900) | (3,900) | (14,107,024) | - | - | - | (79,300) | (11,200) | - | (498,900) | (5,000,000) |
| Net change in fund balances | 14,278,396 | (938,625) | (31,189,471) | 10,450,615 | (3,900) | (52,828,974) | 1,329,156 | 288,983 | 138,207,318 | 4,201,374 | (41,496) | (91,193) | (517,792) | (330,995) |
| Fund balance July 1, 2024 | 41,638,227 | 14,700,623 | 532,829,611 | 66,767,816 | - | 388,170,511 | 161,469,466 | 14,720,939 | - | 180,545,350 | 2,364,134 | 62,808 | 51,647 | 2,914,808 |
| Fund balance September 30, 2024 | \$ 55,916,623 | \$ 13,761,998 | \$ 501,640,140 | \$ 77,218,431 | \$ (3,900) | \$ 335,341,537 | \$ 162,798,622 | \$ 15,009,922 | \$ 138,207,318 | \$ 184,746,724 | \$ 2,322,638 | \$ (28,385) | \$ (466,145) | \$ 2,583,813 |

QUARTERLY ACTUAL BY FUND
1st QUARTER
FOR THREE MONTHS ENDED 09/30/2024

| | ENTERPRISE FUND | | CAPITAL PROJECTS FUNDS | | | |
|--------------------------------------------------|-----------------------|------------------------|------------------------|---------------------|----------------------|-------------------------|
| | 15 EXPRESS LANES | 91 EXPRESS LANES | COMMERCIAL PAPER | SALES TAX BONDS | DEBT SERVICE | COMBINED TOTAL |
| Revenues | | | | | | |
| Sales tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,038,021 |
| Federal reimbursements | - | - | - | - | - | (412,718) |
| State reimbursements | - | - | - | - | - | 124,086,046 |
| Local reimbursements | - | 625,208 | - | - | - | 2,346,914 |
| Transportation Uniform Mitigation Fee | - | - | - | - | - | 2,991,604 |
| Tolls, penalties, and fees | 12,873,583 | 26,471,447 | - | - | - | 39,345,031 |
| Other revenues | 25,846 | - | - | - | - | 237,459 |
| Investment income | 1,554,343 | 3,098,346 | 173,160 | 25,842 | 103,943 | 6,712,072 |
| Total revenues | 14,453,773 | 30,195,001 | 173,160 | 25,842 | 103,943 | 208,344,426 |
| Expenditures/Expenses | | | | | | |
| Salaries and benefits | 153,780 | 240,102 | - | - | - | 3,238,760 |
| Professional and support | | | | | | |
| Professional services | 158,730 | 148,006 | - | - | - | 2,121,294 |
| Support costs | 1,256,884 | 1,502,174 | - | - | - | 5,568,224 |
| Total Professional and support costs | 1,415,614 | 1,650,180 | - | - | - | 7,689,518 |
| Projects and operations | | | | | | |
| Program operations | 1,915,323 | 261,392 | - | - | - | (363,863) |
| Engineering | - | - | - | - | - | (1,935,341) |
| Construction | 10,805 | 1,426,808 | - | - | - | 1,548,732 |
| Design Build | - | (137,137) | - | - | - | 76,902 |
| Right of way/land | - | - | - | - | - | 6,821,928 |
| Operating and capital disbursements | - | - | - | - | - | 52,208,580 |
| Special studies | - | - | - | - | - | (1,984,196) |
| Local streets and roads | - | - | - | - | - | 6,423,999 |
| Regional arterials | - | - | - | - | - | (9,178,652) |
| Total projects and operations | 1,926,128 | 1,551,063 | - | - | - | 53,618,088 |
| Debt service | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | (435,589) | 6,333,717 | - | - | - | 5,898,128 |
| Total debt service | (435,589) | 6,333,717 | - | - | - | 5,898,128 |
| Capital outlay | | | | | | |
| Depreciation | 3,135,526 | 3,064,028 | - | - | - | 6,199,554 |
| Total Expenditures/Expenses | 6,195,459 | 12,839,090 | - | - | - | 77,759,511 |
| Excess revenues over (under) expenditures | 8,258,314 | 17,355,911 | 173,160 | 25,842 | 103,943 | 130,584,915 |
| Other financing sources/(uses) | | | | | | |
| Transfer in | - | - | - | 210,934 | 17,289,547 | 29,148,505 |
| Transfer out | (147,500) | 4,712,300 | - | - | (210,934) | (29,148,505) |
| Total financing sources/(uses) | (147,500) | 4,712,300 | - | 210,934 | 17,078,613 | - |
| Net change in fund balances | 8,110,814 | 22,068,211 | 173,160 | 236,776 | 17,182,556 | 130,584,915 |
| Fund balance July 1, 2024 | 282,917,899 | (61,308,776) | 11,847,729 | 2,790,423 | 13,452,855 | 1,655,935,491 |
| Fund balance September 30, 2024 | \$ 291,028,713 | \$ (39,240,565) | \$ 12,020,889 | \$ 3,027,199 | \$ 30,635,411 | \$ 1,786,520,406 |

AGENDA ITEM 6D

| RIVERSIDE COUNTY TRANSPORTATION COMMISSION | |
|---------------------------------------------------|-----------------------------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Audit Ad Hoc Committee Sergio Vidal, Chief Financial Officer |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | Fiscal Year 2023/24 Commission Audit Results |

AUDIT AD HOC COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the Fiscal Year 2023/24:
 - a. Annual Comprehensive Financial Report (ACFR);
 - b. Local Transportation Fund (LTF) Financial and Compliance Report;
 - c. State Transit Assistance (STA) Fund Financial and Compliance Report;
 - d. State of Good Repair (SGR) Fund Financial and Compliance Report;
 - e. Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
 - f. Single Audit Report;
 - g. RCTC 91 Express Lanes Fund Financial Report;
 - h. 15 Express Lanes Fund Financial Report;
 - i. Debt Compliance Report;
 - j. Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
 - k. Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives;
 - l. Management certifications; and
 - m. Auditor Required Communications Report.

BACKGROUND INFORMATION:

In March 2020, the Commission approved an agreement with Eide Bailly LLP (Eide Bailly) to perform annual audits and agreed-upon-procedures for the following Commission financial statements and related programs:

Audits - ACFR; RCTC 91 Express Lanes; 15 Express Lanes; Federal Awards (Single Audit)

Financial and compliance audits - LTF, STA, SGR, and LCTOP

Agreed upon procedures (AUP) - Annual Appropriations Limit Calculation; CAP incentives; Compliance with commercial paper debt covenants.

The audits, compliance and agreed-upon procedures for the fiscal year ended June 30, 2024, have been completed, and Eide Bailly issued all reports.

The Commission's ACFR or annual financial statements consists primarily of three sections: introductory, financial, and statistical. While the introductory and statistical sections were not audited by Eide Bailly, the financial section included basic financial statements which auditing procedures were performed by Eide Bailly. The Commission received an unmodified opinion or clean opinion on its basic financial statements from Eide Bailly, which is the highest form of assurance. Limited procedures were performed related to the required supplementary information, including Management's Discussion and Analysis section; such information was not audited. The other supplementary information was subject to the auditing procedures applied in the audit of the basic financial statements, and, in the opinion of the auditors, it is fairly stated in relation to the basic financial statements.

The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. Management's Discussion and Analysis section provides a narrative overview and analysis of the Commission's financial activities for the fiscal year. Financial highlights and significant matters of the basic financial statements include:

- Net position of approximately \$1,474.6 million at June 30, 2024, compared to approximately \$1,187.5 million at June 30, 2023 (as restated), reflecting a net increase of approximately \$287.1 million from governmental and business-type activities. The increase relates to improved position in the business-type activities offset by a decrease in position in the governmental activities.
- The net increase in net position consists of approximately \$292.2 million from business-type activities related to contributions of assets from the Commission's governmental funds related to the 15/91 Express Lanes Connector, along with increases in both toll revenues and interest income. This increase is offset by a decrease in net position of \$5.1 million from governmental activities primarily due to decreases in capital grants and contributions related to funding received for the 15/91 Express Lanes Connector project and minor decreases in revenue in Measure A and Transportation Development Act (TDA) sales taxes when compared to the prior fiscal year.
- Governmental fund balances of approximately \$1,434.3 million at June 30, 2024, compared to approximately \$1,271.2 million at June 30, 2023, represent an increase of approximately \$163.2 million from the prior year.

The audit reports related to the separately issued financial statements of the LTF, STA, SGR, and LCTOP also reflect unmodified opinions from Eide Bailly. These financial statements are required to be issued separately under the TDA and the provisions for LCTOP; however, the LTF, STA, and SGR financial position and operations are included in the fund financial statements in the ACFR. The LCTOP financial position is part of the Measure A Western County Commuter Rail special

revenue fund. This report noted no matters considered to be a material weakness in internal control and no instances of noncompliance.

The FY 2023/24 Single Audit Report includes the reports on compliance and internal control over financial reporting and over federal awards. These reports noted no matters considered to be a material weakness in internal control and no instances of noncompliance.

The RCTC 91 Express Lanes Financial Report consists of the Independent Auditors' Report, Management's Discussion and Analysis, and Financial Statements, including Notes to Financial Statements. Financial highlights include a net deficit of approximately (\$61.3) million, which consisted of:

- Net investment (deficit) in capital assets of approximately (\$115.0) million reflecting toll-supported debt in excess of capital assets; and
- Restricted net position of approximately \$53.7 million for toll operations in accordance with debt indentures and agreements.

The deficit in net investment in capital assets will be reduced by future toll revenues for the payment of outstanding toll debt obligations.

The 15 Express Lanes Financial Report consists of the Independent Auditors' Report, Management's Discussion and Analysis, and Financial Statements, including Notes to Financial Statements. Financial highlights include a net position of approximately \$282.9 million, which consisted of:

- Net investment in capital assets of approximately \$192.6 million reflecting capital assets in excess of toll-supported debt; and
- Restricted net position of approximately \$90.3 million for toll operations in accordance with debt indentures and agreements.

As a result of the establishment of the commercial paper program in March 2005, the bank reimbursement agreement requires a report from the auditor regarding compliance with certain covenants. The report issued by Eide Bailly indicated that nothing came to the auditor's attention that caused the auditors to believe the Commission failed to comply with these covenants.

The Appropriations Limit Calculations and CAP reports are based on specific procedures agreed to by the Commission. For the Appropriations Limit Calculation and CAP, the auditors noted no exceptions or findings related to the procedures performed.

As required by American Institute of Certified Public Accountants Auditing Standards Board Statement No. 114, *The Auditor's Communications with Those Charged with Governance*, the Commission's auditor is required to make certain annual communications to the Commission's Audit Ad Hoc Committee, or its equivalent, regarding the audit of the Commission's financial statements following the completion of the audit. Eide Bailly completed the annual audit for

FY 2023/24 in October 2024. The report to the Audit Ad Hoc Committee from the auditor contains the required communications about the audit.

As part of the development of the Commission's Accountability Program, both the Executive Director and Department Directors have completed certifications relating to financial reporting and operational disclosures.

Attachments:

- 1) 2024 Annual Comprehensive Financial Report
- 2) 2024 Local Transportation Fund Financial and Compliance Report
- 3) 2024 State Transit Assistance Fund Financial and Compliance Report
- 4) 2024 State of Good Repair Fund Financial and Compliance Report
- 5) 2024 Low Carbon Transit Operations Program Account Financial and Compliance Reports
- 6) 2024 Single Audit Report
- 7) 2024 RCTC 91 Express Lanes Fund Financial Report
- 8) 2024 15 Express Lanes Fund Financial Report
- 9) 2024 Commercial Paper Compliance Report
- 10) 2024 Agreed-Upon Procedures Report related to the Appropriations Limit Calculation
- 11) 2024 Agreed-Upon Procedures Report related to the Commuter Assistance Program incentives
- 12) 2024 Executive Director and Chief Financial Officer Certification
- 13) 2024 Director's Certification
- 14) 2024 Reports to the Audit Ad Hoc Committee (Financial Statements Audit and Single Audit)
- 15) Auditor's Presentation to the Audit Ad Hoc Committee

Riverside County Transportation Commission

Riverside County, California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



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Riverside County Transportation Commission

Riverside County, California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

Submitted By:

Sergio Vidal, Chief Financial Officer



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Introductory Section

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LETTER OF TRANSMITTAL

October 31, 2024

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 Annual Comprehensive Financial Report (Annual Report) of the Commission for the fiscal year ended June 30, 2024.

Management assumes responsibility for the completeness and reliability of all the information presented in this report, based on 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.

Eide Bailly LLP has issued an unmodified opinion on the Commission's financial statements for the year ended June 30, 2024. The independent auditor's report is at the front of the financial section.

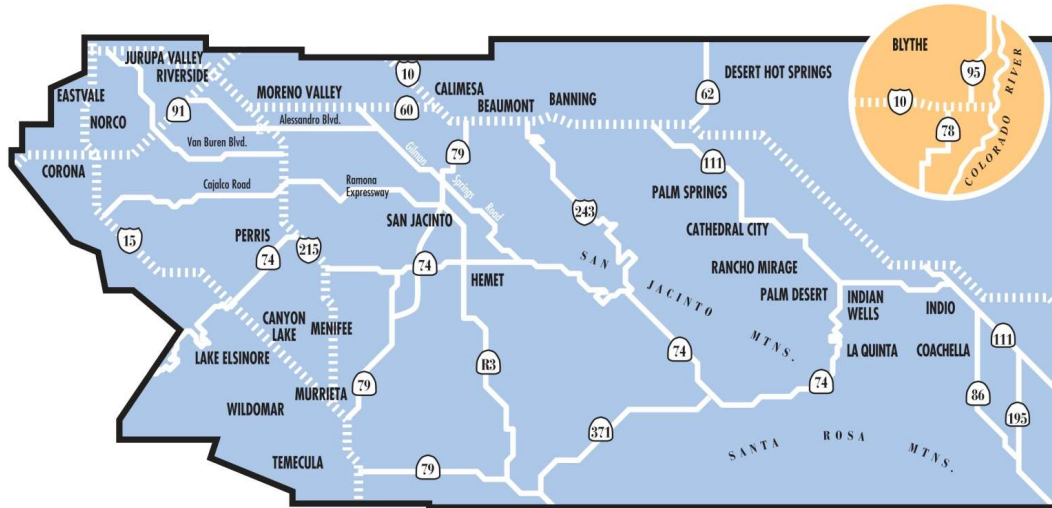
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of RCTC's Governance and Responsibilities

State law established the Commission in 1976 to oversee the funding and coordination of all public transportation services within the county of Riverside (County). The Commission's mission is to assume a leadership role in improving mobility in Riverside County and to maximize the cost effectiveness of transportation dollars in the County. The governing body is the Board of Commissioners (Board), which consists of all five members of the County Board of Supervisors, one elected official from each of the County's 28 cities, and one non-voting member appointed by the Governor. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transportation operators and agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highways, transit, rail, non-motorized travel (bicycle and pedestrian), and other modes of transportation. The Commission has also developed two express lanes projects; the RCTC 91 Express Lanes opened in March 2017, and the 15 Express Lanes opened in April 2021.

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 funding sources: Local Transportation Fund (LTF), derived from a one-quarter cent state sales tax, and State Transit Assistance, derived from the statewide sales tax on gasoline and diesel fuel.



Additionally, as the Service Authority for Freeway Emergencies (SAFE), the Commission provides motorist aid services designed to enhance safety and traffic flow. These services include emergency call boxes along rural highways 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 Inland Empire 511 (IE511) system, which provides comprehensive real-time traveler information for freeways, bus, rail transit, and rideshare services. All services are provided at no charge to motorists and are funded through a \$1 surcharge on vehicle registrations; FSP also receives state allocations. The Commission is financially accountable for SAFE, a legally separate entity blended in the Commission’s financial statements.

The Commission must adopt a budget before the start 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

Since 2019, pre-pandemic, Riverside County (County) continues to demonstrate resiliency. While unemployment slightly increased during the past fiscal year, the region has not yet experienced a significant economic contraction. Measure A sales taxes are down slightly from the previous fiscal year’s record highs, offset by a gradual increase in Local Transportation (LTF) sales taxes. This is due to the shift in consumer spending from brick and mortar to online sales along with sustained general price increases experienced throughout the region.

Development continues to be an economic driving force, evidenced by mitigation fees such as Transportation Uniform Mitigation Fees (TUMF) outperforming budgetary expectations. Increases in TUMF fees provide additional funding for Regional Arterials and Community Environmental Transportation Acceptability Process (CETAP) projects.

Riverside County maintains competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego) due to affordable housing and available land. Also, the county’s population continues to climb which results in both the county’s employment and commercial base remaining stable. Also, due to continued growth in population, it is anticipated that demand for housing within Riverside County will remain strong. However, property values may not experience robust increases on a year over year basis due to higher-than-normal interest rates.

For the Commission, formidable ongoing challenges remain in terms of providing needed infrastructure enhancements to support a population that has increased approximately four percent in the last ten years, while the local economy continues to outgrow the capacity of its existing infrastructure evidenced by the growing logistics sector.

Long-term Financial Planning

Innovative financial planning is a critical element for the success of the Commission as it builds for the future. Continually monitoring revenues and expenditures to actual amounts validates the Commission's expectations and goals are prudent and achievable. Development of forecasts for each funding source is also a critical element with identifying funding needs for key RCTC projects.

Local funding, specifically the Commission's voter-approved sales tax program (Measure A or Program), will continue to serve as RCTC's most significant source of funding. Measure A funds highway, local streets and roads, public transit, passenger rail projects and new transportation corridors throughout the county. The Program was established to ensure funding for each of the three identified geographic regions within the county, which include the Palo Verde Valley, Coachella Valley, and the more heavily populated area of Western Riverside County.

Measure A revenues of approximately \$282 million exceeded the Commission's approved revised projection for FY 2023/24 by one percent; however, they are down slightly when compared to the previous fiscal year. For FY 2024/25, the Commission is cautiously optimistic and projects minimal growth for this key revenue source.

Tolling is another important local funding source for the Commission, recovering from the impacts resulting from the pandemic. Tolling on both 15 and 91 Express lanes surpassed forecasted expectations related to revenue while operating expenditures continue to be under budget. During the upcoming fiscal year, RCTC will monitor traffic patterns to ensure budgetary expectations are met and evaluate opportunities to reduce I-15's long-term debt obligations.

At the State (State of California) level, transportation funding is a source of continuing debate regarding future priorities. Sustainability and vehicle miles traveled mitigation are key priorities identified statewide. RCTC will continue to innovate and identify unique approaches to enhancing its revenue base while also continuing to seek grant funding from its state partners.

Federal funding remains a key revenue source for various initiatives led by the Commission. Specifically, the Commission remains active in monitoring funding opportunities provided by the federal government including the Infrastructure Investment and Jobs Act or (IIJA), congressional surface transportation reauthorization, and other US Department of Transportation (US DOT) funding opportunities.

Future funding decisions will consider equity, which has been identified as an important priority for the Commission. Riverside County is home to a wide array of communities with differing transportation needs requiring unique solutions. RCTC will place a special emphasis on education, public outreach, and policy direction with equity in mind to serve the entire County, including disadvantaged communities that need targeted transportation investments to serve these unique needs.

Capital Project Delivery and Implementation — Critical Workers Delivering Needed Infrastructure

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 phases.

Since the beginning of the decade (2020), the Commission is operating during an unprecedented era of transportation investment in Riverside County due to higher than anticipated local revenues such as Measure A and LTF along with in development mitigation fees. The results can be seen with various projects under construction, increasingly popular and successful transit services, and commitments of more on the way soon. There are also notable completed projects – providing tangible examples of the Commission achieving promises made to voters who approved Measure A, such as the recent completion of the 15/91 Express Lanes Connector project within the city of Corona, continued improvements for the SR-91 Corridor and investments to the county's rail infrastructure and facilities. The Commission's success is demonstrated in the projects identified below.

Progress Continues

The Commission continues to advance projects to meet both the short and long-term needs of County residents. Similar investments and resulting job creation can be seen throughout Riverside County with recently completed highway and passenger rail projects:

Regional Arterial Projects: The Commission recently awarded approximately \$130 million in regional arterial projects funded by both Transportation Uniform Mitigation Fee (TUMF) and Measure A. The award was distributed to areas within Western Riverside County for various street widening projects and local arterial extensions.

Placentia Interchange to link I-215 and future Mid County Parkway: Construction work was completed in early 2024 on the first component of the Mid County Parkway (MCP), a new 16 mile east-west corridor between the cities of San Jacinto and Perris. This \$42 million project adds a new freeway interchange at Placentia Avenue that will link to the MCP and improve a segment of Placentia Avenue within the city of Perris. MCP project has expanded to include continued right-of-way purchases and begin design work for the third phase of the project.

71/91 Interchange: The Commission began work in early 2023 for a new connector between the eastbound SR-91 and northbound SR-71 in the city of Corona. This approximate \$134 million project has environmental clearance and is anticipated to be completed in 2025.

Smart Freeways: Another key initiative on I-15 is the Smart Freeways project within the City of Temecula. The project includes ramp metering to ensure a consistent flow of vehicular traffic enters the freeway. The pilot project is scheduled to begin construction in late 2024.

15/91 Express Lanes Connector: The project was open to vehicular traffic in November 2023 enhancing connectivity within the Express Lanes network, between the SR-91 East and I-15 North and I-15 South and 91 West. The Connector was built with a combination of SB 132 Funding (\$180 million) and 91 Surplus Toll Revenue (\$90 million).

Commuter Rail Improvements: The Commission continues to invest in passenger rail infrastructure within the County, such as the Moreno Valley/March Field (MV/MF) Station Project, South Perris Station and Layover Expansion Project, and the Moreno Valley to Downtown Perris Double Track Project. The MV/MF project is slated to add an additional platform, rehabilitate, and replace an existing second track along with adding a new signal system. The project is expected to be completed during the upcoming fiscal year with an estimated total project cost of \$40 million.

Another exciting rail improvement is the South Perris Station and Layover expansion. The project is slated to add an additional platform, second station track, and a new signal system. Construction activities totaling approximately \$10 million are funded for the upcoming fiscal year.

The Moreno Valley to Perris Double Track Project will provide approximately six miles of a second main track to accommodate increased passenger trains and replace the current second track that is comprised of jointed rail, older wood ties, and poor ballast conditions. The project is under design and is estimated to begin construction next year.

Other investments aimed at rehabilitating and maintaining the Commission's nine Metrolink stations are prioritized in the Commission's Five-Year Station Rehabilitation Program, which is updated annually. Recently completed projects include elevator upgrades, pavement rehabilitation, upgraded ADA drop-off/pick-up zones, and installation of solar photo-voltaic panels. Planned station improvements for the next five years include projects such as comprehensive painting of station structures, bike and pedestrian safety improvements, LED fixtures and lighting, drought tolerant landscaping, CCTV camera systems, and station security and access control.

Projects for Future Construction

I-15 Express Lanes Southern Extension: Environmental work is complete, and procurement of a design-build contractor is under way to extend the 15 Express Lanes to the city of Lake Elsinore. A series of public scoping meetings were held in 2020, and additional public meetings were held in 2024 during circulation of the Draft Environmental Document as part of the environmental review process.

SR-91 Eastbound Corridor Operations Project: An environmental revalidation is complete, and procurement of a design consultant is underway to add an operational lane on eastbound SR-91 from SR-241 to SR-71.

79 Realignment: Another large effort affecting the Hemet and San Jacinto communities is the realignment of SR-79. This 2009 Measure A project is undergoing early project development partially funded through the TUMF program. An environmental document was approved in January 2017 to allow the realignment of SR-79 between Domenigoni Parkway, south of SR-74, and Gilman Springs Road, north of San Jacinto. The project will realign the highway to provide a more direct route within the San Jacinto Valley. Current work on this project includes acquisition of right of way needed for mitigation and to protect cultural sites. During the upcoming fiscal year, funding totaling approximately \$25 million is provided for anticipated right-of-way activity. In addition, procurement of a design consultant is currently underway with the anticipation that design will commence in 2025 of the first segment of the SR-79 project from Newport Road to Domenigoni Parkway or Simpson Road.

Active Transportation: Non-motorized transportation options are becoming an increasingly important part of California's transportation infrastructure. The Commission is also heading up project development for the Santa Ana River Trail – a multiuse facility that will provide a bike, pedestrian, and equestrian trail to link Riverside, San Bernardino, and Orange Counties for cyclists, pedestrians, and equestrians. The first phase of the Santa Ana River Trail was completed in early 2024 between Rincon Road and Butterfield Drive in Corona.

Other Projects: *Furthermore, the Commission is working with Transportation Corridor Agencies (TCA) on a direct connection project between SR-241 and the 91 Express Lanes operated by TCA.* Operational elements for this future facility are currently being addressed among the following agencies: TCA, Orange County Transportation Authority (OCTA), the California Department of Transportation (Caltrans), and RCTC.

TUMF Links Growth with Infrastructure

In the Coachella Valley, a TUMF program was established shortly after the passage of 1989 Measure A. The program requires developers to pay a fee on new developments to fund arterial improvements. Cities are required to participate in the program or forfeit Measure A local dollars to Coachella Valley Association of Governments, which oversees the regional arterials, and has been successful in funding key arterial and freeway interchange projects.

With the passage of the 2009 Measure A, a TUMF program with participation requirements like that in the Coachella Valley is also in place in Western County and administered by the Western Riverside Council of Governments. TUMF funds received by the Commission are split evenly between new corridors, including the MCP, and regional arterials, including local projects and the SR-79 realignment project. As noted above, the Commission recently awarded approximately \$50.0 million in TUMF Regional Arterials funding to local areas for their regional arterial projects. The funding reflects the partnership and investment within the County.

Rail Development, Operations and Support

The Commission is one of five member agencies of the Southern California Regional Rail Authority, operating the Metrolink commuter rail service, and is engaged with its partners to provide effective regional service. Commuter rail service consists of eight lines serving six counties. The system typically carried an average of 43,000 passengers each weekday prior to COVID-19; however, ridership has decreased and has slowly recovered since the pandemic.

The Commission owns and operates nine stations served by the three Metrolink lines operating through the county, including four stations along the Perris Valley Line that commenced carrying passengers in June 2016. The Riverside Downtown Operations Control Center provides closed-circuit television monitoring at the stations and facilities for train crews. Below is a summary of the Metrolink lines operating in Riverside County:

- *Riverside Line:* Originates in the Riverside–Downtown station and stops at the Jurupa Valley–Pedley station before proceeding through the cities of Ontario, Pomona, Industry, and Montebello to Los Angeles Union Station. Average daily ridership on the Riverside Line during fiscal year 2023/24 was 1,225.
- *Inland Empire Orange County (IEOC) Line:* Begins in nearby San Bernardino County with stops at the Riverside–Downtown, Riverside–La Sierra, Corona–North Main, and Corona–West stations before entering Orange County with stops in Anaheim Canyon, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel/Mission Viejo, San Juan Capistrano, San Clemente, and Oceanside. When initiated in 1995, this service was described as the first suburb-to-suburb commuter rail service in the nation. Average daily ridership on the IEOC Line during fiscal year 2023/24 was 2,237. This line also provides weekend service.
- *91/Perris Valley Line:* Provides service from the city of Perris to Los Angeles with stops in Perris–South, Perris–Downtown, Moreno Valley/March Field, Riverside–Hunter Park/UCR, Riverside–La Sierra, Corona–North Main, Corona–West, Fullerton, Buena Park, Norwalk, and Commerce before terminating at Union Station. Average daily ridership on the 91/Perris Valley Line during fiscal year 2023/24 was 1,909. This line also provides weekend service.

Coachella Valley-San Gorgonio Pass Rail Service (CV Rail)

The Commission, in coordination with Caltrans and the Federal Railroad Administration, is working to bring passenger rail service as an alternate mode of travel across Southern California, connecting desert communities and attractions between Riverside, Los Angeles, Orange, and San Bernardino Counties. The program proposes operating two to five daily roundtrips between Los Angeles Union Station and the cities of Indio or Coachella, with morning and evening departures from each end. Passenger service is expected to take approximately 3 hours and 15 minutes, which is comparable to trips made by cars on congested highways such as I-5, SR-91, and I-10.

In July 2022, the Commission certified the Final Tier 1/Program Level Environmental Impact Report. Certification of the environmental report was a significant milestone for this project. The Commission has secured \$80 million for the station feasibility planning and Tier 2 environmental process. The Commission also plans to begin station feasibility planning in 2025. This service's proposed implementation will provide another important link between the Coachella Valley and Western Riverside County and the Southern California region.

Acting as the regional transportation planning agency (RTPA) for Riverside County, the Commission provides various commuter services to increase mobility, safety, and air quality throughout the region.

Commuter / Motorist Assistance

Commuter Assistance: The Commission applies Measure A funds to administer the Commuter Assistance Program to ease congestion, maximize the efficiency of its transportation investments, and reduce vehicle miles traveled and emissions from single occupant vehicle trips with the following programs and services:

Ride matching and Information Services: The Commission, in partnership with the San Bernardino County Transportation Authority (SBCTA) provides commuters and employer partners in the region with access to rideshare resources (IECommuter.org) and information to assist with finding ride matches for car/vanpool arrangements or transit options and to participate in incentives. A call center (866-RIDESHARE) is also available during business hours for commuters or employers who require additional support.

Rideshare Incentives: The most popular commuter incentive continues to be the \$5 per day Rideshare Incentives, a short-term incentive that offers \$5 per day for each day commuters use an alternate mode of transportation in a three-month period (up to a max of \$125). Long-term commuter ride sharers and teleworking employees are recognized and rewarded for their continuing commitment to use alternate modes of transportation to and from work with access opportunities to win monthly prizes for reported rideshare and telework activity through monthly Rideshare Spotlight and Telework Spotlight programs.

Vanpool Subsidies: The Commission provides ongoing subsidies to eligible vanpools commuting to employer worksites in Western County through its VanClub program. In FY 2023/24, VanClub supported an average of 35 vans per month resulting in the reduction of approximately 62,000 trips, 2.4 million miles, and 897 tons of emissions throughout the region.

Guaranteed Ride Home: Through the Commission's rideshare program, IE Commuter, a Guaranteed Ride Home (GRH) service is available to ridesharing commuters of employer partners. Should commuters experience an emergency and need to get home, they are reimbursed the cost of a Lyft/Uber or other transportation network company ride, rental car, taxi, or transit option used to get home. GRH also covers when an employee may miss his/her ride due to unexpected overtime. Eligible participants may claim up to two emergency rides home per year.

Park & Rides: Working in partnership with Caltrans, the Commission leases excess parking from retail and private property partners to facilitate ride sharing and to expand park and ride capacity. There are approximately 3,000 park and ride spaces available throughout Riverside County.

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

Freeway Service Patrol: The FSP program is a special team of 20 tow trucks roving along 11 beats on portions of SR-60, SR-91, I-15, and I-215 within the County during peak, weekday commuter hours to assist drivers when their vehicles break down or experience other mechanical problems. The purpose of the FSP is to clear debris and remove disabled vehicles from the freeway as quickly as possible to keep freeway traffic moving during rush hour periods. Another effort augments existing FSP service with additional tow trucks in construction areas as another means of construction-related congestion mitigation. The Riverside County SAFE and the State fund the FSP program. During FY 2023/24, the FSP provided approximately 53,200 assists.

Call Boxes: In cooperation with the California Highway Patrol and Caltrans, the Commission assists motorists who experience accidents, mechanical breakdowns, or other unforeseen problems by providing access to cellular call boxes with enhanced reception along the County's major highways. In response to the proliferation and continued growth of cell phone usage and declining demand and use of call boxes, the Commission approved a substantial reduction to the call box system in 2017 and 2019. A cost-effective backbone of 136 call box units will remain in place and serve more than 176 centerline miles of highways. The call box program is funded by Riverside County SAFE revenue, an annual \$1 surcharge added to vehicle registrations. In FY 2023/24, call box operators answered approximately 645 calls from motorists.

Traveler Information: To further promote mobility, the Commission in collaboration with Southern California partners (LA Metro, OCTA, SBCTA, and Ventura County Transportation Commission), provides motorists with access to real-time freeway travel information and incident information on Southern California highways through its SoCal 511 Traveler Information system. SoCal 511 is designed to promote mobility by fostering more informed travel decisions to avoid congestion and is available via telephone by dialing 511 from any landline or cell phone within Riverside County, online at SoCal511.com, or the SoCal511 mobile app. SoCal 511 is funded with Riverside County SAFE funds. In FY 2023/24, SoCal 511 serviced 446,983 web visits across SoCal 511 partner regions and 55,184 phone calls within the Inland Empire.

Specialized Transit

The Commission has maintained a long-term commitment to assist residents with specialized transit needs. Through its Specialized Transit Program, the Commission has provided millions of dollars to public and nonprofit transit operators that provide special transit services to improve the mobility of seniors, persons with disabilities, and individuals with low income. Along with traditional demand response, or Dial-A-Ride type services, the Commission supports innovative programs providing transit assistance in hard-to-serve rural areas or for riders having special transit needs. With funding from this program, individuals can travel to work independently, shop at the neighborhood grocery stores, visit a doctor, and much more.

The Commission develops a Public Transit–Human Services Coordinated Plan (Coordinated Plan) every four years. This plan assists the Commission in identifying service gaps, additional qualifying populations, and underserved areas of Riverside County in need of transit services. The last Coordinated Plan was approved in January 2021 and the next update will be completed in 2025. To address some of these transit service needs identified in the Coordinated Plan, a portion of the Measure A sales tax in Western Riverside County is set aside for a Specialized Transit Call for Projects. This Specialized Transit Call for Projects is held every three years and provides funding awards for public and nonprofit transit operators. During fiscal year 2023/24, public and nonprofit transit operators provided over 190,000 one-way trips.

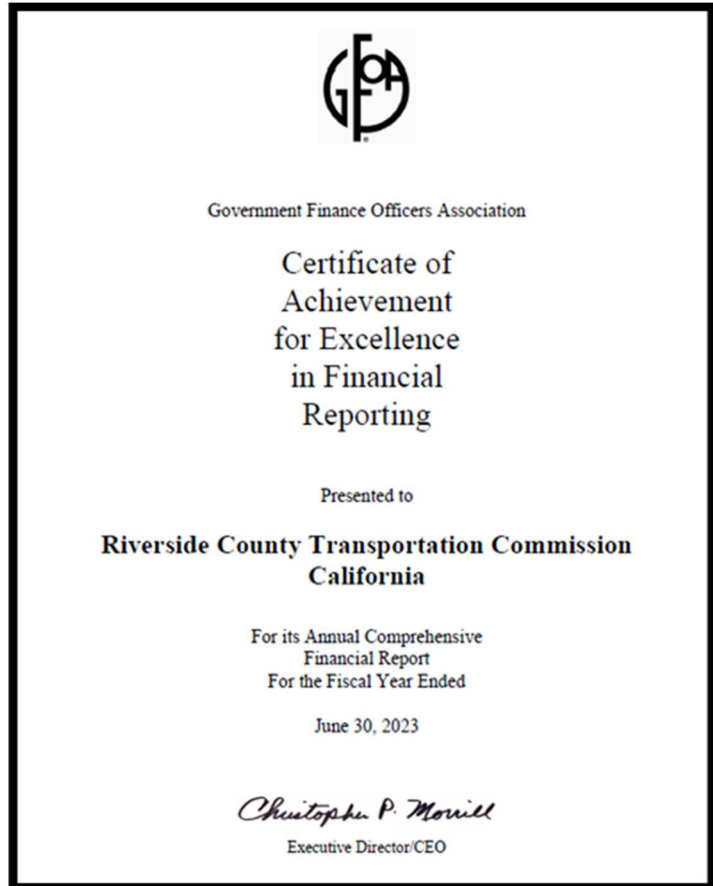
In addition to funding and planning, the Citizens, and Specialized Transit Advisory Committee (CSTAC) assists the Commission by reviewing service plans of the transit operators, promoting the various public and specialized transportation services throughout the County, and offers a forum for the public and social service agencies to share information and address public needs. The CSTAC consists of 13 members of the public and the two consolidated transportation service agencies (Riverside Transit Agency and SunLine Transit Agency), which were recently appointed by the Commission in May 2024. The CSTAC meets bimonthly and provides Commission staff additional insight into specialized transit needs throughout the County.

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 Annual Report for the fiscal year ended June 30, 2023. This was the 31st consecutive year the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. 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 Annual Report 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 Annual Report 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 Annual Report.



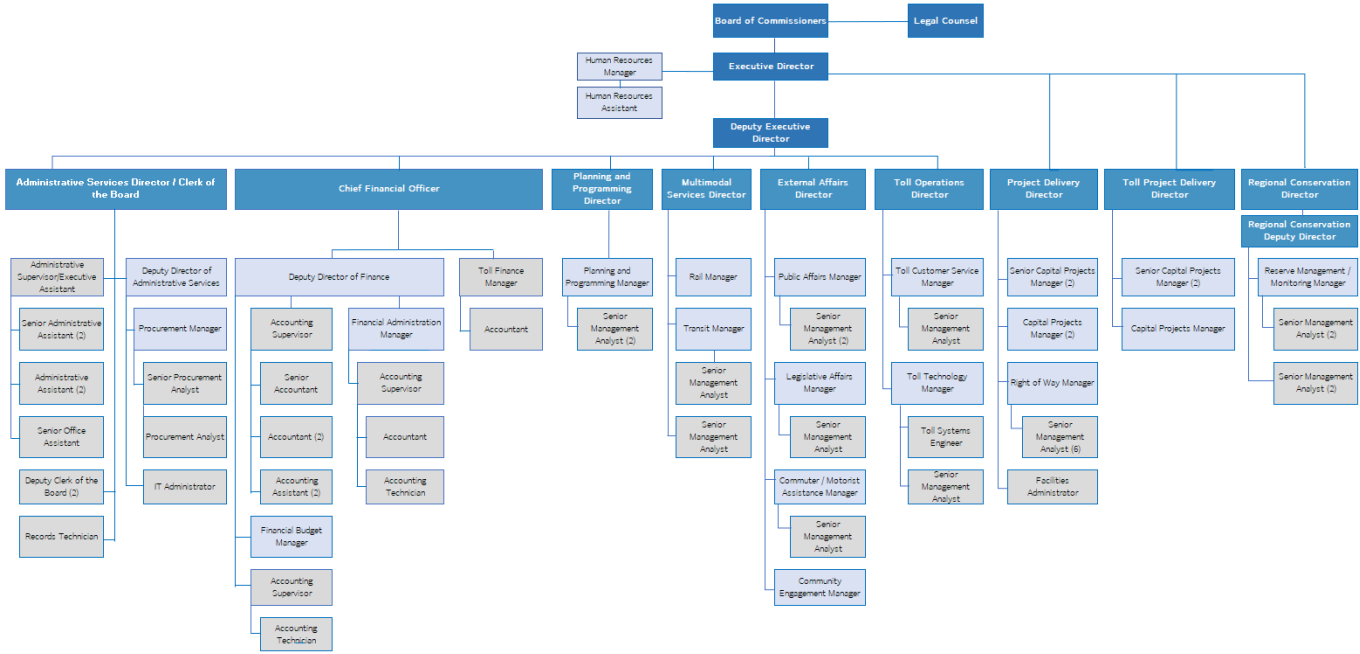
In closing, without the leadership and the support of the Board, preparation of this report would not have been possible, particularly the dedication, professional judgement, and prudence of the Finance department, led by the Deputy Director of Finance. Its prudent management must be credited for the 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 sincerely yours,

Aaron Hake
Executive Director

Sergio Vidal
Chief Financial Officer

Riverside County Transportation Commission Organization Chart



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

| Name | Title | Agency |
|----------------------|-----------------------------------------------------------------------|---------------------------------|
| Kevin Jeffries | Member | County of Riverside, District 1 |
| Karen Spiegel | Chair (Commission) | County of Riverside, District 2 |
| Chuck Washington | Member | County of Riverside, District 3 |
| V. Manuel Perez | Member | County of Riverside, District 4 |
| Yxstian Gutierrez | Member | County of Riverside, District 5 |
| David Happe | Member | City of Banning |
| Lloyd White | Vice Chair (Commission) | City of Beaumont |
| Joseph DeConinck | Member | City of Blythe |
| Linda Molina | Chair (Budget and Implementation Committee) | City of Calimesa |
| Jeremy Smith | Member | City of Canyon Lake |
| Raymond Gregory | 2nd Vice Chair (Commission) | City of Cathedral City |
| Steven Hernandez | Member | City of Coachella |
| Wes Speake | Chair (Western Riverside County Programs and Projects Committee) | City of Corona |
| Scott Matas | Member | City of Desert Hot Springs |
| Clint Lorimore | Chair (Toll Policy and Operations Committee) | City of Eastvale |
| Linda Krupa | Member | City of Hemet |
| Dana Reed | Member | City of Indian Wells |
| Waymond Fermon | Member | City of Indio |
| Brian Berkson | Vice Chair (Toll Policy and Operations Committee) | City of Jurupa Valley |
| Kathleen Fitzpatrick | Member | City of La Quinta |
| Bob Magee | Member | City of Lake Elsinore |
| Bill Zimmerman | Member | City of Menifee |
| Ulises Cabrera | Member | City of Moreno Valley |
| Cindy Warren | Member | City of Murrieta |
| Berwin Hanna | Member | City of Norco |
| Jan Harnik | Member | City of Palm Desert |
| Lisa Middleton | Member | City of Palm Springs |
| Michael M. Vargas | Member | City of Perris |
| Meg Marker | Member | City of Rancho Mirage |
| Chuck Conder | Member | City of Riverside |
| Valerie Vandever | Vice Chair (Budget and Implementation) | City of San Jacinto |
| James Stewart | Member | City of Temecula |
| Joseph Morabito | Vice Chair (Western Riverside County Programs and Projects Committee) | City of Wildomar |
| Catalino Pining | Governor's Appointee | Caltrans, District 8 |

Management Staff

Aaron Hake, Executive Director
 David Knudsen, Deputy Executive Director
 Jennifer Crosson, Toll Operations Director
 Erik Galloway, Project Delivery Director
 Jillian Guizado, Planning and Programming Director
 Aaron Gabbe, Regional Conservation Deputy Executive Director
 To be determined, External Affairs Director
 Lorelle Moe-Luna, Multimodal Services Director
 David Thomas, Toll Project Delivery Director
 Lisa Mobley, Administrative Services Director/Clerk of the Board
 Sergio Vidal, Chief Financial Officer

Financial Section

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the Commission has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2024. Accordingly, a restatement has been made to the governmental activities, business-type activities, RCTC 91 Express Lanes Enterprise Fund, and 15 Express Lanes Enterprise Fund net position as of July 1, 2023 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of proportionate share of net pension liability/(asset), schedule of pension contributions, schedule of changes in the net OPEB liability/(asset) and related ratios, and the schedule of OPEB contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, and schedule of uses of debt proceeds and fund balances are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, and schedule of uses of debt proceeds and fund balances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2024

Riverside County Transportation Commission

Management's Discussion and Analysis Year Ended June 30, 2024

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, 2024. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages i-xi and the Commission's financial statements which begin on page 20.

Financial Highlights

- Total net position of the Commission was \$1,474,610,098 and consisted of net investment in capital assets of \$356,457,016; restricted other post-employment benefits net position of \$232,200, and restricted net position of \$1,585,005,703; and unrestricted net position (deficit) of (\$467,084,821).
- The unrestricted net deficit results primarily from the recording of the debt issued for Measure A highway, local streets and roads, and regional arterial projects. As title to substantially most of those asset's 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 to offset current and long-term liabilities; however, future Measure A sales taxes are pledged to cover Measure A debt service payments when made.
- Total net position increased by \$287,055,355 during fiscal year (FY) 2023/24. The net position included a decrease within the governmental activities of \$5,096,967, which was primarily due to decreases in capital grants and contributions related to funding received for the 15/91 Express Lanes Connector project in the City of Corona during the prior year; marginal decreases in Measure A and TDA sales taxes when compared to the prior year, due to a softening in the economy; offset by the increases in various motorist assistance, transit and specialized transportation, regional arterial, CETAP, and other agency managed project expenses. An increase in net position from business-type activities of \$292,152,322 resulted from the contribution of assets from the Commission governmental funds related to the 15/91 Express Lanes Connector that opened to traffic in November 2023, along with toll revenue and investment income increases; offset by decreases in required repair and rehabilitation expenses for the 91 Express Lanes and transfers of 91 Express Lanes surplus funding for the 15/91 Express Lanes Connector project from the 91 Express Lanes.
- Total capital assets, net of accumulated depreciation and amortization, were \$1,387,417,430 at June 30, 2024, representing an increase of \$36,204,246 or 3%, from June 30, 2023. The increase in capital assets was primarily related to purchases in land and temporary structures for the Mid County Parkway and SR-91 projects, along with the toll facility franchise for the 91 Express Lanes related to completed 15/91 Express Lanes Connector project.
- The long-term obligations decreased of \$32,519,115, or 2% and is related to principal payments on the sales tax revenue bonds and amortization of sales tax revenue bonds premium; offset by the compounded and accreted interest on the TIFIA loans. Additionally, deferred inflows of resources show a decrease of \$1,970,401, or 32% and is related to lower leases, pension and other post-employment benefits (OPEB).
- The Commission's governmental funds reported combined ending fund balances of \$1,434,326,368. Net change in fund balances for the current fiscal year, in the amount of \$163,164,137, is primarily due to Measure A Western County which include Measure A and intergovernmental revenues exceeding incurred program expenditures for highways, local streets and roads, and transfers out primarily for debt, offset by a net decrease in bicycle and pedestrian, commuter assistance, highway, and local streets and roads program expenditures. Fund balance also increased within the Local Transportation, State Transit Assistance, and TUMF due to outperforming sales taxes and TUMF fees along with lower than anticipated program expenditures. Approximately 56% of the governmental fund balances represent amounts available for the Measure A program, including debt service and funding from the issuance of debt, and the TUMF program.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements report the functions of the Commission that are principally supported by sales taxes and intergovernmental revenues, or governmental activities, from other functions that are intended to recover all or a significant portion of its costs through user fees and charges, or business-type activities. The governmental activities of the Commission include general government, the Measure A program, CETAP, commuter assistance, regional arterials, commuter rail, transit and specialized transportation services, planning and programming, regional conservation, bicycle and pedestrian facilities projects, and motorist assistance services. Measure A program services are divided within the three regions of Riverside County (County), namely Western County, Coachella Valley, and Palo Verde Valley. The business-type activities of the Commission include toll road operations.

The government-wide financial statements include only the Commission and its blended component unit. The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

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

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

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

The Commission maintains 17 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, TUMF, Local Transportation Fund (LTF), State Transit Assistance, and SB 132 Special Revenue funds, Commercial Paper and Bonds Capital

Projects funds, and Debt Service fund. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section.

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

The governmental fund financial statements, including the reconciliation between the fund financial statements and the government-wide financial statements, can be found on pages 20-27 of this report.

The proprietary fund consists of two enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for its toll road operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate financial information of the RCTC 91 Express Lanes and 15 Express Lanes, which are major enterprise funds of the Commission.

The proprietary fund financial statements can be found on pages 28-31 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-73 of this report.

Other Information

Other information is in addition to the basic financial statements and accompanying notes to the financial statements. This report also presents certain required supplementary information concerning the Commission's budgetary results for the General fund and major Special Revenue funds as well as the schedules of proportionate share of net pension liability, pension contributions, changes in the net other post-employment benefits (OPEB) asset and related ratios, and OPEB contributions. Required supplementary information can be found on pages 74-83 of this report.

Other supplementary information is presented immediately following the required supplementary information. Other supplementary information includes the combining statements referred to earlier relating to nonmajor governmental funds; budgetary results for the nonmajor Special Revenue funds, all Capital Projects funds, and the Debt Service fund; schedules of expenditures for local streets and roads and expenditures for transit and specialized transportation; and schedule of uses of debt proceeds and fund balances. This other supplementary information can be found on pages 84-98 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, 2024, the Commission's assets, including deferred outflows of resources, exceeded liabilities, and deferred outflow of inflows, by \$1,474,610,098, a \$286,121,155 increase from June 30, 2023. Our analysis below focuses on the net position and changes in net position of the Commission's governmental and business-type activities.

Net Position

Approximately 25%, compared to 27% in FY 2022/23, of the Commission's net position reflects its net investment in capital assets (i.e., intangibles consisting of toll facility franchise; construction in progress; land and improvements; toll infrastructure; buildings; construction and rail operating easements; rail stations; rail tracks; building and office improvements; development in progress;

transponders; and office furniture, equipment, and vehicles), less any related outstanding debt used to acquire those assets, primarily related to land and tolled express lane projects. The Commission uses these capital assets to provide transportation services to the residents and business community of the County. Although the Commission's investments in capital assets is reported net of related debt, the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For business-type activities, the related debt for the RCTC 91 Express Lanes exceeded the capital assets, net of accumulated depreciation and amortization, as a portion of the debt financed highway improvements on SR-91 for which title vests with Caltrans. The increase is related to the completion of the 15/91 Express Lanes Connector project that opened to traffic in November 2023, including the purchase of land with temporary structures, offset by the payment of debt.

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 represents the majority of the total governmental activities net position at June 30, 2024. Restricted net position from governmental activities increased by \$155,453,071, as a result of the increased investment income and operating grants and contributions, offset by a net decrease in program expenses, including a one-time contribution of assets to the to the 91 Express Lanes. Restricted net position from business-type activities increased \$37,711,981 primarily as a result of higher than anticipated toll revenues from operations, offset by decreases in repair and rehabilitation project costs on the 91 Express Lanes, and transfer of surplus funding for the 15/91 Express Lanes Connector project.

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 deficit was reduced from a \$510,152,633 at June 30, 2023 to \$467,084,821 as of June 30, 2024. The governmental activities deficit results primarily from the impact of recording of the Commission's long-term debt utilized to fund projects that are considered assets for the State of California's highway system and not the asset of the Commission.

The following is condensed financial data related to net position at June 30, 2024 and June 30, 2023:

| Net Position | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------------------------|-------------------------|------------------|--------------------------|-----------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 1,558,675,920 | \$ 1,355,891,955 | \$ 284,245,694 | \$ 226,456,593 | \$ 1,842,921,614 | \$ 1,582,348,548 |
| Capital assets not being depreciated | 313,288,515 | 504,689,862 | 23,280,933 | 25,725,838 | 336,569,448 | 530,415,700 |
| Capital assets, net of depreciation and amortization | 229,557,689 | 240,059,671 | 821,290,293 | 580,737,813 | 1,050,847,982 | 820,797,484 |
| Total assets | 2,101,522,124 | 2,100,641,488 | 1,128,816,920 | 832,920,244 | 3,230,339,044 | 2,933,561,732 |
| Deferred outflows of resources | 35,306,581 | 38,837,345 | 14,749,590 | 15,546,499 | 50,056,171 | 54,383,844 |
| Total assets and deferred outflows of resources | 2,136,828,705 | 2,139,478,833 | 1,143,566,510 | 848,466,743 | 3,280,395,215 | 2,987,945,576 |
| Long-term obligations | 755,787,528 | 795,541,492 | 909,546,616 | 902,311,767 | 1,665,334,144 | 1,697,853,259 |
| Other liabilities | 124,346,136 | 79,610,619 | 11,974,461 | 15,891,978 | 136,320,597 | 95,502,597 |
| Total liabilities | 880,133,664 | 875,152,111 | 921,521,077 | 918,203,745 | 1,801,654,741 | 1,793,355,856 |
| Deferred inflows of resources | 3,694,066 | 5,403,507 | 436,310 | 697,270 | 4,130,376 | 6,100,777 |
| Total liabilities and deferred inflows of resources | 883,827,730 | 880,555,618 | 921,957,387 | 918,901,015 | 1,805,785,117 | 1,799,456,633 |
| Net position: | | | | | | |
| Net investment in capital assets | 278,861,564 | 483,304,687 | 77,595,452 | (176,735,962) | 356,457,016 | 306,568,725 |
| Restricted | 1,441,224,232 | 1,285,771,161 | 144,013,671 | 106,301,690 | 1,585,237,903 | 1,392,072,851 |
| Unrestricted (deficit) | (467,084,821) | (510,152,633) | - | - | (467,084,821) | (510,152,633) |
| Net position at end of year | \$ 1,253,000,975 | \$ 1,258,923,215 | \$ 221,609,123 | \$ (70,434,272) | \$ 1,474,610,098 | \$ 1,188,488,943 |

Changes in Net Position

The Commission's total program and general revenues were \$888,157,700, while the total cost of all programs was \$601,102,345. Total revenues increased by 2%, and the total cost of all programs decreased by 5%. Those who directly benefited from the

programs or other governments that subsidized certain programs with grants and contributions paid approximately 56% of the costs of the Commission's programs in FY 2023/24, compared to 55% of the costs in FY 2022/23. Sales taxes ultimately financed a significant portion of the programs' net costs.

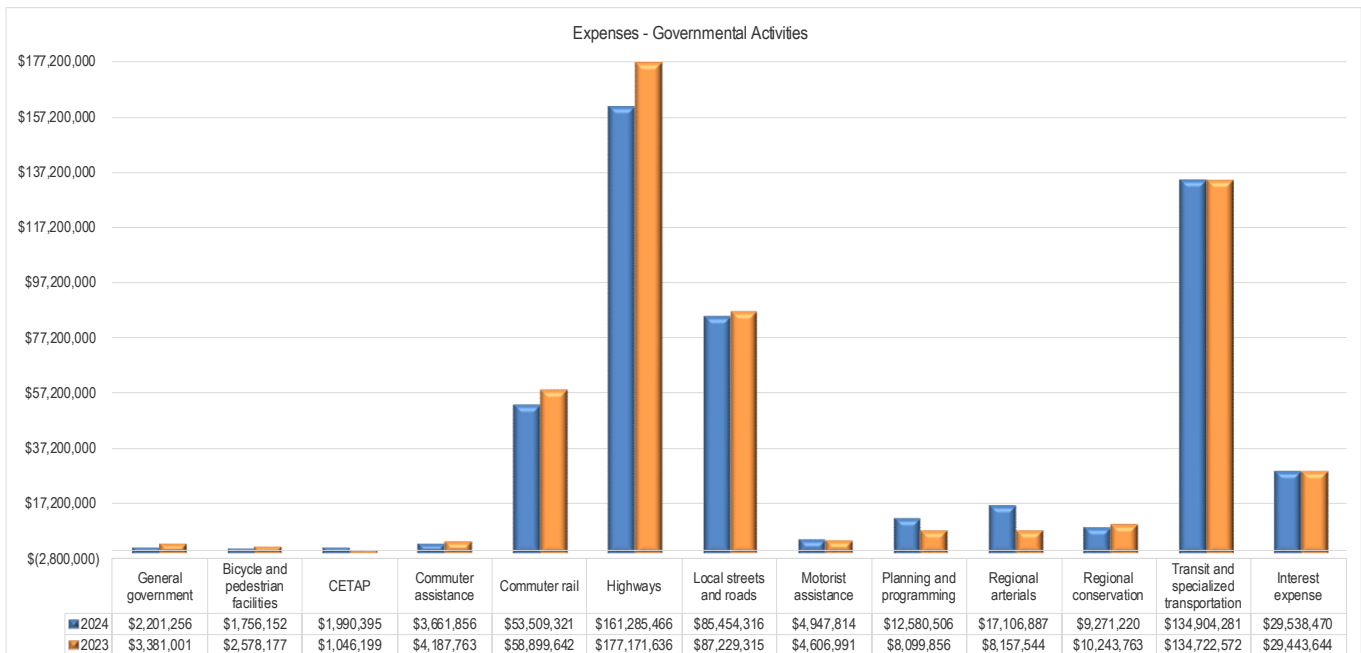
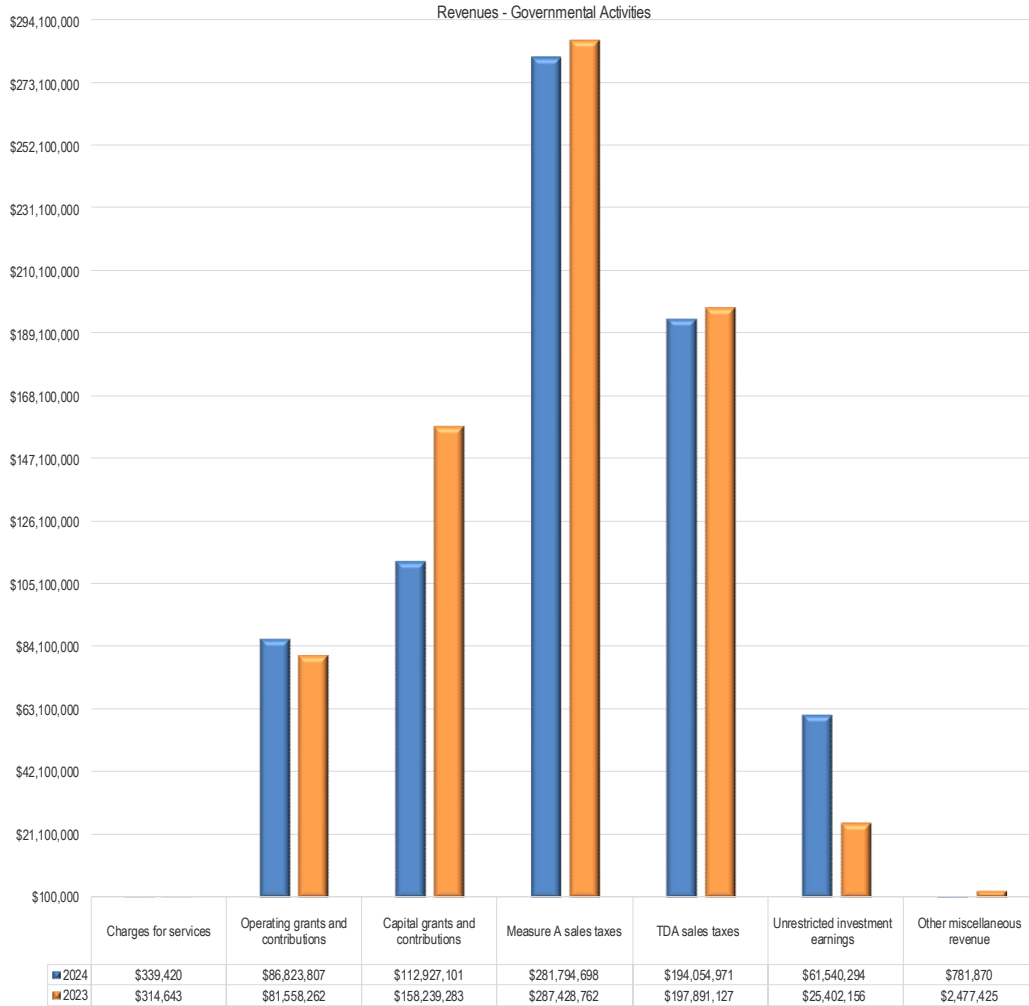
Governmental and business-type activities combined increased the Commission's net position by \$287,055,355 and condensed financial data related to the change in net position is presented in the table below. Key elements of this increase, are as follows:

- Charges for services increased by \$24,031,272, or 21%, due to increased traffic volumes, and higher than anticipated toll revenue on the RCTC 91 Express Lanes and 15 Express Lanes;
- Operating grants and contributions increased by \$5,265,545, or 6%, primarily due to state reimbursements related to commuter rail operations, state funding for freeway service patrol services, including, TUMF CETAP and regional arterial funding, and regional conservation agency funding for reimbursement of management services;
- Capital grants and contributions decreased by \$45,312,182, or 29%, primarily due to lower federal and state reimbursements related to the project funding for 15/91 Express Lanes Connector, Mid County Parkway, and smart freeway projects completion or projects in various stages of engineering or construction that have an impact in reimbursements when compared to the prior year;
- Measure A sales tax revenues decreased by \$5,634,064, or 2% and Transportation Development Act (TDA) sales taxes decreased by \$3,836,156, or 2%. when compared to the prior year. The decrease is primarily a result from economic slowing from inflation, higher interest rates, and consumer challenges of balancing higher prices and financing costs with essential household needs;
- Unrestricted investment earnings increased \$43,334,129, or 138% due to higher investment rates and unrealized gains in the portfolio;
- Other miscellaneous revenues decreased \$1,695,555, or 68%, due primarily to the sale of rail and highway properties in the previous fiscal year;

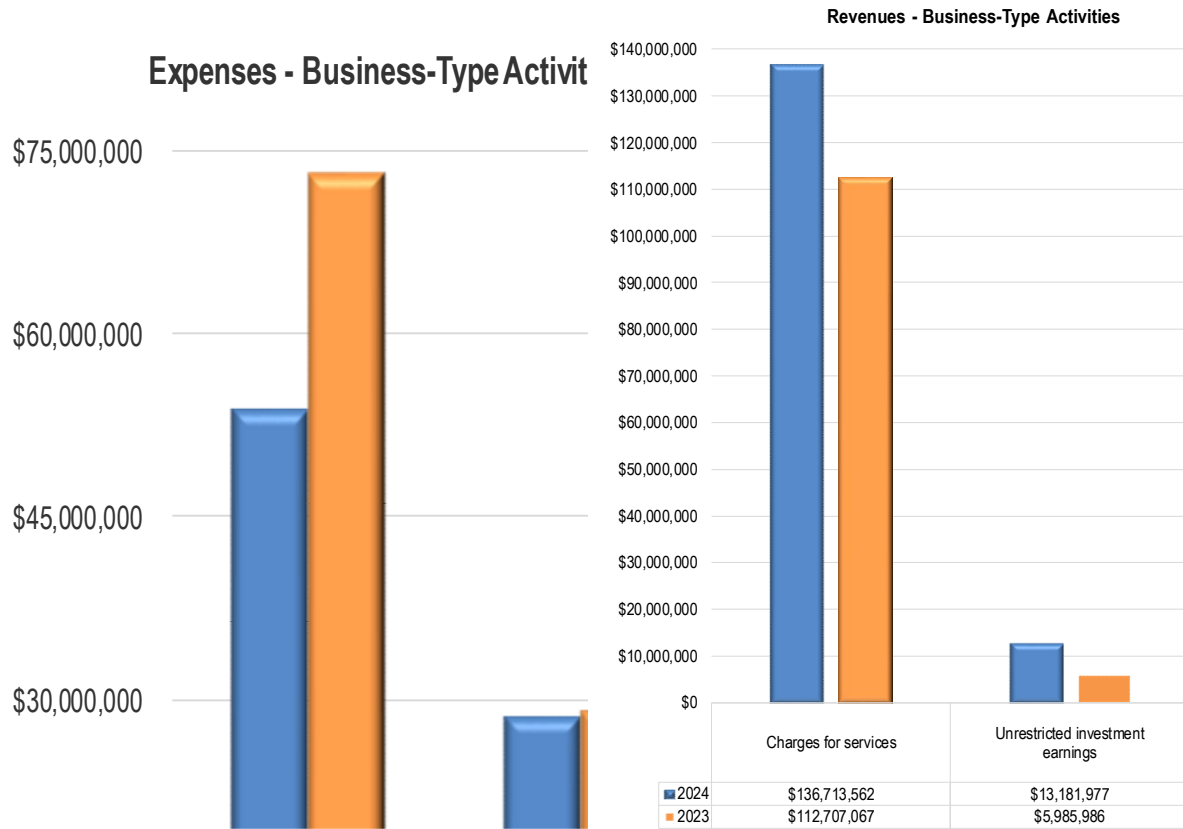
| Changes in Net Position | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 339,420 | \$ 314,643 | \$ 136,713,562 | \$ 112,707,067 | \$ 137,052,982 | \$ 113,021,710 |
| Operating grants and contributions | 86,823,807 | 81,558,262 | - | - | 86,823,807 | 81,558,262 |
| Capital grants and contributions | 112,927,101 | 158,239,283 | - | - | 112,927,101 | 158,239,283 |
| General revenues: | | | | | | |
| Measure A sales taxes | 281,794,698 | 287,428,762 | - | - | 281,794,698 | 287,428,762 |
| TDA sales taxes | 194,054,971 | 197,891,127 | - | - | 194,054,971 | 197,891,127 |
| Unrestricted investment earnings | 61,540,294 | 25,402,156 | 13,181,977 | 5,985,986 | 74,722,271 | 31,388,142 |
| Other miscellaneous revenue | 781,870 | 2,477,425 | - | - | 781,870 | 2,477,425 |
| Total revenues | 738,262,161 | 753,311,658 | 149,895,539 | 118,693,053 | 888,157,700 | 872,004,711 |
| Expenses | | | | | | |
| General government | 2,201,256 | 3,381,001 | - | - | 2,201,256 | 3,381,001 |
| Bicycle and pedestrian facilities | 1,756,152 | 2,578,177 | - | - | 1,756,152 | 2,578,177 |
| CETAP | 1,990,395 | 1,046,199 | - | - | 1,990,395 | 1,046,199 |
| Commuter assistance | 3,661,856 | 4,187,763 | - | - | 3,661,856 | 4,187,763 |
| Commuter rail | 53,509,321 | 58,899,642 | - | - | 53,509,321 | 58,899,642 |
| Highways | 161,285,466 | 177,171,636 | - | - | 161,285,466 | 177,171,636 |
| Local streets and roads | 85,454,316 | 87,229,315 | - | - | 85,454,316 | 87,229,315 |
| Motorist assistance | 4,947,814 | 4,606,991 | - | - | 4,947,814 | 4,606,991 |
| Planning and programming | 12,580,506 | 8,099,856 | - | - | 12,580,506 | 8,099,856 |
| Regional arterials | 17,106,887 | 8,157,544 | - | - | 17,106,887 | 8,157,544 |
| Regional conservation | 9,271,220 | 10,243,763 | - | - | 9,271,220 | 10,243,763 |
| Toll operations | - | - | 82,894,405 | 102,562,700 | 82,894,405 | 102,562,700 |
| Transit and specialized transportation | 134,904,281 | 134,722,572 | - | - | 134,904,281 | 134,722,572 |
| Interest expense | 29,538,470 | 29,443,644 | - | - | 29,538,470 | 29,443,644 |
| Total expenses | 518,207,940 | 529,768,103 | 82,894,405 | 102,562,700 | 601,102,345 | 632,330,803 |
| Excess (deficiency) of revenues over (under) expenses | 220,054,221 | 223,543,555 | 67,001,134 | 16,130,353 | 287,055,355 | 239,673,908 |
| Transfers | (225,151,188) | 45,694,519 | 225,151,188 | (45,694,519) | - | - |
| Increase (decrease) in net position | (5,096,967) | 269,238,074 | 292,152,322 | (29,564,166) | 287,055,355 | 239,673,908 |
| Change in accounting principal | (825,273) | - | (108,927) | - | (934,200) | - |
| Net position at beginning of year | 1,258,923,215 | 989,685,141 | (70,434,272) | (40,870,106) | 1,188,488,943 | 948,815,035 |
| Net position at end of year | \$ 1,253,000,975 | \$ 1,258,923,215 | \$ 221,609,123 | \$ (70,434,272) | \$ 1,474,610,098 | \$ 1,188,488,943 |

- General government expenses decreased by \$1,179,745, or 35%, primarily due to the recognition of the pension actuarial liability compared to a pension actuarial asset in FY 2022/23;
- Bicycle and pedestrian facilities expenses decreased by \$822,025, or 32%, due to a decrease in claims submitted for approved projects;
- CETAP expenses increased \$944,196, or 90%, due to Mid County Parkway project right of way expenses;
- Commuter assistance expenses decreased \$525,907, or 13%, primarily due to a decrease in program management and operation services;
- Commuter rail expenses decreased by \$5,390,321 or 9%, as a result decreased operating and capital contributions to the Southern California Regional Rail Authority (SCRRA) due to decreased claims;
- Highway expenses decreased by \$15,886,170, or 9%, due primarily to the completion of the 15/91 Express Lanes Connector project in November 2023;
- Local streets and roads expenses decreased by \$1,774,999 or 2%, because of a decrease in the overall Measure A sales tax revenue that have a corresponding allocation decrease to the local jurisdictions;
- Motorist assistance expenses increased by \$340,823, or 7%, due to freeway service patrol activities;
- Planning and programming expenses increased by \$4,480,650, or 55%, due to LTF planning allocations and various next generation express lanes and transit-oriented communities strategic plan development studies;
- Regional arterial expenses increased by \$8,949,343 or 110%, as a result of a net increase in reimbursements to local jurisdictions for approved regional arterial projects;
- Regional conservation expenses decreased by \$972,543, or 9%, primarily due to the recognition of the pension actuarial liability that is recognized as a deferred outflow of pension and OPEB contributions in the prior year;
- Toll operations expenses decreased by \$19,668,295, or 19%, due primarily to lower required repair and rehabilitation activities on the 91 Express Lanes in the prior year;
- Transit and specialized transportation expenses increased by \$181,709, or less than 1%, due to an increase in bus transit operating and capital claims in Western County and Coachella Valley geographic area;
- Interest expense related to governmental activities increased by \$94,826, or less than 1%, primarily as a result of the net impacts of the current year's interest payments, amortization of the loss on refunding bonds, and amortization of sales tax bond premiums; and
- Internal transfers increased \$270,845,707, or 593%, primarily due to capital contributions made from Governmental Activities to Business-Type Activities (91 Express Lanes), related to completion of the 15/91 Express Lanes Connector project.

The graphs below present the program and general revenues by source and program expenses for the Commission's governmental activities for the fiscal years ended June 30, 2024 and June 30, 2023:



The graphs below present the program and general revenues by source and program expenses for the Commission’s business-type activities for the fiscal years ended June 30, 2024 and June 30, 2023:



Financial Analysis of the Commission’s Funds

Governmental Funds

The focus of the Commission’s governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission’s financing requirements.

As of June 30, 2024, the Commission’s governmental funds reported combined ending fund balances of \$1,434,326,368, an increase of \$163,164,137 compared to FY 2022/23. Less than 1%, or \$955,467, is nonspendable fund balance related to prepaid amounts; and \$2,264,865 is assigned fund balance for general government administration activities. The remainder of the fund balance is restricted to indicate the following externally enforceable legal restrictions:

- \$11,178,811 in TDA funds that have been allocated to jurisdictions within the County for bicycle and pedestrian projects;
- \$80,780,221 of TUMF funds for new CETAP corridors in Western County;
- \$25,844,508 for Western County commuter assistance activities such as expansion of park-and-ride facilities and other projects and programs that encourage commuters to use alternative modes of transportation under the 2009 Measure A program;
- \$94,899,655 in TDA, Measure A, and Proposition 1B funds for commuter rail operations and capital projects and \$2,364,134 in TDA and Proposition 1B funds for the Coachella Valley/San Gorgonio Pass rail corridor;
- \$13,452,855 in 2009 Measure A funds available to pay sales tax revenue bonds debt service over the next year;
- \$392,417,720 for highway, economic development, and new corridor projects related to the 1989 Measure A and 2009 Measure A programs;

- \$14,700,623 in state funds for motorist assistance services;
- \$4,111,547 of TDA funds and \$62,808 intergovernmental funds for planning and programming activities;
- \$111,759,741 and \$99,765,129 for regional arterial projects in Western County related to the 2009 Measure A and TUMF programs, respectively;
- \$25,004,245 of Measure A funds for transit and specialized transportation in the Western County and \$1,530,287 for specialized transportation in the Coachella Valley; and
- \$553,182,105 in TDA funds available to the commuter rail and bus transit operations and capital in the County, including state of good repair.

The following table presents the changes in fund balances for the governmental funds by fund category for the fiscal years ended June 30, 2024 and 2023:

| | Fund Balances | | |
|---------------------------------------|--------------------|------------------|----------|
| | Year Ended June 30 | | % Change |
| | 2024 | 2023 | |
| General fund | \$ 41,638,227 | \$ 37,100,151 | 12% |
| Special Revenue major funds: | | | |
| Measure A Western County | 532,829,032 | 438,154,128 | 22% |
| Measure A Coachella Valley | 66,767,816 | 96,210,303 | -31% |
| Transportation Uniform Mitigation Fee | 180,545,350 | 148,270,737 | 22% |
| Local Transportation Fund | 388,170,511 | 336,576,925 | 15% |
| State Transit Assistance | 161,469,466 | 142,158,549 | 14% |
| SB 132 | 2,914,808 | 1,003,665 | 190% |
| Capital Projects major funds: | | | |
| Commercial Paper | 11,847,729 | 13,392,732 | -12% |
| Bonds | 2,790,423 | 18,149,828 | -85% |
| Debt Service fund | 13,452,855 | 11,871,675 | 13% |
| Nonmajor governmental funds | 31,900,151 | 28,273,538 | 13% |
| Total | \$ 1,434,326,368 | \$ 1,271,162,231 | |

Key elements for the changes in fund balances during fiscal year 2023/24 are as follows:

- The 12% increase in the General fund resulted from increased commuter rail TDA funds transfers, decreases in commuter rail and transit and specialized transportation program expenditures, offset by the increase in planning and programming program expenditures;
- The 22% increase in the Measure A Western County Special Revenue fund was attributed to excess 2009 Measure A revenues and interest income, offset by increased commuter rail, highways, and regional arterial expenditures;
- The 31% decrease in the Measure A Coachella Valley Special Revenue fund was attributed to excess 2009 Measure A expenditures for Coachella Valley highway, local streets and roads, and transit and specialized transportation projects over revenues;
- The 22% increase in the TUMF Special Revenue fund was attributable to excess TUMF revenues over CETAP and regional arterial expenditures;
- The 15% and 14% increase in the Local Transportation Fund and State Transit Assistance, respectively, 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 190% increase in the SB 132 fund resulted from portfolio earnings generating substantial investment income;
- The 12% decrease in the Commercial Paper Capital Projects fund was attributed to the use of excess funds for the repayment of debt service;
- The 85% decrease in the Bonds Capital Projects fund was attributed to transfers to the Measure A Western County Special Revenue fund and 15 Express Lanes Enterprise fund for reimbursement of project costs related to the I-15 Express Lanes Project;
- The 13% increase in the Debt Service fund was attributable to an increase in investment income; and
- The 13% increase in nonmajor governmental funds resulted primarily from the excess of State of Good Repairs revenues

over claims of allocations for transit operations and capital projects and excess Service Authority for Freeway Emergencies funding over program expenditures.

Proprietary Fund

The Commission’s proprietary fund provides the same type of information found in the government-wide financial statements. The net position of the proprietary fund totaled \$221,609,123 at June 30, 2024.

General Fund Budgetary Highlights

The \$130,000 increase in General Fund expenditure appropriations between the original budget and the final amended budget for the General fund was related to the following changes:

- \$1,300,800 decrease to general government for various operations support services;
- \$1,355,000 increase to the planning and programming program;
- \$900,800 increase to lease and subscription IT debt service costs; and
- \$825,000 decrease to capital outlay.

During the year, General fund revenues were lower than budgetary estimates by \$21,533,980; expenditures were less than budgetary estimates by \$45,950,319. General fund budgetary variances between the final amended budget and actual amounts are as follows:

| General Fund Budgetary Variances | Year Ended June 30, 2024 | | | |
|---------------------------------------------|--------------------------|----------------------|----------------------|------------------------|
| | Original | Final Amended | Actual | % Variance |
| | Budget | Budget | | |
| Revenues | | | | |
| Intergovernmental | \$ 32,765,000 | \$ 32,765,000 | \$ 9,424,247 | \$ (23,340,753) |
| Investment income | 353,500 | 353,500 | 1,700,164 | 1,346,664 |
| Other | - | - | 460,109 | 460,109 |
| Total revenues | 33,118,500 | 33,118,500 | 11,584,520 | (21,533,980) |
| Expenditures | | | | |
| Current | | | | |
| General government | 13,248,600 | 11,947,800 | - | 11,947,800 |
| Commuter rail | 47,103,400 | 47,103,400 | 24,855,817 | 22,247,583 |
| Planning and programming | 18,106,400 | 19,461,400 | 10,002,033 | 9,459,367 |
| Transit and specialized transportation | 997,500 | 997,500 | 766,231 | 231,269 |
| Debt service | - | 900,800 | 900,755 | 45 |
| Capital outlay | 3,410,000 | 2,585,000 | 520,745 | 2,064,255 |
| Total expenditures | 82,865,900 | 82,995,900 | 37,045,581 | 45,950,319 |
| Other financing sources (uses) | | | | |
| Lease and subscription financing | - | - | 319,719 | 319,719 |
| Transfers in | 50,976,300 | 50,976,300 | 29,679,418 | (21,296,882) |
| Transfers out | (5,877,700) | (5,877,700) | - | 5,877,700 |
| Total other financing sources (uses) | \$ 45,098,600 | \$ 45,098,600 | \$ 29,999,137 | \$ (15,099,463) |

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

- \$23,340,753 negative variance for intergovernmental revenues primarily related to lower eligible intergovernmental reimbursements due to lower commuter rail expenditures;
- \$1,346,664 positive variance for investment income includes higher investment yields and unrealized gains;

- \$460,109 positive variance for other revenues related to commuter rail offender fees and miscellaneous revenues;
- \$11,947,800 positive variance for general government expenditures related to the administrative cost allocations process;
- \$22,247,583 positive variance for commuter rail expenditures related to lower Metrolink operations costs due to the availability of federal relief funds to SCRRRA and delay in various rail capital projects;
- \$9,459,367 positive variance for planning and programming expenditures related to lower professional services, special studies, planning allocations, and other expenditures such as staff support;
- \$231,269 positive variance for transit and specialized transportation expenditures related to lower salaries and benefits, professional services, and other expenditures such as staff support;
- \$45 positive variance for debt service expenditures related to the GASB Statement No. 87 *Leases* and GASB Statement No. 96 *Subscriptions*;
- \$2,064,255 positive variance for capital outlay expenditures related to implementation of replacement of finance enterprise resource planning system and rail station improvements;
- \$319,719 positive variance related to lease and subscription financing;
- \$21,296,882 negative variance for transfers in related to the administrative cost allocations process and lower commuter rail activities than anticipated; and
- \$5,877,700 positive variance for transfers out related to the administrative cost allocations process that affected commuter rail, planning and programming, and transit and specialized transportation activities.

Capital Assets

As of June 30, 2024, the Commission had \$1,387,417,430, net of accumulated depreciation and amortization, invested in a broad range of capital assets including development and construction in progress and easements; land and land improvements; construction rail operating easements, stations, and tracks; buildings; toll infrastructure; transponders; toll facility franchise; office improvements, furniture, equipment, and vehicles; and leased and subscription IT assets. During FY 2023/24, the Commission's total capital assets increased primarily due to an increase in business-type activities related to the toll facility franchise in the amount of \$245,454,469 in connection with the completion of the 15/91 Express Lanes Connector project, offset by a decrease in construction in progress within the governmental activities totaling \$208,002,298.

Other major capital asset additions during 2024 included right of way acquisition, development in progress, buildings and improvements, toll facility franchise on various projects, including office improvements, furniture, equipment and vehicles.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------------------------------------------------------------------|-------------------------|----------------|--------------------------|----------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Capital assets not being depreciated: | | | | | | |
| Land and land improvements | \$ 188,630,014 | \$ 179,033,069 | \$ 23,021,276 | \$ 19,237,061 | \$ 211,651,290 | \$ 198,270,130 |
| Construction easements | 4,204,493 | 4,202,495 | 259,657 | 259,657 | 4,464,150 | 4,462,152 |
| Rail operating easements | 63,846,199 | 63,846,199 | - | - | 63,846,199 | 63,846,199 |
| Construction in progress | 55,159,317 | 256,932,495 | - | 6,229,120 | 55,159,317 | 263,161,615 |
| Development in progress | 1,448,492 | 675,604 | - | - | 1,448,492 | 675,604 |
| Total capital assets not being depreciated | 313,288,515 | 504,689,862 | 23,280,933 | 25,725,838 | 336,569,448 | 530,415,700 |
| Capital assets being depreciated and amortized, net of accumulated depreciation and amortization: | | | | | | |
| Rail stations | 110,170,980 | 116,671,691 | - | - | 110,170,980 | 116,671,691 |
| Rail tracks | 113,521,842 | 118,701,546 | - | - | 113,521,842 | 118,701,546 |
| Temporary construction easements | - | 368,352 | - | - | - | 368,352 |
| Buildings and building improvements | 2,117,356 | - | 4,308,199 | 5,167,778 | 6,425,555 | 5,167,778 |
| Toll infrastructure | - | - | 13,224,681 | 17,231,726 | 13,224,681 | 17,231,726 |
| Transponders | - | - | - | - | - | - |
| Toll facility franchise | - | - | 803,736,678 | 558,282,209 | 803,736,678 | 558,282,209 |
| Office improvements, furniture, equipment, and vehicles | 895,578 | 737,440 | 20,735 | 56,100 | 916,314 | 793,540 |
| Total capital assets, net of accumulated depreciation and amortization | 226,705,756 | 236,479,029 | 821,290,293 | 580,737,813 | 1,047,996,049 | 817,216,842 |
| Intangible right to use leased assets, net of accumulated amortization | | | | | | |
| Land | 84 | 8,401 | - | - | 84 | 8,401 |
| Buildings | 2,025,982 | 2,636,321 | - | - | 2,025,982 | 2,636,321 |
| Equipment | 63,397 | 33,795 | - | - | 63,397 | 33,795 |
| Total intangible right to use leased assets, net of accumulated amortization | 2,089,463 | 2,678,517 | - | - | 2,089,463 | 2,678,517 |
| Intangible right to use subscription IT assets, net of accumulated amortization | 762,470 | 902,125 | - | - | 762,470 | 902,125 |
| Total capital assets | \$ 542,846,204 | \$ 744,749,533 | \$ 844,571,226 | \$ 606,463,651 | \$ 1,387,417,430 | \$ 1,351,213,184 |

On March 20, 2017, the 91 Project was substantially completed and the RCTC 91 Express Lanes opened to motorists. In connection with a toll facilities agreement with Caltrans, or service concession agreement, the Commission may collect tolls and operate and maintain a toll facility on SR-91 from the Orange/Riverside County line to I-15 for 50 years from opening. On April 10, 2021, the I-15 Express Lanes project was substantially completed and the 15 Express Lanes opened to motorists; the 15 Express Lanes began tolling on April 14, 2021. In connection with a toll facilities agreement with Caltrans, or service concession agreement, the Commission may collect tolls and operate and maintain a toll facility on I-15 between Cajalco Road in Corona and SR-60 in Jurupa Valley for 50 years from opening and commencement of tolling.

More detailed information about the Commission's capital assets is presented in Note 5 to the financial statements.

Debt Administration

As of June 30, 2024, the Commission had \$1,656,350,419 outstanding in sales tax and toll revenue bonds, including a TIFIA loan as follows:

| | |
|----------------------------------------------------|-------------------------|
| Sales tax revenue bonds | \$ 747,482,057 |
| Toll revenue bonds | 737,054,074 |
| TIFIA loan | 171,814,288 |
| Total outstanding sales tax and toll revenue bonds | <u>\$ 1,656,350,419</u> |

The total outstanding debt as of June 30, 2024 decreased \$34,446,890 when compared to the prior fiscal year, primarily due to the following:

| | Balance June 30, 2023 | Addition | Reduction | Balance June 30, 2024 |
|-----------------------------------------------------------|--------------------------|---------------------|------------------------|--------------------------|
| Governmental activities | | | | |
| Sales tax revenue bonds | \$ 715,915,000 | \$ - | \$ (32,635,000) | \$ 683,280,000 |
| Sales tax bonds premium | 72,960,246 | - | (8,758,189) | 64,202,057 |
| Business-type activities | | | | |
| Toll revenue bonds | 683,060,572 | 4,699,739 | - | 687,760,311 |
| Toll revenue bonds premium | 51,831,137 | - | (2,537,374) | 49,293,763 |
| TIFIA loan | 167,030,354 | 4,783,934 | - | 171,814,288 |
| Total outstanding sales tax and toll revenue bonds | \$ 1,690,797,309 | \$ 9,483,673 | \$ (43,930,563) | \$ 1,656,350,419 |

- Sales tax revenue bonds decreased \$41,393,189 due to reductions resulting from principal payments in the amount of \$32,635,000 and related premium amortization of \$8,758,189;
- Toll revenue bonds and related unamortized premium increased \$2,162,365 due to the accretion of the 2013 Toll Revenue Bonds offset by a reduction for the premium amortization; and
- TIFIA loan increased \$4,783,934 due to compounded interest.

The Commission's sales tax revenue bonds received ratings of "AA+" from S&P Global Ratings (S&P), "Aa2" from Moody's Investors Service (Moody's), and "AA+" from Fitch Ratings (Fitch), and the toll revenue bonds related to the 91 Project received ratings of "A" and "BBB+" from S&P and Fitch, respectively. The TIFIA loan related to the I-15 Express Lanes project received ratings of "BBB" from Kroll Bond Rating Agency and "BBB-" from Fitch.

In March 2005 the Commission established a commercial paper program, currently authorized at \$60,000,000 to provide advance funding for 2009 Measure A capital projects. The commercial paper notes are rated "A1+" by S&P and "P1" by Moody's. As of June 30, 2024, the Commission had \$0 in commercial paper notes outstanding.

As of June 30, 2024, outstanding sales tax revenue bonds for the Commission totaled \$683,280,000, which is \$291,720,000 under the debt limit of \$975,000,000 required by the 2009 Measure A ordinance. Long-term debt issued within the business-type activities is not subject to the limitation outlined by 2009 Measure A Ordinance.

The Commission had authorized the issuance of toll revenue bonds, for the 91 Project not to exceed \$900,000,000, which is in excess of the total outstanding debt of \$687,760,311. In March 2020, the Commission authorized the sale and issuance of not to exceed \$725 million of toll revenue refunding bonds and prepaid the TIFIA loan in October 2021. The Commission also authorized the issuance of a TIFIA loan, for the I-15 Express Lanes project not to exceed \$165,000,000, which is in excess of the total outstanding debt of \$171,814,288 due to annual accrued compounding interest. TIFIA loans provided federal funding up to \$152,214,260 for the I-15 Express Lanes project on a senior lien basis.

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 2024 Commission meeting, the Commission adopted guiding principles for use in the preparation of the FY 2024/25 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 2024/25 annual budget on June 12, 2024. Approximately 39% of the \$1,096,177,800 balanced budget is related to capital project expenditures, including:

- \$10,057,100 for completion of right of way acquisition, construction, and design-build activities related to the 91 Project;
- \$1,000,000 for repair and rehabilitation of the 91 Express Lanes;
- \$2,398,000 for engineering activities related to the 91 eastbound Corridor Operations project (COP);
- \$603,000 for engineering, design-build, and right of way activities related to the I-15 Express Lanes projects;
- \$5,746,000 for design-build and right of way activities related to the 15/91 Express Lanes Connector project;
- \$18,845,000 for engineering and design-build related to the I-15 Express Lanes-Southern Extension project;
- \$2,297,000 for design-build related to the I-15 Express Lanes-Northern Extension project;
- \$51,355,000 for engineering, right of way activities, and construction related to the 71/91 Connector project;
- \$7,000,000 for right of way activities related to the Western County SB 132 projects for which the Commission is not the lead agency;
- \$17,682,500 engineering, construction, and right of way activities related to the Santa Ana River Trail Extension projects for which the Commission is the lead agency for the Riverside County Regional Park and Open Space District;
- \$610,000 for engineering and right of way for the I-10/Highland Springs interchange;
- \$420,000 for construction and right of way related to the SR-60 Truck Lanes project;
- \$17,965,000 of engineering and construction related to the smart freeways project;
- \$140,939,100 for various Western County Measure A and TUMF regional arterial projects;
- \$38,370,000 for engineering, construction, and right of way acquisition/support services for the Mid County Parkway projects;
- \$29,078,600 for engineering for the SR-79 project;
- \$2,904,000 for construction and right of way for general highway projects;
- \$56,202,000 for engineering, construction and right of way for SB 125 projects; and
- \$22,484,400 for engineering, construction, and right of way activities for various rail station upgrades.

Distributions to the local jurisdictions for local streets and roads are budgeted at \$85,122,200. Budgeted expenditures related to funding of public bus transit operations and capital projects in the County aggregate \$328,846,900. Debt service costs are \$91,359,300, or 8% of the budget.

While capital and operating grants and contributions continue to be an important source of funding for Commission capital projects, they only represent 22% of total revenues as of June 30, 2024. General revenues along with charges for services represent the majority of revenues at 78%. Specifically, the increase in this revenue source is reflected in higher than anticipated strong management of the Commission's express lanes via the receipt of higher than projected toll revenues and investment income due to higher yields and unrecognized gains, . While the transportation needs for the County continue to remain high, the Commission is poised to leverage its recent strong financial performance to meet its debt covenants and deliver on the projects outlined in the Measure A ordinance.

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.

Basic Financial Statements

Riverside County Transportation Commission

Statement of Net Position

June 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|------------------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|
| Assets | | | |
| Cash and investments | \$ 1,316,530,652 | \$ 45,268,598 | \$ 1,361,799,250 |
| Receivables: | | | |
| Accounts | 172,348,495 | 8,958,932 | 181,307,427 |
| Violations | - | 50,989 | 50,989 |
| Advances to other governments | 13,335,025 | - | 13,335,025 |
| Interest | 15,715,085 | 801,213 | 16,516,298 |
| Leases | 2,229,210 | 245,229 | 2,474,439 |
| Internal balances | 20,901,022 | (20,901,022) | - |
| Due from other governments | 234,345 | - | 234,345 |
| Prepaid expenses and other assets | 955,467 | 471,865 | 1,427,332 |
| Restricted cash and investments | 12,469,962 | 249,324,347 | 261,794,309 |
| Net other post-employment benefits assets | 206,657 | 25,543 | 232,200 |
| Capital assets not being depreciated | 313,288,515 | 23,280,933 | 336,569,448 |
| Capital assets, net of accumulated depreciation and amortization | 226,705,756 | 821,290,293 | 1,047,996,049 |
| Intangible right to use lease asset, net of amortization | 2,089,463 | - | 2,089,463 |
| Intangible right to use subscription IT asset, net of amortization | 762,470 | - | 762,470 |
| Total assets | 2,101,522,124 | 1,128,816,920 | 3,230,339,044 |
| Deferred outflows of resources | | | |
| Loss on refunding of bonds | 27,105,748 | 13,689,527 | 40,795,275 |
| Pension related | 5,572,670 | 735,226 | 6,307,896 |
| Other post-employment benefits related | 2,628,163 | 324,837 | 2,953,000 |
| Total deferred outflows of resources | 35,306,581 | 14,749,590 | 50,056,171 |
| Total assets and deferred outflows of resources | 2,136,828,705 | 1,143,566,510 | 3,280,395,215 |
| Liabilities | | | |
| Accounts payable | 116,399,770 | 7,567,132 | 123,966,902 |
| Interest payable | 2,965,536 | 3,977,828 | 6,943,364 |
| Other liabilities | 4,980,830 | 429,501 | 5,410,331 |
| Long-term liabilities: | | | |
| Due within one year - bonds, leases, subscriptions, and compensated absences | 44,775,962 | 2,648,311 | 47,424,273 |
| Due in more than one year | | | |
| Net pension liabilities | 2,934,672 | 387,184 | 3,321,856 |
| Bonds, loans, leases, and compensated absences | 708,076,894 | 906,511,121 | 1,614,588,015 |
| Total liabilities | 880,133,664 | 921,521,077 | 1,801,654,741 |
| Deferred inflows of resources | | | |
| Pension related | 1,198,336 | 158,101 | 1,356,437 |
| Leases | 2,128,338 | 232,801 | 2,361,139 |
| Other post-employment benefits related | 367,392 | 45,408 | 412,800 |
| Total deferred inflows of resources | 3,694,066 | 436,310 | 4,130,376 |
| Total liabilities and deferred inflows of resources | 883,827,730 | 921,957,387 | 1,805,785,117 |
| Net position | | | |
| Net investment in capital assets | 278,861,564 | 77,595,452 | 356,457,016 |
| Restricted for: | | | |
| Other post-employment benefits | 206,657 | 25,543 | 232,200 |
| Bicycle and pedestrian facilities | 11,178,811 | - | 11,178,811 |
| CETAP | 80,780,221 | - | 80,780,221 |
| Commuter assistance | 25,844,508 | - | 25,844,508 |
| Commuter rail | 97,344,573 | - | 97,344,573 |
| Debt service | 13,452,855 | - | 13,452,855 |
| Highways | 402,248,476 | - | 402,248,476 |
| Motorist assistance | 14,700,623 | - | 14,700,623 |
| Express lanes | - | 143,988,128 | 143,988,128 |
| Planning and programming | 4,174,355 | - | 4,174,355 |
| Regional arterials | 211,524,870 | - | 211,524,870 |
| Regional conservation | 51,647 | - | 51,647 |
| Transit and specialized transportation | 579,716,636 | - | 579,716,636 |
| Unrestricted (deficit) | (467,084,821) | - | (467,084,821) |
| Total net position | \$ 1,253,000,975 | \$ 221,609,123 | \$ 1,474,610,098 |

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Activities
Year Ended June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|----------------------------------------|----------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Primary Government | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 2,201,256 | \$ 15 | \$ - | \$ - | \$ (2,201,241) | \$ - | \$ (2,201,241) |
| Bicycle and pedestrian facilities | 1,756,152 | - | - | - | (1,756,152) | - | (1,756,152) |
| CETAP | 1,990,395 | - | 20,014,220 | - | 18,023,825 | - | 18,023,825 |
| Commuter assistance | 3,661,856 | - | 2,367,927 | - | (1,293,929) | - | (1,293,929) |
| Commuter rail | 53,509,321 | 339,405 | 9,918,771 | 19,988,906 | (23,262,239) | - | (23,262,239) |
| Highways | 161,285,466 | - | 3,648,475 | 92,865,471 | (64,771,520) | - | (64,771,520) |
| Local streets and roads | 85,454,316 | - | - | - | (85,454,316) | - | (85,454,316) |
| Motorist assistance | 4,947,814 | - | 5,665,951 | - | 718,137 | - | 718,137 |
| Planning and programming | 12,580,506 | - | 1,586,689 | - | (10,993,817) | - | (10,993,817) |
| Regional arterials | 17,106,887 | - | 20,964,859 | 72,724 | 3,930,696 | - | 3,930,696 |
| Regional conservation | 9,271,220 | - | 8,863,324 | - | (407,896) | - | (407,896) |
| Transit and specialized transportation | 134,904,281 | - | 13,793,591 | - | (121,110,690) | - | (121,110,690) |
| Interest expense | 29,538,470 | - | - | - | (29,538,470) | - | (29,538,470) |
| Total governmental activities | 518,207,940 | 339,420 | 86,823,807 | 112,927,101 | (318,117,612) | - | (318,117,612) |
| Business-type Activities: | | | | | | | |
| RCTC 91 Express Lanes | 54,006,416 | 92,717,269 | - | - | - | 38,710,853 | 38,710,853 |
| 15 Express Lanes | 28,887,989 | 43,996,293 | - | - | - | 15,108,304 | 15,108,304 |
| Total Business-type activities | 82,894,405 | 136,713,562 | - | - | - | 53,819,157 | 53,819,157 |
| Total Primary Government | \$ 601,102,345 | \$ 137,052,982 | \$ 86,823,807 | \$ 112,927,101 | (318,117,612) | 53,819,157 | (264,298,455) |

| | | | | |
|---------------------------------------------------------------------|--|------------------|----------------|------------------|
| General Revenues: | | | | |
| Measure A sales taxes | | 281,794,698 | - | 281,794,698 |
| Transportation Development Act sales taxes | | 194,054,971 | - | 194,054,971 |
| Unrestricted investment earnings | | 61,540,294 | 13,181,977 | 74,722,271 |
| Other miscellaneous revenue | | 781,870 | - | 781,870 |
| Transfers | | (225,151,188) | 225,151,188 | - |
| Total general revenues and transfers | | 313,020,645 | 238,333,165 | 551,353,810 |
| Change in net position | | (5,096,967) | 292,152,322 | 287,055,355 |
| Net position (deficit) at beginning of year, as previously reported | | 1,258,923,215 | (70,434,272) | 1,188,488,943 |
| Change in accounting principle | | (825,273) | (108,927) | (934,200) |
| Net position (deficit) at beginning of year, as restated | | 1,258,097,942 | (70,543,199) | 1,187,554,743 |
| Net position at end of year | | \$ 1,253,000,975 | \$ 221,609,123 | \$ 1,474,610,098 |

See notes to basic financial statements

Riverside County Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2024

| | Major Funds | | | | | | |
|----------------------------------------------------------------------------|----------------------|--------------------------------|----------------------------------|------------------------------------------------|---------------------------------|--------------------------------|----------------------|
| | Special Revenue | | | | | | |
| | General | Measure A Western County | Measure A Coachella Valley | Transportation Uniform Mitigation Fee | Local Transportation Fund | State Transit Assistance | SB 132 |
| Assets | | | | | | | |
| Cash and investments | \$ 31,808,183 | \$ 455,476,088 | \$ 91,479,139 | \$ 174,606,872 | \$ 355,915,099 | \$ 170,537,302 | \$ - |
| Receivables | | | | | | | |
| Accounts | 11,171,725 | 96,164,123 | 9,666,104 | 11,216,930 | 30,129,897 | 8,943,837 | 156,716 |
| Advances | - | 3,750,000 | - | - | - | - | - |
| Interest | 377,273 | 6,216,661 | 991,438 | 1,867,134 | 3,663,592 | 1,832,813 | 317,974 |
| Leases | - | 2,025,594 | - | 203,616 | - | - | - |
| Due from other funds | 4,295,320 | 11,152,777 | 124,220 | 10,787 | - | - | 12,081,926 |
| Advances to other funds | - | 11,727,273 | - | - | - | - | - |
| Prepaid expenditures and other assets | 436,073 | 519,394 | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - | - | - |
| Total assets | \$ 48,088,574 | \$ 587,031,910 | \$ 102,260,901 | \$ 187,905,339 | \$ 389,708,588 | \$ 181,313,952 | \$ 12,556,616 |
| Liabilities, deferred inflows of resources, and fund balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 5,991,308 | \$ 50,184,391 | \$ 34,981,883 | \$ 3,446,190 | \$ 840,077 | \$ 12,141,380 | \$ 6,943,711 |
| Advances from other funds | - | - | - | - | - | - | - |
| Due to other funds | - | 702,755 | 511,202 | 3,722,341 | 698,000 | 7,703,106 | 2,698,097 |
| Other liabilities | 459,039 | 1,378,852 | - | - | - | - | - |
| Total liabilities | 6,450,347 | 52,265,998 | 35,493,085 | 7,168,531 | 1,538,077 | 19,844,486 | 9,641,808 |
| Deferred inflows of resources | | | | | | | |
| Leases | - | 1,936,880 | - | 191,458 | - | - | - |
| Total deferred inflows of resources | - | 1,936,880 | - | 191,458 | - | - | - |
| Fund balances | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid amounts | 436,073 | 519,394 | - | - | - | - | - |
| Restricted for | | | | | | | |
| Bicycle and pedestrian facilities | - | - | - | - | 11,178,811 | - | - |
| CETAP | - | - | - | 80,780,221 | - | - | - |
| Commuter assistance | - | 25,844,508 | - | - | - | - | - |
| Commuter rail | 34,825,742 | 60,073,913 | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Highways | - | 309,627,231 | 65,237,529 | - | - | - | 2,914,808 |
| Motorist assistance | - | - | - | - | - | - | - |
| Planning and programming | 4,111,547 | - | - | - | - | - | - |
| Regional arterials | - | 111,759,741 | - | 99,765,129 | - | - | - |
| Regional conservation | - | - | - | - | - | - | - |
| Transit and specialized transportation | - | 25,004,245 | 1,530,287 | - | 376,991,700 | 161,469,466 | - |
| Unassigned | 2,264,865 | - | - | - | - | - | - |
| Total fund balances | 41,638,227 | 532,829,032 | 66,767,816 | 180,545,350 | 388,170,511 | 161,469,466 | 2,914,808 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 48,088,574 | \$ 587,031,910 | \$ 102,260,901 | \$ 187,905,339 | \$ 389,708,588 | \$ 181,313,952 | \$ 12,556,616 |

See notes to basic financial statements

Riverside County Transportation Commission
Balance Sheet - Governmental Funds, Continued
June 30, 2024

| | Major Funds | | | | Total |
|----------------------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------------------|-------------------------|
| | Capital Projects | | | Other | |
| | Commercial Paper | Bonds | Debt Service | Nonmajor Governmental Funds | |
| Assets | | | | | |
| Cash and investments | \$ 666,844 | \$ 104,285 | \$ 4,664,622 | \$ 31,272,218 | \$ 1,316,530,652 |
| Receivables | | | | | |
| Accounts | - | - | - | 4,899,163 | 172,348,495 |
| Advances | 11,518,833 | 1,816,192 | - | - | 17,085,025 |
| Interest | 17,102 | 2,674 | 81,598 | 346,826 | 15,715,085 |
| Leases | - | - | - | - | 2,229,210 |
| Due from other funds | 434,145 | 67,894 | - | 248,349 | 28,415,418 |
| Advances to other funds | - | - | - | - | 11,727,273 |
| Prepaid expenditures and other assets | - | - | - | - | 955,467 |
| Restricted cash and investments | - | 3,639,107 | 8,830,855 | - | 12,469,962 |
| Total assets | \$ 12,636,924 | \$ 5,630,152 | \$ 13,577,075 | \$ 36,766,556 | \$ 1,577,476,587 |
| Liabilities, deferred inflows of resources, and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1,870,830 | \$ 116,399,770 |
| Advances from other funds | - | 2,727,273 | - | - | 2,727,273 |
| Due to other funds | - | - | 124,220 | 354,675 | 16,514,396 |
| Other liabilities | 789,195 | 112,456 | - | 2,640,900 | 5,380,442 |
| Total liabilities | 789,195 | 2,839,729 | 124,220 | 4,866,405 | 141,021,881 |
| Deferred inflows of resources | | | | | |
| Leases | - | - | - | - | 2,128,338 |
| Total deferred inflows of resources | - | - | - | - | 2,128,338 |
| Fund balances | | | | | |
| Nonspendable | | | | | |
| Prepaid amounts | - | - | - | - | 955,467 |
| Restricted for | | | | | |
| Bicycle and pedestrian facilities | - | - | - | - | 11,178,811 |
| CETAP | - | - | - | - | 80,780,221 |
| Commuter assistance | - | - | - | - | 25,844,508 |
| Commuter rail | - | - | - | 2,364,134 | 97,263,789 |
| Debt service | - | - | 13,452,855 | - | 13,452,855 |
| Highways | 11,847,729 | 2,790,423 | - | - | 392,417,720 |
| Motorist assistance | - | - | - | 14,700,623 | 14,700,623 |
| Planning and programming | - | - | - | 62,808 | 4,174,355 |
| Regional arterials | - | - | - | - | 211,524,870 |
| Regional conservation | - | - | - | 51,647 | 51,647 |
| Transit and specialized transportation | - | - | - | 14,720,939 | 579,716,637 |
| Unassigned | - | - | - | - | 2,264,865 |
| Total fund balances | 11,847,729 | 2,790,423 | 13,452,855 | 31,900,151 | 1,434,326,368 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 12,636,924 | \$ 5,630,152 | \$ 13,577,075 | \$ 36,766,556 | \$ 1,577,476,587 |

See notes to basic financial statements

Riverside County Transportation Commission
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Total fund balances - Governmental funds page 23 | \$ 1,434,326,368 |
| Amounts reported for governmental activities in the statement of net position page 21 are different because: | |
| Amounts due from other governments are not an available resource and therefore, are not reported in the funds. | 234,345 |
| Deferred outflows of pension resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | 5,572,670 |
| Deferred inflows of pension resources are not due and payable in the current period and, therefore, are not reported in the funds. | (1,198,336) |
| Deferred outflows of other post-employment benefits resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | 2,628,163 |
| Deferred inflows of other post-employment benefits resources are not due and payable in the current period and, therefore, are not reported in the funds. | (367,392) |
| Capital and right to use lease and subscriptions assets, less related accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported in the funds. | 542,846,204 |
| Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. | 399,612 |
| Interest payable on long-term debt outstanding is not due and payable in the current period and therefore is not reported in the funds. | (2,965,536) |
| Net other post-employment asset is not reported in the funds. | 206,657 |
| Net pension liabilities are not reported in the funds. | (2,934,672) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of: | |
| Compensated absences | (2,355,029) |
| Intangible right to use lease and subscription IT assets | (3,015,770) |
| Sales tax bonds payable | (683,280,000) |
| Loss on refunding of sales tax bonds | 27,105,748 |
| Premium on sales tax revenue bonds payable | (64,202,057) |
| Net adjustment | (725,747,108) |
| Net position of governmental activities page 21 | <u><u>\$ 1,253,000,975</u></u> |

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

| | Major Funds | | | | | | |
|-----------------------------------------------------------|----------------------|--------------------------------|----------------------------------|------------------------------------------------|---------------------------------|--------------------------------|---------------------|
| | Special Revenue | | | | | | SB 132 |
| | General | Measure A Western County | Measure A Coachella Valley | Transportation Uniform Mitigation Fee | Local Transportation Fund | State Transit Assistance | |
| Revenues | | | | | | | |
| Sales taxes | \$ - | \$ 226,342,519 | \$ 54,370,450 | \$ - | \$ 156,212,458 | \$ 33,112,641 | \$ - |
| Transportation Uniform Mitigation Fee | - | - | - | 40,959,784 | - | - | - |
| Intergovernmental | 9,424,247 | 119,656,661 | - | 72,724 | 13,765,144 | - | - |
| Investment income | 1,700,164 | 18,325,614 | 5,051,702 | 7,748,214 | 15,332,310 | 7,379,002 | 1,624,267 |
| Other | 460,109 | 2,276,531 | 225,096 | 19,300 | - | - | 316,810 |
| Total revenues | 11,584,520 | 366,601,325 | 59,647,248 | 48,800,022 | 185,309,912 | 40,491,643 | 1,941,077 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | 377,203 | - | - | 12,000 | - | - |
| Bicycle and pedestrian facilities | - | - | - | - | 1,756,152 | - | - |
| CETAP | - | - | - | 6,576,188 | - | - | - |
| Commuter assistance | - | 3,614,528 | - | - | - | - | - |
| Commuter rail | 24,855,817 | 34,143,569 | - | - | - | - | - |
| Highways | - | 107,182,697 | 61,730,298 | - | - | - | 31,919,458 |
| Local streets and roads | - | 65,342,930 | 19,029,657 | - | - | - | - |
| Motorist assistance | - | - | - | - | - | - | - |
| Planning and programming | 10,002,033 | - | - | - | 1,163,000 | - | - |
| Regional arterials | - | 14,324,752 | - | 2,764,633 | - | - | - |
| Regional conservation | - | - | - | - | - | - | - |
| Transit and specialized transportation | 766,231 | 5,249,795 | 8,454,000 | - | 101,105,756 | 17,137,525 | - |
| Total programs | 35,624,081 | 230,235,474 | 89,213,955 | 9,340,821 | 104,036,908 | 17,137,525 | 31,919,458 |
| Debt service: | | | | | | | |
| Principal | 878,193 | 22,442 | - | - | - | - | - |
| Interest | 22,562 | 478 | - | - | - | - | - |
| Total debt service | 900,755 | 22,920 | - | - | - | - | - |
| Capital outlay | 520,745 | 5,486,882 | - | - | - | - | - |
| Total expenditures | 37,045,581 | 235,745,276 | 89,213,955 | 9,340,821 | 104,036,908 | 17,137,525 | 31,919,458 |
| Excess (deficiency) of revenues over (under) expenditures | (25,461,061) | 130,856,049 | (29,566,707) | 39,459,201 | 81,273,004 | 23,354,118 | (29,978,381) |
| Other financing sources (uses): | | | | | | | |
| Lease and subscription financing | 319,719 | - | - | - | - | - | - |
| Transfers in | 29,679,418 | 31,273,321 | 124,220 | 38,208 | - | - | 32,016,475 |
| Transfers out | - | (67,454,466) | - | (7,222,796) | (29,679,418) | (4,043,201) | (126,951) |
| Total other financing sources (uses) | 29,999,137 | (36,181,145) | 124,220 | (7,184,588) | (29,679,418) | (4,043,201) | 31,889,524 |
| Net change in fund balances | 4,538,076 | 94,674,904 | (29,442,487) | 32,274,613 | 51,593,586 | 19,310,917 | 1,911,143 |
| Fund balances at beginning of year | 37,100,151 | 438,154,128 | 96,210,303 | 148,270,737 | 336,576,925 | 142,158,549 | 1,003,665 |
| Fund balances at end of year | \$ 41,638,227 | \$ 532,829,032 | \$ 66,767,816 | \$ 180,545,350 | \$ 388,170,511 | \$ 161,469,466 | \$ 2,914,808 |

See notes to basic financial statements

Riverside County Transportation Commission

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

| | Major Funds | | | | Total |
|-----------------------------------------------------------|---------------------|--------------|-----------------|--------------------------------------------|------------------|
| | Capital Projects | | | Other Nonmajor Governmental Funds | |
| | Commercial Paper | Bonds | Debt Service | | |
| Revenues | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ 5,811,601 | \$ 475,849,669 |
| Transportation Uniform Mitigation Fee | - | - | - | - | 40,959,784 |
| Intergovernmental | - | - | 2,823,205 | 15,487,627 | 161,229,608 |
| Investment income | 892,259 | 560,925 | 1,499,203 | 1,498,742 | 61,612,402 |
| Other | - | - | - | - | 3,297,846 |
| Total revenues | 892,259 | 560,925 | 4,322,408 | 22,797,970 | 742,949,309 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 389,203 |
| Bicycle and pedestrian facilities | - | - | - | - | 1,756,152 |
| CETAP | - | - | - | - | 6,576,188 |
| Commuter assistance | - | - | - | - | 3,614,528 |
| Commuter rail | - | - | - | 128,532 | 59,127,918 |
| Highways | - | - | - | - | 200,832,453 |
| Local streets and roads | - | - | - | 1,081,729 | 85,454,316 |
| Motorist assistance | - | - | - | 4,933,764 | 4,933,764 |
| Planning and programming | - | - | - | 916,648 | 12,081,681 |
| Regional arterials | - | - | - | - | 17,089,385 |
| Regional conservation | - | - | - | 8,863,323 | 8,863,323 |
| Transit and specialized transportation | - | - | - | 2,234,650 | 134,947,957 |
| Total programs | - | - | - | 18,158,646 | 535,666,868 |
| Debt service: | | | | | |
| Principal | - | - | 32,635,000 | - | 33,535,635 |
| Interest | - | - | 36,580,038 | - | 36,603,078 |
| Total debt service | - | - | 69,215,038 | - | 70,138,713 |
| Capital outlay | - | - | - | 369 | 6,007,996 |
| Total expenditures | - | - | 69,215,038 | 18,159,015 | 611,813,577 |
| Excess (deficiency) of revenues over (under) expenditures | 892,259 | 560,925 | (64,892,630) | 4,638,955 | 131,135,732 |
| Other financing sources (uses): | | | | | |
| Lease and subscription financing | - | - | - | - | 319,719 |
| Transfers in | - | 632,802 | 70,054,037 | 131,888 | 163,950,369 |
| Transfers out | (2,437,262) | (16,553,132) | (3,580,227) | (1,144,230) | (132,241,683) |
| Total other financing sources (uses) | (2,437,262) | (15,920,330) | 66,473,810 | (1,012,342) | 32,028,405 |
| Net change in fund balances | (1,545,003) | (15,359,405) | 1,581,180 | 3,626,613 | 163,164,137 |
| Fund balances at beginning of year | 13,392,732 | 18,149,828 | 11,871,675 | 28,273,538 | 1,271,162,231 |
| Fund balances at end of year | \$ 11,847,729 | \$ 2,790,423 | \$ 13,452,855 | \$ 31,900,151 | \$ 1,434,326,368 |

See notes to basic financial statements

Riverside County Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net change in fund balances - Total governmental funds page 26 \$ 163,164,137

Amounts reported for governmental activities in the statement of activities page 21 are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over its estimated useful lives and reported as depreciation and amortization expense. The adjustment combines the net changes of the following amounts:

| | |
|---------------------------------------|--------------|
| Capital outlay | 68,952,001 |
| Loss on disposal | (610,551) |
| Depreciation and amortization expense | (13,384,905) |
| Net adjustments | 54,956,545 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (4,687,144)

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

| | |
|-------------------------------------------------------------------------|-------------|
| Principal payments for sales tax revenue refunding bonds | 27,095,000 |
| Principal payment for sales tax revenue bonds | 5,540,000 |
| Amortization of sales tax revenue bonds premium | 8,758,189 |
| Amortization of loss on 2017B refunding bonds | (1,807,050) |
| Change in accrued interest | 113,467 |
| Lease and subscription liabilities issued | (319,719) |
| Principal payment for intangible right to use lease assets | 620,674 |
| Principal payment for intangible right to use subscription IT assets | 396,311 |
| Net pension liability | (1,284,123) |
| Pension change in deferred outflows of resources | (2,539,847) |
| Pension change in deferred inflows of resources | 1,483,562 |
| Net other post-employment benefits asset | (415,818) |
| Other post-employment benefits change in deferred outflows of resources | 816,133 |
| Other post-employment benefits change in deferred inflows of resources | 99,685 |
| Net adjustments | 38,556,464 |

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. (227,095)

The effect of contributions and transfers between the Governmental and Business-type activities.

| | |
|-----------------------------------------------|---------------|
| Contribution of capital and intangible assets | (256,859,874) |
|-----------------------------------------------|---------------|

Change in net position of governmental activities page 21 **\$ (5,096,967)**

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Net Position
Proprietary Fund
June 30, 2024

| | Business-Type Activities | | |
|------------------------------------------------------------|------------------------------------------|-------------------------------------|-----------------------|
| | RCTC 91 Express Lanes Enterprise Fund | 15 Express Lanes Enterprise Fund | Total |
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 41,243,868 | \$ 4,024,730 | \$ 45,268,598 |
| Receivables | | | |
| Accounts | 3,564,091 | 5,394,841 | 8,958,932 |
| Interest | 720,478 | 80,735 | 801,213 |
| Lease | - | 47,975 | 47,975 |
| Violations | 50,989 | - | 50,989 |
| Due from Commission funds | 553,232 | - | 553,232 |
| Due from Enterprise funds | - | 12,426 | 12,426 |
| Prepaid expenses | 230,591 | 241,274 | 471,865 |
| Total current assets | 46,363,249 | 9,801,981 | 56,165,230 |
| Noncurrent assets: | | | |
| Restricted cash and investments | 135,677,263 | 113,647,084 | 249,324,347 |
| Lease receivable | - | 197,254 | 197,254 |
| Other post-employment benefits assets | 17,149 | 8,394 | 25,543 |
| Capital assets, net: | | | |
| Nondepreciable | 22,669,178 | 611,755 | 23,280,933 |
| Depreciable and amortizable | 477,099,830 | 344,190,463 | 821,290,293 |
| Total noncurrent assets | 635,463,420 | 458,654,950 | 1,094,118,370 |
| Total assets | 681,826,669 | 468,456,931 | 1,150,283,600 |
| Deferred outflows of resources | | | |
| Pension benefits | 486,140 | 249,086 | 735,226 |
| Other post-employment benefits | 218,089 | 106,748 | 324,837 |
| Refunding bonds | 13,689,527 | - | 13,689,527 |
| Total deferred outflows of resources | 14,393,756 | 355,834 | 14,749,590 |
| Total assets and deferred outflows of resources | 696,220,425 | 468,812,765 | 1,165,033,190 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 5,628,756 | 1,938,376 | 7,567,132 |
| Interest payable | 1,853,921 | 2,123,907 | 3,977,828 |
| Due to Commission funds | 12,392,906 | 61,348 | 12,454,254 |
| Due to Enterprise funds | 12,426 | - | 12,426 |
| Other liabilities | 536 | 428,965 | 429,501 |
| Compensated absences liability | 74,529 | 36,407 | 110,936 |
| Bonds payable - due in less than one year | 2,537,375 | - | 2,537,375 |
| Total current liabilities | 22,500,449 | 4,589,003 | 27,089,452 |
| Noncurrent liabilities: | | | |
| Net pension liabilities | 256,011 | 131,173 | 387,184 |
| Compensated absences liability | 121,018 | 59,117 | 180,135 |
| Advance from other Commission fund | - | 9,000,000 | 9,000,000 |
| Bonds payable - due in more than one year | 734,516,698 | 171,814,288 | 906,330,986 |
| Total noncurrent liabilities | 734,893,727 | 181,004,578 | 915,898,305 |
| Total liabilities | 757,394,176 | 185,593,581 | 942,987,757 |
| Deferred inflows of resources | | | |
| Pension benefits | 104,539 | 53,562 | 158,101 |
| Other-post employment benefits | 30,486 | 14,922 | 45,408 |
| Lease revenues | - | 232,801 | 232,801 |
| Total deferred inflows of resources | 135,025 | 301,285 | 436,310 |
| Total liabilities and deferred inflows of resources | 757,529,201 | 185,894,866 | 943,424,067 |
| Net position | | | |
| Net investment (deficit) in capital assets | (114,992,507) | 192,587,959 | 77,595,452 |
| Restricted for other post-employment benefits | 17,149 | 8,394 | 25,543 |
| Restricted for toll operations | 53,666,582 | 90,321,546 | 143,988,128 |
| Total net position (deficit) | \$ (61,308,776) | \$ 282,917,899 | \$ 221,609,123 |

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024

| | Business-Type Activities | | |
|---------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------|----------------|
| | RCTC 91 Express Lanes Enterprise Fund | 15 Express Lanes Enterprise Fund | Total |
| Operating revenues | | | |
| Tolls, penalties, and fees | \$ 92,717,269 | \$ 43,996,293 | \$ 136,713,562 |
| Operating expenses | | | |
| Management and operational services | 12,880,451 | 9,384,855 | 22,265,306 |
| Administrative overhead | 1,545,000 | 354,500 | 1,899,500 |
| Other operating expenses | 2,841,029 | 268,697 | 3,109,726 |
| Professional services | 859,205 | 481,843 | 1,341,048 |
| General and administrative expenses | 1,361,106 | 670,394 | 2,031,500 |
| Depreciation and amortization | 9,570,928 | 12,517,271 | 22,088,199 |
| Total operating expenses | 29,057,719 | 23,677,560 | 52,735,279 |
| Operating income | 63,659,550 | 20,318,733 | 83,978,283 |
| Nonoperating revenues (expenses) | | | |
| Investment earnings (loss) | 8,442,744 | 4,739,233 | 13,181,977 |
| Interest expense | (24,916,889) | (5,210,429) | (30,127,318) |
| Capital expenses | (31,808) | - | (31,808) |
| Total nonoperating revenues (expenses) | (16,505,953) | (471,196) | (16,977,149) |
| Income before contributions and transfers | 47,153,597 | 19,847,537 | 67,001,134 |
| Contributions from other governmental funds | 256,470,619 | 389,255 | 256,859,874 |
| Transfers in from other governmental funds | 307,585 | 204 | 307,789 |
| Transfers to other governmental funds | (32,016,475) | - | (32,016,475) |
| Total contributions and transfers | 224,761,729 | 389,459 | 225,151,188 |
| Change in net position | 271,915,326 | 20,236,996 | 292,152,322 |
| Net position (deficit) at beginning of year, as previously reported | (333,152,076) | 262,717,804 | (70,434,272) |
| Change in accounting principle | (72,026) | (36,901) | (108,927) |
| Net position (deficit) at beginning of year, as restated | (333,224,102) | 262,680,903 | (70,543,199) |
| Net position (deficit) at end of year | \$ (61,308,776) | \$ 282,917,899 | \$ 221,609,123 |

See notes to basic financial statements

Riverside County Transportation Commission

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2024

| | RCTC 91 Express Lanes Enterprise Fund | 15 Express Lanes Enterprise Fund | Total |
|-----------------------------------------------------------------------|------------------------------------------|-------------------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and users | \$ 90,566,194 | \$ 40,712,644 | \$ 131,278,838 |
| Payments to vendors | (31,741,928) | (10,021,386) | (41,763,314) |
| Payments to employees | (1,138,349) | (563,688) | (1,702,037) |
| Payments for RCTC interfund services used | (1,979,591) | (415,900) | (2,395,491) |
| Payments for reimbursable costs | 424,911 | - | 424,911 |
| Reimbursements received for lease costs | - | 50,791 | 50,791 |
| Net cash provided by operating activities | <u>56,131,237</u> | <u>29,762,461</u> | <u>85,893,698</u> |
| Cash flows from noncapital financing activities | | | |
| Transfers of surplus funds to governmental activities | (31,740,697) | - | (31,740,697) |
| Transfers from governmental activities for operations and maintenance | - | 771,795 | 771,795 |
| Net cash used for noncapital financing activities | <u>(31,740,697)</u> | <u>771,795</u> | <u>(30,968,902)</u> |
| Cash flows from capital and related financing activities | | | |
| Interest paid on long-term debt | (22,201,017) | - | (22,201,017) |
| Acquisition of capital assets | (3,087,762) | (199,128) | (3,286,890) |
| Net cash used for capital and related financing activities | <u>(25,288,779)</u> | <u>(199,128)</u> | <u>(25,487,907)</u> |
| Cash flows from investing activities | | | |
| Interest | 9,171,056 | 3,991,054 | 13,162,110 |
| Net cash provided by investing activities | <u>9,171,056</u> | <u>3,991,054</u> | <u>13,162,110</u> |
| Net increase in cash and cash equivalents | 8,272,817 | 34,326,182 | 42,598,999 |
| Cash and cash equivalents at beginning of year | 168,648,314 | 83,345,632 | 251,993,946 |
| Cash and cash equivalents at end of year | <u>\$ 176,921,131</u> | <u>\$ 117,671,814</u> | <u>\$ 294,592,945</u> |

See notes to basic financial statements

Riverside County Transportation Commission
Statement of Cash Flows, Continued
Proprietary Fund
For the Year Ended June 30, 2024

| | RCTC 91 Express Lanes Enterprise Fund | 15 Express Lanes Enterprise Fund | Total |
|-----------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------|----------------------|
| Reconciliation of operating income to net cash provided by (used for) operating activities | | | |
| Operating income | \$ 63,659,550 | \$ 20,318,733 | \$ 83,978,283 |
| Adjustments to reconcile operating income to net cash provided by (used for) operating activities | | | |
| Depreciation and amortization expense | 9,570,928 | 12,517,271 | 22,088,199 |
| (Increase) Decrease in violations receivables | (17,321) | - | (17,321) |
| (Increase) Decrease in other receivables, net | (1,063,712) | (2,314,970) | (3,378,682) |
| (Increase) Decrease in due from other funds | (553,233) | - | (553,233) |
| (Increase) Decrease in prepaid assets | (92,894) | (98,303) | (191,197) |
| (Increase) Decrease in lease receivable, net of deferred items | - | 92,330 | 92,330 |
| Increase (Decrease) in pension and other-post employment benefits liabilities, net of deferred item | 171,051 | (6,127) | 164,924 |
| Increase (Decrease) in accounts payable | (3,647,555) | (427,769) | (4,075,324) |
| Increase (Decrease) in lease payable | (50,792) | - | (50,792) |
| Increase (Decrease) in due to other funds | (11,854,614) | (49,307) | (11,903,921) |
| Increase (Decrease) in compensated absences liability | 9,829 | 376 | 10,205 |
| Increase (Decrease) in other liabilities | - | (269,773) | (269,773) |
| Total adjustments | <u>(7,528,313)</u> | <u>9,443,728</u> | <u>1,915,415</u> |
| Net cash provided by operating activities | <u>\$ 56,131,237</u> | <u>\$ 29,762,461</u> | <u>\$ 85,893,698</u> |
| Noncash capital, financing and investing activities | | | |
| Accreted and compounded interest | \$ 4,699,739 | \$ 4,783,933 | \$ 9,483,672 |
| Amortization of bond premium | 2,537,375 | - | 2,537,375 |
| Amortization of loss on bond refunding | (547,581) | - | (547,581) |
| Contribution of capital and intangible assets from governmental activities | 256,470,619 | 389,255 | 256,859,874 |
| Transfer in of accrued investment income from other Commission funds | - | 204 | 204 |

See notes to basic financial statements

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

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 (PUC). The Commission is a special district governed by a 34-member board of commissioners (Board) consisting of one representative from each city in the county, all five county supervisors, and one nonvoting state representative.

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

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

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

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

In September 2008, the State amended the Commission's authority under the State's Streets and Highways Code (Sections 149.7 through 149.8) to include authorization to set, levy and collect tolls, user fees, or other similar charges, payable for use of high-occupancy toll lanes and other facilities in the I-15 corridor in Riverside County and to issue bonds or other obligations payable from the proceeds of such tolls and other revenues that are pledged. The Commission commenced the design-build phase of the I-15 Express Lanes project in 2017; in April 2021, the Commission achieved substantial completion of the I-15 Express Lanes project and opened the 15 Express Lanes.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

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

During the year ended June 30, 2024, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated absences*. The effect of implementation of this standard on beginning net position is disclosed in Note 15.

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

Basis of presentation: The Commission's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide statements: The statement of net position and the statement of activities report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in consolidation. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on charges and fees for services.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other internally dedicated resources, which are properly not included among program revenues, are reported instead as general revenues.

Fund financial statements: The fund financial statements provide information about the Commission's governmental and proprietary funds; the Commission has no fiduciary funds. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. The Commission has categorized the Commercial Paper, Bonds Capital Projects fund and Debt Service fund as major funds for public interest reasons. The Commission believes that these judgmentally determined major funds are particularly important to the financial statement users. All remaining governmental funds not reported as major funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental funds:

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

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

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

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

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

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

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

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

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

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

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

The Commission reports the following major proprietary funds:

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

15 Express Lanes Enterprise fund: This fund accounts for toll and non-toll revenues earned on the 15 Express Lanes. The 15-mile stretch includes two lanes in each direction of the center median along I-15 corridor between Cajalco Road in Corona and SR-60 in Jurupa Valley. These revenues are restricted to pay operations and maintenance costs, repair and rehabilitation costs, debt service, and other in accordance with the toll bond indenture.

Measurement focus and basis of accounting: The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenues are recognized when customers utilize the toll road facility and payment is collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary funds principal and ongoing operations. The principal operating revenues of the Commission's proprietary fund are charges for services. Operating expenses for the proprietary fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations that the Commission anticipates collecting consist of uncollected violation tolls and penalties. Unpaid violations of the RCTC 91 Express Lanes and 15 Express Lanes in the amounts of \$76,832,809 and \$42,603,386, respectively, as of June 30, 2024 are not recognized as revenue until payment is received. Unpaid violations will remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

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 October 2023. The investment policy complies with, or is more restrictive than, applicable state statutes. This investment policy requires the Commission's investment program to meet three criteria in the order of their importance: safety, liquidity, and return on investments. Investments of bond and commercial paper proceeds as permitted by the applicable debt documents are maintained by U.S. Bank, as trustee or custodial bank, and the earnings for each bond and commercial paper issue are accounted for separately. Cash from other Commission revenue sources is commingled for investment purposes, with investment earnings allocated to the different funds based on average monthly dollar balances in the funds.

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

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

| Authorized Investment Type | Maximum Effective Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer | Minimum Ratings |
|-------------------------------------------------|----------------------------|---------------------------------|----------------------------------|-----------------|
| United States (U.S.) Treasury obligations | 5 years | None | None | Not applicable |
| Federal agency securities | 5 years | None | None | Not applicable |
| State/Municipal obligations | 5 years | 25% | 10% | A1/A+ |
| Mortgage and asset-backed securities | 5 years | 10% | 10% | AA |
| Repurchase agreements | 30 days | None | 10% | A |
| U.S. corporate debt | 5 years | 25% | 10% | A1/A+ |
| Commercial paper notes | 270 days | 25% | 10% | A |
| Banker's acceptances | 180 days | 40% | 30% | Not applicable |
| Money market mutual funds | Not applicable | 20% | 10% | Not applicable |
| Riverside County Pooled Investment Fund (RCPIF) | Not applicable | None | Set by RCPIF | Not applicable |
| Local Agency Investment Fund (LAIF) | Not applicable | N/A | Set by LAIF | Not applicable |
| Negotiable certificates of deposit | 1 year | 30% | 10% | P-1/A-1/F-1 |
| Federally insured certificates of deposit | 1 year | 20% | 10% | Not applicable |
| Collateralized certificates of deposit | 1 year | 15% | 10% | Not applicable |
| Time deposits | 5 years | None | 10% | Not applicable |

Oversight of the RCPIF is conducted by the County Treasury Oversight Committee. All investments, except for those related to bond reserve funds, are subject to a maximum maturity of five years unless specific direction to exceed the limit is given by the Board. LTF moneys are legally required to be deposited in the RCPIF.

The RCPIF is carried at fair value, or the value of each participating dollar as provided by the RCPIF and LAIF, respectively. The fair value of the Commission's position in the RCPIF and LAIF is the same as the value of the pool shares. The pooled funds are not subject to Level 1, 2, or 3 of the fair value hierarchy prescribed by GASB Statement No. 72, *Fair Value Measurement and Application*. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price.

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

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

Accounts receivable: Accounts receivable consist primarily of Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration on all taxable sales within the County of Riverside, California through June 30, 2024.

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

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

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

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

Capital assets: Capital assets consisting of land and land improvements; construction in progress; construction and rail easements; buildings; rail stations; rail tracks; office improvements; office furniture, equipment, and vehicles; development in progress; toll infrastructure; right to use assets; intangible assets, including a toll facility franchise; and transponders are reported in applicable governmental or business-type activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of three years and are primarily included within the function of current expenditures in the governmental fund financial statements. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at acquisition 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, rail tracks, temporary construction easements, buildings, office improvements, furniture and equipment, vehicles, toll infrastructure, intangible assets, and transponders are depreciated and amortized using the straight-line method over the following estimated useful lives:

| Asset Type | Useful Life |
|----------------------------------|----------------|
| Rail stations | 10 to 30 years |
| Rail tracks | 30 years |
| Temporary construction easements | 1 to 3 years |
| Buildings | 10 to 20 years |
| Office improvements | 7 to 10 years |
| Furniture and equipment | 3 to 5 years |
| Vehicles | 5 years |
| Toll facility franchise | 50 years |
| Toll infrastructure | 5 to 10 years |
| Transponders | 5 years |

Project costs that have been incurred for the tolled express lanes projects, consisting of the 91 Project and the I-15 Express Lanes project, and are expected to remain the Commission's assets, are capitalized upon completion as intangible assets that will be amortized over the life of the toll facility franchise 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, 2024, the estimated project costs incurred but not capitalized related to the 91 Project is primarily right of way, or approximately \$113.5 million. All costs related to the I-15 Express Lanes project are considered capitalizable.

The intangible right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into place. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

Right to use subscription IT assets are recognized at the subscription commencement date and represent the Commission's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies based on individual subscription IT arrangements.

In May 2012 the Commission entered into a toll facility agreement with Caltrans and obtained authority to toll the SR-91 from the Orange/Riverside County line to I-15. The Commission's 91 Project included the RCTC 91 Express Lanes, which opened on March 20, 2017. The toll facility is amortized over the remaining life of the toll facility agreement through March 2067.

In September 2016 the Commission entered into a toll facility agreement with Caltrans and obtained authority to toll the I-15 from Cajalco Road in Corona to SR-60 in Jurupa Valley. The Commission's I-15 Express Lanes Project included the 15 Express Lanes, which opened to motorists on April 10, 2021 and commenced tolling on April 14, 2021. The toll facility is amortized over the remaining life of the toll facility agreement through April 2071.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the Commission's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the Commission.

Subscription liabilities represent the Commission's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the Commission.

Compensated absences: Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability in the government-wide and proprietary fund financial statements.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

Post-employment Benefits Other Than Pensions: For purposes of measuring the net other post-employment benefits (OPEB) asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Risk management: The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; and errors or omissions. The Commission protects itself against such losses by a balanced program of risk retention, risk transfers, and the purchase of commercial insurance. Loss exposures retained by the Commission are treated as normal expenditures and include any loss contingency not covered by the Commission's purchased insurance policies. Construction projects and rail properties are protected through a combination of commercial insurance, insurance required of Commission consultants, and a self-insurance fund established by the Southern California Regional Rail Authority (SCRRA). The RCTC 91 Express Lanes and 15 Express Lanes Enterprise funds have purchased commercial property insurance, including business interruption, earthquake and flood coverage related to the RCTC 91 Express Lanes and 15 Express Lanes.

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources, or expenditure, until then. The Commission has the following items — loss on refunding of bonds, net differences between projected and actual pension earnings, pension contributions subsequent to measurement date, differences between expected and actual pension experiences, changes in pension assumptions, pension changes in Commission's proportion, changes in OPEB assumptions, differences between expected and actual OPEB experiences, differences between projected and actual OPEB earnings, and OPEB contributions subsequent to measurement date — which qualify for reporting in this category in the applicable column for governmental and business-type activities on the statement of net position.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources, or revenue, until then. The Commission has the following items — leases, differences between expected and actual pension experiences, the proportionate share of pension contributions, changes in OPEB assumptions, and differences between expected and actual OPEB experiences — which qualify for reporting in this category in the applicable governmental and business-type activities on the statement of net position.

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

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

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

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

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, Continued

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

Unassigned fund balance is residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. In all other governmental funds, it is the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

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

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

Net investment (deficit) in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and excludes unspent debt proceeds.

Restricted—net position represents restricted assets less liabilities and deferred inflows of resources related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants), contributions, or laws and regulations of other governments or constraints imposed by law through constitutional provisions or through enabling legislation.

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

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

Administration expenditures: The Commission's staff and resources are used in the performance of its responsibilities relating to the activities of the Commission and its component unit. Accordingly, the Commission allocates salaries and benefits to each applicable fund on the basis of actual hours spent by activity, and other indirect overhead is allocated based on a systematic basis. Administrative salaries and benefits, net of administrative cost allocations of \$2,548,800 allocated to Measure A in 2024 were less than 1% of revenues and in compliance with the law.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 2. Cash and Investments

Cash and investments at June 30, 2024 consist of the following:

| | Unrestricted | | | Restricted | | | Total |
|-----------------------------------|----------------------|-------------------------|-------------------------|-------------------|-----------------------|-----------------------|-------------------------|
| | Cash | Investments | Sub-total | Cash | Investments | Sub-total | |
| Cash in bank | \$ 18,174,033 | \$ - | \$ 18,174,033 | \$ 790,054 | \$ - | \$ 790,054 | \$ 18,964,087 |
| Petty cash | 1,018 | - | 1,018 | - | - | - | 1,018 |
| RCPIF | - | 1,286,739,718 | 1,286,739,718 | - | - | - | 1,286,739,718 |
| Operations pooled investments | - | 56,884,481 | 56,884,481 | - | - | - | 56,884,481 |
| Investments with fiscal agents | - | - | - | - | 261,004,255 | 261,004,255 | 261,004,255 |
| Total cash and investments | \$ 18,175,051 | \$ 1,343,624,199 | \$ 1,361,799,250 | \$ 790,054 | \$ 261,004,255 | \$ 261,794,309 | \$ 1,623,593,559 |

Total cash and investments are reported in the following funds:

| | |
|------------------------------------------|-------------------------|
| Unrestricted cash and investments | |
| Governmental funds | \$ 1,316,530,652 |
| Enterprise fund | 45,268,598 |
| Subtotal | <u>1,361,799,250</u> |
| Restricted cash and investments | |
| Governmental funds | 12,469,962 |
| Enterprise fund | 249,324,347 |
| Subtotal | <u>261,794,309</u> |
| Total cash and investments | <u>\$ 1,623,593,559</u> |

Restricted cash and investments at June 30, 2024 represent investments held by bond trustees for project costs and debt service and for cash held by a bank for the 15 Express Lanes toll customer deposits.

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 2. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Commission as of June 30, 2024:

| Investments by fair value level: | June 30, 2024 | Fair Value Measurements Using | |
|--------------------------------------------------|-------------------------|----------------------------------------------------------------|-----------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
| Investments subject to fair value hierarchy: | | | |
| U.S. Treasury obligations | \$ 53,199,651 | \$ 53,199,651 | \$ - |
| Mortgage and asset-backed securities | 48,337,163 | - | 48,337,163 |
| Corporate notes | 21,558,214 | - | 21,558,214 |
| Money market mutual funds | 185,165,825 | 185,165,825 | - |
| U.S. agency securities | 6,872,401 | - | 6,872,401 |
| Municipal bonds | 2,755,482 | - | 2,755,482 |
| Total investments measured at fair value | | <u>\$ 238,365,476</u> | <u>\$ 79,523,260</u> |
| Investments not subject to fair value hierarchy: | | | |
| RCPIF | 1,286,739,718 | | |
| Total investments | <u>\$ 1,604,628,454</u> | | |

Investments classified in Level 1 of the value hierarchy, valued at \$238,365,476 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$48,337,163, corporate notes totaling \$21,558,214, U.S. agency securities totaling \$6,872,401, and municipal bonds totaling \$2,755,482 in 2024, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2024, the Commission had the following investments:

| Investments | Fair Value | Principal | Interest Rate Range | Maturity Range | Weighted Average Maturity (Year) |
|--------------------------------------|-------------------------|-------------------------|----------------------------------------------------|-------------------|----------------------------------|
| Unrestricted: | | | | | |
| RCPIF | \$ 1,286,739,718 | \$ 1,301,082,198 | 0.273% – 6.197% | 7/1/24 – 6/1/29 | 1.270 |
| Operations pooled investments: | | | | | |
| Corporate notes | 15,900,015 | 15,945,438 | 1.108% – 6.091% | 3/15/25 – 2/15/29 | 2.522 |
| Money market mutual funds | 115,920 | 115,920 | 4.556% – 4.931% | N/A | 37 days or 0.104 |
| Mortgage and asset-backed securities | 1,554,576 | 1,554,242 | 2.833% – 3.069% | 1/25/26 – 8/25/27 | 2.564 |
| Municipal bonds | 1,929,004 | 1,921,553 | 0.692% – 5.525% | 11/1/24 – 5/1/26 | 1.512 |
| U.S. agency securities | 6,872,401 | 6,927,593 | 0.458% – 5.606% | 7/8/24 – 4/30/29 | 1.232 |
| U.S. Treasury obligations | 30,512,565 | 30,734,382 | 3.552% – 4.621% | 9/15/25 – 4/30/29 | 2.386 |
| Total unrestricted investments | <u>\$ 1,343,624,199</u> | <u>\$ 1,358,281,326</u> | | | |
| | | | Unrestricted investment portfolio weighted average | | 1.656 |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 2. Cash and Investments, Continued

| Investments | Fair Value | Principal | Interest Rate Range | Maturity Range | Weighted Average Maturity (Year) |
|--------------------------------------|-----------------------|-----------------------|--------------------------------------------------|--------------------|----------------------------------|
| Restricted: | | | | | |
| Corporate notes | \$ 5,658,199 | \$ 5,624,100 | 0.342% – 6.597% | 12/15/25 – 4/16/29 | 3.454 |
| Money market mutual funds | 185,049,905 | 185,049,905 | 4.556% – 4.931% | N/A | 37 days or 0.104 |
| Mortgage and asset-backed securities | 46,782,587 | 47,674,776 | 0.630% – 6.381% | 1/25/24 – 9/16/55 | 9.966 |
| Municipal bonds | 826,478 | 820,791 | 0.726% – 4.535% | 5/15/25 – 7/1/26 | 1.576 |
| U.S. Treasury obligations | 22,687,086 | 22,722,860 | 0.000% – 5.057% | 7/5/24 – 8/15/30 | 2.161 |
| Total restricted investments | <u>\$ 261,004,255</u> | <u>\$ 261,892,432</u> | | | |
| | | | Restricted investment portfolio weighted average | | 3.452 |

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

As of June 30, 2024, mortgage and asset-backed securities totaled \$48,337,163. 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.

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

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a 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 \$5,642,148 with financial institutions; bank balances over \$5,000,000 are swept daily into a money market fund. 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, 2024; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 2. Cash and Investments, Continued

| Investments | Moody's | S&P | % of Portfolio |
|-------------------------------------------------|---------|------|----------------|
| RCPIF | Aaa-bf | NR | 80.15% |
| Corporate | | | |
| Notes | A1 | A | 0.10% |
| Notes | A1 | A- | 0.07% |
| Notes | A1 | A+ | 0.09% |
| Notes | A1 | AA- | 0.04% |
| Notes | A1 | BBB+ | 0.05% |
| Notes | A2 | A | 0.05% |
| Notes | A2 | A- | 0.01% |
| Notes | A2 | A+ | 0.02% |
| Notes | Aa2 | A | 0.04% |
| Notes | Aa2 | A+ | 0.05% |
| Notes | Aa2 | AA | 0.05% |
| Notes | Aa2 | AA- | 0.02% |
| Notes | Aa3 | A | 0.04% |
| Notes | Aa3 | A+ | 0.15% |
| Notes | Aa3 | AA- | 0.03% |
| Notes | Aaa | AA+ | 0.02% |
| Notes | Aaa | AAA | 0.15% |
| Notes | Aaa | NR | 0.08% |
| Notes | NR | AAA | 0.29% |
| Money market mutual funds | | | |
| Funds | Aaa | AAA | 11.58% |
| Mortgage and asset-backed securities | | | |
| Securities | Aaa | AA+ | 0.36% |
| Securities | Aaa | AAA | 0.01% |
| Securities | Aaa | NR | 0.04% |
| Securities | NR | AA+ | 2.60% |
| Municipal bonds | | | |
| City of Los Angeles | Aa3 | AA- | 0.02% |
| City of Los Angeles | NR | AA- | 0.01% |
| County of Riverside | NR | AA- | 0.01% |
| County of Santa Clara | NR | AAA | 0.02% |
| Florida Housing Corporation | Aaa | NR | 0.03% |
| Golden State Tobacco Securitization Corporation | AA3 | A+ | 0.02% |
| Solano Community College District | AA2 | AA | 0.02% |
| State of California | AA3 | A+ | 0.01% |
| State of Connecticut | AA3 | AA- | 0.01% |
| State of Wisconsin | AA2 | NR | 0.02% |
| U.S. agency notes | | | |
| Notes | Aaa | AA+ | 0.36% |
| Notes | Aaa | NR | 0.02% |
| Notes | NR | AA+ | 0.05% |
| U.S. Treasuries | | | |
| Treasury | NR | NR | 3.31% |
| 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, 2024, the Commission did not have investments in any one issuer that represent more than 5% of the Commission's total investments.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 3. Advances

The Commission approved interest-bearing advances, which may be funded by debt proceeds, to the Coachella Valley Association of Governments (CVAG) in the amount of \$43,300,000. CVAG 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 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 outstanding interest-bearing advances, including capitalized interest of \$399,612, as of June 30, 2024 were \$13,335,025.

The Commission approved an interest-bearing advance in December 2023, which will be funded by Measure A Western County New Corridor fund, to the city of Desert Hot Springs (City) for storm damage road repairs. The term of the advance is for up to \$7.5 million and 48 months. The City will repay the Commission within 45 days upon receipt of funds from the Federal Highway Administration Emergency Relief Program, including interest at the rate of the County of Riverside's investment pool at approximately 4%. The advance outstanding at June 30, 2024 is \$3,750,000.

Note 4. Lease Receivable

The Commission has the following lease receivables as of June 30, 2024:

On 6/23/2015, the Commission entered into a 60-month lease as lessor for the use of 6001 Pedley Road, Jurupa Valley, Ca. An initial lease receivable was recorded in the amount of \$391,784. As of 6/30/2024, the value of the lease receivable is \$333,022. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.2610%. The value of the deferred inflow of resources as of 6/30/2024 was \$308,274, and the Commission recognized lease revenue of \$28,160 during the fiscal year. The lessee has two extension option(s), each for 60 months.

On 10/10/2016, the Commission entered into a 240-month lease as lessor for the use of real property adjacent to the SR-91. An initial lease receivable was recorded in the amount of \$306,635. As of 6/30/2024, the value of the lease receivable is \$253,810. The lessee is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 2.3460%. The value of the deferred inflow of resources as of 6/30/2024 was \$245,982, and the Commission recognized lease revenue of \$20,218 during the fiscal year. The lessee has one extension option(s), for 60 months.

On 10/31/2016, the Commission entered into a 60-month lease as lessor for the use of 2550 Cajalco Road, Corona, Ca. An initial lease receivable was recorded in the amount of \$437,708. As of 6/30/2024, the value of the lease receivable is \$381,863. The lessee is required to make monthly fixed payments of \$2,251. The lease has an interest rate of 2.4320%. The value of the deferred inflow of resources as of 6/30/2024 was \$353,738, and the Commission recognized lease revenue of \$29,197 during the fiscal year. The lessee has two extension option(s), each for 60 months.

On 8/3/2015, the Commission entered into a 120-month lease as lessor for the use of 202 North State Street, Hemet, Ca. An initial lease receivable was recorded in the amount of \$10,083. As of 6/30/2024, the value of the lease receivable is \$2,538. The lessee is required to make annual fixed payments of \$2,538. The lease has an interest rate of 1.1690%. The value of the deferred inflow of resources as of 6/30/2024 was \$2,685, and the Commission recognized lease revenue of \$2,466 during the fiscal year.

On 12/20/2021, the Commission entered into a 419-month lease as lessor for the use of real property adjacent to the SR-60/SR-91/I-215 Interchange. An initial lease receivable was recorded in the amount of \$1,106,235. As of 6/30/2024, the value of the lease receivable is \$1,054,241. The lessee is required to make monthly fixed payments of \$4,167. The lease has an interest rate of 2.8600%. The value of the deferred inflow of resources as of 6/30/2024 was \$1,026,202, and the Commission recognized lease revenue of \$31,682 during the fiscal year. The lessee has one extension option for 168 months.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 4. Lease Receivable, Continued

On 7/13/2015, the Commission entered into a 240-month lease as lessor for real property adjacent to I-215, north of Orange Avenue, Perris, Ca. An initial lease receivable was recorded in the amount of \$242,894. As of 6/30/2024, the value of the lease receivable is \$203,616. The lessee is required to make monthly fixed payments of \$1,500. The lease has an interest rate of 2.2610%. The value of the deferred inflow of resources as of 6/30/2024 was \$191,457, and the Commission recognized lease revenue of \$17,145 during the fiscal year.

The principal and interest expected to maturity for governmental activities is as follows:

| Year ending June 30 | Principal | Interest | Total |
|------------------------|--------------|------------|--------------|
| 2025 | \$ 97,701 | \$ 56,498 | \$ 154,199 |
| 2026 | 101,842 | 54,078 | 155,920 |
| 2027 | 106,723 | 51,539 | 158,262 |
| 2028 | 111,268 | 48,892 | 160,160 |
| 2029 | 115,982 | 46,133 | 162,115 |
| 2030 - 2034 | 656,920 | 185,087 | 842,007 |
| 2035 - 2039 | 355,810 | 113,576 | 469,386 |
| 2040 - 2044 | 163,618 | 86,417 | 250,035 |
| 2045 - 2049 | 188,738 | 61,297 | 250,035 |
| 2050 - 2054 | 217,716 | 32,319 | 250,035 |
| 2055 - 2057 | 112,892 | 3,938 | 116,830 |
| Total lease receivable | \$ 2,229,210 | \$ 739,774 | \$ 2,968,984 |

On November 1, 2019, the 15 Express Lanes fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the Orange County Transportation Authority. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2024, the value of the lease receivable is \$245,229. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2024 was \$232,801 and the Fund recognized lease revenue of \$49,011.

The principal and interest expected to maturity for business-type activities is as follows:

| Year ending June 30 | Principal | Interest | Total |
|------------------------|------------|-----------|------------|
| 2025 | \$ 47,975 | \$ 4,018 | \$ 51,993 |
| 2026 | 50,038 | 3,157 | 53,195 |
| 2027 | 51,989 | 2,259 | 54,248 |
| 2028 | 53,669 | 1,330 | 54,999 |
| 2029 | 41,558 | 368 | 41,926 |
| Total lease receivable | \$ 245,229 | \$ 11,132 | \$ 256,361 |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

| Governmental activities | Balance June 30, 2023 | Additions | Deletions | Transfers | Balance June 30, 2024 |
|-----------------------------------------------------------|--------------------------|----------------------|---------------------|-------------------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 179,033,069 | \$ 13,381,160 | \$ - | \$ (3,784,215) | \$ 188,630,014 |
| Construction in progress | 256,932,495 | 51,302,481 | - | (253,075,659) | 55,159,317 |
| Rail operating easements | 63,846,199 | - | - | - | 63,846,199 |
| Construction easements | 4,202,495 | 1,998 | - | - | 4,204,493 |
| Development in progress | 675,604 | 1,208,200 | (435,312) | - | 1,448,492 |
| Total capital assets not being depreciated | <u>504,689,862</u> | <u>65,893,839</u> | <u>(435,312)</u> | <u>(256,859,874)</u> | <u>313,288,515</u> |
| Capital assets being depreciated: | | | | | |
| Rail stations | 211,432,620 | - | - | - | 211,432,620 |
| Rail tracks | 154,791,511 | - | - | - | 154,791,511 |
| Buildings temporarily held | - | 2,127,136 | - | - | 2,127,136 |
| Construction easements | 1,921,470 | - | - | - | 1,921,470 |
| Office improvements | 536,982 | - | - | - | 536,982 |
| Office furniture, equipment, and vehicles | 2,668,305 | 552,353 | - | - | 3,220,658 |
| Total capital assets being depreciated | <u>371,350,888</u> | <u>2,679,489</u> | <u>-</u> | <u>-</u> | <u>374,030,377</u> |
| Less accumulated depreciation for: | | | | | |
| Rail stations | (94,760,929) | (6,500,711) | - | - | (101,261,640) |
| Rail tracks | (36,089,965) | (5,179,704) | - | - | (41,269,669) |
| Buildings temporarily held | - | (9,780) | - | - | (9,780) |
| Construction easements | (1,553,118) | (368,352) | - | - | (1,921,470) |
| Office improvements | (353,026) | (64,405) | - | - | (417,431) |
| Office furniture, equipment, and vehicles | (2,114,821) | (329,810) | - | - | (2,444,631) |
| Total accumulated depreciation | <u>(134,871,859)</u> | <u>(12,452,762)</u> | <u>-</u> | <u>-</u> | <u>(147,324,621)</u> |
| Total capital assets being depreciated, net | <u>236,479,029</u> | <u>(9,773,273)</u> | <u>-</u> | <u>-</u> | <u>226,705,756</u> |
| Intangible right to use lease assets: | | | | | |
| Land | 25,205 | - | - | - | 25,205 |
| Building | 3,856,996 | - | - | - | 3,856,996 |
| Equipment | 94,026 | 115,594 | (58,954) | - | 150,666 |
| Total intangible right to use lease assets | <u>3,976,227</u> | <u>115,594</u> | <u>(58,954)</u> | <u>-</u> | <u>4,032,867</u> |
| Less accumulated amortization for: | | | | | |
| Land | (16,804) | (8,318) | - | - | (25,122) |
| Building | (1,220,675) | (610,338) | - | - | (1,831,013) |
| Equipment | (60,231) | (27,104) | 66 | - | (87,269) |
| Total accumulated amortization | <u>(1,297,710)</u> | <u>(645,760)</u> | <u>66</u> | <u>-</u> | <u>(1,943,404)</u> |
| Total intangible right to use lease assets, net | <u>2,678,517</u> | <u>(530,166)</u> | <u>(58,888)</u> | <u>-</u> | <u>2,089,463</u> |
| Total intangible right to use subscription IT assets | 1,125,117 | 263,079 | (116,351) | - | 1,271,845 |
| Less total accumulated amortization | (222,992) | (286,383) | - | - | (509,375) |
| Total intangible right to use subscription IT assets, net | <u>902,125</u> | <u>(23,304)</u> | <u>(116,351)</u> | <u>-</u> | <u>762,470</u> |
| Governmental activities capital assets, net | <u>\$ 744,749,533</u> | <u>\$ 55,567,096</u> | <u>\$ (610,551)</u> | <u>\$ (256,859,874)</u> | <u>\$ 542,846,204</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 5. Capital Assets, Continued

| Business-type activities | Balance June 30, 2023 | Additions | Deletions | Transfers | Balance June 30, 2024 |
|-----------------------------------------------------------|--------------------------|------------------------|-----------------------|-----------------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 19,237,061 | \$ - | \$ - | \$ 3,784,215 | \$ 23,021,276 |
| Construction easements | 259,657 | - | - | - | 259,657 |
| Construction in progress | 6,229,120 | 802,348 | (7,031,468) | - | - |
| Total capital assets not being depreciated | <u>25,725,838</u> | <u>802,348</u> | <u>(7,031,468)</u> | <u>3,784,215</u> | <u>23,280,933</u> |
| Capital assets being depreciated and amortized: | | | | | |
| Toll infrastructure | 54,477,879 | 2,078,490 | - | - | 56,556,369 |
| Transponders | 453,818 | - | - | - | 453,818 |
| Buildings | 7,615,825 | - | - | - | 7,615,825 |
| Equipment, furniture, and fixtures | 188,942 | - | - | - | 188,942 |
| Toll facility franchise | 605,048,995 | 7,486,530 | - | 253,075,659 | 865,611,184 |
| Total capital assets being depreciated and amortized | <u>667,785,459</u> | <u>9,565,020</u> | <u>-</u> | <u>253,075,659</u> | <u>930,426,138</u> |
| Less accumulated depreciation and amortization for: | | | | | |
| Toll infrastructure | (37,246,153) | (6,085,534) | - | - | (43,331,687) |
| Transponders | (453,818) | - | - | - | (453,818) |
| Buildings | (2,448,047) | (859,579) | - | - | (3,307,626) |
| Equipment, furniture, and fixtures | (132,842) | (35,366) | - | - | (168,208) |
| Toll facility franchise | (46,766,786) | (15,107,720) | - | - | (61,874,506) |
| Total accumulated depreciation and amortization | <u>(87,047,646)</u> | <u>(22,088,199)</u> | <u>-</u> | <u>-</u> | <u>(109,135,845)</u> |
| Total capital assets being depreciated and amortized, net | <u>580,737,813</u> | <u>(12,523,179)</u> | <u>-</u> | <u>253,075,659</u> | <u>821,290,293</u> |
| Business-type activities capital assets, net | <u>\$ 606,463,651</u> | <u>\$ (11,720,831)</u> | <u>\$ (7,031,468)</u> | <u>\$ 256,859,874</u> | <u>\$ 844,571,226</u> |

On May 14, 2012, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the SR-91 from Orange/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. On September 29, 2016, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the I-15 from Cajalco Road to SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations. The agreements also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the RCTC 91 Express Lanes and 15 Express Lanes.

Depreciation and amortization expense was charged to functions/programs of the Commission's governmental and business-type activities during the year ended June 30, 2024 as follows:

| Governmental activities: | |
|-----------------------------------------------------------------------|----------------------|
| General government | \$ 1,008,438 |
| Commuter assistance | 8,318 |
| Commuter rail | 11,689,131 |
| Highway | 383,549 |
| Planning and programming | 295,469 |
| Total depreciation and amortization expense – governmental activities | <u>\$ 13,384,905</u> |

| Business-type activities: | |
|------------------------------------------------------------------------|----------------------|
| RCTC 91 Express Lanes | \$ 1,555,731 |
| Toll facility franchise | 8,015,197 |
| 15 Express Lanes | 5,424,748 |
| Toll facility franchise | 7,092,523 |
| Total depreciation and amortization expense – business-type activities | <u>\$ 22,088,199</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 6. Interfund Transactions

Due from/to other funds: The total due from other funds and due to other funds of \$28,968,650. The composition of balances related to due from other funds and due to other funds at June 30, 2024 is as follows:

| Receivable Fund | Payable Fund | Amount | Explanation |
|---------------------------------------------------------------|---------------------------------------------------------------|---------------|------------------------------------------------|
| General fund | Nonmajor Governmental funds | \$ 261,975 | Fringe benefits allocation |
| General fund | Nonmajor Governmental funds | 92,700 | Administrative cost allocation |
| General fund | Transportation Uniform Mitigation Fee Special Revenue fund | 9,000 | Administrative cost allocation |
| General fund | Measure A Western County Special Revenue fund | 183,600 | Administrative cost allocation |
| General fund | Measure A Coachella Valley Special Revenue fund | 9,000 | Administrative cost allocation |
| General fund | RCTC 91 Express Lanes Enterprise fund | 75,600 | Administrative cost allocation |
| General fund | 15 Express Lanes Enterprise fund | 16,800 | Administrative cost allocation |
| General fund | Local Transportation Fund | 698,000 | Administrative cost allocation |
| General fund | State Transit Assistance fund | 3,000 | Administrative cost allocation |
| General fund | Transportation Uniform Mitigation Fee Special Revenue fund | 12,321 | Fringe benefits allocation |
| General fund | Measure A Western County Special Revenue fund | 226,454 | Fringe benefits allocation |
| General fund | Measure A Coachella Valley Special Revenue fund | 163 | Fringe benefits allocation |
| General fund | SB 132 fund | 30,129 | Fringe benefits allocation |
| General fund | RCTC 91 Express Lanes Enterprise fund | 91,013 | Fringe benefits allocation |
| General fund | 15 Express Lanes Enterprise fund | 44,548 | Fringe benefits allocation |
| General fund | SB 132 fund | 2,541,017 | Cash deficit |
| Measure A Western County Special Revenue fund | Transportation Uniform Mitigation Fee Special Revenue fund | 3,701,020 | Highway project costs allocations |
| Measure A Western County Special Revenue fund | State Transit Assistance fund | 7,451,757 | Rail project costs allocations |
| Measure A Coachella Valley Special Revenue fund | Debt Service fund | 124,220 | Advance loan payment adjustment |
| Transportation Uniform Mitigation Fee Special Revenue fund | Measure A Western County Special Revenue fund | 10,787 | Regional arterial project costs allocations |
| SB 132 Special Revenue fund | RCTC 91 Express Lanes Enterprise fund | 12,081,926 | Toll project costs allocations |
| Commercial Paper Capital Projects fund | Measure A Coachella Valley Special Revenue fund | 434,145 | Advance loan payment adjustment |
| Bonds Capital Projects fund | Measure A Coachella Valley Special Revenue fund | 67,894 | Advance loan payment adjustment |
| Nonmajor Governmental funds | State Transit Assistance fund | 248,349 | Rail project costs allocations |
| RCTC 91 Express Lanes Enterprise fund | Measure A Western County Special Revenue fund | 553,232 | Toll express lanes project costs |
| Total due from/to other funds | | \$ 28,968,650 | |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 6. Interfund Transactions

Advances to/from other funds: The Measure A Western County Special Revenue fund advanced \$9,000,000 to the 15 Express Lanes Enterprise fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Capitalized interest on the advance as of June 30, 2024 was \$1,853,345. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date. Additionally, the Measure A Western County Special Revenue fund has advanced \$2,727,273 to the Bonds Capital Projects fund in the event that the 15 Express Lanes does not have sufficient funds to meet the annual TIFIA debt service reserve.

| Advances From | Advances To | Amount | Explanation |
|-----------------------------------------------|----------------------------------|---------------|------------------------------------------------|
| Measure A Western County Special Revenue fund | 15 Express Lanes Enterprise fund | \$ 9,000,000 | Initial TIFIA debt service reserve requirement |
| Measure A Western County Special Revenue fund | Bonds Capital Projects fund | 2,727,273 | Additional TIFIA debt service reserve |
| Total Advances from/to other funds | | \$ 11,727,273 | |

Interfund transfers: During 2024, interfund transfers were as follows:

| Transfers Out | Transfers In | Amount | Explanation |
|------------------------------------------------------------|------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Measure A Western County Special Revenue fund | Transportation Uniform Mitigation Fee Special Revenue fund | \$ 38,208 | Highway project costs allocations |
| Measure A Western County Special Revenue fund | Debt Service fund | 67,235,624 | Debt service funding related to highway projects for Western County and to advance agreements for Western County jurisdictions |
| Measure A Western County Special Revenue fund | 91 Express Lanes Enterprise fund | 180,634 | Toll project costs allocations |
| Transportation Uniform Mitigation Fee Special Revenue fund | Measure A Western County Special Revenue fund | 7,222,796 | Highway project costs allocations |
| Local Transportation Fund | General fund | 29,679,418 | Administration, planning and programming, commuter rail operating and station maintenance, and grade separation costs allocations |
| State Transit Assistance fund | Nonmajor Governmental funds | 131,888 | Coachella Valley commuter rail costs allocations |
| State Transit Assistance fund | Measure A Western County Special Revenue fund | 3,911,313 | Rail operation costs allocations |
| SB 132 Special Revenue fund | 91 Express Lanes Enterprise fund | 126,951 | Surplus funds returned for the 15/91 Express Lanes Connector project |
| Commercial Paper fund | Debt Service fund | 2,437,262 | Debt service funding related to highway projects for Western County |
| Bonds Capital Projects fund | Measure A Western County Special Revenue fund | 16,171,777 | Highway project costs allocations |
| Bonds Capital Projects fund | 15 Express Lanes Enterprise fund | 204 | Toll project costs allocations |
| Bonds Capital Projects fund | Debt Service fund | 381,151 | Debt service funding related to highway projects for Western County |
| Debt Service fund | Measure A Western County Special Revenue fund | 2,823,205 | Cash subsidies available after debt service payment |
| Debt Service fund | Measure A Coachella Valley Special Revenue fund | 124,220 | Share of cash subsidy related to CVAG advance agreement |
| Debt Service fund | Bonds Capital Projects fund | 632,802 | Allocation of reserve funds |
| Nonmajor Governmental funds | Measure A Western County Special Revenue fund | 8,200 | Commuter assistance costs allocations |
| Nonmajor Governmental funds | Measure A Western County Special Revenue fund | 1,136,030 | Rail operation costs allocations |
| RCTC 91 Express Lanes Enterprise fund | SB 132 Special Revenue fund | 32,016,475 | Surplus funds used for the 15/91 Express Lanes Connector project |
| Total transfers | | \$ 164,258,158 | |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 6. Interfund Transactions, Continued

The Commission contributed \$256,470,619 of land and intangible costs from the governmental activities to the 91 Express Lanes related to the completion of the 15/91 Express Lanes Connector Project. The Commission also contributed \$389,255 of capital and intangible costs from the governmental activities to the 15 Express Lanes.

Note 7. Long-term Obligations

The following is a summary of the changes in long-term obligations for the year ended June 30, 2024:

| Governmental activities | Balance June 30, 2023 | Adjustment | Additions / Accretion | Reductions | Balance June 30, 2024 | Due Within One Year |
|---------------------------------------------|--------------------------|--------------|-----------------------------|-----------------|--------------------------|------------------------|
| Sales tax revenue bonds: | | | | | | |
| 2010 Bonds | \$ 112,370,000 | \$ - | \$ - | \$ - | \$ 112,370,000 | \$ - |
| 2016 Refunding Bonds | 41,240,000 | - | - | (6,305,000) | 34,935,000 | 6,620,000 |
| 2017 Bonds, series A | 130,700,000 | - | - | (5,540,000) | 125,160,000 | 5,820,000 |
| 2017 Refunding Bonds, series B | 392,730,000 | - | - | (15,045,000) | 377,685,000 | 15,800,000 |
| 2018 Refunding Bonds | 38,875,000 | - | - | (5,745,000) | 33,130,000 | 5,970,000 |
| Total bonds payable | 715,915,000 | - | - | (32,635,000) | 683,280,000 | 34,210,000 |
| Sales tax revenue bonds premium | 72,960,246 | - | - | (8,758,189) | 64,202,057 | 8,758,189 |
| Total bonds payable, net | 788,875,246 | - | - | (41,393,189) | 747,482,057 | 42,968,189 |
| Lease liability | 2,798,410 | - | 56,640 | (620,674) | 2,234,376 | 642,162 |
| Subscription IT liability | 914,626 | (116,350) | 263,079 | (279,961) | 781,394 | 268,041 |
| Compensated absences liability, as restated | 2,127,934 | - | 623,323 | (396,228) | 2,355,029 | 897,570 |
| Total long-term obligations, as restated | \$ 794,716,216 | \$ (116,350) | \$ 943,042 | \$ (42,690,052) | \$ 752,852,856 | \$ 44,775,962 |

| Business-type activities | Balance June 30, 2023 | Additions / Accretion | Reductions | Balance June 30, 2024 | Due Within One Year |
|---------------------------------------------|--------------------------|--------------------------|----------------|--------------------------|------------------------|
| Toll revenue bonds: | | | | | |
| 2013 Bonds, Series B | \$ 68,001,572 | \$ 4,699,739 | \$ - | \$ 72,701,311 | \$ - |
| 2021 Bonds, Series A, B, C | 615,059,000 | - | - | 615,059,000 | - |
| Toll revenue bonds premium | 51,831,137 | - | (2,537,375) | 49,293,762 | 2,537,375 |
| Total bonds payable, net | 734,891,709 | 4,699,739 | (2,537,375) | 737,054,073 | 2,537,375 |
| TIFIA loan | 167,030,355 | 4,783,933 | - | 171,814,288 | - |
| Compensated absences liability, as restated | 280,866 | 59,177 | (48,972) | 291,071 | 110,936 |
| Total long-term obligations, as restated | \$ 902,202,930 | \$ 9,542,849 | \$ (2,586,347) | \$ 909,159,432 | \$ 2,648,311 |

The Commission has pledged a portion of future sales tax revenues through maturities of the bonds to repay \$683,280,000 in outstanding sales tax revenue bonds payable at June 30, 2024. The debt was issued during multiple transactions as follows: November 2010 (2010 Bonds), September 2016 (2016 Refunding Bonds), July 2017 (2017A Sales Tax Bonds), December 2017 (2017B Refunding Bonds), and March 2018 (2018 Refunding Bonds). The bonds are payable solely from the 2009 Measure A sales tax revenues on a senior and subordinate lien basis, respectively. For the current year, interest paid on the bonds was \$36,580,039. Cash subsidies of \$2,823,205 related to the bonds were also received from the U.S. Treasury during the current year and were recorded as intergovernmental revenues.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue CIBs, pay the purchase price of the 2013 Toll Revenue CIBs accepted tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue CABs maturing in the years 2022 through 2025 and 2027 through 2029. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds.

The Commission executed a TIFIA loan agreement for up to \$152,214,260 in July 2017 as a senior toll revenue bond on the trust estate, which consists primarily of toll revenues and account revenues less operating and maintenance expenses of the 15 Express Lanes. The 15 Express Lanes opened to motorists on April 10, 2021, and tolling commenced on April 14, 2021. The amount outstanding under the TIFIA loan at June 30, 2024 is \$152,214,260, and compounded interest of \$19,600,028.

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, 2024:

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

During 2023 the cash subsidy related to the 2010 Bonds that was received from the U.S. Treasury was approximately \$2,823,205, or \$158,895 less than the amount anticipated. The subsidy reduction resulted from federal sequestration cuts of 5.7% for federal fiscal year ending September 30, 2024. The federal sequestration cuts may continue for an unknown duration.

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

| Year Ending June 30 | Principal | Interest | Total | Subsidy | Total, net |
|-----------------------|----------------------|-----------------------|------------------------|-----------------------|--------------|
| 2025 | \$ — | \$ 7,649,000 | \$ 7,649,000 | \$ (2,982,100) | \$ 4,666,900 |
| 2026 | — | 7,649,000 | 7,649,000 | (2,982,100) | 4,666,900 |
| 2027 | — | 7,649,000 | 7,649,000 | (2,982,100) | 4,666,900 |
| 2028 | — | 7,649,000 | 7,649,000 | (2,982,100) | 4,666,900 |
| 2029 | — | 7,649,000 | 7,649,000 | (2,982,100) | 4,666,900 |
| 2030-2034 | 29,170,000 | 37,219,300 | 66,389,300 | (14,551,500) | 51,837,800 |
| 2035-2039 | 83,200,000 | 17,452,100 | 100,652,100 | (7,386,200) | 93,265,900 |
| \$ 112,370,000 | \$ 92,916,400 | \$ 205,286,400 | \$ (36,848,200) | \$ 168,438,200 | |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

2016 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A (Tax-exempt): **Outstanding**

In October 2016, the Commission issued sales tax revenue bonds of \$76,140,000. A portion of the 2016 Refunding Bonds was used to refund all of the outstanding Series A bonds issues in 2009, retire all of the outstanding commercial paper notes, finance a termination payment in connection with an interest rate swap agreement and pay costs of issuance. The outstanding 2016 Refunding Bonds mature in annual installments ranging from \$6,620,000 to \$7,305,000 on various dates from June 1, 2025 through June 1, 2029 at interest rates ranging from 2.00% to 5.00%. \$ 34,935,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2016 Refunding Bonds payable throughout the term of the bonds are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|---------------------|----------------------|
| 2025 | \$ 6,620,000 | \$ 833,100 | \$ 7,453,100 |
| 2026 | 6,820,000 | 634,500 | 7,454,500 |
| 2027 | 7,025,000 | 429,900 | 7,454,900 |
| 2028 | 7,165,000 | 289,400 | 7,454,400 |
| 2029 | 7,305,000 | 146,100 | 7,451,100 |
| | <u>\$ 34,935,000</u> | <u>\$ 2,333,000</u> | <u>\$ 37,268,000</u> |

2017 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A (Tax-exempt): **Outstanding**

In July 2017, the Commission issued sales tax revenue bonds of \$158,760,000 at a premium of \$28,931,909 to fund a portion of the I-15 Express Lanes project and complete the 91 Project. The outstanding 2017A Bonds mature in annual installments ranging from \$5,820,000 to \$11,440,000 on various dates from June 1, 2025 to June 1, 2039 at interest rates ranging from 3.00% to 5.00%. \$ 125,160,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2017A Sales Tax Bonds payable throughout the term of the bonds are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-----------------------|----------------------|-----------------------|
| 2025 | \$ 5,820,000 | \$ 6,195,600 | \$ 12,015,600 |
| 2026 | 6,110,000 | 5,904,600 | 12,014,600 |
| 2027 | 6,415,000 | 5,599,100 | 12,014,100 |
| 2028 | 6,735,000 | 5,278,300 | 12,013,300 |
| 2029 | 7,075,000 | 4,941,600 | 12,016,600 |
| 2030-2034 | 40,965,000 | 19,103,300 | 60,068,300 |
| 2035-2039 | 52,040,000 | 8,026,900 | 60,066,900 |
| | <u>\$ 125,160,000</u> | <u>\$ 55,049,400</u> | <u>\$ 180,209,400</u> |

In connection with the issuance of the 2017A Sales Tax Bonds, the Commission provided for the establishment of an I-15 Trust Fund for deposits of sales tax revenues as required by the toll indenture for the I-15 Express Lanes project.

2017 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series B (Tax-exempt): **Outstanding**

In December 2017, the Commission issued sales tax revenue bonds of \$392,730,000 at a premium of \$80,058,109 to refund all of the outstanding 2010A Bonds and refund a portion of the 2013 Sales Tax Bonds. The 2017B Refunding Bonds mature in annual installments ranging from \$15,800,000 to \$35,045,000 on various dates from June 1, 2024 to June 1, 2039 at interest rates ranging from 4.00% to 5.00%. \$ 377,685,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2017B Refunding Bonds payable throughout the term of the bonds are as follows:

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-----------------------|-----------------------|-----------------------|
| 2025 | \$ 15,800,000 | \$ 18,614,100 | \$ 34,414,100 |
| 2026 | 16,590,000 | 17,824,100 | 34,414,100 |
| 2027 | 17,415,000 | 16,994,600 | 34,409,600 |
| 2028 | 18,290,000 | 16,123,800 | 34,413,800 |
| 2029 | 15,800,000 | 18,614,100 | 34,414,100 |
| 2030-2034 | 149,050,000 | 55,037,700 | 204,087,700 |
| 2035-2039 | 144,740,000 | 17,905,600 | 162,645,600 |
| | \$ 377,685,000 | \$ 161,114,000 | \$ 538,799,000 |

The refunding was undertaken to advance refund all of the outstanding 2010A Bonds and the callable portion of the outstanding 2013 Sales Tax Bonds in the amounts of \$37,630,000 and \$372,445,000, respectively, and reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$41,742,900. This amount is reflected as a deferred outflow of resources and amortized over the life of the old debt, which is the same as the 2017B Refunding Bonds obligation. At June 30, 2024, the unamortized deferred amount on refunding was approximately \$27,105,700.

2018 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A (Tax-exempt):

Outstanding

In April 2018, the Commission issued sales tax revenue bonds of \$64,285,000 at a premium of \$10,723,789 to refund all of the outstanding Series B and Series C bonds issued in 2009 and finance a termination payment in connection with an interest rate swap agreement with Bank of America. The refunding was undertaken to eliminate certain risks associated with managing the Commission's variable rate debt. The outstanding 2018 Refunding Bonds mature in annual installments ranging from \$5,970,000 to \$7,290,000 on various dates from June 1, 2025 through June 1, 2029 at interest rates ranging from 4.00% to 5.00%.

\$ 33,130,000

In accordance with the bond maturity schedule, the approximate annual debt service requirements to maturity for the 2018 Refunding Bonds payable throughout the term of the bonds are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|---------------------|----------------------|
| 2025 | \$ 5,970,000 | \$ 1,656,500 | \$ 7,626,500 |
| 2026 | 6,295,000 | 1,358,000 | 7,653,000 |
| 2027 | 6,620,000 | 1,043,200 | 7,663,200 |
| 2028 | 6,955,000 | 712,300 | 7,667,300 |
| 2029 | 7,290,000 | 364,500 | 7,654,500 |
| | \$ 33,130,000 | \$ 5,134,500 | \$ 38,264,500 |

Toll revenue bonds payable: In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue capital interest bonds (CIBs), pay the purchase price of the 2013 Toll Revenue CIBs accepted for tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue capital appreciation bonds (CABs) maturing in the years 2022 through 2025 and 2027 through 2029. The amount outstanding on the 2013 Toll Revenue CABs on June 30, 2024 is \$14,339,802. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

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

Outstanding

In July 2013, the Commission issued \$52,829,602 principal amount of serial CABs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay costs of issuance. In October 2021, the Commission refunded a portion of the 2013 Series B Senior Bonds. The CABs will not pay current interest as interest will be compounded commencing December 2021 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 \$4,580,000 to \$34,220,000 on various dates from June 1, 2025 through June 1, 2043. Interest rates and yield to maturity range from 3.00% to 4.00%. During 2024, the accretion amount was \$4,699,739; the aggregate accretion through June 30, 2024 is \$11,718,111.

\$ 72,701,311

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

| Year Ending June 30 | Principal | Accreted Interest | Total |
|---------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ 3,696,600 | \$ 5,025,700 | \$ 8,722,300 |
| 2026 | 3,681,000 | 5,095,100 | 8,776,100 |
| 2027 | 3,312,500 | 5,145,400 | 8,457,900 |
| 2028 | 4,179,600 | 5,203,100 | 9,382,700 |
| 2029 | 4,944,800 | 5,025,700 | 9,970,500 |
| 2030-2034 | 20,087,200 | 23,679,900 | 43,767,100 |
| 2035-2039 | - | 21,490,700 | 21,490,700 |
| 2040-2043 | 21,081,500 | 17,738,100 | 38,819,600 |
| | <u>\$ 60,983,200</u> | <u>\$ 88,403,700</u> | <u>\$ 149,386,900</u> |

2021 Toll Revenue Refunding Bonds, Series A:

Outstanding

In October 2021, the Commission issued \$88,735,000 principal amount to (i) refund a portion of the Commission's outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (current interest obligations), (ii) fund capitalized interest with respect to the 2021 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which secured the 2021 Series A Senior Bonds and the 2013 Series B Senior Bonds), and (iv) pay certain costs of issuance of the 2021 Series A Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series A mature in annual installments ranging from \$2,305,000 to \$27,750,000 on various dates from June 1, 2030 to June 1, 2041 at interest rates from 2.477% to 3.335%.

\$ 88,735,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ - | \$ 2,725,300 | \$ 2,725,300 |
| 2026 | - | 2,725,300 | 2,725,300 |
| 2027 | - | 2,725,300 | 2,725,300 |
| 2028 | - | 2,725,300 | 2,725,300 |
| 2029 | - | 2,725,300 | 2,725,300 |
| 2030-2034 | 23,060,000 | 12,740,400 | 35,800,400 |
| 2035-2039 | 51,070,000 | 4,888,400 | 55,958,400 |
| 2040-2041 | 14,605,000 | 974,400 | 15,579,400 |
| | <u>\$ 88,735,000</u> | <u>\$ 32,229,700</u> | <u>\$ 120,964,700</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series B-1:

Outstanding

In October 2021, the Commission issued \$437,895,000 principal amount at a premium of \$46,512,600 to (i) refund and prepay a portion of the Commission's outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement, (ii) pay the purchase price of 2013 Series A Senior Bonds accepted for tender for cash, (iii) make a deposit to the 2021 Series B Senior Bonds Reserve Account, and (iv) pay certain costs of issuance of the 2021 Series B Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-1 mature in annual installments ranging from \$5,010,000 to \$65,105,000 on various dates from June 1, 2037 to June 1, 2049 at interest rates from 3.000 to 4.000%.

\$ 437,895,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-----------------------|-----------------------|-----------------------|
| 2025 | \$ — | \$ 16,065,800 | \$ 16,065,800 |
| 2026 | — | 16,065,800 | 16,065,800 |
| 2027 | — | 16,065,900 | 16,065,900 |
| 2028 | — | 16,065,900 | 16,065,900 |
| 2029 | — | 16,065,900 | 16,065,900 |
| 2030-2034 | — | 80,329,200 | 80,329,200 |
| 2035-2039 | 106,590,000 | 76,407,000 | 182,997,000 |
| 2040-2044 | 148,748,000 | 48,240,100 | 196,988,100 |
| 2045-2049 | 182,557,000 | 18,861,600 | 201,418,600 |
| | <u>\$ 437,895,000</u> | <u>\$ 304,167,200</u> | <u>\$ 742,062,200</u> |

2021 Toll Revenue Refunding Bonds, Series B-2:

Outstanding

In October 2021, the Commission issued \$12,734,000 principal amount together with the 2021 Series B-1 Senior Bonds, the 2021 Series B Senior Bonds exchanged for the 2013 Series A Senior Bonds accepted a tender for exchange. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-2 mature in annual installments ranging from \$1,894,000 to \$5,420,000 on various dates from June 1, 2044 to June 1, 2048 at an interest rate of 3.000%.

\$ 12,734,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|---------------------|----------------------|
| 2025 | \$ — | \$ 382,000 | \$ 382,000 |
| 2026 | — | 382,000 | 382,000 |
| 2027 | — | 382,000 | 382,000 |
| 2028 | — | 382,000 | 382,000 |
| 2029 | — | 382,000 | 382,000 |
| 2030-2034 | — | 1,910,100 | 1,910,100 |
| 2035-2039 | — | 1,910,100 | 1,910,100 |
| 2040-2044 | 1,894,000 | 1,910,100 | 3,804,100 |
| 2045-2048 | 10,840,000 | 1,138,300 | 11,978,300 |
| | <u>\$ 12,734,000</u> | <u>\$ 8,778,600</u> | <u>\$ 21,512,600</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series C:

Outstanding

In October 2021, the Commission issued \$75,695,000 principal amount at a premium of \$9,455,800, to (i) refund and prepay the remaining portion of the Commission's outstanding TIFIA Obligations and (ii) pay certain costs of issuance of the 2021 Series C Second Lien Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series C mature in annual installments ranging from \$17,585,000, to \$58,110,000 on various dates from June 1, 2046 to June 1, 2047 at an interest rate of 4.000%.

\$ 75,695,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ - | \$ 3,027,800 | \$ 3,027,800 |
| 2026 | - | 3,027,800 | 3,027,800 |
| 2027 | - | 3,027,800 | 3,027,800 |
| 2028 | - | 3,027,800 | 3,027,800 |
| 2029 | - | 3,027,800 | 3,027,800 |
| 2030-2034 | - | 15,139,000 | 15,139,000 |
| 2035-2039 | - | 15,139,000 | 15,139,000 |
| 2040-2044 | - | 15,139,000 | 15,139,000 |
| 2045-2047 | 75,695,000 | 6,759,000 | 82,454,000 |
| | <u>\$ 75,695,000</u> | <u>\$ 67,315,000</u> | <u>\$ 143,010,000</u> |

2017 TIFIA Loan Agreement – I-15 Express Lanes:

Outstanding

In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds will finance a portion of the costs for the I-15 Express Lanes project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on June 1, 2025, which is five years after substantial completion of the I-15 Express Lanes project, through June 1, 2055. The interest rate of the TIFIA loan is 2.84%. During the year, \$4,783,933 in interest was compounded for a total compounded interest of \$19,600,028.

\$ 171,814,288

The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes project indenture. In accordance with the projected TIFIA loan maturity schedule, the annual debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

| Year ending June 30 | Mandatory | | Total |
|----------------------------|-----------------------|-----------------------|-----------------------|
| | Principal | Interest | |
| 2026 | \$ - | \$ 5,018,900 | \$ 5,018,900 |
| 2027 | - | 5,018,900 | 5,018,900 |
| 2028 | - | 5,025,800 | 5,025,800 |
| 2029-2033 | 4,017,700 | 24,942,900 | 28,960,600 |
| 2034-2038 | 17,483,200 | 23,762,300 | 41,245,500 |
| 2039-2043 | 21,475,000 | 20,852,900 | 42,327,900 |
| 2044-2048 | 40,678,500 | 17,012,300 | 57,690,800 |
| 2049-2053 | 64,144,700 | 9,709,600 | 73,854,300 |
| 2054-2055 | 28,922,600 | 1,291,600 | 30,214,200 |
| Total | <u>176,721,700</u> | <u>\$ 112,635,200</u> | <u>\$ 289,356,900</u> |
| Future compounded interest | (4,907,412) | | |
| Total TIFIA loan | <u>\$ 171,814,288</u> | | |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

Pursuant to the I-15 Express Lanes project toll indenture, the Commission is required to establish the following reserve accounts to support the 15 Express Lanes:

- A \$16.5 million ramp-up reserve was funded prior to substantial completion and commencement of express lanes operations. The balance at June 30, 2024 is approximately \$16.2 million and reflects a \$1 million withdrawal in accordance with the indenture and is not required to be replenished;
- An \$18 million TIFIA loan reserve from an advance of Measure A sales tax revenues up to \$3 million per year from 2019 through 2024 to the extent that 15 Express Lanes revenues are not sufficient to fund the TIFIA loan reserve. Through FY 2020/21 \$9 million was funded by Measure A Sales Tax revenue and \$9 million was funded by 15 Express Lanes toll revenues for a total of \$18 million funded through FY 2023/24. The balance as of June 30, 2024 is approximately \$18.7 million; and
- Up to a \$38.5 million backstop loan from Measure A sales tax revenues of up to \$3.85 million per year to the extent 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest. Funding for this account is scheduled to begin in FY 2024/25.

The Commission has funded \$9,000,000 required for the TIFIA loan reserve with an advance of Measure A sales tax revenues. The loan is included in advances from the Measure A Western County Special Revenue fund to the 15 Express Lanes Enterprise fund.

Commercial paper notes payable: In February 2005, the Commission authorized the issuance of tax-exempt commercial paper notes in an amount not to exceed \$200,000,000 for the primary purpose of financing right of way and mitigation land acquisition and project development costs of capital projects under the 2009 Measure A. The Commission reduced the authorization to \$60,000,000 in September 2013. As of June 30, 2024, \$0 was outstanding in commercial paper notes.

The source of revenue to repay the commercial paper notes and any subsequent long-term debt refinancing is the 2009 Measure A sales tax. Interest is payable on the respective maturity dates of the commercial paper notes, which is up to 270 days from the date of issuance. The maximum allowable interest rate on the commercial paper notes is 12%.

As a requirement for the issuance of the commercial paper notes, the Commission entered into a \$60,750,000 irrevocable direct draw letter of credit and reimbursement agreement with State Street Bank and Trust Company (State Street) as credit and liquidity support for the commercial paper notes through October 2025. The commitment fees paid to State Street were \$259,403 in 2024.

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 would be classified as long-term liabilities in the Commission's government-wide financial statements if an amount was owed. There were no unreimbursed draws by the Commission on the letter of credit during the year ended June 30, 2024, nor were there any amounts outstanding under the letter of credit agreement at June 30, 2024.

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.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

Arbitrage rebate: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds and commercial paper notes after August 31, 1986. In general, arbitrage regulations deal with the investment of all tax-exempt bond and commercial paper note proceeds at an interest yield greater than the interest yield paid to bondholders or noteholders. Failure to follow the arbitrage regulations could result in all interest paid to bondholders or noteholders retroactively rendered taxable. In accordance with the arbitrage regulations, if excess earnings were calculated, 90% of the amount calculated would be due to the Internal Revenue Service at the end of each five-year period. The remaining 10% would be recorded as a liability and paid after all bonds had been redeemed. During the current year, the Commission performed calculations of excess investment earnings on all bond and commercial paper financings. There was no arbitrage liability at June 30, 2024.

Lease Liability: The Commission has the following leases as of the year ended June 30, 2024:

On 6/20/2011, the Commission entered into a 48-month lease for the use of Pedley Metrolink Station dark fiber. An initial lease liability was recorded in the amount of \$56,267. As of 06/30/2024, the value of the lease liability is \$14,309. The Commission is required to make monthly fixed payments of \$1,200. The lease has an interest rate of 1.1690%. The value of the right to use asset as of 06/30/2024 is \$56,267 with accumulated amortization of \$42,201.

On 11/13/2023, Commission entered into a 60-month lease for the use of Canon copiers. An initial lease liability was recorded in the amount of \$56,640. As of 06/30/2024, the value of the lease liability is \$53,478. The Commission is required to make monthly fixed payments of \$1,108. The lease has an interest rate of 4.0410%. The value of the right to use asset as of 06/30/2024 is \$53,478 with accumulated amortization of \$45,068.

On 3/27/2018, the Commission entered into a 75-month lease for the use of 4080 Lemon Street, 3rd Floor. An initial lease liability was recorded in the amount of \$3,856,996. As of 06/30/2024, the value of the lease liability is \$2,166,421. The Commission is required to make monthly fixed payments of \$48,220. The lease has an interest rate of 1.5130%. The value of the right to use asset as of 06/30/2024 of \$3,856,996 with accumulated amortization of \$1,831,011.

On 07/01/2021, the Commission entered into a 36-month lease for the use of Automobile Parking - Park & Ride. An initial lease liability was recorded in the amount of \$25,206. As of 06/30/2024, the value of the lease liability is \$168. The Commission is required to make quarterly fixed payments of \$2,130. The lease has an interest rate of 1.0030%. The value of the right to use asset as of 06/30/2024 is \$25,206 with accumulated amortization of \$25,124.

The principal and interest expected to maturity for governmental activities is as follows:

| Year ending June 30 | Principal | Interest | Total |
|-----------------------|---------------------|------------------|---------------------|
| 2025 | \$ 642,162 | \$ 30,592 | \$ 672,586 |
| 2026 | 667,189 | 20,564 | 677,753 |
| 2027 | 687,404 | 10,059 | 697,463 |
| 2028 | 242,326 | 1,225 | 243,551 |
| 2029 | 5,295 | 55 | 5,518 |
| Total lease liability | <u>\$ 2,234,376</u> | <u>\$ 62,495</u> | <u>\$ 2,296,871</u> |

Subscription Liability: The Commission has the following subscription-based IT arrangements at June 30, 2024:

On 03/18/2021, the Commission entered into a 69-month subscription for the use of Cloud Based Data Base System. An initial subscription liability was recorded in the amount of \$296,843. As of 06/30/2024, the value of the subscription liability is \$103,939. The Commission is required to make annual fixed payments of \$37,320. The subscription has an interest rate of 2.4440%. The value of the right to use asset as of 06/30/2024 is \$180,493 with accumulated amortization of \$78,755. The Commission has 2 extension option(s), each for 12 months.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 7. Long-term Obligations, Continued

On 04/27/2022, the Commission entered into a 58-month subscription for the use of Questica Budget Software. An initial subscription liability was recorded in the amount of \$828,274. As of 06/30/2024, the value of the subscription liability is \$504,133. The Commission is required to make annual fixed payments of \$172,535. The subscription has an interest rate of 2.8360%. The value of the right to use asset as of 06/30/2024 is \$828,274 with accumulated amortization of \$342,734.

On 07/01/2023, the Commission entered into a 36-month subscription for the use of Tyler Munis Enterprise Resource Planning software. An initial subscription liability was recorded in the amount of \$263,079. As of 06/30/2024, the value of the subscription liability is \$173,322. The Commission is required to make annual fixed payments of \$89,757. The subscription has an interest rate of 3.1470%. The value of the right to use asset as of 06/30/2024 is \$263,078 with accumulated amortization of \$87,886.

| Year ending June 30 | Principal | Interest | Total |
|------------------------------|------------|-----------|------------|
| 2025 | \$ 268,041 | \$ 20,292 | \$ 288,333 |
| 2026 | 278,994 | 14,514 | 293,508 |
| 2027 | 205,837 | 6,425 | 212,262 |
| 2028 | 28,522 | 697 | 29,219 |
| Total subscription liability | \$ 781,394 | \$ 41,928 | \$ 823,322 |

Note 8. Net Position and Fund Balances

Net position: Net investment in capital assets of \$356,457,016, as reported on the statement of net position, represents capital assets, net of accumulated depreciation and amortization, of \$1,387,417,430 less the related debt of \$1,030,960,414. The related debt includes the portion of the sales tax revenue and toll revenue bonds that was used for the development of tolled express lane capital assets. The deficit in business-type activities will be reduced by future toll revenues for the payment of outstanding toll obligations.

| Net Investment in Capital Assets | Governmental Activities | Business-Type Activities | Total |
|----------------------------------|-------------------------|--------------------------|------------------|
| Capital assets, net | \$ 542,846,204 | \$ 844,571,226 | \$ 1,387,417,430 |
| Less: related debt | (263,984,640) | (766,975,774) | (1,030,960,414) |
| Total | \$ 278,861,564 | \$ 77,595,452 | \$ 356,457,016 |

Additionally, the statement of net position reports \$1,585,237,903 of restricted net position, of which \$637,080,000 is restricted by enabling legislation with the remaining balance reported as an unrestricted deficit of \$467,084,821.

Fund balances:

Governmental Funds:

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 the Measure A ordinance 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:

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 8. Net Position and Fund Balances, Continued

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

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

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

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

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

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

Transportation Development Act: Restricted fund balance for the LTF represents the apportionments related to transit programs by geographic area, bicycle and pedestrian facilities, and planning and programming services and unapportioned revenues. Restricted fund balance for the STA and State of Good Repair represents the apportionments for transit by geographic area. The TDA restrictions at June 30, 2024 are as follows:

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 8. Net Position and Fund Balances, Continued

| | Local Transportation Fund | State Transit Assistance | State of Good Repair | Total |
|----------------------------------------------|------------------------------|-----------------------------|-------------------------|----------------|
| Bicycle and pedestrian facilities | \$ 11,178,811 | \$ - | \$ - | \$ 11,178,811 |
| Transit and specialized transportation | | | | |
| Western County: | | | | |
| Bus transit: | | | | |
| City of Banning | 19,286 | 2,098,921 | 45,722 | 2,163,929 |
| City of Beaumont | 100,000 | 10,087,463 | 235,689 | 10,423,152 |
| City of Corona | - | 1,072,086 | 427,889 | 1,499,975 |
| City of Riverside | - | 720,957 | 249,356 | 970,313 |
| Riverside Transit Agency | 2,397,610 | 28,225,145 | 3,461,313 | 34,084,068 |
| Apportioned and unallocated | 236,418,521 | 42,047,875 | 2,566,630 | 281,033,026 |
| Commuter rail: | | | | |
| Commission | - | 7,742,858 | 866,819 | 8,609,677 |
| Apportioned and unallocated | 45,524,443 | 44,002,688 | 1,173,594 | 90,700,725 |
| Total Western County | 284,459,860 | 135,997,993 | 9,027,012 | 429,484,865 |
| Coachella Valley: | | | | |
| Bus Transit | | | | |
| SunLine Transit Agency | 2,505,750 | 21,331,012 | 4,212,565 | 28,049,327 |
| Apportioned and unallocated | 46,037,378 | 2,093,710 | 1,243,977 | 49,375,065 |
| Commuter rail: | | | | |
| Commission | - | 819,143 | - | 819,143 |
| Apportioned and unallocated | - | 288,901 | - | 288,901 |
| Total Coachella Valley | 48,543,128 | 24,532,766 | 5,456,542 | 78,532,436 |
| Palo Verde Valley: | | | | |
| Palo Verde Valley Transit Agency | - | 706,543 | 159,104 | 865,647 |
| Apportioned and unallocated for transit | 3,481,436 | 232,164 | 78,281 | 3,791,881 |
| Total Palo Verde Valley | 3,481,436 | 938,707 | 237,385 | 4,657,528 |
| Unapportioned funds | 40,507,276 | - | - | 40,507,276 |
| Total transit and specialized transportation | \$ 388,170,511 | \$ 161,469,466 | \$ 14,720,939 | \$ 564,360,916 |

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

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

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

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

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

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 8. Net Position and Fund Balances, Continued

Motorist assistance: Funds in the Service Authority for Freeway Emergencies and Freeway Service Patrol Special Revenue funds are reported as nonmajor governmental funds of \$6,853,206 and \$7,847,417, respectively, to assist motorists on County roads are restricted as stipulated by the State.

General government: Funds allocated by Measure A, TUMF, LTF, motorist assistance, STA, Coachella Valley Rail, and SB 132 programs to the General Fund have been assigned by the Commission for general government administration.

Proprietary Funds:

RCTC 91 Express Lanes: Restricted net position for toll operations consists of net toll revenues from toll operations in the RCTC 91 Express Lanes Enterprise fund in accordance with the toll bond indenture.

15 Express Lanes: Restricted net position for toll operations consist of net toll revenues from toll operations in the 15 Express Lanes Enterprise fund in accordance with the toll bond indenture.

Note 9. Commitments and Contingencies

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 June 2024, the Commission entered into an agreement to open escrow for the acquisition of property in connection with the Mid County Parkway project for an amount of \$7,476,547. Under the terms of the agreement, the Commission will pay the required escrow deposit in July 2024.

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

The Commission is party to an ongoing litigation which if settled, would be material to the governmental activity's enterprise fund. Due to the nature of the litigation, outlays, if any, would be recorded as a capital asset in the fiscal year paid.

Note 10. Joint Agreements

Joint ventures: The Commission is one of five members of the SCRRA, an independent joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority (OCTA), the San Bernardino Associated Governments, and the Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for its pro rata share of rail lines servicing the County. The Commission expended \$29,087,212 and \$1,659,132 during 2024 for its share of Metrolink operating and capital costs, respectively. As of June 30, 2024, cumulative capital contributions were \$68,725,385. 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 900 Wilshire Boulevard, Suite 1500, Los Angeles, California 90017.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 10. Joint Agreements, Continued

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 2024 the Commission contributed \$0 for administration efforts.

In May 2017, the Commission became a member of the California Vanpool Authority (CalVans) to share resources and provide public vanpool transportation options for the traveling public. CalVans is a joint powers authority comprised of 12 agencies created to operate vanpool services within the territories of the member agencies. The Commission did not expend any funds during 2024 for CalVans.

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

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

In May 2013 the Commission entered into a three-party agreement with OCTA and the third-party toll operator, for the operations of the 91 Express Lanes. This ensures a streamlined and consistent intercounty travel for motorists on the OCTA 91 Express Lanes in Orange County and RCTC 91 Express Lanes in Riverside County. The third-party toll operator provides operating services in the annual amount of \$6,087,538 plus inflation for five initial years with two extension options, subject to Board of Commissioners approval. The third-party toll operator is responsible for the day-to-day operations of the toll facility; another contractor is responsible for maintaining the roadside toll collection system under a separate agreement with the Commission. The three-party agreement expired on March 6, 2022 and was amended March 7, 2022 for an initial five-year term, with two 36-month options, not to exceed 13 years.

In November 2019, the Commission awarded an agreement to the third-party operator to develop and install a new back-office system and to provide express lane operator services, including the back office and customer services center. The agreement is a three-party contract including OCTA. The contract has a five-year term beginning upon completion and implementation of the new back-office system, plus two 3-year options, to operate both the OCTA and RCTC 91 Express Lanes. The operating term began on March 7, 2022 with the conversion to the new back-office system.

I-15 Corridor Freight and Express Lanes Project: The Commission and San Bernardino County Transportation Agency (SBCTA) entered into a Cooperative Agreement (Agreement) on May 24, 2023, formalizing the coordination of the toll facilities between Riverside and San Bernadino counties; collectively referred to as the I-15 Corridor Freight and Express Lanes project or I-15 Next. Specifically, the Agreement requires the Commission to assign approximately 2.2 miles of its existing RCTC 15 Toll Lanes to SBCTA in exchange for annual toll revenue payments payable by SBCTA.

The assignment is made by the Commission to SBCTA in preparation for planning and constructing a toll facility within the median of I-15. Construction by SBCTA is anticipated to begin during calendar year 2025 with an estimated completion date of summer 2028.

As of June 30, 2024, no impacts have been incurred by the existing RCTC 15 Express Lanes as a result of entering into this Agreement. However, SBCTA will reimburse RCTC 15 Express Lanes for any impacts during construction phase of the project. Furthermore, assignment of the RCTC 15 Express Lanes will not occur until sixty (60) days prior to project completion estimated to occur during calendar year 2028.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 10. Joint Agreements, Continued

Management services agreement: The Commission and RCA entered into an Implementation and Management Services Agreement effective January 1, 2021. Under the agreement, the Commission shall administer, coordinate, and supervise the activities of the RCA as set forth in the RCA Joint Exercise of Powers Agreement and shall act for RCA in accomplishing its purposes. The RCA oversees and administers the Multiple Species Habitat Conservation Plan (MSHCP), one of America’s most ambitious environmental efforts, in support of its member agencies. The MSHCP is a comprehensive, multi-jurisdictional habitat conservation plan focusing on the permanent conservation of 500,000 acres and the protection of 146 covered species, including 33 that are currently listed as threatened or endangered. RCA reimbursed the Commission \$8,863,324 during the year ended June 30, 2024 in connection with the management services provided under this agreement.

Note 11. Employees’ Pension Plans

General Information about the CalPERS Pension Plan: The Commission contracts with CalPERS to provide its employees retirement as well as death and retirement disability benefits, which are paid by the CalPERS under a cost sharing multiple-employer plan. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be obtained from its executive office located at 400 P Street, Sacramento, California 95814, or by visiting the CalPERS website at www.calpers.ca.gov. All permanent Commission employees are eligible to participate in the Miscellaneous Employee Pension Plan, cost-sharing multiple employers defined benefit pension plan administered by CalPERS. Benefit provisions under the Plan are established by State statute and Commission resolution.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Employees hired prior to January 1, 2013 and attaining the age of 55 with five years of credited California service (service) are eligible for normal retirement and are entitled to a monthly benefit of 2.7% of their final compensation for each year of service. Final compensation is defined as the highest annual salary earned. Retirement may begin at age 50 with a reduced benefit rate. The plan also credits employees for unused sick leave. Employees hired on or after January 1, 2013 who are not “classic” members and attaining the age of 62 with five years of credited service are eligible for normal retirement and are entitled to a monthly benefit of 2% of their three-year final compensation for each year of service. Retirement may begin at age 52 with a reduced benefit rate. Upon separation from the plan prior to retirement, members’ accumulated contributions are refundable with interest credited through the date of separation. All members are eligible for non-duty disability benefits after 10 years of service. The pre-retirement death benefit is one of the following: the 1957 Survivor Benefit – level 3 or the Optional Settlement 2W Death Benefit. The post-retirement death benefit is one of the following: lump sum or survivor allowance. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan provisions and benefits in effect at June 30, 2024, are summarized as follows:

| Hire date | Miscellaneous | |
|---------------------------------------------------|--------------------------|-----------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 2.7% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 50 – 55 | 52 – 62 |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.7% | 1.0% to 2.0% |
| Required employee contribution rates | 8.00% | 8.00% |
| Required Commission contribution rates | 17.84% | 9.05% |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 11. Employees' Pension Plans, Continued

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

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

| Miscellaneous | |
|----------------------------|--------------|
| Contributions – Commission | \$ 1,471,166 |
| Contributions – Employee | 832,180 |

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

As of June 30, 2024, the Commission reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

| Proportionate Share of Net Pension Liability | |
|----------------------------------------------|--------------|
| Miscellaneous | \$ 3,321,856 |

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 is as follows:

| Miscellaneous | |
|------------------------------|----------|
| Proportion – June 30, 2023 | 0.03993% |
| Proportion – June 30, 2024 | 0.06643% |
| Change – Increase (Decrease) | 0.02650% |

For the year ended June 30, 2024, the Commission recognized pension expense of \$4,120,355. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Pension contributions subsequent to measurement date | \$ 1,471,166 | \$ – |
| Differences between actual and expected experience | 169,698 | 26,324 |
| Changes in assumptions | 200,556 | – |
| Differences between contributions and the proportionate share of contributions | – | 1,330,113 |
| Changes in Commission's proportion | 3,928,638 | – |
| Net differences between projected and actual earnings on plan investments | 537,838 | – |
| Total | <u>\$ 6,307,896</u> | <u>\$ 1,356,437</u> |

The \$1,471,166 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized as pension expense as follows:

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 11. Employees' Pension Plans, Continued

| Year Ending June 30 | |
|---------------------|--------------|
| 2025 | \$ 1,823,024 |
| 2026 | 1,236,364 |
| 2027 | 405,471 |
| 2028 | 15,434 |
| | \$ 3,480,293 |

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

| Miscellaneous | |
|---------------------------|--------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2023 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Projected Salary Increase | Varies by entry age and service |
| Investment Rate of Return | 6.90% net of pension plan investment and administrative expenses, includes inflation |
| Mortality | Derived using CalPERS' membership data for all funds |

The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. Further details of the experience study can be found on the CalPERS website.

Changes in Actuarial Assumptions – For the measurement period ended June 30, 2023, the discount rate remained at 6.90%, and the inflation rate remained at 2.30%, and the investment rate of return remained at 6.90%.

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return – In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (generic) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 11. Employees' Pension Plans, Continued

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

| Asset Class | Current Target Allocation | Real Return Years 1 – 10 ^{1,2} |
|----------------------------------|---------------------------|-----------------------------------------|
| Global equity – cap-weighted | 30% | 4.45% |
| Global equity – non-cap weighted | 12% | 3.84% |
| Private equity | 13% | 7.28% |
| Treasury | 5% | 0.27% |
| Mortgage-backed securities | 5% | 0.50% |
| Investment grade corporates | 10% | 1.56% |
| High yield | 5% | 2.27% |
| Emerging market debt | 5% | 2.48% |
| Private debt | 5% | 3.57% |
| Real assets | 15% | 3.21% |
| Leverage | (5%) | (0.59%) |
| Total | <u>100%</u> | |

- (1) An expected inflation rate of 2.3% used for this period.
(2) Figures are based on the 2021/22 Asset Liability Management study.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – The following presents the Commission's collective net pension liability/(asset) for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's collective net pension asset would be if it were calculated using a discount rate that is 1% below or 1% higher than the current rate:

| <i>Miscellaneous</i> | |
|-----------------------|---------------|
| 1% Decrease | 5.90% |
| Net Pension Liability | \$10,547,305 |
| Current Discount Rate | 6.90% |
| Net Pension Liability | \$ 3,321,856 |
| 1% Increase | 7.90 % |
| Net Pension Asset | (\$2,625,310) |

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

Payable to the Pension Plan – At June 30, 2024, the Commission reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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 \$10,719,178. The Commission's contributions to the Plan were \$799,133 for the year ended June 30, 2024.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

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

Plan description – The Commission’s OPEB plan through the CERBT, is an agent multiple-employer defined benefit plan for eligible retirees and their dependents. CERBT issues a publicly available financial report that can be obtained from its executive office or its website.

Benefits provided – The Commission provides post-employment health benefits for eligible retirees and their dependents at retirement. For employees hired on or after January 1, 2007, retirees must have a minimum of 10 years of PERS service and no less than five years of Commission service in order to receive post-employment health benefits in accordance with PERS as per Government Code Section 22893. For employees hired prior to January 1, 2007, retirees are not required to meet the eligibility criteria and may receive post-employment health benefits at the monthly health benefit rate paid for active employees, which was \$1,500 at June 30, 2024. The Commission’s contributions toward premiums for retiree health insurance are coordinated with Medicare and other benefits provided by federal and state law, when available, to the extent it reduces the cost of insurance premiums.

Employees covered by benefit terms at June 30, 2024 are as follows:

| | |
|--------------------------------------------------------------------------|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 32 |
| Inactive employees entitled to but not yet receiving benefits | 3 |
| Active employees | <u>76</u> |
| Total | <u>111</u> |

Contributions – The contribution requirements of plan members are established and may be amended by the Commission. The Commission has adopted a policy to fund 100% of the actuarially determined amount. For the year ended June 30, 2024, the Commission’s average contribution rate was 14.05% of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Asset – The Commission’s net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

| Actuarial Assumptions | June 30, 2023 Measurement Date |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.50% per annum |
| Discount rate | 5.25% per annum |
| Salary increases | 2.75% aggregate |
| Investment rate of return | 5.25% |
| Healthcare cost trend rates | Non-Medicare: 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years. Medicare: 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years |

Mortality rates are based on projected fully generational with Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 actuarial valuation was based on the results of an actuarial experience study for the period July 1, 2022 to June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expenses and inflation) are developed for each major asset class.

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the OPEB Plan's target asset allocation adopted as of June 30, 2023, as provided by CERBT – Strategy 2, are summarized in the following table:

| Asset Class | Target Allocation Strategy 2 | Expected Real Rate of Return |
|---------------|------------------------------------|---------------------------------|
| Global equity | 34% | 4.56% |
| Fixed income | 41% | 1.56% |
| TIPS | 5% | (0.08%) |
| Commodities | 3% | 1.22% |
| REITs | 17% | 4.06% |
| Total | <u>100%</u> | |

Changes in Actuarial Assumptions – For the measurement period ended June 30, 2023, the discount rate was reduced from 6.90% to 5.25%, the inflation rate was increased from 2.30% to 2.50%, and the investment rate of return was reduced from 6.90% to 5.25%.

Discount rate – The discount rate to measure the total OPEB asset was 5.25%. The projection of cash flows used to determine the discount rate assumed that contributions from the Commission will be made at actuarially determined contribution rates. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Changes in the Net OPEB Liability (Asset) – The changes in the net OPEB liability (asset) from the measurement date of June 30, 2022 to June 30, 2023 are as follows:

| | Increase (Decrease) | | |
|----------------------------------------------|---------------------------------|--------------------------------|-------------------------------|
| | Total OPEB Liability (Asset) | Plan Fiduciary Net Position | Net OPEB Liability (Asset) |
| Balances at June 30, 2022 (measurement date) | \$ 9,646,500 | \$ 10,351,100 | \$ (704,600) |
| Changes for the year: | | | |
| Service cost | 662,300 | – | 662,300 |
| Interest | 530,000 | – | 530,000 |
| Experience gains/losses | 188,500 | – | 188,500 |
| Assumption changes | 468,200 | – | 468,200 |
| Contributions – employer | – | 961,600 | (961,600) |
| Net investment income | – | 419,300 | (419,300) |
| Benefit payments | (427,400) | (427,400) | – |
| Administrative expense | – | (4,300) | 4,300 |
| Net changes | <u>1,421,600</u> | <u>949,200</u> | <u>472,400</u> |
| Balances at June 30, 2023 (measurement date) | <u>\$ 11,068,100</u> | <u>\$ 11,300,300</u> | <u>\$ (232,200)</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

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

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

| Changes in the Discount Rate | |
|-----------------------------------------|------------------------|
| 1% Decrease Net OPEB Liability | 4.25 % \$1,389,436 |
| Current Discount Rate Net OPEB Asset | 5.25% (\$232,200) |
| 1% Increase Net OPEB Asset | 6.25% (\$1,552,027) |

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

| Changes in the Healthcare Cost Trend Rate | |
|-------------------------------------------------|------------------------------|
| 1% Decrease Net OPEB Asset | 1% Decrease (\$1,717,580) |
| Current Healthcare Trend Rate Net OPEB Asset | Current Trend (\$232,200) |
| 1% Increase Net OPEB Liability | 1% Increase \$1,620,522 |

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

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2023, the Commission recognized OPEB expense/(income) of \$812,100. At June 30, 2024 the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Contributions subsequent to measurement date | \$ 1,357,500 | \$ – |
| Changes in assumptions | 558,200 | 69,100 |
| Differences between actual and expected experiences | 167,200 | 343,700 |
| Net differences between projected and actual earnings on plan investments | 870,100 | – |
| Total | <u>\$ 2,953,000</u> | <u>\$ 412,800</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

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

The \$1,357,500 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30 | | |
|---------------------|----|------------------|
| 2025 | \$ | 197,400 |
| 2026 | | 188,500 |
| 2027 | | 468,800 |
| 2028 | | 62,100 |
| 2029 | | 47,200 |
| Thereafter | | 218,700 |
| | \$ | <u>1,182,700</u> |

Payable to the OPEB Plan – At June 30, 2024 the Commission reported a payable of \$0 for the outstanding amount of contributions to CERBT required for the year ended June 30, 2024.

Note 13. Measure A Conformance Requirements

Measure A requires that the sales taxes collected may only be used for transportation purposes including administration and the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways, and public transit systems and for related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right of way acquisition.

Note 14. Subsequent Events

On October 9, 2024, the Commission approved the payoff of the TIFIA Loan in full approximating \$173,734,100 which included the compounded interest amount through October 2024. The TIFIA Loan will be paid off with a combination of I-15 toll revenues and established reserves, a contribution from Measure A, and establishment of a Measure A inter-fund loan to the I-15 Express Lanes totaling \$48,700,000. Annual payments are due for the inter-fund loan with the balance due in four fiscal years or by August 31, 2028. Also, the inter-fund loan is assessed interest annually, which is indexed to RCTC’s portfolio rate of return at the Riverside County Treasurer-Tax Collector.

Note 15. Adoption of GASB Statement No. 101, Compensated Absences

As of July 1, 2023, the Commission adopted GASB Statement No. 101 *Compensated Absences*. The Statement requires the recognition of certain earned and accumulated leave balances, including salary-related payments. The Commission’s professional judgment is that earned and accumulated leave balances, specifically related to sick leave, will more likely than not, be used, rather than cashed out as previously determined. Additionally, as required in the Statement, pension-related payments have been removed as this is encapsulated in GASB Statement No. 68, *Pensions* disclosure. Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability in the government-wide and proprietary fund financial statements. Beginning balances of compensated absences liabilities were restated to adopt the provisions of GASB Statement No. 101, *Compensated Absences* as follows:

| | Governmental Activities | |
|------------------------------------------------------|-------------------------|----------------------|
| Net position at July 1, 2023, as previously reported | \$ | 1,258,923,215 |
| Change in accounting principle | | (825,273) |
| Net position at July 1, 2023, as adjusted | \$ | <u>1,258,097,942</u> |

| | 15 Express Lanes | 91 Express Lanes | Business-Type Activities |
|------------------------------------------------------|-----------------------|-------------------------|--------------------------|
| Net position at July 1, 2023, as previously reported | \$ 262,717,804 | \$ (333,152,076) | \$ (70,434,272) |
| Change in accounting principle | (36,901) | (72,026) | (108,927) |
| Net position at July 1, 2023, as adjusted | <u>\$ 262,680,903</u> | <u>\$ (333,224,102)</u> | <u>\$ (70,543,199)</u> |

Riverside County Transportation Commission
Notes to Basic Financial Statements
June 30, 2024

Note 16. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2024 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025; and
- GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

Required Supplementary Information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2024

| | General | | | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Intergovernmental | \$ 32,765,000 | \$ 32,765,000 | \$ 9,424,247 | \$ (23,340,753) |
| Investment income (loss) | 353,500 | 353,500 | 1,700,164 | 1,346,664 |
| Other | - | - | 460,109 | 460,109 |
| Total revenues | <u>33,118,500</u> | <u>33,118,500</u> | <u>11,584,520</u> | <u>(21,533,980)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 13,248,600 | 11,947,800 | - | 11,947,800 |
| Commuter rail | 47,103,400 | 47,103,400 | 24,855,817 | 22,247,583 |
| Planning and programming | 18,106,400 | 19,461,400 | 10,002,033 | 9,459,367 |
| Transit and specialized transportation | 997,500 | 997,500 | 766,231 | 231,269 |
| Total programs | <u>79,455,900</u> | <u>79,510,100</u> | <u>35,624,081</u> | <u>43,886,019</u> |
| Debt service: | | | | |
| Principal | - | 878,200 | 878,193 | 7 |
| Interest | - | 22,600 | 22,562 | 38 |
| Total debt service | <u>-</u> | <u>900,800</u> | <u>900,755</u> | <u>45</u> |
| Capital outlay | 3,410,000 | 2,585,000 | 520,745 | 2,064,255 |
| Total expenditures | <u>82,865,900</u> | <u>82,995,900</u> | <u>37,045,581</u> | <u>45,950,319</u> |
| Excess (deficiency) of revenues over (under) expenditures | (49,747,400) | (49,877,400) | (25,461,061) | 24,416,339 |
| Other financing sources (uses) | | | | |
| Lease and subscription financing | - | - | 319,719 | 319,719 |
| Transfers in | 50,976,300 | 50,976,300 | 29,679,418 | (21,296,882) |
| Transfers out | (5,877,700) | (5,877,700) | - | 5,877,700 |
| Total other financing sources (uses) | <u>45,098,600</u> | <u>45,098,600</u> | <u>29,999,137</u> | <u>(15,099,463)</u> |
| Net change in fund balances | <u>\$ (4,648,800)</u> | <u>\$ (4,778,800)</u> | 4,538,076 | <u>\$ 9,316,876</u> |
| Fund balances at beginning of year | | | <u>37,100,151</u> | |
| Fund balances at end of year | | | <u>\$ 41,638,227</u> | |

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds
Year Ended June 30, 2024

| | Measure A Western County | | | | Measure A Coachella Valley | | | |
|------------------------------------------------------------------|--------------------------|------------------------|-----------------------|------------------------------------------------|----------------------------|------------------------|----------------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ 223,745,000 | \$ 223,745,000 | \$ 226,342,519 | \$ 2,597,519 | \$ 55,168,000 | \$ 55,168,000 | \$ 54,370,450 | \$ (797,550) |
| Transportation Uniform Mitigation Fee | - | - | - | - | - | - | - | - |
| Intergovernmental | 131,656,800 | 135,021,000 | 119,656,661 | (15,364,339) | - | - | - | - |
| Investment income (loss) | 3,815,700 | 3,815,700 | 18,325,614 | 14,509,914 | 818,300 | 818,300 | 5,051,702 | 4,233,402 |
| Other | 605,500 | 605,500 | 2,276,531 | 1,671,031 | - | - | 225,096 | 225,096 |
| Total revenues | 359,823,000 | 363,187,200 | 366,601,325 | 3,414,125 | 55,986,300 | 55,986,300 | 59,647,248 | 3,660,948 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | 567,000 | 567,000 | 377,203 | 189,797 | - | - | - | - |
| Bicycle and pedestrian facilities | - | - | - | - | - | - | - | - |
| CETAP | - | - | - | - | - | - | - | - |
| Commuter assistance | 6,638,000 | 6,638,000 | 3,614,528 | 3,023,472 | - | - | - | - |
| Commuter rail | 38,109,300 | 40,359,200 | 34,143,569 | 6,215,631 | - | - | - | - |
| Highways | 142,985,400 | 146,907,000 | 107,182,697 | 39,724,303 | 30,009,400 | 61,730,300 | 61,730,298 | 2 |
| Local streets and roads | 64,443,700 | 65,343,000 | 65,342,930 | 70 | 19,161,700 | 19,161,700 | 19,029,657 | 132,043 |
| Planning and programming | - | - | - | - | - | - | - | - |
| Regional arterials | 109,017,800 | 78,114,100 | 14,324,752 | 63,789,348 | - | - | - | - |
| Transit and specialized transportation | 7,844,500 | 7,844,500 | 5,249,795 | 2,594,705 | 9,000,000 | 8,454,000 | 8,454,000 | - |
| Total programs | 369,605,700 | 345,772,800 | 230,235,474 | 115,537,326 | 58,171,100 | 89,346,000 | 89,213,955 | 132,045 |
| Debt service: | | | | | | | | |
| Principal | - | 22,500 | 22,442 | 58 | - | - | - | - |
| Interest | - | 500 | 478 | 22 | - | - | - | - |
| Total debt service | - | 23,000 | 22,920 | 80 | - | - | - | - |
| Capital outlay | 4,342,200 | 4,790,700 | 5,486,882 | (696,182) | - | - | - | - |
| Total expenditures | 373,947,900 | 350,586,500 | 235,745,276 | 114,841,224 | 58,171,100 | 89,346,000 | 89,213,955 | 132,045 |
| Excess (deficiency) of revenues over (under) expenditures | (14,124,900) | 12,600,700 | 130,856,049 | 118,255,349 | (2,184,800) | (33,359,700) | (29,566,707) | 3,792,993 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | 34,521,900 | 36,415,300 | 31,273,321 | (5,141,979) | - | - | 124,220 | 124,220 |
| Transfers out | (92,999,500) | (92,999,500) | (67,454,466) | 25,545,034 | (441,900) | (441,900) | - | 441,900 |
| Total other financing sources (uses) | (58,477,600) | (56,584,200) | (36,181,145) | 20,403,065 | (441,900) | (441,900) | 124,220 | 566,120 |
| Net change in fund balances | \$ (72,602,500) | \$ (43,983,500) | 94,674,904 | \$ 138,658,404 | \$ (2,626,700) | \$ (33,801,600) | (29,442,487) | \$ 4,359,113 |
| Fund balances at beginning of year | | | 438,154,128 | | | | 96,210,303 | |
| Fund balances at end of year | | | <u>\$ 532,829,032</u> | | | | <u>\$ 66,767,816</u> | |

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds, Continued
Year Ended June 30, 2024

| | Transportation Uniform Mitigation Fee | | | | Local Transportation Fund | | | |
|------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------|------------------------------------------------|---------------------------|-----------------------|-----------------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ 155,000,000 | \$ 155,000,000 | \$ 156,212,458 | \$ 1,212,458 |
| Transportation Uniform Mitigation Fee | 31,000,000 | 31,000,000 | 40,959,784 | 9,959,784 | - | - | - | - |
| Intergovernmental | 889,900 | 889,900 | 72,724 | (817,176) | - | - | 13,765,144 | 13,765,144 |
| Investment income (loss) | 897,900 | 897,900 | 7,748,214 | 6,850,314 | 3,248,400 | 3,248,400 | 15,332,310 | 12,083,910 |
| Other | 18,000 | 18,000 | 19,300 | 1,300 | - | - | - | - |
| Total revenues | 32,805,800 | 32,805,800 | 48,800,022 | 15,994,222 | 158,248,400 | 158,248,400 | 185,309,912 | 27,061,512 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 12,000 | 12,000 | 12,000 | - |
| Bicycle and pedestrian facilities | - | - | - | - | 7,942,300 | 7,942,300 | 1,756,152 | 6,186,148 |
| CETAP | 6,910,300 | 7,165,300 | 6,576,188 | 589,112 | - | - | - | - |
| Commuter assistance | - | - | - | - | - | - | - | - |
| Commuter rail | - | - | - | - | - | - | - | - |
| Highways | - | - | - | - | - | - | - | - |
| Local streets and roads | - | - | - | - | - | - | - | - |
| Planning and programming | - | - | - | - | 1,163,000 | 1,163,000 | 1,163,000 | - |
| Regional arterials | 59,448,400 | 56,583,400 | 2,764,633 | 53,818,767 | - | - | - | - |
| Transit and specialized transportation | - | - | - | - | 115,620,000 | 115,620,000 | 101,105,756 | 14,514,244 |
| Total programs | 66,358,700 | 63,748,700 | 9,340,821 | 54,407,879 | 124,737,300 | 124,737,300 | 104,036,908 | 20,700,392 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total debt service | - | - | - | - | - | - | - | - |
| Capital outlay | | | | | | | | |
| Total expenditures | 66,358,700 | 63,748,700 | 9,340,821 | 54,407,879 | 124,737,300 | 124,737,300 | 104,036,908 | 20,700,392 |
| Excess (deficiency) of revenues over (under) expenditures | (33,552,900) | (30,942,900) | 39,459,201 | 70,402,101 | 33,511,100 | 33,511,100 | 81,273,004 | 47,761,904 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | 38,208 | 38,208 | - | - | - | - |
| Transfers out | (25,326,900) | (25,326,900) | (7,222,796) | 18,104,104 | (35,664,400) | (35,664,400) | (29,679,418) | 5,984,982 |
| Total other financing sources (uses) | (25,326,900) | (25,326,900) | (7,184,588) | 18,142,312 | (35,664,400) | (35,664,400) | (29,679,418) | 5,984,982 |
| Net change in fund balances | \$ (58,879,800) | \$ (56,269,800) | 32,274,613 | \$ 88,544,413 | \$ (2,153,300) | \$ (2,153,300) | 51,593,586 | \$ 53,746,886 |
| Fund balances at beginning of year | | | 148,270,737 | | | | 336,576,925 | |
| Fund balances at end of year | | | <u>\$ 180,545,350</u> | | | | <u>\$ 388,170,511</u> | |

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Major Special Revenue Funds, Continued
Year Ended June 30, 2024

| | State Transit Assistance | | | | SB 132 | | | |
|-----------------------------------------------------------|--------------------------|------------------------|-----------------------|------------------------------------------------|-----------------------|-------------------|---------------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ 33,820,600 | \$ 33,820,600 | \$ 33,112,641 | \$ (707,959) | \$ - | \$ - | \$ - | \$ - |
| Transportation Uniform Mitigation Fee | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 230,000 | 230,000 | - | (230,000) |
| Investment income (loss) | 1,236,900 | 1,236,900 | 7,379,002 | 6,142,102 | - | - | 1,624,267 | 1,624,267 |
| Other | - | - | - | - | - | - | 316,810 | 316,810 |
| Total revenues | 35,057,500 | 35,057,500 | 40,491,643 | 5,434,143 | 230,000 | 230,000 | 1,941,077 | 1,711,077 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Bicycle and pedestrian facilities | - | - | - | - | - | - | - | - |
| CETAP | - | - | - | - | - | - | - | - |
| Commuter assistance | - | - | - | - | - | - | - | - |
| Commuter rail | - | - | - | - | - | - | - | - |
| Highways | - | - | - | - | 54,631,400 | 52,998,400 | 31,919,458 | 21,078,942 |
| Local streets and roads | - | - | - | - | - | - | - | - |
| Planning and programming | - | - | - | - | - | - | - | - |
| Regional arterials | - | - | - | - | - | - | - | - |
| Transit and specialized transportation | 49,019,700 | 49,019,700 | 17,137,525 | 31,882,175 | - | - | - | - |
| Total programs | 49,019,700 | 49,019,700 | 17,137,525 | 31,882,175 | 54,631,400 | 52,998,400 | 31,919,458 | 21,078,942 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total debt service | - | - | - | - | - | - | - | - |
| Capital outlay | | | | | | | | |
| Total expenditures | 49,019,700 | 49,019,700 | 17,137,525 | 31,882,175 | 54,631,400 | 52,998,400 | 31,919,458 | 21,078,942 |
| Excess (deficiency) of revenues over (under) expenditures | (13,962,200) | (13,962,200) | 23,354,118 | 37,316,318 | (54,401,400) | (52,768,400) | (29,978,381) | 22,790,019 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | - | 53,159,000 | 53,159,000 | 32,016,475 | (21,142,525) |
| Transfers out | (3,539,700) | (5,433,100) | (4,043,201) | 1,389,899 | - | - | (126,951) | (126,951) |
| Total other financing sources (uses) | (3,539,700) | (5,433,100) | (4,043,201) | 1,389,899 | 53,159,000 | 53,159,000 | 31,889,524 | (21,269,476) |
| Net change in fund balances | \$ (17,501,900) | \$ (19,395,300) | 19,310,917 | \$ 38,706,217 | \$ (1,242,400) | \$ 390,600 | 1,911,143 | \$ 1,520,543 |
| Fund balances at beginning of year | | | 142,158,549 | | | | 1,003,665 | |
| Fund balances at end of year | | | <u>\$ 161,469,466</u> | | | | <u>\$ 2,914,808</u> | |

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years
June 30, 2024

| Measurement Date | Fiscal Year | | | | | | | | | |
|-------------------------------------------------------------------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 2023 | 2023 2022 | 2022 2021 | 2021 2020 | 2020 2019 | 2019 2018 | 2018 2017 | 2017 2016 | 2016 2015 | 2015 2014 |
| Proportion of the net pension liability/(asset) | 0.06643% | 0.03993% | -0.11824% | 0.00482% | 0.08706% | 0.08656% | 0.08794% | 0.08829% | 0.09176% | 0.08559% |
| Proportionate share of the net pension liability/(asset) | \$ 3,321,856 | \$ 1,868,313 | \$ (6,394,605) | \$ 524,003 | \$ 8,921,123 | \$ 8,340,905 | \$ 8,721,456 | \$ 7,639,639 | \$ 6,298,052 | \$ 5,325,565 |
| Covered payroll (measurement year) | \$ 9,934,449 | \$ 9,301,613 | \$ 7,470,675 | \$ 6,327,777 | \$ 5,870,876 | \$ 5,653,205 | \$ 5,536,781 | \$ 5,287,151 | \$ 4,792,270 | \$ 4,316,567 |
| Proportionate share of the net pension liability/(asset) as percentage of covered payroll | 33.44% | 20.09% | -85.60% | 8.28% | 151.96% | 147.54% | 157.52% | 144.49% | 131.42% | 123.38% |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 76.21% | 84.58% | 88.29% | 75.10% | 75.26% | 75.26% | 73.31% | 74.06% | 78.40% | 78.21% |

See notes to required supplementary information

Riverside County Transportation Commission
Schedule of Pension Contributions
Last Ten Fiscal Years
June 30, 2024

| | Fiscal Year | | | | | | | | | |
|-----------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-------------------|---------------------------|------------------|------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution (actuarially determined) | \$ - | \$ - | \$ - ¹ | \$ 1,525,557 | \$ 1,675,734 | \$ 1,507,484 | \$ 1,321,564 | \$ 1,222,802 | \$ 1,101,641 | \$ 1,044,018 |
| Contributions in relation to the actuarially determined contributions | (1,471,166) | (1,304,460) | (1,203,364) | (925,486) | (10,221,550) ² | (1,443,593) | (1,308,877) | (1,238,891) | (1,132,393) | (1,125,317) |
| Contribution deficiency (excess) | <u>\$ (1,471,166)</u> | <u>\$ (1,304,460)</u> | <u>\$ (1,203,364)</u> | <u>\$ 600,071</u> | <u>\$ (8,545,816)</u> | <u>\$ 63,891</u> | <u>\$ 12,687</u> | <u>\$ (16,089)</u> | <u>\$ (30,752)</u> | <u>\$ (81,299)</u> |
| Covered payroll | \$ 10,881,882 | \$ 9,934,449 | \$ 9,301,613 | \$ 7,470,675 | \$ 6,327,777 | \$ 5,870,876 | \$ 5,653,205 | \$ 5,536,781 | \$ 5,287,151 | \$ 4,792,270 |
| Contributions as a percentage of covered payroll | 13.52% | 13.13% | 12.94% | 12.39% | 161.53% | 24.59% | 23.15% | 22.38% | 21.42% | 23.48% |
| Valuation date | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2014 | 6/30/2015 | 6/30/2014 | 6/30/2013 |

| | |
|-------------------------------|-----------------------------------------------------|
| Actuarial cost method | Entry age normal cost method |
| Amortizations method | Level of percentage of payroll |
| Remaining amortization period | 20 years as of valuation date |
| Asset valuation method | 15 year smoothed market |
| Inflation | 2.30% |
| Projected salary increases | Varies by entry age and service |
| Discount rate | 6.90% (net of administrative expenses) |
| Retirement age | 55 years |
| Mortality | Derived using CalPERS membership data for all funds |

See notes to required supplementary information

¹ In FY 2019/20 the Commission paid off the California Public Employees' Retirement System net pension liability of \$8.1 million, resulting in \$0 required actuarially determined contribution beginning in FY 2021/22.

Riverside County Transportation Commission
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Last Ten Fiscal Years ¹
June 30, 2024

| | Fiscal Year | | | | | | | |
|---------------------------------------------------------------------------------|----------------------|----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 ¹ |
| Measurement date | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Total OPEB liability (asset) | | | | | | | | |
| Service cost | \$ 662,300 | \$ 641,500 | \$ 421,100 | \$ 408,900 | \$ 477,000 | \$ 463,000 | \$ 449,000 | \$ 437,000 |
| Interest | 530,000 | 482,900 | 496,000 | 470,500 | 462,000 | 416,000 | 377,000 | 338,000 |
| Experience gains/losses | 188,500 | - | - | - | - | - | - | - |
| Changes of benefit terms | - | 150,300 | - | - | 80,000 | 74,000 | - | - |
| Differences between expected and actual experience | - | - | (388,000) | - | (338,000) | - | - | - |
| Changes of assumptions | 468,200 | - | 161,400 | (148,300) | 137,000 | - | - | - |
| Benefit payments | (427,400) | (366,400) | (315,700) | (282,700) | (229,000) | (192,000) | (172,000) | (155,000) |
| Net change in total OPEB liability (asset) | 1,421,600 | 908,300 | 374,800 | 448,400 | 589,000 | 761,000 | 654,000 | 620,000 |
| Beginning total OPEB liability (asset) | 9,646,500 | 8,738,200 | 8,363,400 | 7,915,000 | 7,326,000 | 6,565,000 | 5,911,000 | 5,291,000 |
| Ending total OPEB liability (asset) | <u>\$ 11,068,100</u> | <u>\$ 9,646,500</u> | <u>\$ 8,738,200</u> | <u>\$ 8,363,400</u> | <u>\$ 7,915,000</u> | <u>\$ 7,326,000</u> | <u>\$ 6,565,000</u> | <u>\$ 5,911,000</u> |
| Plan fiduciary net position | | | | | | | | |
| Employer contributions | \$ 961,600 | \$ 884,100 | \$ 728,300 | \$ 448,000 | \$ 778,000 | \$ 725,000 | \$ 666,000 | \$ 634,000 |
| Net investment income | 419,300 | (1,500,000) | 1,825,700 | 452,700 | 577,000 | 522,000 | 597,000 | 86,000 |
| Benefit payments | (427,400) | (366,400) | (315,700) | (282,700) | (229,000) | (192,000) | (172,000) | (155,000) |
| Administrative expense | (4,300) | (1,800) | (5,700) | (5,400) | (2,000) | (12,000) | (3,000) | (2,000) |
| Net change in plan fiduciary net position | 949,200 | (984,100) | 2,232,600 | 612,600 | 1,124,000 | 1,043,000 | 1,088,000 | 563,000 |
| Beginning fiduciary net position | 10,351,100 | 11,335,200 | 9,102,600 | 8,490,000 | 7,366,000 | 6,323,000 | 5,235,000 | 4,672,000 |
| Ending fiduciary net position | <u>\$ 11,300,300</u> | <u>\$ 10,351,100</u> | <u>\$ 11,335,200</u> | <u>\$ 9,102,600</u> | <u>\$ 8,490,000</u> | <u>\$ 7,366,000</u> | <u>\$ 6,323,000</u> | <u>\$ 5,235,000</u> |
| Ending net OPEB liability (asset) | <u>\$ (232,200)</u> | <u>\$ (704,600)</u> | <u>\$ (2,597,000)</u> | <u>\$ (739,200)</u> | <u>\$ (575,000)</u> | <u>\$ (40,000)</u> | <u>\$ 242,000</u> | <u>\$ 676,000</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability (asset) | 102.10% | 107.30% | 129.72% | 108.84% | 107.26% | 100.55% | 96.31% | 88.56% |
| Covered payroll (measurement year) | \$ 9,934,449 | \$ 9,301,613 | \$ 7,470,675 | \$ 6,327,777 | \$ 5,870,876 | \$ 5,653,205 | \$ 5,536,781 | \$ 5,287,151 |
| Net OPEB liability (asset) as a percentage of covered payroll | -2.34% | -7.58% | -34.76% | -11.68% | -9.79% | -0.71% | 4.37% | 12.79% |

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation. Represents most recent data available.

Riverside County Transportation Commission
Schedule of OPEB Contributions
Last Ten Fiscal Years ¹
June 30, 2024

| | Fiscal Year | | | | | | | |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 ¹ |
| Actuarially determined contribution | \$ 889,000 | \$ 533,000 | \$ 517,000 | \$ 412,000 | \$ 399,000 | \$ 549,000 | \$ 533,000 | \$ 494,000 |
| Contributions in relation to the actuarially determined contribution | 1,357,500 | 961,600 | 884,100 | 728,300 | 448,000 | 778,000 | 725,000 | 666,000 |
| Contribution deficiency (excess) | <u>\$ (468,500)</u> | <u>\$ (428,600)</u> | <u>\$ (367,100)</u> | <u>\$ (316,300)</u> | <u>\$ (49,000)</u> | <u>\$ (229,000)</u> | <u>\$ (192,000)</u> | <u>\$ (172,000)</u> |
| Covered payroll | \$ 10,881,882 | \$ 9,934,449 | \$ 9,301,613 | \$ 7,470,675 | \$ 6,327,777 | \$ 5,870,876 | \$ 5,653,205 | \$ 5,536,781 |
| Contributions as a percentage of covered-employee payroll | 12.47% | 9.68% | 9.50% | 9.75% | 7.08% | 13.25% | 12.82% | 12.03% |

Valuation date:

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

Methods and assumptions used to determine contribution rates:

| | |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method | Entry age normal - level percentage of payroll |
| Amortization method | Level percentage of payroll |
| Amortization period | Ten years |
| Asset valuation method | Investment gains and losses spread over five-year rolling period |
| Discount rate | 5.25% |
| Inflation | 2.50% |
| Healthcare cost trend rates | Non-Medicare: 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare: 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years |
| Salary increases | 2.75% aggregate |
| Investment rate of return | 5.25% |
| Retirement age | Classic employees: 50 - 55 Public Employees' Pension Reform Act: 52 - 62 |
| Mortality | CalPERS 2000-2019 Experience Study. Mortality projected fully generational with Scale MP-2021. |

See notes to required supplementary information

¹ Fiscal year 2017 was the first year of implementation. Represents most recent data available.

Riverside County Transportation Commission
Notes to Required Supplementary Information
June 30, 2024

Budgetary Data

In February of each year, department heads begin the process of compiling budget data for the upcoming fiscal year. Budget numbers along with supporting documentation are provided to the Chief Financial Officer by March 15. That budget data is compiled and presented to the Executive Director for review and approval and is submitted to the Budget and Implementation Committee at its April meeting. After review by the Budget and Implementation Committee, the proposed budget is scheduled for preliminary review and comment as well as public hearing at the Commission's May meeting. The final budget for the new fiscal year is then adopted by motion of the Board of Commissioners (Board) no later than June 15 of the current year. This appropriated budget covers substantially all Commission expenditures by financial responsibility unit [e.g., General fund and Measure A (for each of the three county areas), Local Transportation Fund, and Transportation Uniform Mitigation Fee special revenue funds] by fund. All appropriated amounts are as originally adopted or as amended by the Commission. Unexpended appropriations lapse at year-end. All budgets are adopted on a basis consistent with generally accepted accounting principles.

As adopted by the Board, expenditure activities of the funds with adopted budgets are controlled at the budgetary unit, which is the financial responsibility level, for each function (i.e., administration, programs, intergovernmental distributions, and capital outlay). These functions provide the legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount). Management has the discretion to transfer the budgeted amounts within the financial responsibility unit according to function. Supplemental budget appropriations were necessary during the year.

Pension Plan

Schedule of Proportionate Share of Net Pension Liability – The schedule provides the proportion (percentage) of the collective net pension liability (asset), proportionate share (amount) of the collective net pension liability (asset), the Commission's covered payroll, proportionate share (amount) of the collective net pension liability (asset) as a percentage of Commission's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability (asset).

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

Postemployment Benefits Other Than Pensions

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

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

Other Supplementary Information

Riverside County Transportation Commission

Nonmajor Governmental Funds Description

Special Revenue Funds

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

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

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

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

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

SB 125: This fund is used to account for revenues from the state for transit operations and capital improvements.

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

Regional Conservation: This fund is used to account for revenues related to management and oversight services provided to the RCA.

Riverside County Transportation Commission
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

| Special Revenue | | | | | | |
|--------------------------------------------|-----------------------------------|------------------------------|----------------------------------------------------|----------------------------|-----------------------------|--|
| | Measure A Palo Verde Valley | Freeway Service Patrol | Service Authority for Freeway Emergencies | State of Good Repair | Coachella Valley Rail | |
| Assets | | | | | | |
| Cash and investments | \$ - | \$ 6,978,619 | \$ 6,466,633 | \$ 13,927,285 | \$ 2,107,455 | |
| Receivables: | | | | | | |
| Accounts | 192,312 | 1,234,783 | 368,158 | 1,245,565 | - | |
| Interest | - | 78,898 | 68,535 | 154,506 | 24,124 | |
| Due from other funds | - | - | - | - | 248,349 | |
| Prepaid expenditures and other assets | - | - | - | - | - | |
| Total assets | \$ 192,312 | \$ 8,292,300 | \$ 6,903,326 | \$ 15,327,356 | \$ 2,379,928 | |
| Liabilities and fund balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 185,812 | \$ 432,449 | \$ 46,801 | \$ 603,417 | \$ 9,609 | |
| Due to other funds | 6,500 | 12,434 | 3,319 | 3,000 | 6,185 | |
| Other liabilities | - | - | - | - | - | |
| Total liabilities | 192,312 | 444,883 | 50,120 | 606,417 | 15,794 | |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Commuter rail | - | - | - | - | 2,364,134 | |
| Motorist assistance | - | 7,847,417 | 6,853,206 | - | - | |
| Planning and programming | - | - | - | - | - | |
| Regional conservation | - | - | - | - | - | |
| Transit and specialized transportation | - | - | - | 14,720,939 | - | |
| Total fund balances | - | 7,847,417 | 6,853,206 | 14,720,939 | 2,364,134 | |
| Total liabilities and fund balances | \$ 192,312 | \$ 8,292,300 | \$ 6,903,326 | \$ 15,327,356 | \$ 2,379,928 | |

Riverside County Transportation Commission

Combining Balance Sheet - Nonmajor Governmental Funds, Continued

June 30, 2024

| | Special Revenue | | | | Capital Projects | |
|--------------------------------------------|-----------------|-----------------------|-----------------------|----------------------|-------------------------------------------|-----------------------------------|
| | SB 125 | Other Agency Projects | Regional Conservation | Total | Measure A Western County Capital Projects | Total Nonmajor Governmental Funds |
| Assets | | | | | | |
| Cash and investments | \$ - | \$ 902,778 | \$ 889,448 | \$ 31,272,218 | \$ - | \$ 31,272,218 |
| Receivables: | | | | | | |
| Accounts | - | 222,000 | 1,636,345 | 4,899,163 | - | 4,899,163 |
| Interest | - | 9,427 | 11,336 | 346,826 | - | 346,826 |
| Due from other funds | - | - | - | 248,349 | - | 248,349 |
| Prepaid expenditures and other assets | - | - | - | - | - | - |
| Total assets | \$ - | \$ 1,134,205 | \$ 2,537,129 | \$ 36,766,556 | \$ - | \$ 36,766,556 |
| Liabilities and fund balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ 149,965 | \$ 442,777 | \$ 1,870,830 | \$ - | \$ 1,870,830 |
| Due to other funds | - | 6,152 | 317,085 | 354,675 | - | 354,675 |
| Other liabilities | - | 915,280 | 1,725,620 | 2,640,900 | - | 2,640,900 |
| Total liabilities | - | 1,071,397 | 2,485,482 | 4,866,405 | - | 4,866,405 |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Commuter rail | - | - | - | 2,364,134 | - | 2,364,134 |
| Motorist assistance | - | - | - | 14,700,623 | - | 14,700,623 |
| Planning and programming | - | 62,808 | - | 62,808 | - | 62,808 |
| Regional conservation | - | - | 51,647 | 51,647 | - | 51,647 |
| Transit and specialized transportation | - | - | - | 14,720,939 | - | 14,720,939 |
| Total fund balances | - | 62,808 | 51,647 | 31,900,151 | - | 31,900,151 |
| Total liabilities and fund balances | \$ - | \$ 1,134,205 | \$ 2,537,129 | \$ 36,766,556 | \$ - | \$ 36,766,556 |

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

| Special Revenue | | | | | |
|-----------------------------------------------------------|-----------------------------------|------------------------------|----------------------------------------------------|----------------------------|-----------------------------|
| | Measure A Palo Verde Valley | Freeway Service Patrol | Service Authority for Freeway Emergencies | State of Good Repair | Coachella Valley Rail |
| Revenues | | | | | |
| Sales taxes | \$ 1,081,729 | \$ - | \$ - | \$ 4,729,872 | \$ - |
| Intergovernmental | - | 3,499,495 | 2,179,700 | 28,447 | - |
| Investment income (loss) | - | 387,360 | 247,701 | 663,951 | 111,101 |
| Total revenues | 1,081,729 | 3,886,855 | 2,427,401 | 5,422,270 | 111,101 |
| Expenditures | | | | | |
| Current: | | | | | |
| Commuter rail | - | - | - | - | 128,532 |
| Local streets and roads | 1,081,729 | - | - | - | - |
| Motorist assistance | - | 4,666,872 | 266,892 | - | - |
| Planning and programming | - | - | - | - | - |
| Regional conservation | - | - | - | - | - |
| Transit and specialized transportation | - | - | - | 2,226,937 | - |
| Total programs | 1,081,729 | 4,666,872 | 266,892 | 2,226,937 | 128,532 |
| Capital outlay | - | 369 | - | - | - |
| Total expenditures | 1,081,729 | 4,667,241 | 266,892 | 2,226,937 | 128,532 |
| Excess (deficiency) of revenues over (under) expenditures | - | (780,386) | 2,160,509 | 3,195,333 | (17,431) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | - | - | 124,175 |
| Transfers out | - | - | (8,200) | (1,136,030) | - |
| Total other financing sources (uses) | - | - | (8,200) | (1,136,030) | 124,175 |
| Net change in fund balances | - | (780,386) | 2,152,309 | 2,059,303 | 106,744 |
| Fund balances at beginning of year | - | 8,627,803 | 4,700,897 | 12,661,636 | 2,257,390 |
| Fund balances at end of year | \$ - | \$ 7,847,417 | \$ 6,853,206 | \$ 14,720,939 | \$ 2,364,134 |

Riverside County Transportation Commission
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds, Continued
Year Ended June 30, 2024

| Special Revenue | | | | | |
|-----------------------------------------------------------|--------------|-----------------------------|--------------------------|----------------------|--------------------------------------------|
| | SB 125 | Other Agency Projects | Regional Conservation | Total | Total Nonmajor Governmental Funds |
| Revenues | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ 5,811,601 | \$ 5,811,601 |
| Intergovernmental | - | 916,661 | 8,863,324 | 15,487,627 | 15,487,627 |
| Investment income (loss) | - | 34,621 | 54,008 | 1,498,742 | 1,498,742 |
| Total revenues | - | 951,282 | 8,917,332 | 22,797,970 | 22,797,970 |
| Expenditures | | | | | |
| Current: | | | | | |
| Commuter rail | - | - | - | 128,532 | 128,532 |
| Local streets and roads | - | - | - | 1,081,729 | 1,081,729 |
| Motorist assistance | - | - | - | 4,933,764 | 4,933,764 |
| Planning and programming | - | 916,648 | - | 916,648 | 916,648 |
| Regional conservation | - | - | 8,863,323 | 8,863,323 | 8,863,323 |
| Transit and specialized transportation | 7,713 | - | - | 2,234,650 | 2,234,650 |
| Total programs | 7,713 | 916,648 | 8,863,323 | 18,158,646 | 18,158,646 |
| Capital outlay | - | - | - | 369 | 369 |
| Total expenditures | 7,713 | 916,648 | 8,863,323 | 18,159,015 | 18,159,015 |
| Excess (deficiency) of revenues over (under) expenditures | (7,713) | 34,634 | 54,009 | 4,638,955 | 4,638,955 |
| Other financing sources (uses): | | | | | |
| Transfers in | 7,713 | - | - | 131,888 | 131,888 |
| Transfers out | - | - | - | (1,144,230) | (1,144,230) |
| Total other financing sources (uses) | 7,713 | - | - | (1,012,342) | (1,012,342) |
| Net change in fund balances | - | 34,634 | 54,009 | 3,626,613 | 3,626,613 |
| Fund balances at beginning of year | - | 28,174 | (2,362) | 28,273,538 | 28,273,538 |
| Fund balances at end of year | \$ - | \$ 62,808 | \$ 51,647 | \$ 31,900,151 | \$ 31,900,151 |

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Nonmajor Special Revenue Funds
Year Ended June 30, 2024

| | Measure A Palo Verde Valley | | | | Freeway Service Patrol | | | |
|-----------------------------------------------------------|-----------------------------|--------------|--------------|------------------------------------------------|------------------------|--------------|--------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ 1,087,000 | \$ 1,087,000 | \$ 1,081,729 | \$ (5,271) | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | 3,233,100 | 3,233,100 | 3,499,495 | 266,395 |
| Investment income (loss) | - | - | - | - | 85,700 | 85,700 | 387,360 | 301,660 |
| Total revenues | 1,087,000 | 1,087,000 | 1,081,729 | (5,271) | 3,318,800 | 3,318,800 | 3,886,855 | 568,055 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Commuter rail | - | - | - | - | - | - | - | - |
| Local streets and roads | 939,700 | 1,081,800 | 1,081,729 | 71 | - | - | - | - |
| Motorist assistance | - | - | - | - | 5,368,900 | 5,363,900 | 4,666,872 | 697,028 |
| Planning and programming | - | - | - | - | - | - | - | - |
| Regional conservation | - | - | - | - | - | - | - | - |
| Transit and specialized transportation | - | - | - | - | - | - | - | - |
| Total programs | 939,700 | 1,081,800 | 1,081,729 | 71 | 5,368,900 | 5,363,900 | 4,666,872 | 697,028 |
| Capital outlay | - | - | - | - | - | 5,000 | 369 | 4,631 |
| Total expenditures | 939,700 | 1,081,800 | 1,081,729 | 71 | 5,368,900 | 5,368,900 | 4,667,241 | 701,659 |
| Excess (deficiency) of revenues over (under) expenditures | 147,300 | 5,200 | - | (5,200) | (2,050,100) | (2,050,100) | (780,386) | 1,269,714 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | - | 2,500,000 | 2,500,000 | - | (2,500,000) |
| Transfers out | (147,300) | (147,300) | - | 147,300 | (176,500) | (176,500) | - | 176,500 |
| Total other financing sources (uses) | (147,300) | (147,300) | - | 147,300 | 2,323,500 | 2,323,500 | - | (2,323,500) |
| Net change in fund balances | \$ - | \$ (142,100) | - | \$ 142,100 | \$ 273,400 | \$ 273,400 | (780,386) | \$ (1,053,786) |
| Fund balances at beginning of year | | | | | | | 8,627,803 | |
| Fund balances at end of year | | | \$ - | | | | \$ 7,847,417 | |

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Nonmajor Special Revenue Funds, Continued
Year Ended June 30, 2024

| | Service Authority for Freeway Emergencies | | | | State of Good Repair | | | |
|-----------------------------------------------------------|-------------------------------------------|----------------|---------------------|------------------------------------------------|----------------------|----------------|----------------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ 4,543,300 | \$ 4,573,900 | \$ 4,729,872 | \$ 155,972 |
| Intergovernmental | 2,168,600 | 2,168,600 | 2,179,700 | 11,100 | 105,000 | 105,000 | 28,447 | (76,553) |
| Investment income (loss) | 38,900 | 38,900 | 247,701 | 208,801 | 54,500 | 54,500 | 663,951 | 609,451 |
| Total revenues | 2,207,500 | 2,207,500 | 2,427,401 | 219,901 | 4,702,800 | 4,733,400 | 5,422,270 | 688,870 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Commuter rail | - | - | - | - | - | - | - | - |
| Local streets and roads | - | - | - | - | - | - | - | - |
| Motorist assistance | 507,000 | 507,000 | 266,892 | 240,108 | - | - | - | - |
| Planning and programming | - | - | - | - | - | - | - | - |
| Regional conservation | - | - | - | - | - | - | - | - |
| Transit and specialized transportation | - | - | - | - | 9,515,000 | 9,515,000 | 2,226,937 | 7,288,063 |
| Total programs | 507,000 | 507,000 | 266,892 | 240,108 | 9,515,000 | 9,515,000 | 2,226,937 | 7,288,063 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 507,000 | 507,000 | 266,892 | 240,108 | 9,515,000 | 9,515,000 | 2,226,937 | 7,288,063 |
| Excess (deficiency) of revenues over (under) expenditures | 1,700,500 | 1,700,500 | 2,160,509 | 460,009 | (4,812,200) | (4,781,600) | 3,195,333 | 7,976,933 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | (2,899,700) | (2,899,700) | (8,200) | 2,891,500 | (1,198,100) | (1,198,100) | (1,136,030) | 62,070 |
| Total other financing sources (uses) | (2,899,700) | (2,899,700) | (8,200) | 2,891,500 | (1,198,100) | (1,198,100) | (1,136,030) | 62,070 |
| Net change in fund balances | \$ (1,199,200) | \$ (1,199,200) | 2,152,309 | \$ 3,351,509 | \$ (6,010,300) | \$ (5,979,700) | 2,059,303 | \$ 8,039,003 |
| Fund balances at beginning of year | | | 4,700,897 | | | | 12,661,636 | |
| Fund balances at end of year | | | <u>\$ 6,853,206</u> | | | | <u>\$ 14,720,939</u> | |

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Nonmajor Special Revenue Funds, Continued
Year Ended June 30, 2024

| | Coachella Valley Rail | | | | SB 125 | | | |
|-----------------------------------------------------------|-----------------------|--------------|---------------------|------------------------------------------------|-----------------|--------------|-------------|------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 2,000,000 | 2,000,000 | - | (2,000,000) | - | 798,000 | - | (798,000) |
| Investment income (loss) | 24,100 | 24,100 | 111,101 | 87,001 | - | - | - | - |
| Total revenues | 2,024,100 | 2,024,100 | 111,101 | (1,912,999) | - | 798,000 | - | (798,000) |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Commuter rail | 2,827,000 | 2,827,000 | 128,532 | 2,698,468 | - | - | - | - |
| Local streets and roads | - | - | - | - | - | - | - | - |
| Motorist assistance | - | - | - | - | - | - | - | - |
| Planning and programming | - | - | - | - | - | - | - | - |
| Regional conservation | - | - | - | - | - | - | - | - |
| Transit and specialized transportation | - | - | - | - | - | 791,300 | 7,713 | 783,587 |
| Total programs | 2,827,000 | 2,827,000 | 128,532 | 2,698,468 | - | 791,300 | 7,713 | 783,587 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 2,827,000 | 2,827,000 | 128,532 | 2,698,468 | - | 791,300 | 7,713 | 783,587 |
| Excess (deficiency) of revenues over (under) expenditures | (802,900) | (802,900) | (17,431) | 785,469 | - | 6,700 | (7,713) | (14,413) |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | 992,400 | 992,400 | 124,175 | (868,225) | - | - | 7,713 | 7,713 |
| Transfers out | (162,300) | (162,300) | - | 162,300 | - | - | - | - |
| Total other financing sources (uses) | 830,100 | 830,100 | 124,175 | (705,925) | - | - | 7,713 | 7,713 |
| Net change in fund balances | \$ 27,200 | \$ 27,200 | 106,744 | \$ 79,544 | \$ - | \$ 6,700 | - | \$ (6,700) |
| Fund balances at beginning of year | | | 2,257,390 | | | | - | |
| Fund balances at end of year | | | <u>\$ 2,364,134</u> | | | | <u>\$ -</u> | |

Riverside County Transportation Commission
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual—Nonmajor Special Revenue Funds, Continued
 Year Ended June 30, 2024

| | Other Agency Projects | | | | Regional Conservation | | | |
|-----------------------------------------------------------|-----------------------|------------------|------------------|---------------------------------------------------------|-----------------------|-------------------|------------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 6,756,700 | 6,756,700 | 916,661 | (5,840,039) | 11,034,600 | 11,364,900 | 8,863,324 | (2,501,576) |
| Investment income (loss) | 100 | 100 | 34,621 | 34,521 | - | - | 54,008 | 54,008 |
| Total revenues | 6,756,800 | 6,756,800 | 951,282 | (5,805,518) | 11,034,600 | 11,364,900 | 8,917,332 | (2,447,568) |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Commuter rail | - | - | - | - | - | - | - | - |
| Local streets and roads | - | - | - | - | - | - | - | - |
| Motorist assistance | - | - | - | - | - | - | - | - |
| Planning and programming | 6,756,700 | 6,756,700 | 916,648 | 5,840,052 | - | - | - | - |
| Regional conservation | - | - | - | - | 10,084,900 | 10,415,200 | 8,863,323 | 1,551,877 |
| Transit and specialized transportation | - | - | - | - | - | - | - | - |
| Total programs | 6,756,700 | 6,756,700 | 916,648 | 5,840,052 | 10,084,900 | 10,415,200 | 8,863,323 | 1,551,877 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 6,756,700 | 6,756,700 | 916,648 | 5,840,052 | 10,084,900 | 10,415,200 | 8,863,323 | 1,551,877 |
| Excess (deficiency) of revenues over (under) expenditures | 100 | 100 | 34,634 | 34,534 | 949,700 | 949,700 | 54,009 | (895,691) |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (949,700) | (949,700) | - | 949,700 |
| Total other financing sources (uses) | - | - | - | - | (949,700) | (949,700) | - | 949,700 |
| Net change in fund balances | \$ 100 | \$ 100 | 34,634 | \$ 34,534 | \$ - | \$ - | 54,009 | \$ 54,009 |
| Fund balances at beginning of year | | | 28,174 | | | | (2,362) | |
| Fund balances at end of year | | | <u>\$ 62,808</u> | | | | <u>\$ 51,647</u> | |

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Capital Projects Funds
Year Ended June 30, 2024

| | Capital Projects Funds | | | | | | | |
|-----------------------------------------------------------|------------------------|-------------------|----------------------|---------------------------------------------------------|--------------------|------------------|---------------------|---------------------------------------------------------|
| | Commercial Paper | | | | Bonds | | | |
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues | | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | - | \$ - | \$ - | \$ - | - |
| Investment income (loss) | 178,300 | 178,300 | 892,259 | 713,959 | 69,800 | 69,800 | 560,925 | 491,125 |
| Total revenues | 178,300 | 178,300 | 892,259 | 713,959 | 69,800 | 69,800 | 560,925 | 491,125 |
| Expenditures | | | | | | | | |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | 178,300 | 178,300 | 892,259 | 713,959 | 69,800 | 69,800 | 560,925 | 491,125 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 632,802 | 632,802 |
| Transfers out | - | - | (2,437,262) | (2,437,262) | - | - | (16,553,132) | (16,553,132) |
| Total other financing sources (uses) | - | - | (2,437,262) | (2,437,262) | - | - | (15,920,330) | (15,920,330) |
| Net change in fund balances | \$ 178,300 | \$ 178,300 | (1,545,003) | \$ (1,723,303) | \$ 69,800 | \$ 69,800 | (15,359,405) | \$ (15,429,205) |
| Fund balances at beginning of year | | | 13,392,732 | | | | 18,149,828 | |
| Fund balances at end of year | | | <u>\$ 11,847,729</u> | | | | <u>\$ 2,790,423</u> | |

Riverside County Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual—Debt Service Fund
Year Ended June 30, 2024

| Debt Service Fund | | | | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------------|--------------------|-------------------|----------------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Intergovernmental | \$ 2,812,100 | \$ 2,812,100 | \$ 2,823,205 | \$ 11,105 |
| Investment income (loss) | 124,100 | 124,100 | 1,499,203 | 1,375,103 |
| Total revenues | 2,936,200 | 2,936,200 | 4,322,408 | 1,386,208 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 32,635,000 | 32,635,000 | 32,635,000 | - |
| Interest | 36,580,200 | 36,580,200 | 36,580,038 | 162 |
| Total expenditures | 69,215,200 | 69,215,200 | 69,215,038 | 162 |
| Excess (deficiency) of revenues over (under) expenditures | (66,279,000) | (66,279,000) | (64,892,630) | 1,386,370 |
| Other financing sources (uses) | | | | |
| Transfers in | 69,215,200 | 69,215,200 | 70,054,037 | 838,837 |
| Transfers out | (2,812,100) | (2,812,100) | (3,580,227) | (768,127) |
| Total other financing sources (uses) | 66,403,100 | 66,403,100 | 66,473,810 | 70,710 |
| Net change in fund balances | \$ 124,100 | \$ 124,100 | 1,581,180 | \$ 1,457,080 |
| Fund balances at beginning of year | | | 11,871,675 | |
| Fund balances at end of year | | | <u>\$ 13,452,855</u> | |

Riverside County Transportation Commission
Schedule of Expenditures for Local Streets and Roads
by Geographic Area - All Special Revenue Funds
Year Ended June 30, 2024

| | |
|--------------------------------------------|-----------------------------|
| Western County: | |
| City of Banning | \$ 892,410 |
| City of Beaumont | 936,622 |
| City of Calimesa | 325,507 |
| City of Canyon Lake | 284,590 |
| City of Corona | 5,706,205 |
| City of Eastvale | 3,236,220 |
| City of Hemet | 2,793,612 |
| City of Jurupa Valley | 3,372,280 |
| City of Lake Elsinore | 2,294,453 |
| City of Menifee | 3,131,206 |
| City of Moreno Valley | 6,381,536 |
| City of Murrieta | 3,598,202 |
| City of Norco | 998,842 |
| City of Perris | 2,912,680 |
| City of Riverside | 10,717,801 |
| City of San Jacinto | 1,498,815 |
| City of Temecula | 4,311,987 |
| City of Wildomar | 1,004,709 |
| Riverside County | 9,346,320 |
| WRCOG 60% share of city of Beaumont | 1,404,933 |
| Other | 194,000 |
| | <u>65,342,930</u> |
| Coachella Valley: | |
| City of Cathedral City | 1,957,894 |
| City of Coachella | 815,242 |
| City of Desert Hot Springs | 593,021 |
| City of Indian Wells | 328,216 |
| City of Indio | 2,634,859 |
| City of La Quinta | 1,959,770 |
| City of Palm Desert | 3,469,376 |
| City of Palm Springs | 3,236,275 |
| City of Rancho Mirage | 1,181,843 |
| Riverside County | 2,659,161 |
| Other | 194,000 |
| | <u>19,029,657</u> |
| Palo Verde Valley: | |
| City of Blythe | 808,487 |
| Riverside County | 233,742 |
| Other | 39,500 |
| | <u>1,081,729</u> |
| Total local streets and roads expenditures | <u><u>\$ 85,454,316</u></u> |

Riverside County Transportation Commission
Schedule of Expenditures for Transit and Specialized Transportation
by Geographic Area and Source - All Special Revenue Funds

Year Ended June 30, 2024

| | Sales Taxes | | | | Total |
|-----------------------------------------------------------|----------------------|---------------------------------|--------------------------------|----------------------------|-----------------------|
| | Measure A | Local Transportation Fund | State Transit Assistance | State of Good Repair | |
| Western County: | | | | | |
| Boys and Girls Club of Menifee Valley | \$ 32,531 | \$ - | \$ - | \$ - | \$ 32,531 |
| Boys and Girls Club of Southwest County | 46,335 | - | - | - | 46,335 |
| Care-A-Van | 246,161 | - | - | - | 246,161 |
| Care Connexus | 237,848 | - | - | - | 237,848 |
| City of Banning | - | 1,994,228 | 6,930,841 | 50,000 | 8,975,069 |
| City of Beaumont | 169,000 | 2,656,495 | 3,005,290 | - | 5,830,785 |
| City of Corona | - | 1,439,980 | 500,000 | 175,330 | 2,115,310 |
| City of Norco | 104,407 | - | - | - | 104,407 |
| City of Riverside | - | 3,674,302 | 190,000 | 200,000 | 4,064,302 |
| Exceed | 152,632 | - | - | - | 152,632 |
| Forest Folk | 52,920 | - | - | - | 52,920 |
| Friends of Moreno Valley Center, Inc | 92,319 | - | - | - | 92,319 |
| Independent Living Partnership | 376,601 | - | - | - | 376,601 |
| Michelle's Place | 10,004 | - | - | - | 10,004 |
| Operation Safehouse | 37,516 | - | - | - | 37,516 |
| Riverside University Health Systems | 1,157,207 | - | - | - | 1,157,207 |
| Riverside Transit Agency | 2,000,000 | 64,160,088 | 5,457,445 | 1,607,566 | 73,225,099 |
| United States Veterans Initiative | (107) | - | - | - | (107) |
| Voices for Children | 160,542 | - | - | - | 160,542 |
| Other | 373,879 | 194,000 | 90,094 | 162,809 | 820,782 |
| | <u>5,249,795</u> | <u>74,119,093</u> | <u>16,173,670</u> | <u>2,195,705</u> | <u>97,738,263</u> |
| Coachella Valley: | | | | | |
| SunLine Transit Agency | 8,275,000 | 25,914,209 | 803,855 | 20,790 | 35,013,854 |
| Riverside County Transportation Commission | - | - | - | - | - |
| Other | 179,000 | - | - | - | 179,000 |
| | <u>8,454,000</u> | <u>25,914,209</u> | <u>803,855</u> | <u>20,790</u> | <u>35,192,854</u> |
| Palo Verde Valley: | | | | | |
| Palo Verde Valley Transit Agency | - | 1,072,454 | 160,000 | 10,442 | 1,242,896 |
| | <u>-</u> | <u>1,072,454</u> | <u>160,000</u> | <u>10,442</u> | <u>1,242,896</u> |
| Total transit and specialized transportation expenditures | <u>\$ 13,703,795</u> | <u>\$ 101,105,756</u> | <u>\$ 17,137,525</u> | <u>\$ 2,226,937</u> | <u>\$ 134,174,013</u> |

Riverside County Transportation Commission
Schedule of Uses of Debt Proceeds and Fund Balances
Year Ended June 30, 2024

| | <u>Capital Projects</u> | | |
|------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------|
| | <u>Commercial Paper Notes</u> | <u>Sales Tax Revenue Bonds</u> | <u>Total</u> |
| | <u>I-15 Express Lanes, advance agreements, and other</u> | <u>I-15 Express Lanes, 91 Project, advance agreements, and other</u> | |
| Revenues | | | |
| Investment income | \$ 892,259 | \$ 560,925 | \$ 1,453,184 |
| Total revenues | <u>892,259</u> | <u>560,925</u> | <u>1,453,184</u> |
| Excess (deficiency) of revenues over (under) expenditures: | 892,259 | 560,925 | 1,453,184 |
| Other financing sources (uses) | | | |
| Transfers in | | | |
| I-15 Express Lanes ramp-up reserve | - | 632,802 | 632,802 |
| Transfers out | | | |
| Debt service offset | (2,437,262) | (381,151) | (2,818,413) |
| 15 Express Lanes remaining bond proceeds for the use of operations and maintenance | - | (14,259,209) | (14,259,209) |
| Requisitions to reimburse Commission funds: | | | |
| Salaries and benefits | - | (10,750) | (10,750) |
| Professional services | - | (19,817) | (19,817) |
| Support services | - | (7,973) | (7,973) |
| Program operations | - | (37,264) | (37,264) |
| Right of way | - | (2,395) | (2,395) |
| Design-build | - | (1,834,573) | (1,834,573) |
| Total other financing sources (uses) | <u>(2,437,262)</u> | <u>(15,920,330)</u> | <u>(18,357,592)</u> |
| Net change in fund balance | (1,545,003) | (15,359,405) | (16,904,408) |
| Fund balances at beginning of year | 13,392,732 | 18,149,828 | 31,542,560 |
| Fund balances at end of year | <u>\$ 11,847,729</u> | <u>\$ 2,790,423</u> | <u>\$ 14,638,152</u> |

Statistical Section

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Riverside County Transportation Commission

Statistical Section Overview

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

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

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

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

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

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

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

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. These schedules include:

- Demographic and Economic Statistics for the County of Riverside
- Employment Statistics by Industry for the County of Riverside

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. These schedules include:

- Full-time Equivalent Employees by Function/Program
- Operating Indicators
- Capital Asset Statistics by Program

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

| | Fiscal Year | | | | |
|-------------------------------------------------------|-------------------------|-------------------------|-------------------------------------|---------------------------------------|------------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Governmental activities: | | | | | |
| Net Investment in capital assets | \$ 278,861,564 | \$ 483,304,687 | \$ 415,495,777 | \$ 353,189,808 | \$ 552,756,477 |
| Restricted | 1,441,224,232 | 1,285,771,161 | 1,115,074,082 | 977,192,934 | 816,331,290 |
| Unrestricted (deficit) | <u>(467,084,821)</u> | <u>(510,152,633)</u> | <u>(540,884,718)</u> | <u>(593,657,822)</u> | <u>(652,278,554)</u> |
| Total governmental activities net position | <u>\$ 1,253,000,975</u> | <u>\$ 1,258,923,215</u> | <u>\$ 989,685,141</u> ⁶ | <u>\$ 736,724,920</u> | <u>\$ 716,809,213</u> ⁵ |
| Business-type activities: | | | | | |
| Net Investment (deficit) in capital assets | \$ 77,595,452 | \$ (176,735,962) | \$ (171,650,350) | \$ (109,184,608) | \$ (320,213,988) |
| Restricted | 144,013,671 | 106,301,690 | 130,780,244 | 54,919,608 | 43,981,932 |
| Unrestricted (deficit) | - | - | - | - | - |
| Total business-type activities net position (deficit) | <u>\$ 221,609,123</u> | <u>\$ (70,434,272)</u> | <u>\$ (40,870,106)</u> ⁶ | <u>\$ (54,265,000)</u> ^{4,5} | <u>\$ (276,232,056)</u> |
| Primary government: | | | | | |
| Net Investment (deficit) in capital assets | \$ 356,457,016 | \$ 306,568,725 | \$ 243,845,427 | \$ 244,005,200 | \$ 232,542,489 |
| Restricted | 1,585,237,903 | 1,392,072,851 | 1,245,854,326 | 1,032,112,542 | 860,313,222 |
| Unrestricted (deficit) | <u>(467,084,821)</u> | <u>(510,152,633)</u> | <u>(540,884,718)</u> | <u>(593,657,822)</u> | <u>(652,278,554)</u> |
| Total Primary government net position | <u>\$ 1,474,610,098</u> | <u>\$ 1,188,488,943</u> | <u>\$ 948,815,035</u> | <u>\$ 682,459,920</u> | <u>\$ 440,577,157</u> |

Source: Finance Department

¹ In FY 2015, the Commission implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Prior year amounts in this presentation have not been revised to reflect this change.

² In FY 2017, the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists.

³ In FY 2018, the Commission changed its presentation of net position related to intangible assets.

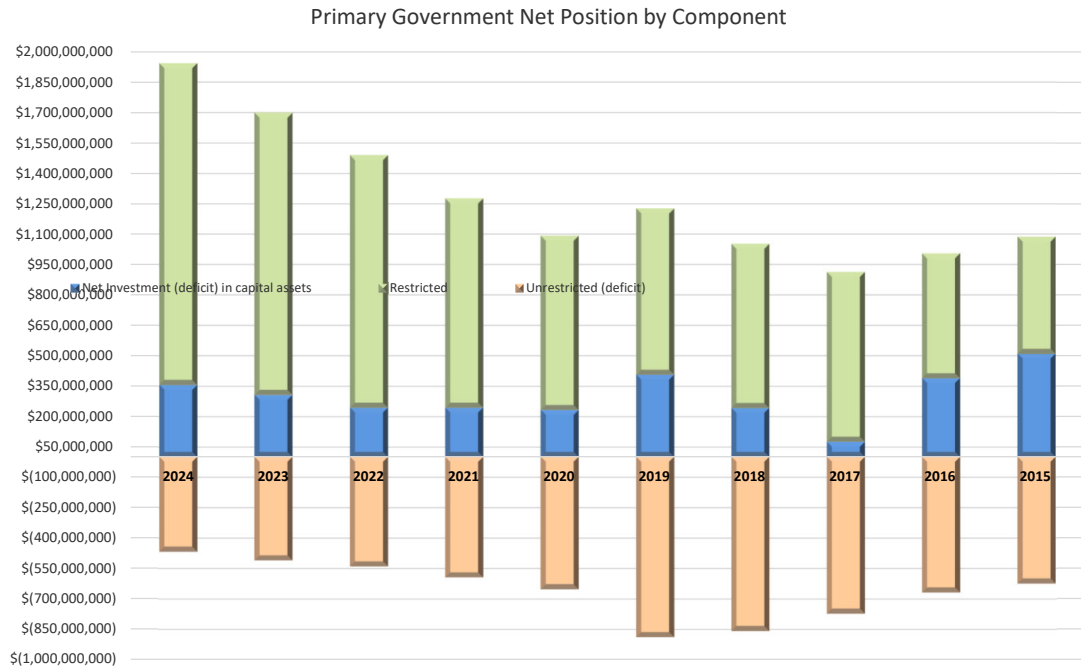
⁴ In FY 2021, the Commission reached substantial completion on the I-15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists.

⁵ Calculation of Net Investment in Capital Assets and Unrestricted (Deficit) was restated based on FY 2021 calculation; prior year amounts in this presentation have not been revised to reflect this change.

⁶ In FY 2022, the Commission implemented GASB Statement No. 87, *Leases*. Prior year amounts in this presentation have not been revised to reflect this change.

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

| | Fiscal Year | | | | |
|--------------------------------------------------------------|-------------------------|-------------------------|-------------------------------------|-----------------------|-----------------------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Governmental activities: | | | | | |
| Net Investment in capital assets | \$ 706,935,587 | \$ 529,178,100 | \$ 377,309,766 | \$ 389,646,370 | \$ 509,106,481 |
| Restricted | 794,875,222 | 801,401,752 | 596,214,012 | 615,457,192 | 578,207,942 |
| Unrestricted (deficit) | (887,668,580) | (857,485,575) | (538,356,445) | (668,395,594) | (623,769,876) |
| Total governmental activities net position | \$ 614,142,229 | \$ 473,094,277 | \$ 435,167,333 | \$ 336,707,968 | \$ 463,544,547¹ |
| Business-type activities: | | | | | |
| Net Investment (deficit) in capital assets | \$ (299,852,425) | \$ (286,349,191) | \$ (301,737,495) | | |
| Restricted | 25,256,125 | 8,581,857 ³ | 242,134,144 | | |
| Unrestricted (deficit) | - | - | (234,075,489) | | |
| Total business-type activities net position (deficit) | \$ (274,596,300) | \$ (277,767,334) | \$ (293,678,840)² | | |
| Primary government: | | | | | |
| Net Investment (deficit) in capital assets | \$ 407,083,162 | \$ 242,828,909 | \$ 75,572,271 | \$ 389,646,370 | \$ 509,106,481 |
| Restricted | 820,131,347 | 809,983,609 | 838,348,156 | 615,457,192 | 578,207,942 |
| Unrestricted (deficit) | (887,668,580) | (857,485,575) | (772,431,934) | (668,395,594) | (623,769,876) |
| Total Primary government net position | \$ 339,545,929 | \$ 195,326,943 | \$ 141,488,493 | \$ 336,707,968 | \$ 463,544,547 |



Riverside County Transportation Commission

Changes in Primary Government Net Position

Last Ten Fiscal Years

(Accrual Basis)

| | Fiscal Year Ended June 30 | | | | |
|-----------------------------------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2024 | 2023 | 2022 ¹ | 2021 ² | 2020 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,201,256 | \$ 3,381,001 | \$ (2,868,799) | \$ 1,127,083 | \$ (1,488,917) |
| Bicycle and pedestrian projects | 1,756,152 | 2,578,177 | 1,587,819 | 3,388,814 | 1,367,800 |
| CETAP | 1,990,395 | 1,046,199 | 5,181,055 | 5,723,685 | 1,441,976 |
| Commuter assistance | 3,661,856 | 4,187,763 | 3,229,524 | 3,110,681 | 3,673,416 |
| Commuter rail | 53,509,321 | 58,899,642 | 34,291,250 | 37,367,041 | 50,573,511 |
| Highways | 161,285,466 | 177,171,636 | 159,525,490 | 122,407,790 | 134,815,656 |
| Local streets and roads | 85,454,316 | 87,229,315 | 85,183,610 | 74,082,952 | 59,474,660 |
| Motorist assistance | 4,947,814 | 4,606,991 | 4,322,295 | 4,498,883 | 4,818,036 |
| Planning and programming | 12,580,506 | 8,099,856 | 4,774,012 | 3,730,032 | 7,798,197 |
| Regional arterials | 17,106,887 | 8,157,544 | 24,258,688 | 30,985,584 | 11,918,666 |
| Regional conservation | 9,271,220 | 10,243,763 | 1,492,799 | 1,832,340 | - |
| Transit and specialized transportation | 134,904,281 | 134,722,572 | 85,415,249 | 50,535,684 | 99,413,296 |
| Interest expense | 29,538,470 | 29,443,644 | 30,512,904 | 35,080,824 | 34,633,146 |
| Total governmental activities expenses | <u>518,207,940</u> | <u>529,768,103</u> | <u>436,905,896</u> | <u>373,871,393</u> | <u>408,439,443</u> |
| Business-type activities: | | | | | |
| RCTC 91 Express Lanes | 54,006,416 | 73,232,775 | 69,463,323 | 56,311,332 | 59,962,158 |
| 15 Express Lanes | 28,887,989 | 29,329,925 | 27,233,103 | 5,540,819 | - |
| Total primary government expenses | <u>\$ 601,102,345</u> | <u>\$ 632,330,803</u> | <u>\$ 533,602,322</u> | <u>\$ 435,723,544</u> | <u>\$ 468,401,601</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services | | | | | |
| CETAP | \$ - | \$ - | \$ 5,313 | \$ - | \$ - |
| Commuter rail | 339,405 | 314,628 | 250,000 | 249,825 | 251,084 |
| Highways | - | - | 137,555 | 81,503 | 95,002 |
| Other | 15 | 15 | - | 8 | 133 |
| Operating grants and contributions | 86,823,807 | 81,558,262 | 179,656,964 | 154,817,759 | 125,725,762 |
| Capital grants and contributions | 112,927,101 | 158,239,283 | 71,849,461 | 71,536,414 | 44,793,683 |
| Total governmental activities program revenues | <u>200,090,328</u> | <u>240,112,188</u> | <u>251,899,293</u> | <u>226,685,509</u> | <u>170,865,664</u> |
| Business-type activities: | | | | | |
| Charges for services | | | | | |
| RCTC 91 Express Lanes | 92,717,269 | 73,335,918 | 65,119,434 | 46,302,018 | 56,440,369 |
| 15 Express Lanes | 43,996,293 | 39,371,149 | 37,259,442 | 5,544,148 | - |
| Operating grants and contributions | - | - | - | - | - |
| Total business-type activities program revenues | <u>136,713,562</u> | <u>112,707,067</u> | <u>102,378,876</u> | <u>51,846,166</u> | <u>56,440,369</u> |
| Total primary government revenues | <u>336,803,890</u> | <u>352,819,255</u> | <u>354,278,169</u> | <u>278,531,675</u> | <u>227,306,033</u> |
| Net Revenues (Expenses) | | | | | |
| Governmental activities | (318,117,612) | (289,655,915) | (185,006,603) | (147,185,884) | (237,573,779) |
| Business-type activities | 53,819,157 | 10,144,367 | 5,682,450 | (10,005,985) | (3,521,789) |
| Total primary government net expense | <u>\$ (264,298,455)</u> | <u>\$ (279,511,548)</u> | <u>\$ (179,324,153)</u> | <u>\$ (157,191,869)</u> | <u>\$ (241,095,568)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Measure A sales taxes | \$ 281,794,698 | \$ 287,428,762 | \$ 280,170,582 | \$ 242,943,840 | \$ 195,036,321 |
| Transportation Development Act sales taxes | 194,054,971 | 197,891,127 | 180,682,280 | 146,615,629 | 128,080,154 |
| Unrestricted investment earnings (loss) | 61,540,294 | 25,402,156 | (14,295,090) | 2,326,345 | 14,537,908 |
| Other miscellaneous revenue | 781,870 | 2,477,425 | 2,574,199 | 5,765,473 | 574,705 |
| Gain on sale of capital assets | - | - | - | - | - |
| Transfers | (225,151,188) | 45,694,519 | (11,165,147) | (230,548,696) | 2,010,675 |
| Total governmental activities | <u>313,020,645</u> | <u>558,893,989</u> | <u>437,966,824</u> | <u>167,102,591</u> | <u>340,239,763</u> |
| Business-type activities: | | | | | |
| Unrestricted investment earnings (loss) | 13,181,977 | 5,985,986 | (3,452,703) | 324,156 | 3,896,708 |
| Gain on sale of capital assets | - | - | - | 1,100,189 | - |
| Transfers | 225,151,188 | (45,694,519) | 11,165,147 | 230,548,696 | (2,010,675) |
| Total business-type activities | <u>238,333,165</u> | <u>(39,708,533)</u> | <u>7,712,444</u> | <u>231,973,041</u> | <u>1,886,033</u> |
| Total primary government | <u>\$ 551,353,810</u> | <u>\$ 519,185,456</u> | <u>\$ 445,679,268</u> | <u>\$ 399,075,632</u> | <u>\$ 342,125,796</u> |
| Changes in Net Position | | | | | |
| Governmental activities | \$ (5,096,967) | \$ 269,238,074 | \$ 252,960,221 | \$ 19,916,707 | \$ 102,665,984 |
| Business-type activities | 292,152,322 | (29,564,166) | 13,394,894 | 221,967,056 | (1,635,756) |
| Total primary government | <u>\$ 287,055,355</u> | <u>\$ 239,673,908</u> | <u>\$ 266,355,115</u> | <u>\$ 241,883,763</u> | <u>\$ 101,030,228</u> |

Source: Finance Department

¹ In FY 2022 the Commission implemented GASB Statement No. 87, Leases. Prior year amounts in this presentation have not been revised to reflect this change.

² In FY 2021 the Commission reached substantial completion on the 15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists. Additionally, the Commission became the managing agency for the Western Riverside County Regional Conservation Authority.

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

| | Fiscal Year Ended June 30 | | | | |
|-----------------------------------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 1,295,384 | \$ 3,654,628 | \$ 7,258,051 | \$ 6,614,285 | \$ 7,402,725 |
| Bicycle and pedestrian projects | 2,319,895 | 1,142,306 | 1,314,932 | 212,547 | 1,747,090 |
| CETAP | 1,398,238 | 22,285,913 | 2,489,440 | 1,871,426 | 4,130,374 |
| Commuter assistance | 3,612,855 | 3,668,307 | 2,658,782 | 2,615,610 | 2,914,990 |
| Commuter rail | 48,553,459 | 36,578,920 | 38,964,217 | 41,449,269 | 20,455,178 |
| Highways | 91,086,623 | 79,234,802 | 264,283,974 | 245,668,543 | 228,857,938 |
| Local streets and roads | 61,470,359 | 53,639,698 | 51,864,011 | 49,826,564 | 48,615,708 |
| Motorist assistance | 4,403,671 | 3,835,612 | 4,164,892 | 4,149,320 | 4,314,601 |
| Planning and programming | 4,340,660 | 4,758,503 | 3,141,759 | 3,965,071 | 3,064,115 |
| Regional arterials | 17,048,413 | 12,897,557 | 19,040,012 | 23,095,562 | 21,010,980 |
| Regional conservation | - | - | - | - | - |
| Transit and specialized transportation | 117,766,548 | 90,185,227 | 80,724,591 | 70,611,967 | 86,712,958 |
| Interest expense | 33,663,673 | 46,421,211 | 49,214,579 | 53,558,472 | 50,037,270 |
| Total governmental activities expenses | <u>386,959,778</u> | <u>358,302,684</u> | <u>525,119,240</u> | <u>503,638,636</u> | <u>479,263,927</u> |
| Business-type activities: | | | | | |
| RCTC 91 Express Lanes | 55,039,168 | 49,452,297 | 13,260,254 | - | - |
| 15 Express Lanes | - | - | - | - | - |
| Total primary government expenses | <u>\$ 441,998,946</u> | <u>\$ 407,754,981</u> | <u>\$ 538,379,494</u> | <u>\$ 503,638,636</u> | <u>\$ 479,263,927</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services | | | | | |
| CETAP | \$ - | \$ - | \$ - | \$ - | \$ - |
| Commuter rail | 155,587 | 254,627 | 250,416 | 255,847 | 786,869 |
| Highways | 132,681 | 51,629 | - | - | 90,655 |
| Motorist assistance | 35,980 | 4,149 | 635,373 | 1,076,751 | 21,307 |
| Other | 326 | 479 | 447 | 421 | 450 |
| Operating grants and contributions | 93,084,805 | 45,363,624 | 35,611,287 | 42,568,860 | 57,784,238 |
| Capital grants and contributions | 74,558,439 | 66,910,285 | 16,451,903 | 54,062,314 | 70,133,121 |
| Total governmental activities program revenues | <u>167,967,818</u> | <u>112,584,793</u> | <u>52,949,426</u> | <u>97,964,193</u> | <u>128,816,640</u> |
| Business-type activities: | | | | | |
| Charges for services | | | | | |
| RCTC 91 Express Lanes | 58,423,461 | 50,446,824 | 10,123,572 | - | - |
| 15 Express Lanes | - | - | - | - | - |
| Operating grants and contributions | - | - | 1,723 | - | - |
| Total business-type activities program revenues | <u>58,423,461</u> | <u>50,446,824</u> | <u>10,125,295</u> | <u>-</u> | <u>-</u> |
| Total primary government revenues | <u>226,391,279</u> | <u>163,031,617</u> | <u>63,074,721</u> | <u>97,964,193</u> | <u>128,816,640</u> |
| Net Revenues (Expenses) | | | | | |
| Governmental activities | (218,991,960) | (245,717,891) | (472,169,814) | (405,674,443) | (350,447,287) |
| Business-type activities | 3,384,293 | 994,527 | (3,134,959) | - | - |
| Total primary government net expense | <u>\$ (215,607,667)</u> | <u>\$ (244,723,364)</u> | <u>\$ (475,304,773)</u> | <u>\$ (405,674,443)</u> | <u>\$ (350,447,287)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Measure A sales taxes | \$ 201,204,995 | \$ 176,301,656 | \$ 175,320,207 | \$ 167,630,239 | \$ 163,092,776 |
| Transportation Development Act sales taxes | 131,021,230 | 110,878,557 | 94,639,514 | 97,134,594 | 94,816,814 |
| Unrestricted investment earnings | 21,130,957 | 8,916,321 | 4,262,323 | 8,383,732 | 6,060,400 |
| Other miscellaneous revenue | 3,261,873 | 2,497,942 | 5,859,819 | 4,950,964 | 1,643,078 |
| Gain on sale of capital assets | 443,461 | - | - | 738,335 | - |
| Transfers | 2,977,396 | (14,949,641) | 290,547,316 | - | - |
| Total governmental activities | <u>360,039,912</u> | <u>283,644,835</u> | <u>570,629,179</u> | <u>278,837,864</u> | <u>265,613,068</u> |
| Business-type activities: | | | | | |
| Unrestricted investment earnings | 2,764,137 | (32,662) | 3,435 | - | - |
| Transfers | (2,977,396) | 14,949,641 | (290,547,316) | - | - |
| Total business-type activities | <u>(213,259)</u> | <u>14,916,979</u> | <u>(290,543,881)</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 359,826,653</u> | <u>\$ 298,561,814</u> | <u>\$ 280,085,298</u> | <u>\$ 278,837,864</u> | <u>\$ 265,613,068</u> |
| Changes in Net Position | | | | | |
| Governmental activities | \$ 141,047,952 | \$ 37,926,944 | \$ 98,459,365 | \$ (126,836,579) | \$ (84,834,219) |
| Business-type activities | 3,171,034 | 15,911,506 | (293,678,840) | - | - |
| Total primary government | <u>\$ 144,218,986</u> | <u>\$ 53,838,450</u> | <u>\$ (195,219,475)</u> | <u>\$ (126,836,579)</u> | <u>\$ (84,834,219)</u> |

Source: Finance Department

³ In FY 2017 the Commission reached substantial completion on the 91 Project and in March 2017 the RCTC 91 Express Lanes opened to motorists. Additionally, the Commission early implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, and GASB Statement No. 85, *Omnibus 2017*.

⁴

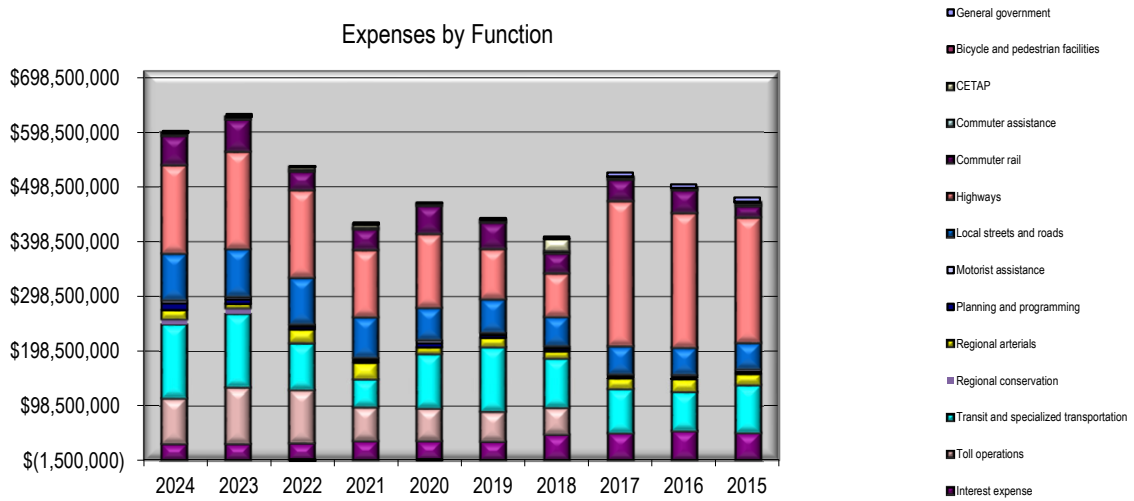
In FY 2015 the Commission implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Prior year amounts in this presentation have not been revised to reflect this change.

Riverside County Transportation Commission

Changes in Primary Government Net Position (Continued)

Last Ten Fiscal Years

(Accrual Basis)

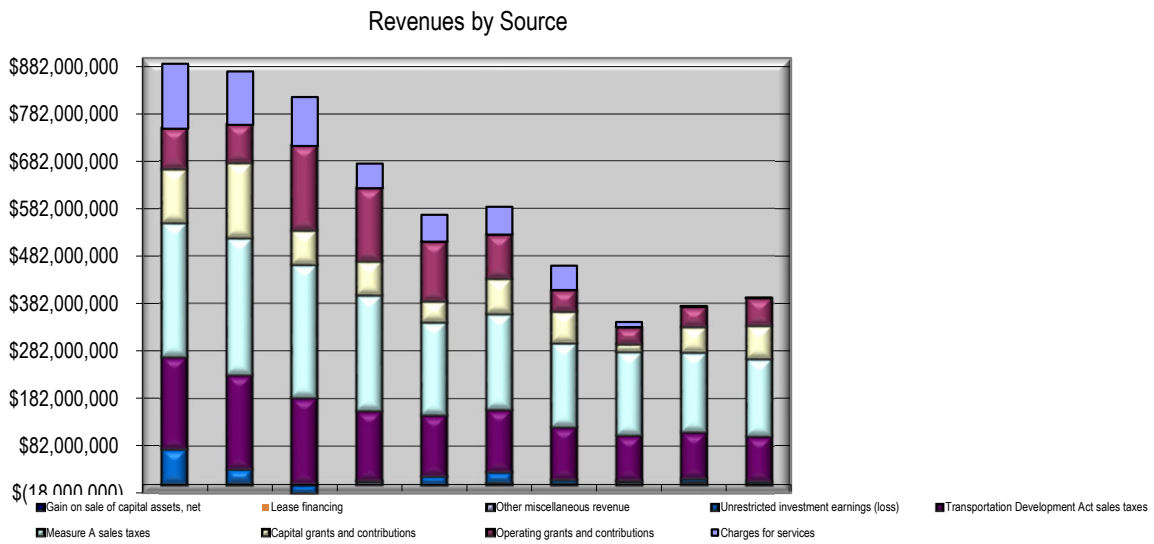


Riverside County Transportation Commission

Changes in Primary Government Net Position (Continued)

Last Ten Fiscal Years

(Accrual Basis)



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

| | Fiscal Year | | | | |
|------------------------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| <u>GENERAL FUND</u> | | | | | |
| General fund: | | | | | |
| Nonspendable | \$ 436,073 | \$ 541,973 | \$ 479,416 | \$ 164,621 | \$ 136,038 |
| Restricted | 38,937,289 | 33,989,895 | 32,259,329 | 34,147,160 | 22,458,450 |
| Unassigned | 2,264,865 | 2,568,283 | 3,049,765 | 3,606,250 | 3,267,803 |
| Total general fund | <u>\$ 41,638,227</u> | <u>\$ 37,100,151</u> | <u>\$ 35,788,510</u> | <u>\$ 37,918,031</u> | <u>\$ 25,862,291</u> |
| <u>ALL OTHER GOVERNMENTAL FUNDS</u> | | | | | |
| All other governmental funds: | | | | | |
| Nonspendable | \$ 519,394 | \$ 1,335,606 | \$ 3,168,147 | \$ 3,393,790 | \$ 3,033,953 |
| Restricted | 1,392,168,747 | 1,232,729,866 | 1,066,079,305 | 927,622,993 | 781,460,503 |
| Unassigned | - | (3,392) | (389,756) | (143,114) | (30,566) |
| Total all other governmental funds | <u>\$ 1,392,688,141</u> | <u>\$ 1,234,062,080</u> | <u>\$ 1,068,857,696</u> | <u>\$ 930,873,669</u> | <u>\$ 784,463,890</u> |

Source: Finance Department

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

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

Source: Finance Department

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

| | Fiscal Year | | | | |
|------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Revenues | | | | | |
| Sales taxes | \$ 475,849,669 | \$ 485,319,889 | \$ 460,852,862 | \$ 389,559,469 | \$ 323,116,475 |
| Transportation Uniform Mitigation Fee | 40,959,784 | 34,416,894 | 35,509,031 | 28,301,547 | 23,257,905 |
| Intergovernmental | 161,229,608 | 201,023,563 | 213,808,004 | 203,029,590 | 145,904,252 |
| Investment income | 61,612,402 | 25,470,256 | (14,230,774) | 2,387,089 | 14,594,910 |
| Other | 3,297,846 | 4,523,510 | 3,274,412 | 5,863,647 | 2,283,994 |
| Total revenues | <u>742,949,309</u> | <u>750,754,112</u> | <u>699,213,535</u> | <u>629,141,342</u> | <u>509,157,536</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 389,203 | 348,045 | 341,937 | 410,552 | 546,338 |
| Programs: | | | | | |
| Bicycle and pedestrian facilities | 1,756,152 | 2,578,177 | 1,587,819 | 3,388,814 | 1,367,800 |
| CETAP | 6,576,188 | 1,011,752 | 5,279,295 | 2,016,814 | 11,104,808 |
| Commuter assistance | 3,614,528 | 4,030,094 | 3,434,404 | 3,071,831 | 3,938,474 |
| Commuter rail | 59,127,918 | 50,332,347 | 21,219,827 | 29,379,805 | 41,069,694 |
| Highways | 200,832,453 | 254,845,996 | 247,656,937 | 197,817,830 | 285,955,203 |
| Local streets and roads | 85,454,316 | 87,229,315 | 85,183,610 | 74,082,952 | 59,475,694 |
| Motorist assistance | 4,933,764 | 4,507,515 | 4,474,970 | 4,486,182 | 4,934,056 |
| Planning and programming | 12,081,681 | 7,288,820 | 5,702,031 | 3,640,958 | 8,828,203 |
| Regional arterials | 17,089,385 | 8,092,122 | 24,379,344 | 30,972,795 | 12,059,400 |
| Regional conservation | 8,863,323 | 8,476,417 | 3,974,222 | 1,721,498 | - |
| Transit and specialized transportation | 134,947,957 | 134,422,630 | 85,924,817 | 50,489,119 | 99,777,205 |
| Debt service: | | | | | |
| Principal | 33,535,635 | 32,215,097 | 30,573,211 | 28,505,099 | 27,253,683 |
| Interest | 36,603,078 | 38,199,381 | 39,649,974 | 41,255,647 | 42,511,371 |
| Cost of Issuance | - | - | - | - | - |
| Payment to escrow agent | - | - | - | - | - |
| Capital outlay | 6,007,996 | 4,865,026 | 5,950,413 | 4,750,342 | 3,536,042 |
| Total expenditures | <u>611,813,577</u> | <u>638,442,734</u> | <u>565,332,811</u> | <u>475,990,238</u> | <u>602,357,971</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>131,135,732</u> | <u>112,311,378</u> | <u>133,880,724</u> | <u>153,151,104</u> | <u>(93,200,435)</u> |
| Other financing sources (uses): | | | | | |
| Refunding debt issuance | - | - | - | - | - |
| Debt issuance | - | - | - | 15,660,996 | 111,301,868 |
| Premium on debt issuance | - | - | - | - | - |
| Lease liabilities issued | 319,719 | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - |
| Transfers in | 163,950,369 | 173,799,523 | 115,432,568 | 116,427,274 | 119,642,321 |
| Transfers out | (132,241,683) | (119,594,876) | (113,458,786) | (126,773,855) | (117,631,646) |
| Total other financing sources (uses) | <u>32,028,405</u> | <u>54,204,647</u> | <u>1,973,782</u> | <u>5,314,415</u> | <u>113,312,543</u> |
| Net change in fund balances | <u>\$ 163,164,137</u> | <u>\$ 166,516,025</u> | <u>\$ 135,854,506</u> | <u>\$ 158,465,519</u> | <u>\$ 20,112,108</u> |
| Debt service as a percentage of noncapital expenditures | <u>12.9%</u> | <u>12.8%</u> | <u>14.8%</u> | <u>17.7%</u> | <u>15.8%</u> |

Source: Finance Department

¹ Debt service as a percentage of noncapital expenditures in 2018 increased significantly as a result of the retirement of commercial paper and a current refunding of debt, which included a swap termination payment.

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

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

Source: Finance Department

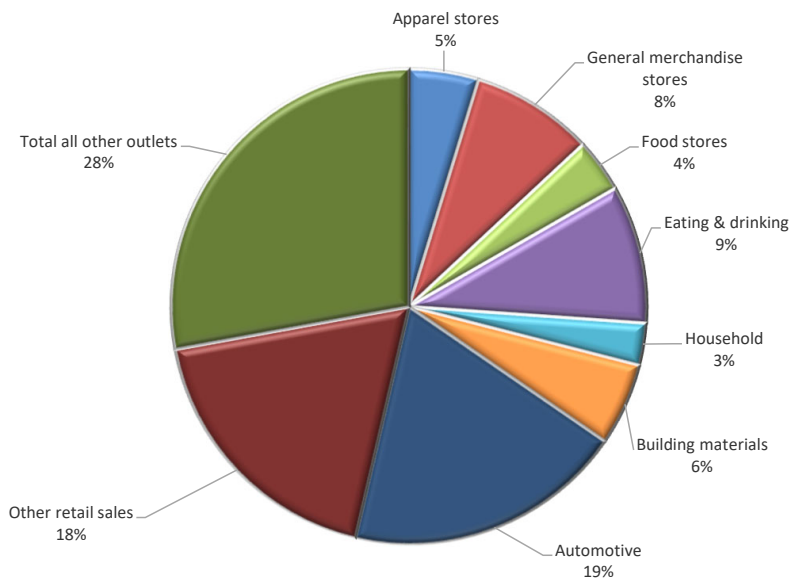
Riverside County Transportation Commission
Sources of County of Riverside Taxable Sales by Business Type
Last Ten Calendar Years (In Thousands)

| | <u>2023 ¹</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-------------------------------------------------------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|
| Apparel stores | \$ 2,889,254 | \$ 2,960,410 | \$ 2,787,245 | \$ 1,834,633 | \$ 2,361,700 |
| General merchandise stores | 5,089,133 | 5,099,730 | 4,756,624 | 4,123,079 | 3,967,112 |
| Food stores | 2,228,186 | 2,258,142 | 2,121,729 | 1,953,653 | 1,822,075 |
| Eating & drinking | 5,747,978 | 5,523,671 | 4,936,088 | 3,615,577 | 4,282,201 |
| Household | 1,752,713 | 1,913,811 | 1,999,156 | 2,106,383 | 2,104,126 |
| Building materials | 3,426,895 | 3,739,593 | 3,598,728 | 3,103,094 | 2,500,049 |
| Automotive | 11,637,689 | 12,734,351 | 11,430,453 | 8,509,066 | 8,938,497 |
| Other retail sales | 11,291,973 | 11,239,330 | 9,700,524 | 5,076,176 | 3,087,294 |
| Total all other outlets | 17,030,772 | 16,648,116 | 14,204,649 | 11,991,812 | 11,563,944 |
| | <u>\$ 61,094,593</u> | <u>\$ 62,117,154</u> | <u>\$ 55,535,196</u> | <u>\$ 42,313,473</u> | <u>\$ 40,626,998</u> |
| Measure A direct sales tax rate (Ordinance 88-1 through 2009 and 02-001 thereafter) | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization

¹ Year represents most recent data available.

Sources of County of Riverside Taxable Sales by Business Type for 2023



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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Apparel stores | \$ 2,315,433 | \$ 2,199,511 | \$ 2,190,228 | \$ 2,136,728 | \$ 1,989,623 |
| General merchandise stores | 3,560,755 | 3,101,256 | 3,052,409 | 3,040,244 | 3,289,057 |
| Food stores | 1,790,507 | 1,666,910 | 1,574,030 | 1,727,518 | 1,509,404 |
| Eating & drinking | 4,004,657 | 3,852,674 | 3,648,980 | 3,384,494 | 3,093,861 |
| Household | 1,962,650 | 1,730,702 | 1,386,985 | 1,135,235 | 1,030,455 |
| Building materials | 2,346,508 | 2,161,593 | 1,965,101 | 1,826,294 | 1,706,184 |
| Automotive | 8,788,907 | 8,282,532 | 7,751,812 | 7,693,173 | 7,844,773 |
| Other retail sales | 3,273,276 | 2,586,770 | 2,452,591 | 2,338,039 | 2,182,987 |
| Total all other outlets | 10,876,806 | 10,550,866 | 10,209,008 | 9,629,185 | 9,389,345 |
| | <u>\$ 38,919,499</u> | <u>\$ 36,132,814</u> | <u>\$ 34,231,144</u> | <u>\$ 32,910,910</u> | <u>\$ 32,035,689</u> |
| Measure A direct sales tax rate (Ordinance 88-1 through 2009 and 02-001 thereafter) | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization

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

| Fiscal Year | Measure A Direct Rate ¹ | County of Riverside |
|--------------------|-------------------------------------------|----------------------------|
| 2024 | 0.50% | 7.75% |
| 2023 | 0.50% | 7.75% |
| 2022 | 0.50% | 7.75% |
| 2021 | 0.50% | 7.75% |
| 2020 | 0.50% | 7.75% |
| 2019 | 0.50% | 7.75% |
| 2018 | 0.50% | 7.75% |
| 2017 | 0.50% | 7.75% |
| 2016 | 0.50% | 8.00% |
| 2015 | 0.50% | 8.00% |

Source: Commission Finance Department and California Department of Tax and Fee Administration, as successor to 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.

Riverside County Transportation Commission

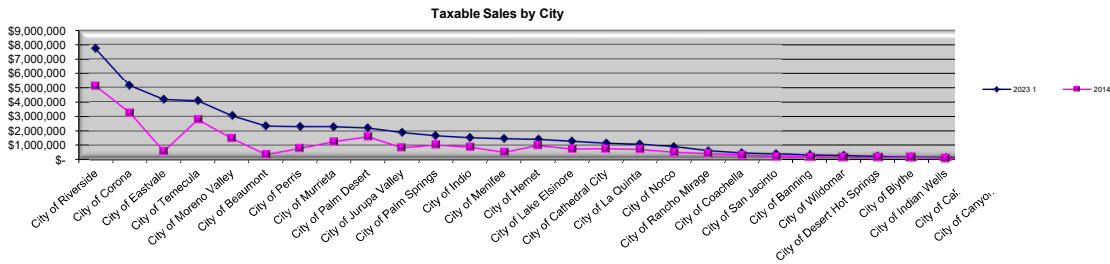
Principal Taxable Sales Generation by City

Current Year and Nine Years Ago

| | 2023 ¹ | | | 2014 | | |
|----------------------------|------------------------------|------|---------------------|------------------------------|------|---------------------|
| | Taxable Sales (in thousands) | Rank | Percentage of Total | Taxable Sales (in thousands) | Rank | Percentage of Total |
| City of Riverside | \$ 7,707,973 | 2 | 7.0% | \$ 5,072,694 | 2 | 8.8% |
| City of Corona | 5,117,985 | 3 | 4.7% | 3,231,208 | 3 | 5.6% |
| City of Eastvale | 4,151,493 | 4 | 3.8% | 590,318 | 16 | 1.0% |
| City of Temecula | 4,065,264 | 5 | 3.7% | 2,771,629 | 4 | 4.8% |
| City of Moreno Valley | 3,049,977 | 6 | 2.8% | 1,475,946 | 6 | 2.5% |
| City of Beaumont | 2,321,599 | 7 | 2.1% | 370,748 | 20 | 0.6% |
| City of Perris | 2,282,238 | 8 | 2.1% | 791,955 | 12 | 1.4% |
| City of Murrieta | 2,273,854 | 9 | 2.1% | 1,243,186 | 7 | 2.2% |
| City of Palm Desert | 2,201,381 | 10 | 2.0% | 1,594,753 | 5 | 2.8% |
| City of Jurupa Valley | 1,889,951 | 11 | 1.7% | 824,516 | 11 | 1.4% |
| City of Palm Springs | 1,665,434 | 12 | 1.5% | 1,036,541 | 8 | 1.8% |
| City of Indio | 1,530,785 | 13 | 1.4% | 882,079 | 10 | 1.5% |
| City of Menifee | 1,455,766 | 14 | 1.3% | 516,679 | 17 | 0.9% |
| City of Hemet | 1,404,098 | 15 | 1.2% | 988,533 | 9 | 1.7% |
| City of Lake Elsinore | 1,274,565 | 16 | 1.2% | 744,038 | 14 | 1.3% |
| City of Cathedral City | 1,152,138 | 17 | 1.1% | 753,153 | 13 | 1.3% |
| City of La Quinta | 1,081,800 | 18 | 1.0% | 728,088 | 15 | 1.3% |
| City of Norco | 911,889 | 19 | 0.8% | 510,210 | 18 | 0.9% |
| City of Rancho Mirage | 618,635 | 20 | 0.6% | 423,095 | 19 | 0.7% |
| City of Coachella | 467,367 | 21 | 0.4% | 330,324 | 21 | 0.6% |
| City of San Jacinto | 404,944 | 22 | 0.4% | 215,922 | 22 | 0.4% |
| City of Banning | 319,147 | 23 | 0.3% | 181,922 | 23 | 0.3% |
| City of Wildomar | 263,560 | 24 | 0.2% | 140,280 | 25 | 0.2% |
| City of Desert Hot Springs | 204,583 | 25 | 0.2% | 133,906 | 26 | 0.2% |
| City of Blythe | 163,630 | 26 | 0.1% | 160,504 | 24 | 0.3% |
| City of Indian Wells | 145,102 | 27 | 0.1% | 98,669 | 27 | 0.2% |
| City of Calimesa | 142,068 | 28 | 0.1% | 64,525 | 28 | 0.1% |
| City of Canyon Lake | 34,245 | 29 | 0.0% | 15,084 | 29 | 0.0% |
| Incorporated | 48,301,471 | | 44.1% | 25,890,505 | | 44.7% |
| Unincorporated | 61,331,274 | 1 | 55.9% | 32,035,687 | 1 | 55.3% |
| Countywide | \$ 109,632,745 | | 100.0% | \$ 57,926,192 | | 100.0% |
| California | \$ 935,894,939 | | | \$ 615,821,874 | | |

Source: California Department of Tax and Fee Administration, as successor to California State Board of Equalization, for the calendar year indicated.

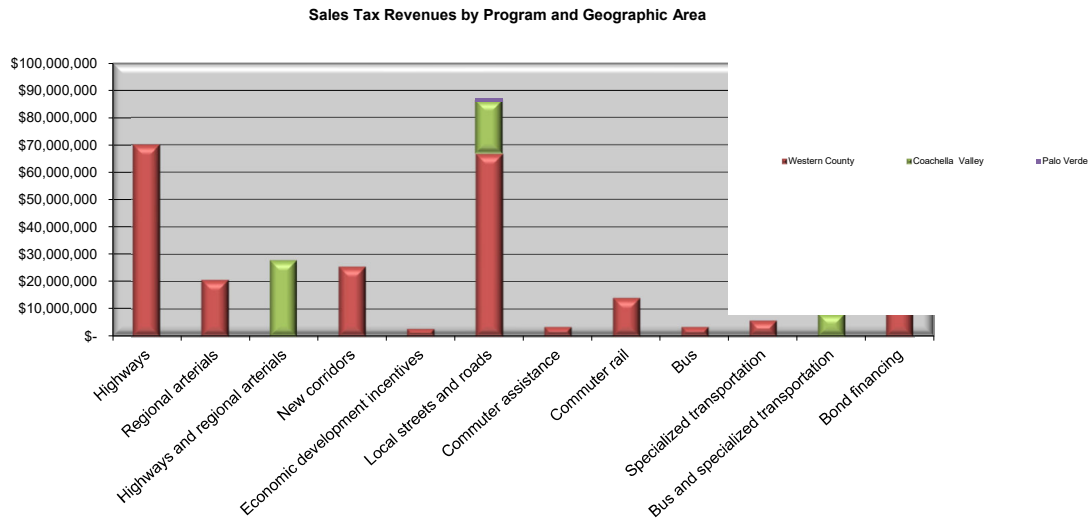
¹ Year represents most recent data available.



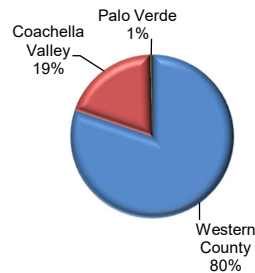
Riverside County Transportation Commission
Measure A Sales Tax Revenues by Program and Geographic Area
Year Ended June 30, 2024

| | Special Revenue Funds | | | Total |
|------------------------------------|-----------------------|----------------------|---------------------|-----------------------|
| | Western County | Coachella Valley | Palo Verde | |
| Highways | \$ 70,000,680 | \$ - | \$ - | \$ 70,000,680 |
| Regional arterials | 20,588,435 | - | - | 20,588,435 |
| Highways and regional arterials | - | 27,829,419 | - | 27,829,419 |
| New corridors | 25,392,404 | - | - | 25,392,404 |
| Economic development incentives | 2,745,125 | - | - | 2,745,125 |
| Local streets and roads | 66,569,274 | 19,480,594 | 1,179,447 | 87,229,315 |
| Public transit: | | | | |
| Commuter assistance | 3,431,406 | - | - | 3,431,406 |
| Commuter rail | 14,000,136 | - | - | 14,000,136 |
| Bus | 3,500,034 | - | - | 3,500,034 |
| Specialized transportation | 5,833,390 | - | - | 5,833,390 |
| Bus and specialized transportation | - | 8,348,826 | - | 8,348,826 |
| Bond financing | 18,529,592 | - | - | 18,529,592 |
| | <u>\$ 230,590,476</u> | <u>\$ 55,658,839</u> | <u>\$ 1,179,447</u> | <u>\$ 287,428,762</u> |

Source: Finance Department



Geographic Distribution by Area



Riverside County Transportation Commission

Measure A Sales Tax by Economic Category

Last Ten Calendar Years

| Economic Category | % of Total | | | | | | | | | |
|----------------------|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2023 ¹ | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General retail | 28.5 | 28.5 | 30.9 | 31.6 | 28.1 | 28.9 | 28.3 | 28.9 | 28.8 | 28.4 |
| Transportation | 23.0 | 24.3 | 24.0 | 22.4 | 24.2 | 24.6 | 25.3 | 25.1 | 25.9 | 26.6 |
| Food products | 16.7 | 16.2 | 15.8 | 15.2 | 17.7 | 17.8 | 17.6 | 17.7 | 17.3 | 16.6 |
| Business to business | 16.3 | 15.7 | 14.8 | 15.8 | 16.7 | 16.3 | 15.6 | 15.3 | 15.0 | 14.4 |
| Construction | 10.9 | 11.3 | 10.9 | 11.5 | 10.7 | 10.8 | 10.8 | 10.8 | 10.8 | 12.0 |
| Miscellaneous | 4.6 | 4.0 | 3.6 | 3.5 | 2.6 | 1.6 | 2.4 | 2.2 | 2.2 | 2.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: MuniServices LLC., an Avenu Company

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 Revenues² | Measure A Sales Tax Revenue Growth (Decline) Rate | Total Debt Service | Total Debt Service Coverage Ratio |
|--------------------|-----------------------------------------------------|----------------------------------------------------------|---------------------------|------------------------------------------|
| 2024 | \$ 281,794,698 | -1.96% ⁴ | \$ 69,215,038 | 4.07 |
| 2023 | 287,428,762 | 2.59% | 69,555,288 | 4.13 |
| 2022 | 280,170,582 | 15.32% | 69,594,288 | 4.03 |
| 2021 | 242,943,840 | 24.56% | 69,519,038 | 3.49 |
| 2020 | 195,036,321 | -3.07% ³ | 69,537,488 | 2.80 |
| 2019 | 201,204,995 | 14.13% | 69,555,738 | 2.89 |
| 2018 | 176,301,656 | 0.56% | 75,159,543 | 2.35 |
| 2017 | 175,320,207 | 4.59% | 51,889,982 | 3.38 |
| 2016 | 167,630,239 | 2.78% | 53,400,019 | 3.14 |
| 2015 | 163,092,776 | 4.31% | 53,300,072 | 3.06 |
| 2014 | 156,355,894 | 4.64% | 50,499,417 | 3.10 |

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 California Department of Tax and Fee Administration, as successor to Board of Equalization, administrative fees.
- ³ Sales tax revenues decreased in FY 2020 due to COVID-19 impacts.
- ⁴ Sales tax revenues decreased in FY 2024 due to inflation and economic impacts.

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

Governmental Activities

| Year | Sales Tax Revenue Bonds, net of premium and discount | Commercial Paper | MSHCP Funding Liability | Lease and Subscription IT Liabilities ² | Capital Leases | TIFIA Loan |
|------|---------------------------------------------------------------|---------------------|----------------------------|----------------------------------------------------------|-------------------|-------------|
| 2024 | \$ 747,482,057 | \$ - | \$ - | \$ 3,015,770 | \$ - | \$ - |
| 2023 | 788,875,246 | - | - | 3,713,036 | - | - |
| 2022 | 830,738,739 | - | - | 3,398,016 | - | - |
| 2021 | 871,561,216 | - | - | - | 31,722 | - |
| 2020 | 911,246,727 | - | - | - | 41,821 | 128,092,018 |
| 2019 | 950,003,406 | - | 3,000,000 | - | 50,504 | 15,121,739 |
| 2018 | 987,810,267 | - | 6,000,000 | - | 7,965 | - |
| 2017 | 792,916,124 | 30,000,000 | 9,000,000 | - | 28,939 | - |
| 2016 | 782,532,106 | 20,000,000 | 12,000,000 | - | 46,181 | - |
| 2015 | 792,297,152 | - | 15,000,000 | - | 60,357 | - |
| 2014 | 801,782,659 | - | 18,000,000 | - | 72,011 | - |

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 for personal income and population data.

² In FY 2022, the Commission implemented GASB Statement No. 87, *Leases*. In FY 2023, the Commission implemented GASB No. 96, *Subscriptions*. Prior year amounts in this presentation have not been revised to reflect this change.

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

| <u>Business-Type Activities</u> | | | | | |
|---------------------------------|--------------------------------------------------------------------------------|-------------------|-------------------------------------|-----------------------------------------------------------|-----------------------------------------|
| <u>Year</u> | <u>Toll Revenue Bonds, net of discount, premium, and accretion</u> | <u>TIFIA Loan</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income ¹</u> | <u>Debt per Capita ¹</u> |
| 2024 | \$ 737,054,073 | \$ 171,814,287 | \$ 1,659,366,187 | N/A | \$ 680.28 |
| 2023 | 734,891,709 | 167,030,354 | 1,694,510,345 | N/A | 694.69 |
| 2022 | 733,034,464 | 162,385,853 | 1,729,557,072 | 1.36% | 710.14 |
| 2021 | 210,216,120 | 656,943,710 | 1,738,752,768 | 1.37% | 708.41 |
| 2020 | 204,647,796 | 486,339,336 | 1,730,367,698 | 1.38% | 708.50 |
| 2019 | 199,423,911 | 469,870,660 | 1,637,470,220 | 1.44% | 671.06 |
| 2018 | 194,522,170 | 453,980,866 | 1,642,321,268 | 1.57% | 689.29 |
| 2017 | 189,923,251 | 438,628,419 | 1,460,496,733 | 1.47% | 612.42 |
| 2016 | 185,607,330 | 277,696,320 | 1,277,881,937 | 1.34% | 551.30 |
| 2015 | 181,557,045 | 48,904,095 | 1,037,818,649 | 1.18% | 436.30 |
| 2014 | 177,755,391 | - | 997,610,061 | 1.19% | 423.81 |

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

Riverside County Transportation Commission

Computation of Legal Debt Margin¹

Last Ten Fiscal Years

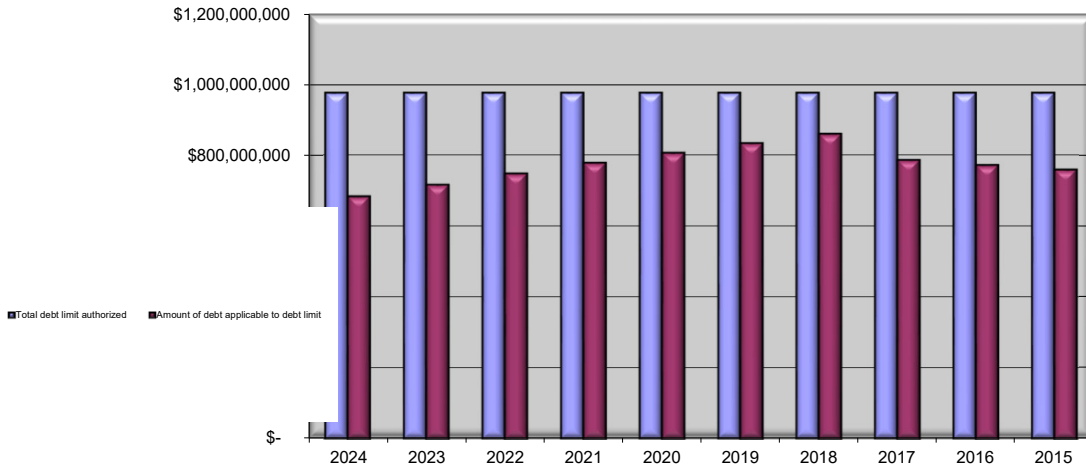
| | Fiscal Year | | | | |
|---------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002² | | | | | |
| Total debt limit authorized | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 |
| Amount of debt applicable to debt limit | 683,280,000 | 715,915,000 | 747,320,000 | 777,315,000 | 805,810,000 |
| Legal debt margin | <u>\$ 291,720,000</u> | <u>\$ 259,085,000</u> | <u>\$ 227,680,000</u> | <u>\$ 197,685,000</u> | <u>\$ 169,190,000</u> |
| % of debt to legal debt limit | <u>70.1%</u> | <u>73.4%</u> | <u>76.6%</u> | <u>79.7%</u> | <u>82.6%</u> |

Source: Finance Department

¹ The Commission's debt limit was approved by the voters of Riverside County as part of the sales tax ordinance and is 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.

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



Riverside County Transportation Commission
 Computation of Legal Debt Margin, Continued ¹
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|---------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Measure A Ordinance No. 02-001, as amended by Ordinance No. 10-002² | | | | | |
| Total debt limit authorized | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 | \$ 975,000,000 |
| Amount of debt applicable to debt limit | 833,055,000 | 859,020,000 | 786,240,000 | 771,300,000 | 759,100,000 |
| Legal debt margin | <u>\$ 141,945,000</u> | <u>\$ 115,980,000</u> | <u>\$ 188,760,000</u> | <u>\$ 203,700,000</u> | <u>\$ 215,900,000</u> |
| % of debt to legal debt limit | <u>85.4%</u> | <u>88.1%</u> | <u>80.6%</u> | <u>79.1%</u> | <u>77.9%</u> |

Source: Finance Department

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

| Calendar Year | Population¹ | Personal Income (thousands)² | Per Capita Personal Income² | Unemployment Rate³ |
|----------------------|-------------------------------|----------------------------------------------------|-------------------------------------------------------|------------------------------------------|
| 2024 | 2,442,378 | N/A | N/A | N/A |
| 2023 | 2,430,976 | N/A | N/A | 4.8% |
| 2022 | 2,435,525 | \$ 127,195,983 | \$ 51,415 | 4.2% |
| 2021 | 2,454,453 | 125,820,553 | 51,180 | 7.3% |
| 2020 | 2,442,304 | 114,090,413 | 45,834 | 10.2% ⁴ |
| 2019 | 2,440,124 | 104,794,676 | 42,418 | 4.2% |
| 2018 | 2,415,955 | 99,591,680 | 40,637 | 4.4% |
| 2017 | 2,382,640 | 95,140,992 | 39,261 | 5.2% |
| 2016 | 2,347,828 | 87,827,068 | 36,782 | 6.1% |
| 2015 | 2,317,924 | 84,025,987 | 35,589 | 6.7% |

- 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 California State Employment Development Department. Represents most recent data available.
 - ⁴ 2020 reflects the impacts from COVID-19 pandemic

Riverside County Transportation Commission
Employment Statistics by Industry for the County of Riverside
Calendar Year 2022 and Nine Years Prior

| Industry Type | 2023 ¹ | % of Total Employment | 2014 | % of Total Employment |
|----------------------------------------------------|--------------------------|----------------------------------|----------------|----------------------------------|
| Agricultural services, forestry, fishing and other | 10,900 | 1.3% | 11,900 | 1.9% |
| Mining | 400 | 0.0% | 300 | 0.0% |
| Construction | 74,100 | 8.9% | 47,500 | 7.6% |
| Manufacturing | 45,200 | 5.4% | 40,100 | 6.4% |
| Transportation, warehousing, and public utilities | 74,500 | 9.0% | 27,800 | 4.4% |
| Wholesale trade | 27,700 | 3.3% | 23,100 | 3.7% |
| Retail trade | 94,400 | 11.3% | 85,500 | 13.6% |
| Professional & business services | 76,300 | 9.2% | 60,900 | 9.7% |
| Education & health services | 143,900 | 17.3% | 89,500 | 14.2% |
| Leisure & hospitality | 104,200 | 12.5% | 80,500 | 12.8% |
| Finance, insurance, and real estate | 21,100 | 2.5% | 20,500 | 3.2% |
| Information | 5,600 | 0.7% | 6,300 | 1.0% |
| Other services | 25,500 | 3.2% | 21,600 | 3.5% |
| Federal government | 7,600 | 0.9% | 6,800 | 1.2% |
| State government | 15,500 | 1.9% | 15,900 | 2.5% |
| Local government | 105,000 | 12.6% | 89,900 | 14.3% |
| Total employment | <u>831,900</u> | <u>100.0%</u> | <u>628,100</u> | <u>100.0%</u> |

Source: State of California Economic Development Department

¹ Year represents most recent data available.

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

| Function/Program | As of June 30 | | | | | | | | | |
|--------------------------------------------------------------|---------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 ¹ | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Management services and administration | 25.4 | 24.0 | 21.1 | 18.5 | 18.7 | 18.0 | 19.2 | 17.1 | 14.7 | 16.2 |
| Planning and programming | 5.8 | 4.6 | 4.0 | 5.3 | 5.5 | 3.5 | 4.2 | 4.9 | 6.2 | 6.1 |
| Rail operations and maintenance | 3.9 | 3.1 | 3.8 | 4.4 | 3.5 | 3.4 | 4.1 | 4.3 | 4.5 | 4.0 |
| Specialized transit/transportation | 2.7 | 2.6 | 2.7 | 2.6 | 2.4 | 2.9 | 2.4 | 2.7 | 2.3 | 2.3 |
| Commuter assistance | 1.4 | 1.2 | 0.9 | 1.8 | 1.4 | 1.4 | 1.7 | 1.4 | 1.8 | 3.0 |
| Motorist assistance | 0.8 | 1.2 | 0.5 | 1.0 | 0.9 | 0.8 | 0.9 | 0.8 | 0.7 | 0.7 |
| Capital project development and delivery and toll operations | 20.1 | 19.3 | 20.7 | 16.6 | 17.6 | 16.0 | 15.5 | 15.8 | 15.8 | 13.7 |
| Regional conservation | 16.9 | 17.0 | 13.3 | 12.8 | - | - | - | - | - | - |
| Total full-time equivalents | <u>77.0</u> | <u>73.0</u> | <u>67.0</u> | <u>63.0</u> | <u>50.0</u> | <u>46.0</u> | <u>48.0</u> | <u>47.0</u> | <u>46.0</u> | <u>46.0</u> |

Source: Finance Department

¹ Effective January 1, 2021, RCTC became the managing agency for the Western Riverside County Regional Conservation Authority.

Riverside County Transportation Commission

Operating Indicators

Last Ten Fiscal Years

| | As of June 30 | | | | |
|------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Toll operations: | | | | | |
| RCTC 91 Express Lanes | | | | | |
| Gross trips | 18,996,039 | 16,689,809 | 16,778,526 | 13,025,785 | 13,119,123 |
| Gross potential revenue | \$ 90,335,545 | \$ 67,843,178 | \$ 63,190,923 | \$ 43,734,242 | \$ 56,058,450 |
| Average gross potential revenue per trip | \$ 4.76 | \$ 4.06 | \$ 3.77 | \$ 3.36 | \$ 4.12 |
| 15 Express Lanes ¹ | | | | | |
| Gross transactions | 29,718,912 | 25,577,441 | 23,465,946 | 4,172,026 | - |
| Gross potential revenue | \$ 35,564,690 | \$ 30,348,550 | \$ 29,850,618 | \$ 5,361,524 | - |
| Average gross potential revenue per transaction | \$ 1.20 | \$ 1.19 | \$ 1.27 | \$ 1.29 | - |
| Commuter rail operations: ² | | | | | |
| Growth of average daily ridership on commuter lines: | | | | | |
| Riverside line | 1,177 | 996 | 742 | 469 | 3,961 |
| IEOC line | 2,151 | 1,814 | 1,636 | 1,028 | 4,784 |
| 91 line | 1,839 | 1,577 | 1,206 | 685 | 3,731 |
| Farebox recovery ratio: | | | | | |
| Riverside line | 14.0% | 12.0% | 21.2% | 6.6% | 19.8% |
| IEOC line | 11.9% | 9.8% | 15.8% | 5.4% | 21.1% |
| 91 line | 14.1% | 12.1% | 14.8% | 5.7% | 16.4% |
| Specialized transit/transportation: | | | | | |
| Specialized transit grants awarded | 15 | 15 | 15 | 18 | 18 |
| Commuter assistance: ² | | | | | |
| Rideshare Incentive members | 1,298 | 1,613 | 203 | 97 | 519 |
| Rideshare Plus Rewards members | N/A | N/A | 88 | 107 | 630 |
| Monthly spotlight participants | 2,554 | 4,344 | N/A | N/A | N/A |
| Rideshare pledges | 2,202 | 1,261 | 391 | N/A | 8,349 |
| Rideguides produced | 4,491 | 4,293 | 3,320 | 2,748 | 5,901 |
| VanClub vanpools | 35 | 37 | 33 | 29 | 32 |
| Commuter Exchange events | N/A | N/A | N/A | N/A | N/A |
| Motorist assistance: | | | | | |
| Call boxes | 158 | 158 | 158 | 158 | 158 |
| Calls made from call boxes | 645 | 782 | 935 | 936 | 979 |
| Contracted Freeway Service Patrol vehicles | 20 | 22 | 26 | 26 | 26 |
| Assists by Freeway Service Patrol | 58,801 | 51,583 | 54,217 | 59,711 | 49,051 |
| IE511 web visits | 446,983 | 901,233 ³ | 160,930 | 204,259 | 296,339 |
| IE511 call volumes | 55,184 | 72,689 | 77,868 | 65,046 | 95,164 |
| Transportation Uniform Mitigation Fee program: | | | | | |
| Approved regional arterial projects | 8 | 8 ⁴ | 25 | 23 | 23 |
| Measure A program: | | | | | |
| Highways | \$ 168,912,995 | \$ 100,376,319 | \$ 129,198,965 | \$ 123,154,255 | \$ 209,530,745 |
| Commuter rail | 34,143,569 | 19,310,998 | 12,079,835 | 16,871,212 | 16,744,864 |
| Regional arterials | 14,324,752 | 4,626,056 | 3,207,422 | 1,249,823 | 4,939,979 |
| Local streets and roads | 85,454,316 | 87,229,315 | 85,183,610 | 74,082,952 | 59,475,694 |
| Specialized transit and commuter assistance | 17,318,323 | 22,212,832 | 17,397,325 | 11,629,836 | 16,568,400 |
| Total program expenditures | <u>\$ 320,153,955</u> | <u>\$ 233,755,520</u> | <u>\$ 247,067,157</u> | <u>\$ 226,988,078</u> | <u>\$ 307,259,682</u> |

Source: Commission Departments

¹ In FY 2021, the Commission reached substantial completion on the I-15 Express Lanes project and in April 2021 the 15 Express Lanes opened to motorists.

² In FY2021, the decrease in commuter rail operations and commuter assistance is a result of the impacts of COVID-19 and stay at home orders.

³ In FY 2023, the increase in Motorist Assistance IE 511 website visits is a result of a new regional platform shared with LA Metro, SBCTA, OCTA, VCTC, and RCTC.

⁴ In FY 2023, the decrease represents the remaining approved regional arterial projects to be funded.

Riverside County Transportation Commission

Operating Indicators, Continued

Last Ten Fiscal Years

| | As of June 30 | | | | |
|------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Toll operations: | | | | | |
| RCTC 91 Express Lanes | | | | | |
| Gross trips | 15,143,222 | 14,518,302 | 4,049,067 | - | - |
| Gross potential revenue | \$ 57,172,266 | \$ 47,941,733 | \$ 9,618,429 | - | - |
| Average gross potential revenue per trip | \$ 3.78 | \$ 3.30 | \$ 2.38 | - | - |
| 15 Express Lanes | | | | | |
| Gross transactions | - | - | - | - | - |
| Gross potential revenue | - | - | - | - | - |
| Average gross potential revenue per transaction | - | - | - | - | - |
| Commuter rail operations: | | | | | |
| Growth of average daily ridership on commuter lines: | | | | | |
| Riverside line | 3,868 | 3,863 | 4,050 | 4,404 | 4,651 |
| IEOC line | 4,656 | 4,874 | 4,900 | 4,438 | 4,613 |
| 91 line | 3,293 | 3,109 | 3,258 | 2,610 | 2,419 |
| Farebox recovery ratio: | | | | | |
| Riverside line | 43.0% | 45.4% | 47.2% | 45.7% | 49.6% |
| IEOC line | 27.5% | 29.2% | 31.8% | 33.4% | 32.6% |
| 91 line | 24.1% | 26.5% | 26.5% | 27.7% | 38.6% |
| Specialized transit/transportation: | | | | | |
| Specialized transit grants awarded | 18 | 16 | 17 | 17 | 20 |
| Commuter assistance: | | | | | |
| Rideshare Incentive members | 526 | 573 | 505 | 597 | 736 |
| Rideshare Plus Rewards members | 917 | 1,114 | 792 | 1,142 | 3,723 |
| Monthly spotlight participants | N/A | N/A | N/A | N/A | N/A |
| Rideshare pledges | 7,836 | 5,959 | 4,886 | 4,249 | 11,180 |
| Rideguides produced | 6,246 | 4,606 | 5,219 | 8,607 | 6,527 |
| VanClub vanpools | 67 | 31 | N/A | N/A | N/A |
| Commuter Exchange events | N/A | N/A | N/A | N/A | 48 |
| Motorist assistance: | | | | | |
| Call boxes | 231 | 241 | 240 | 545 | 549 |
| Calls made from call boxes | 1,384 | 1,598 | 2,161 | 3,053 | 3,882 |
| Contracted Freeway Service Patrol vehicles | 26 | 20 | 20 | 21 | 21 |
| Assists by Freeway Service Patrol | 44,607 | 41,417 | 40,180 | 36,711 | 42,471 |
| IE511 web visits | 213,689 | 408,021 | 618,130 | 473,462 | 452,713 |
| IE511 call volumes | 114,045 | 142,287 | 201,099 | 233,895 | 263,757 |
| Transportation Uniform Mitigation Fee program: | | | | | |
| Approved regional arterial projects | 23 | 20 | 20 | 24 | 24 |
| Measure A program: | | | | | |
| Highways | \$ 148,387,823 | \$ 180,565,301 | \$ 250,360,723 | \$ 372,657,029 | \$ 325,128,109 |
| Commuter rail | 13,218,370 | 14,118,997 | 8,528,984 | 75,831,961 | 98,302,229 |
| Regional arterials | 12,533,037 | 6,158,736 | 14,739,703 | 17,090,247 | 5,012,254 |
| Local streets and roads | 61,470,359 | 53,639,698 | 51,864,011 | 49,826,564 | 48,615,815 |
| Specialized transit and commuter assistance | 16,708,843 | 15,197,859 | 13,826,624 | 14,499,642 | 14,063,310 |
| Total program expenditures | <u>\$ 252,318,432</u> | <u>\$ 269,680,591</u> | <u>\$ 339,320,045</u> | <u>\$ 529,905,443</u> | <u>\$ 491,121,717</u> |

Source: Commission Departments

Riverside County Transportation Commission

Capital Asset Statistics by Program

Last Ten Fiscal Years

| | As of June 30 | | | | | | | | | |
|------------------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Commuter rail: | | | | | | | | | | |
| Transit centers owned and managed | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Commuter rail stations owned and managed | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 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 |
| Toll operations: | | | | | | | | | | |
| RCTC 91 Express Lanes | | | | | | | | | | |
| Storage and maintenance building | - | - | - | - | 1 | 1 | 1 | 1 | - | - |
| Customer service center | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | - |
| Toll utility buildings | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | - | - |
| Miles of express lanes | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | - | - |
| Toll collection system gantries | 8 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | - | - |
| On-road closed circuit TV cameras | 43 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | - | - |
| Traffic operations center system | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |
| Communications network | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |
| Changeable message signs | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | - | - |
| Traffic detection monitoring devices | 19 | - | - | - | - | - | - | - | - | - |
| Variable toll message signs | 1 | - | - | - | - | - | - | - | - | - |
| 15 Express Lanes | | | | | | | | | | |
| Storage and maintenance building | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Customer service center | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Regional operations center buildings | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Miles of express lanes | 56 | 56 | 56 | 56 | - | - | - | - | - | - |
| Toll collection system gantries | 8 | 8 | 8 | 8 | - | - | - | - | - | - |
| On-road closed circuit TV cameras | 27 | 27 | 27 | 27 | - | - | - | - | - | - |
| Traffic detection monitoring devices | 38 | 37 | 37 | 37 | - | - | - | - | - | - |
| Traffic operations center system | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Communications network | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Changeable message signs | 3 | 3 | 3 | 3 | - | - | - | - | - | - |
| Variable toll message signs | 12 | 12 | 12 | 12 | - | - | - | - | - | - |

Source: Commission Departments



**Local Transportation Fund of the County of Riverside, as
Administered by the Riverside County Transportation Commission**

Financial and Compliance Reports
Year Ended June 30, 2024

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Local Transportation Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of the County of Riverside, California, as administered by the Commission, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund, and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.



Rancho Cucamonga, California
October 31, 2024

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2024**

Assets

| | |
|-----------------------------------------------------------------|------------------------------|
| Cash and investments in Riverside County Pooled Investment Fund | \$ 355,915,099 |
| Accounts receivable | 30,129,897 |
| Interest receivable | 3,663,592 |
| Total assets | <u><u>\$ 389,708,588</u></u> |

Liabilities and Fund Balance

| | |
|-----------------------------------------------------------------|------------------------------|
| Liabilities: | |
| Accounts payable | \$ 840,077 |
| Due to other Commission funds | 698,000 |
| Total liabilities | <u>1,538,077</u> |
| Restricted: | |
| Unapportioned Local Transportation Funds | 40,507,276 |
| Rail and bus transit and local streets and roads apportionments | 336,484,424 |
| Bicycle and pedestrian projects | 11,178,811 |
| Total fund balance | <u>388,170,511</u> |
| Total liabilities and fund balance | <u><u>\$ 389,708,588</u></u> |

See Notes to Financial Statements.

Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission

Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2024

| | |
|-----------------------------------------------------|-----------------------|
| Revenues: | |
| Sales taxes | \$ 156,212,458 |
| Other reimbursements | 13,765,144 |
| Interest income | 15,332,310 |
| Total revenues | <u>185,309,912</u> |
| Expenditures: | |
| Bicycle and pedestrian projects | 1,756,152 |
| Transit | 125,246,174 |
| Planning, programming, and administration | 6,714,000 |
| Total expenditures | <u>133,716,326</u> |
| Excess of revenues over (under) expenditures | <u>51,593,586</u> |
| Net change in fund balance | 51,593,586 |
| Fund balance, beginning of year | 336,576,925 |
| Fund balance, end of year | <u>\$ 388,170,511</u> |

See Notes to Financial Statements.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies

The Riverside County Transportation Commission (the Commission), in its capacity as the transportation planning agency for the County of Riverside, California (the County), is responsible for administering funds provided through the Local Transportation Fund (the Fund), which was created in accordance with the provisions of the Transportation Development Act of 1971. The significant revenue to the Fund is derived from 0.25 percent of the 7.75 percent statewide sales tax collected in the County by the California Department of Tax and Fee Administration (CDTFA).

The accounting policies of the Fund, a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

Presentation: The accompanying financial statements of the Fund are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the Fund of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission or the County as of June 30, 2024 and the related changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed in the Fund. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used 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. Those revenues susceptible to accrual include sales taxes collected and held by the CDTFA at year-end on behalf of the Commission and interest revenue.

Funding: There is a three-step process for obtaining funds from the Fund: apportionment, allocation and payment. Annually, the Commission determines each area's share of the anticipated Fund. This share is the area apportionment. Once funds are apportioned to a given area, they are typically available only for allocation to claimants in that area. Allocation is the discretionary action by the Commission that designates funds for a specific claimant for a specific purpose. Payment is authorized by disbursement instructions issued by the Commission.

Cash: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF), as legally required, until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of Fund sales tax revenues from the CDTFA on all taxable sales within the County of Riverside, California through June 30, 2024.

Accounts payable: Accounts payable consist primarily of claims approved by the Commission, but not paid by the Commission, to the appropriate transit operators by June 30, 2024.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation.

Expenditures: Expenditures represent disbursements to the Commission, Southern California Association of Governments, cities, the County of Riverside and transit operators that have met the claimant eligibility requirements to receive Fund allocations that are approved by the Commission, per various Public Utilities Code Sections. All disbursements are to be used for transportation purposes.

Note 2. Cash and Investments with County Treasurer

The funds in the RCPIF are pooled with those of other entities and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. As of June 30, 2024, the Commission had \$355,915,099 invested in the RCPIF, with an average maturity of 465 days. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

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 California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2024 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAs/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 3. Fund Balance

The restricted fund balance represents the apportionments related to transit programs by geographic area, bicycle and pedestrian projects, planning and programming, and unapportioned Local Transportation Funds. For Western County transit programs, commuter rail and bus allocations are in accordance with the Commission's policy.

At June 30, 2024, amounts in fund balance are restricted as follows:

Rail and bus transit and local streets and roads apportionments:

Western County:

Commuter rail:

| | |
|-----------------------------|---------------|
| Apportioned and unallocated | \$ 45,524,443 |
|-----------------------------|---------------|

Bus transit:

| | |
|-------------------------------------------|--------|
| Allocated and unclaimed — City of Banning | 19,286 |
|-------------------------------------------|--------|

| | |
|--------------------------------------------|---------|
| Allocated and unclaimed — City of Beaumont | 100,000 |
|--------------------------------------------|---------|

| | |
|----------------------------------------------------|-----------|
| Allocated and unclaimed — Riverside Transit Agency | 2,397,610 |
|----------------------------------------------------|-----------|

| | |
|-----------------------------|-------------|
| Apportioned and unallocated | 236,418,521 |
|-----------------------------|-------------|

| | |
|---------------------------------------------|-------------|
| Total rail and bus transit — Western County | 284,459,860 |
|---------------------------------------------|-------------|

Coachella Valley:

| | |
|-------------------------|-----------|
| Allocated and unclaimed | 2,505,750 |
|-------------------------|-----------|

| | |
|-----------------------------|------------|
| Apportioned and unallocated | 46,037,378 |
|-----------------------------|------------|

| | |
|--------------------------------------|------------|
| Total bus transit — Coachella Valley | 48,543,128 |
|--------------------------------------|------------|

Palo Verde Valley:

| | |
|---------------------------------------|-----------|
| Total bus transit — Palo Verde Valley | 3,481,436 |
|---------------------------------------|-----------|

| | |
|-----------------------------------------------|----------------|
| Total for rail and bus transit apportionments | \$ 336,484,424 |
|-----------------------------------------------|----------------|

Bicycle and pedestrian projects:

| | |
|-------------------------|---------------|
| Allocated and unclaimed | \$ 10,032,314 |
|-------------------------|---------------|

| | |
|-------------|-----------|
| Unallocated | 1,146,497 |
|-------------|-----------|

| | |
|-------------------------------------------|---------------|
| Total for bicycle and pedestrian projects | \$ 11,178,811 |
|-------------------------------------------|---------------|

| | |
|------------------------------------------|---------------|
| Unapportioned Local Transportation Funds | \$ 40,507,276 |
|------------------------------------------|---------------|

| | |
|---------------------------|-----------------------|
| Total fund balance | \$ 388,170,511 |
|---------------------------|-----------------------|

Supplementary Information

Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission

Schedule of Allocations and Disbursements
Year Ended June 30, 2024

| | SB 821 Article 3 | | | Article 4 | | | Article 3 Planning, Programming and Administrative | | Totals | | | | |
|----------------------------------|----------------------|---------------------|--------------------------------------------|-----------------------|-----------------------|---------------------------|----------------------------------------------------------|---------------------|-----------------------|-----------------------|--------------------------------------------|-------------------------------------------------------------------------------------|--|
| | Allocations | Disbursements | (Expirations / Allocations Returned) | Allocations | Disbursements | (Allocations Returned) | Allocations | Disbursements | Allocations | Disbursements | (Expirations / Allocations Returned) | Unclaimed Amount (Use of Prior Allocations / Allocations Returned), Net | |
| Expenditures: | | | | | | | | | | | | | |
| City of Banning | \$ - | \$ - | \$ - | \$ 2,013,514 | \$ 1,994,228 | \$ - | \$ - | \$ - | \$ 2,013,514 | \$ 1,994,228 | \$ - | \$ 19,286 | |
| City of Beaumont | - | - | - | 2,756,495 | 2,656,495 | 490,000 | - | - | 2,756,495 | 2,656,495 | 490,000 | (390,000) | |
| City of Cathedral City | 1,538,400 | - | - | - | - | - | - | - | 1,538,400 | - | - | 1,538,400 | |
| City of Corona | 832,500 | - | - | 1,439,980 | 1,439,980 | 266,840 | - | - | 2,272,480 | 1,439,980 | 266,840 | 565,660 | |
| City of Desert Hot Springs | 340,000 | 340,000 | - | - | - | - | - | - | 340,000 | 340,000 | - | - | |
| City of Hemet | 784,986 | 168,248 | 79,952 | - | - | - | - | - | 784,986 | 168,248 | 79,952 | 536,786 | |
| City of Indian Wells | 1,380,240 | - | - | - | - | - | - | - | 1,380,240 | - | - | 1,380,240 | |
| City of Jurupa Valley | 1,055,000 | 364,880 | - | - | - | - | - | - | 1,055,000 | 364,880 | - | 690,120 | |
| City of Lake Elsinore | 424,266 | 215,983 | - | - | - | - | - | - | 424,266 | 215,983 | - | 208,283 | |
| City of Menifee | 913,225 | - | - | - | - | - | - | - | 913,225 | - | - | 913,225 | |
| City of Norco | 96,000 | 96,000 | - | - | - | - | - | - | 96,000 | 96,000 | - | - | |
| City of Rancho Mirage | 865,000 | 408,751 | 23,749 | - | - | - | - | - | 865,000 | 408,751 | 23,749 | 432,500 | |
| City of Riverside | 1,678,887 | 162,290 | 210 | 3,674,302 | 3,674,302 | 649,306 | - | - | 5,353,189 | 3,836,592 | 649,516 | 867,081 | |
| City of San Jacinto | 374,948 | - | - | - | - | - | - | - | 374,948 | - | - | 374,948 | |
| City of Temecula | 362,600 | - | - | - | - | - | - | - | 362,600 | - | - | 362,600 | |
| City of Wildomar | 813,825 | - | - | - | - | - | - | - | 813,825 | - | - | 813,825 | |
| County of Riverside: | | | | | | | | | | | | | |
| Auditor/Controller | - | - | - | - | - | - | 12,000 | 12,000 | 12,000 | 12,000 | - | - | |
| Road Department | 432,500 | - | - | - | - | - | - | - | 432,500 | - | - | 432,500 | |
| Palo Verde Valley Transit Agency | - | - | - | 1,072,454 | 1,072,454 | - | - | - | 1,072,454 | 1,072,454 | - | 0 | |
| Commission | - | - | - | 24,334,419 | 24,334,418 | - | 5,539,000 | 5,539,000 | 29,873,419 | 29,873,418 | - | 1 | |
| Riverside Transit Agency | - | - | - | 66,557,700 | 64,160,088 | 10,156,057 | - | - | 66,557,700 | 64,160,088 | 10,156,057 | (7,758,445) | |
| SCAG | - | - | - | - | - | - | 1,163,000 | 1,163,000 | 1,163,000 | 1,163,000 | - | - | |
| Sunline Transit Agency | - | - | - | 28,419,958 | 25,914,209 | 2,203,151 | - | - | 28,419,958 | 25,914,209 | 2,203,151 | 302,597 | |
| | <u>\$ 11,892,377</u> | <u>\$ 1,756,152</u> | <u>\$ 103,911</u> | <u>\$ 130,268,822</u> | <u>\$ 125,246,174</u> | <u>\$ 13,765,354</u> | <u>\$ 6,714,000</u> | <u>\$ 6,714,000</u> | <u>\$ 148,875,199</u> | <u>\$ 133,716,326</u> | <u>\$ 13,869,265</u> | <u>\$ 1,289,607</u> | |

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Unclaimed Apportionments (Article 3)
Year Ended June 30, 2024**

| | Unclaimed Apportionment July 1, 2023 | Apportionment | Reimbursements | Disbursements | Interest Income (Loss) | Unclaimed Apportionment June 30, 2024 |
|---------------------------------|--------------------------------------------|---------------|----------------|----------------|---------------------------|---------------------------------------------|
| Bicycle and pedestrian projects | \$ 9,475,739 | \$ 2,959,000 | \$ - | \$ (1,756,152) | \$ 500,224 | \$11,178,811 |

**Local Transportation Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Unclaimed Apportionments (Articles 4 and 8)
Year Ended June 30, 2024**

| | Fiscal Year 2023/24 | | | Prior Fiscal Year | | | Interest Allocation | Total Unclaimed Apportionment June 30, 2024 | |
|------------------------------------------|-----------------------|-----------------------|-------------------------|-----------------------|------------------|------------------------|-----------------------|---------------------------------------------|-------------------------|
| | Apportionment | Amounts Claimed | Unclaimed Apportionment | Apportionment | Amounts Claimed | Amount Returned | | | Unclaimed Apportionment |
| Western County: | | | | | | | | | |
| Rail | \$ 23,486,000 | \$ 24,334,417 | \$ (848,417) | \$ 44,335,755 | \$ - | \$ - | \$ 44,335,755 | \$ 2,037,105 | \$ 45,524,443 |
| Bus | 83,269,000 | 73,901,605 | 9,367,395 | 207,450,168 | 23,488 | (11,562,203) | 218,988,883 | 10,579,139 | 238,935,417 |
| Coachella Valley | 22,443,000 | 25,925,542 | (3,482,542) | 47,751,129 | (11,332) | (2,203,151) | 49,965,612 | 2,060,058 | 48,543,128 |
| Palo Verde Valley: | | | | | | | | | |
| Transit | 1,271,000 | 1,072,454 | 198,546 | 3,127,104 | - | - | 3,127,104 | 155,786 | 3,481,436 |
| Total transportation | 130,469,000 | 125,234,018 | 5,234,982 | 302,664,156 | 12,156 | (13,765,354) | 316,417,354 | 14,832,088 | 336,484,424 |
| Auditor/Controller | 12,000 | 12,000 | - | - | - | - | - | - | - |
| Commission administration | 889,000 | 889,000 | - | - | - | - | - | - | - |
| Commission planning | 4,650,000 | 4,650,000 | - | - | - | - | - | - | - |
| SCAG planning | 1,163,000 | 1,163,000 | - | - | - | - | - | - | - |
| Total administration and planning | 6,714,000 | 6,714,000 | - | - | - | - | - | - | - |
| Total apportionments | \$ 137,183,000 | \$ 131,948,018 | \$ 5,234,982 | \$ 302,664,156 | \$ 12,156 | \$ (13,765,354) | \$ 316,417,354 | \$ 14,832,088 | \$ 336,484,424 |



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Local Transportation Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over the Fund’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control related to the Fund. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control related to the Fund.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance as it relates to the Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance related to the Fund. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California

October 31, 2024

**State Transit Assistance Fund of the County of Riverside, as
Administered by the Riverside County Transportation Commission**

Financial and Compliance Reports
Year Ended June 30, 2024

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| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 10-11 |
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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the State Transit Assistance Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund, and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.



Rancho Cucamonga, California
October 31, 2024

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2024**

Assets

| | |
|----------------------|------------------------------|
| Cash and investments | \$ 170,537,302 |
| Accounts receivable | 8,943,837 |
| Interest receivable | 1,832,813 |
| Total assets | <u>\$ 181,313,952</u> |

Liabilities and Fund Balance

| | |
|--------------------------------------------------|------------------------------|
| Liabilities | |
| Accounts payable | \$ 12,141,380 |
| Due to other Commission funds | 7,703,106 |
| Total liabilities | <u>19,844,486</u> |
| Fund Balance | |
| Restricted allocations available for programming | 88,665,338 |
| Restricted for unclaimed allocations | 72,804,128 |
| Total fund balance | <u>161,469,466</u> |
| Total liabilities and fund balance | <u>\$ 181,313,952</u> |

See Notes to Financial Statements.

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2024**

| | |
|-----------------------------------|------------------------------|
| Revenues: | |
| Sales taxes | \$ 33,112,641 |
| Interest income | 7,379,002 |
| Total revenues | <u>40,491,643</u> |
| Expenditures: | |
| Administration | 90,094 |
| Transit | 21,090,632 |
| Total expenditures | <u>21,180,726</u> |
| Net change in fund balance | 19,310,917 |
| Fund balance, beginning of year | <u>142,158,549</u> |
| Fund balance, end of year | <u><u>\$ 161,469,466</u></u> |

See Notes to Financial Statements.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies

The Riverside County Transportation Commission (the Commission), in its capacity as the transportation planning agency for the County of Riverside, California (the County), is responsible for administering funds provided through the State Transit Assistance Program, which was created in 1979 under Chapter 161 (SB 620) of the California statutes to provide a second source of Transportation Development Act funding for the development of transit systems. The funds are derived from fuel sales tax revenue and are budgeted through legislation and appropriated to the State Controller's Office (the State) for allocation to local agencies.

The accounting policies of the State Transit Assistance Fund (the Fund), a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

A summary of the Commission's significant accounting policies is as follows:

Presentation: The accompanying financial statements of the Fund are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the Fund of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission or the County as of June 30, 2024 and the related changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting and current resources measurement focus is followed in the Fund. Under this method of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used 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 fiscal year. Those revenues susceptible to accrual include fuel sales tax revenue and interest revenue.

Allocations to local agencies: State transit assistance funds are allocated to the operators within the County. Public Utilities Code (PUC) Section 99313 allocates funds to regional transportation planning agencies based on the ratio of area population to state population. PUC Section 99314 allocates funds to public operators based on their share of fares and local support to other operators in the state. The allocations must be made in a resolution adopted by the Commission.

Cash and investments: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) or US Bank for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of fuel sales tax revenues from the State of California not received as of June 30, 2024.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation. The restricted fund balance for allocations available for programming represents amounts apportioned but not allocated to claimants. The restricted fund balance for unclaimed allocations represents amounts allocated by the Commission and due to claimants but not yet paid, as claimants have not yet provided the appropriate claim documentation to the Commission as of June 30, 2024.

Accounts payable: Accounts payable consist primarily of claims approved by the Commission, but not paid by the Commission, to the appropriate transit operators by June 30, 2024.

Expenditures: Expenditures represent funds disbursed to transit operators that have met the eligibility requirements to receive State Transit Assistance Program funds per PUC Sections 99313 and 99314. All disbursements are to be used for transit purposes.

Note 2. Cash and Investments

Cash and investments at June 30, 2024 consist of the following:

| | |
|--------------------------------------|-----------------------|
| Cash and investments with RCPIF | \$ 159,148,945 |
| Commission operating investment pool | 11,376,896 |
| Cash in bank | 11,461 |
| | <u>\$ 170,537,302</u> |

The funds in the RCPIF are pooled with those of other entities in the RCPIF and invested in accordance with the County's investment policy. The funds in the Commission's operating investment pool are pooled with those of other Commission operating funds and invested in accordance with the Commission's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the RCPIF. An Investment Oversight Committee has been established by the County, which acts as a regulator of the RCPIF. As of June 30, 2024 the Fund had \$159,148,945 invested in the RCPIF, with a weighted average maturity of 465 days, and \$11,376,896 invested in the Commission operating investment pool. Additional information on investment types, fair value measurement and credit risk of the RCPIF and the Commission operating investment pool may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org, the notes to the Commission's basic financial statements included in the Commission's Annual Comprehensive Financial Report, respectively.

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 California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**State Transit Assistance Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 2. Cash and Investments (Continued)

Credit risk: As of June 30, 2024 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAf/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

Note 3. Fund Balance

At June 30, 2024, amounts are restricted for apportioned and unallocated amounts and for unpaid allocations by geographic area. For Western County transit programs, commuter rail and bus allocations are in accordance with the Commission's policy.

Restricted for allocations available for programming:

| | |
|-------------------|-------------------|
| Western County: | |
| Commuter rail | \$ 44,002,688 |
| Bus | 42,047,875 |
| Coachella Valley: | |
| Commuter rail | 288,901 |
| Bus | 2,093,710 |
| Palo Verde Valley | 232,164 |
| | <u>88,665,338</u> |

Restricted for unclaimed allocations:

| | |
|----------------------------------|-----------------------|
| Western County: | |
| Commuter rail | 7,742,858 |
| City of Banning | 2,098,921 |
| City of Beaumont | 10,087,463 |
| City of Corona | 1,072,086 |
| City of Riverside | 720,957 |
| Riverside Transit Agency | 28,225,145 |
| Coachella Valley: | |
| SunLine Transit Agency | 21,331,012 |
| Rail | 819,143 |
| Palo Verde Valley: | |
| Palo Verde Valley Transit Agency | 706,543 |
| | <u>72,804,128</u> |
| Total fund balance | <u>\$ 161,469,466</u> |

Supplementary Information

**State Transit Assistance Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Allocations and Disbursements Approved During the Year
Year Ended June 30, 2024**

| Recipient | Current Year Allocation | Amount Disbursed (Accrual Reversal) | California Code of Regulations Section No. Reference |
|----------------------------------|----------------------------|----------------------------------------|------------------------------------------------------------------|
| Western County: | | | |
| City of Banning | \$ 2,840,000 | \$ 6,930,841 | 6731 |
| City of Beaumont | 6,393,362 | 3,005,290 | 6731 |
| City of Corona | 301,319 | 500,000 | 6731 |
| City of Riverside | 664,281 | 190,000 | 6731 |
| Riverside Transit Agency | 4,466,174 | 5,457,445 | 6730 |
| Commission Commuter Rail Program | - | 3,911,313 | 6730 |
| Total Western County | 14,665,136 | 19,994,889 | |
| Coachella Valley: | | | |
| SunLine Transit Agency | 6,831,935 | 803,855 | 6730 |
| Rail Program | 750,000 | 124,174 | 6730 |
| Total Coachella Valley | 7,581,935 | 928,029 | |
| Palo Verde Valley Transit Agency | 323,000 | 160,000 | 6730 |
| Other | - | 97,808 | |
| | \$ 22,570,071 | \$ 21,180,726 | |



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the State Transit Assistance Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over the Fund’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control related to the Fund. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control related to the Fund.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance as it relates to the Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance related to the Fund. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California

October 31, 2024

**State of Good Repair Fund of the County of Riverside, as
Administered by the Riverside County Transportation
Commission**

Financial and Compliance Reports
Year Ended June 30, 2024

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the State of Good Repair Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of the Commission, as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund, and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the schedule listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Commission's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the Fund's financial reporting and compliance.



Rancho Cucamonga, California
October 31, 2024

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Balance Sheet
June 30, 2024**

Assets

| | |
|----------------------|-----------------------------|
| Cash and investments | \$ 13,927,285 |
| Accounts receivable | 1,245,565 |
| Interest receivable | 154,506 |
| Total assets | <u>\$ 15,327,356</u> |

Liabilities and Fund Balance

| | |
|------------------------------------------------------|-----------------------------|
| Liabilities | |
| Accounts payable | \$ 603,417 |
| Due to other Commission funds | 3,000 |
| Total liabilities | <u>606,417</u> |
| Fund Balance | |
| Restricted for unclaimed allocations | 9,658,457 |
| Restricted for allocations available for programming | 5,062,482 |
| Total fund balance | <u>14,720,939</u> |
| Total liabilities and fund balance | <u>\$ 15,327,356</u> |

See Notes to Financial Statements.

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Statement of Revenues, Expenditures and Change in Fund Balance
Year Ended June 30, 2024**

| | |
|-----------------------------------|----------------------|
| Revenues: | |
| Sales taxes | \$ 4,729,872 |
| Intergovernmental | 28,447 |
| Interest income | 663,951 |
| Total revenues | <u>5,422,270</u> |
| Expenditures: | |
| Administration | 162,809 |
| Transit | 3,200,158 |
| Total expenditures | <u>3,362,967</u> |
| Net change in fund balance | 2,059,303 |
| Fund balance, beginning of year | <u>12,661,636</u> |
| Fund balance, end of year | <u>\$ 14,720,939</u> |

See Notes to Financial Statements.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies

The Riverside County Transportation Commission (the Commission), in its capacity as the transportation planning agency for the County of Riverside, California (the County), is responsible for administering funds provided through the State of Good Repair Program, which was created in 2017 under Chapter 5, (SB 1) of the California statutes to provide additional revenues for transit infrastructure repair and service improvements. The funds are derived from fuel sales tax and vehicle fee revenues and are budgeted through legislation and appropriated to the State Controller's Office (the State) for allocation to local agencies based on the State Transit Assistance formula.

The accounting policies of the State of Good Repair Fund (the Fund), a special revenue fund of the Commission, conform to accounting principles generally accepted in the United States as applicable to governmental units.

A summary of the Commission's significant accounting policies is as follows:

Presentation: The accompanying financial statements of the Fund are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the Fund of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission or the County as of June 30, 2024 and the related changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting and current resources measurement focus is followed in the Fund. Under this method of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used 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 fiscal year. Those revenues susceptible to accrual include fuel sales tax, vehicle fee, and interest revenue.

Allocations to local agencies: State of Good Repair funds are allocated to the operators within the County. Public Utilities Code (PUC) Section 99313 allocates funds to regional transportation planning agencies based on the ratio of area population to state population. PUC Section 99314 allocates funds to public operators based on their share of fares and local support to other operators in the state. The allocations must be made in a resolution adopted by the Commission.

Cash and investments: It is the Commission's policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Accounts receivable: Accounts receivable consist primarily of fuel sales tax and vehicle fee revenues from the State of California not received as of June 30, 2024.

Due to other Commission funds: Due to other Commission funds represents payables from the State of Good Repair program to the Commission for administrative allocation expenditures as of June 30, 2024.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Fund balance restrictions: The Fund reports restricted fund balances to show the level of constraint governing the use of the funds as set forth by enabling State legislation. The restricted fund balance for allocations available for programming represents amounts apportioned but not allocated to claimants. The restricted fund balance for unclaimed allocations represents amounts allocated by the Commission and due to claimants but not yet paid, as claimants have not yet provided the appropriate claim documentation to the Commission as of June 30, 2024.

Expenditures: Expenditures represent funds disbursed to transit operators that have met the eligibility requirements to receive State of Good Repair Program funds per PUC Sections 99313 and 99314. All disbursements are to be used for transit purposes.

Note 2. Cash and Investments

Cash and investments at June 30, 2024 consist of the following:

| | |
|---------------------------------|----------------------|
| Cash and investments with RCPIF | \$ 13,914,783 |
| Cash in bank | 12,502 |
| | <u>\$ 13,927,285</u> |

The funds in the RCPIF are pooled with those of other entities in the RCPIF and invested in accordance with the County's investment policy. The funds with the custodian are pooled with those of other Commission operating funds and invested in accordance with the Commission's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the RCPIF. An Investment Oversight Committee has been established by the County, which acts as a regulator of the RCPIF. As of June 30, 2024, the Fund had \$13,914,783 invested in the RCPIF, with a weighted average maturity of 465 days. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

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 California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2024 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAf/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.

**State of Good Repair Fund of the County of Riverside
as Administered by the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024**

Note 3. Fund Balance

At June 30, 2024, amounts are restricted for apportioned and unallocated amounts and for unpaid allocations by geographic area. For Western County transit programs, commuter rail and bus allocations are in accordance with the Commission's policy.

Restricted for allocations available for programming:

| | |
|-------------------|------------------|
| Western County: | |
| Commuter rail | \$ 1,173,594 |
| Bus | 2,566,630 |
| Coachella Valley | 1,243,977 |
| Palo Verde Valley | 78,281 |
| | <u>5,062,482</u> |

Restricted for unclaimed allocations:

| | |
|----------------------------------|----------------------|
| Western County: | |
| Commuter rail | 866,819 |
| City of Banning | 45,722 |
| City of Beaumont | 235,689 |
| City of Corona | 427,889 |
| City of Riverside | 249,356 |
| Riverside Transit Agency | 3,461,313 |
| Coachella Valley: | |
| SunLine Transit Agency | 4,212,565 |
| Palo Verde Valley: | |
| Palo Verde Valley Transit Agency | 159,104 |
| | <u>9,658,457</u> |
| Total fund balance | <u>\$ 14,720,939</u> |

Supplementary Information

**State of Good Repair Fund of the County of Riverside,
as Administered by the Riverside County Transportation Commission**

**Schedule of Allocations and Disbursements Approved During the Year
Year Ended June 30, 2024**

| Recipient | Current Year Allocation | Amount Disbursed (Accrual Reversal) | California Code of Regulations Section No. Reference |
|----------------------------------|----------------------------|----------------------------------------|------------------------------------------------------------------|
| Western County: | | | |
| City of Banning | \$ 47,787 | \$ 50,000 | 6731 |
| City of Beaumont | 56,616 | - | 6731 |
| City of Corona | 145,469 | 175,330 | 6731 |
| City of Riverside | 44,757 | 200,000 | 6731 |
| Riverside Transit Agency | 1,861,148 | 1,607,567 | 6730 |
| Commission Commuter Rail Program | 769,000 | 1,136,029 | 6730 |
| Total Western County | 2,924,777 | 3,168,926 | |
| SunLine Transit Agency | 777,785 | 20,790 | 6730 |
| Palo Verde Valley Transit Agency | 58,133 | 10,442 | 6730 |
| Other | - | 162,809 | |
| | \$ 3,760,695 | \$ 3,362,967 | |



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the State of Good Repair Fund (Fund) of the County of Riverside, California, as administered by the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024. Our report included an emphasis of matter paragraph indicating that the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the Commission or the County of Riverside, California, as of June 30, 2024, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over the Fund’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control related to the Fund. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control related to the Fund.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance as it relates to the Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance related to the Fund. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
October 31, 2024

**Low Carbon Transit Operations Program Account, an Account of the
Riverside County Transportation Commission**

Financial and Compliance Reports
Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Low Carbon Transit Operations Program (LCTOP) Account, an Account of the Riverside County Transportation Commission (Commission), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the LCTOP Account of the Commission, as of June 30, 2024 and 2023, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the LCTOP Account and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2024 and 2023, and the changes in its financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Commission's internal control over the LCTOP Account's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance related to the LCTOP Account. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over the LCTOP Account's financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2024

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Balance Sheets
June 30, 2024 and 2023**

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------------------|----------------------------|----------------------------|
| Assets | | |
| Cash and investments in Riverside County Pooled | | |
| Investment Fund | \$ 3,340,929 | \$ 2,403,289 |
| Interest receivable | 37,130 | 22,093 |
| Total assets | <u>\$ 3,378,059</u> | <u>\$ 2,425,382</u> |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accounts payable | \$ 30,325 | \$ 82,463 |
| Total liabilities | <u>30,325</u> | <u>82,463</u> |
| Fund Balance | | |
| Restricted: | | |
| Rail projects | <u>3,347,734</u> | <u>2,342,919</u> |
| Total fund balance | <u>3,347,734</u> | <u>2,342,919</u> |
| Total liabilities and fund balance | <u>\$ 3,378,059</u> | <u>\$ 2,425,382</u> |

See Notes to Financial Statements.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Statements of Revenues, Expenditures and Change in Fund Balance
Years Ended June 30, 2024 and 2023**

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------|----------------------------|----------------------------|
| Revenues: | | |
| State allocations | \$ 1,007,009 | \$ 2,406,486 |
| Interest | 125,597 | 60,102 |
| Total revenues | <u>1,132,606</u> | <u>2,466,588</u> |
| Expenditures: | | |
| Rail projects | <u>127,791</u> | <u>123,669</u> |
| Net change in fund balance | 1,004,815 | 2,342,919 |
| Fund balance, beginning of year | <u>2,342,919</u> | - |
| Fund balance, end of year | <u><u>\$ 3,347,734</u></u> | <u><u>\$ 2,342,919</u></u> |

See Notes to Financial Statements.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024 and 2023**

Note 1. Nature of Operations and Summary Significant Accounting Policies

Nature of Operations: In 2014, the California Legislature established Senate Bill 862 (SB 862), Low Carbon Transit Operations Program (LCTOP), one of several programs that is part of the Transit, Affordable Housing, and Sustainable Communities Program. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities.

The accounting policies of the Riverside County Transportation Commission (Commission) conform to accounting principles generally accepted in the United States as applicable to governmental units.

A summary of the Commission’s significant accounting policies is as follows:

Presentation: The accompanying financial statements of the LCTOP Account are intended to present the financial position and the changes in financial position of only that portion of the governmental activities of the Commission that is attributable to the transactions of the LCTOP Account of the Commission. They do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2024 and 2023 and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: In accordance with the requirements for governmental funds, the modified accrual basis of accounting is followed in the LCTOP Account. Under the modified accrual basis of accounting, expenditures are recorded when they are expected to be liquidated with expendable available resources, and revenue is recorded when it becomes both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used 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. Those revenues susceptible to accrual include LCTOP Account allocations and interest revenue.

For the years ended June 30, 2024 and 2023 the Commission recognized revenues related to an allocation of \$1,007,009 and \$2,406,486, respectively, for the Perris Valley Line station operations and rehabilitation.

Funding: Project sponsors may submit expenditure proposals for funding of LCTOP to Caltrans and the California Air Resources Board to determine compliance with the requirements of SB 862 and the LCTOP guidelines. Caltrans submits a final list of approved expenditures to the State Controller’s Office, and the approved amounts of funds will be available for release, not to exceed 75 percent of each eligible recipient’s share of the full appropriation, with the remaining 25 percent available for release by fiscal year end.

Cash: It is the Commission’s policy to deposit all funds received in the Riverside County Pooled Investment Fund (RCPIF) for investment until the funds are required for disbursement. Interest income is earned while these funds are deposited.

Fund balance restrictions: The LCTOP Account reports restricted account fund balance to show the level of constraint governing the use of the funds. Restricted account fund balances are restricted for specific purposes by third parties.

Expenditures: Expenditures represent rail projects as identified in the LCTOP application submitted by the Commission.

For the years ended June 30, 2024 and 2023, the Commission incurred qualifying expenditures of \$127,791 and \$123,669, respectively, for the rail recovery project and Perris Valley Line station operations and rehabilitation, respectively.

**Low Carbon Transit Operations Program Account,
an Account of the Riverside County Transportation Commission**

**Notes to Financial Statements
June 30, 2024 and 2023**

Note 2. Cash and Investments with County Treasurer

The funds in the RCPIF are pooled with those of other entities and invested in accordance with the County's investment policy. These pooled funds are carried at fair value. Investments in U.S. Treasury, federal agency, mortgage and asset-backed, municipal, corporate, negotiable certificates of deposit, and commercial paper securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at fair value based on each fund's share price. The pooled funds are not subject to level 1, 2 or 3 of the fair value hierarchy prescribed by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The Commission is a voluntary participant in the pool. An Investment Oversight Committee has been established by the County, which acts as a regulator of the pool. As of June 30, 2024 and 2023, the LCTOP Account has \$3,340,929 and \$2,403,289, respectively, in the Commission's investment with the RCPIF, with an average maturity of 465 days and 474 days, respectively. Additional information on investment types, fair value measurement and credit risk of the RCPIF may be obtained from the County of Riverside Treasurer-Tax Collector located at 4080 Lemon Street, 4th Floor, Riverside, California 92502 or by visiting the Treasurer-Tax Collector website at www.countytreasurer.org.

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 California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: As of June 30, 2024 and 2023 the Commission's investment in the RCPIF was rated Aaa/bf by Moody's Investors Service and AAAs/S1 by Fitch Ratings. The Commission's investment policy only requires credit quality ratings for repurchase agreements, U.S. corporate debt, commercial paper, bankers' acceptances, and certificates of deposit.



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Low Carbon Transit Operations Program (LCTOP) Account, an Account of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024. Our report included an emphasis of matter indicating that the financial statements present only the LCTOP Account and do not purport to, and do not, present fairly the financial position of the Commission as of June 30, 2024, and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over the LCTOP Account’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control related to the LCTOP Account. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control related to the LCTOP Account.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LCTOP Account financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LCTOP Account financial statements are free from material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the LCTOP Account financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance as it relates to the LCTOP Account. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance related to the LCTOP Account. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California

October 31, 2024



Federal Awards Reports in Accordance
with the Uniform Guidance
Fiscal Year Ended June 30, 2024

Riverside County
Transportation Commission

Riverside County Transportation Commission

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Fiscal Year Ended June 30, 2024

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated October 31, 2024. Our report included an emphasis of matter paragraph regarding the Commission’s adoption of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California
October 31, 2024



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Riverside County Transportation Commission’s (Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission’s major federal programs for the year ended June 30, 2024. The Commission’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements. We issued our report thereon dated October 31, 2024, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter paragraph regarding the Commission’s adoption of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Rancho Cucamonga, California
October 31, 2024

Riverside County Transportation Commission
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Direct or Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Expenditures |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------|---------------------------------------|-----------------------|
| U.S. Department of Transportation | | | | |
| <i>Passed through California Department of Transportation:</i> | | | | |
| Highway Planning and Construction - SR60 Truck Lanes | 20.205 | 08-1675 | \$ - | \$ 891,851 |
| Highway Planning and Construction - I15ELP Southern Extension | 20.205 | 19-131-100-00 | - | 3,225,625 |
| Highway Planning and Construction - I15 Smart Freeways | 20.205 | 21-31-126-00 | - | 654,474 |
| Highway Planning and Construction - SR91 Corridor Operations Project | 20.205 | 23-31-062-00 | - | 869,118 |
| Highway Planning and Construction - Mid County Parkway Phase 2 ROW | 20.205 | STBGSB1L 6054(101) | - | 7,116,726 |
| Highway Planning and Construction - SR71/91 Connectors | 20.205 | 22-31-024-00 | - | 5,810,317 |
| Highway Planning and Construction - I15 Express Lanes Project | 20.205 | 18-62-062-00 | - | 18,904,270 |
| Highway Planning and Construction - Vanpool CMAQ | 20.205 | 24-41-030-00 | - | 58,121 |
| Total Highway Planning and Construction | | | - | 37,530,502 |
| <i>Direct:</i> | | | | |
| Transportation Infrastructure Finance and Innovation Act (TIFIA) Program: TIFIA I-15 Express Lanes Project | 20.223 | TIFIA-2017-1011A | - | 152,214,260 |
| Total TIFIA Program | | | - | 152,214,260 |
| <i>Direct:</i> | | | | |
| Federal Transit Cluster: | | | | |
| Federal Transit - Capital Investment: | | | | |
| Commuter Rail 5 Year Rehab 5309 | 20.500 | CA-05-0268-00 | 56,022 | 56,022 |
| Commuter Rail Rehab Final 5309 | 20.500 | CA-05-0283-00 | 55,935 | 55,935 |
| Rail State of Good Repair 5337 | 20.500 | CA-054-0033-00 | 62,332 | 62,332 |
| Transit Oriented Communities Strategic Plan | 20.500 | CA-2021-132-00 | - | 148,350 |
| Federal Transit Urbanized Area Formula Grant: | | | | |
| Moreno Valley/March Field Station Rail Rehab | 20.507 | CA-2017-112-00 | 16,737,265 | 16,737,265 |
| Commuter Rail Pax Upgrades 5307 | 20.507 | CA-90-Z234-00 | - | 1,056,643 |
| COVID-19 - CARES Act: Vanpool Operating Assistance 5307 | 20.507 | CA-2020-274-00 | - | 139,524 |
| Commuter Rail Rehabilitation and Maintenance | 20.507 | CA-2021-131-00 | - | 2,263,910 |
| State of Good Repair Grants Program: | | | | |
| Commuter Rail 5 Year Rehab 5309 | 20.525 | CA-2017-121-00 | 1,524,348 | 1,524,348 |
| 2020 Commuter Rail State of Good Repair 5337 | 20.525 | CA-2020-261-00 | 2,000,087 | 2,000,087 |
| Commuter Rail State of Good Repair 5337 | 20.525 | CA-2023-158-00 | 77,329 | 77,329 |
| Commuter Rail State of Good Repair 5337 | 20.525 | CA-2023-106-00 | 4,000,000 | 4,000,000 |
| Total Federal Transit Cluster | | | 24,513,318 | 28,121,745 |
| Total Expenditures of Federal Awards | | | \$ 24,513,318 | \$ 217,866,507 |

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Riverside County Transportation Commission (Commission) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise funds, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

Note 3 - Direct and Indirect (Pass-Through) Federal Awards

Federal awards may be granted directly to the Commission by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Commission. The Schedule includes both of these types of Federal award programs when they occur.

Note 4 - Transportation Infrastructure Finance and Innovation Act (TIFIA) Program Loans

In July 2017, the Commission executed a TIFIA loan agreement with the United States Department of Transportation in an amount not to exceed \$152,214,260 to finance portions of the Commission's I-15 Express Lanes Project. The TIFIA loan is evidenced by a toll revenue bond of the Commission issued pursuant to the master indenture and supplemental indentures. During construction and for a period of to five years following substantial completion, interest is compounded and added to the 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 related to the I-15 Express Lanes Project are expected to commence on December 1, 2025, which is five years after substantial completion of the I-15 Express Lanes Project, through June 1, 2055. The interest rate of the TIFIA loan was 2.84%. There were no I-15 Express Lanes Project TIFIA loan proceeds expended during the fiscal year ended June 30, 2024, and the outstanding loan payable at June 30, 2024 is \$171,814,288 (which includes accreted interest).

Subsequent to year-end, on October 9, 2024, the Commission approved the payoff of the TIFIA Loan in full approximating \$173,734,101 which included the compounded interest amount through October 2024. The TIFIA Loan will be paid off with a combination of I-15 toll revenues and established reserves, a contribution from Measure A, and establishment of a Measure A inter-fund loan to the I-15 Express Lanes totaling \$48,700,000.

Note 5 - Indirect Cost Rate

The Commission has not elected to use the 10-percent de minimis indirect cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

| | |
|------------------------------------------------------------------------------|---------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None reported |
| Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

| | |
|---------------------------------------------------------------------------------------------------------------------|---------------|
| Internal control over major program: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None reported |
| Type of auditor's report issued on compliance for major program: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): | No |

Identification of major federal programs:

| Name of Federal Program | Federal Financial Assistance Listing |
|--------------------------------------------------------------------------|--------------------------------------|
| Highway Planning and Construction | 20.205 |
| Federal Transit Cluster | 20.500, 20.507, 20.525 |
| Dollar threshold used to distinguish between type A and type B programs: | \$1,969,567 |
| Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

None identified.

None identified.



RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements

For the Year Ended June 30, 2024



RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)

Financial Statements

For the Year Ended June 30, 2024

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the RCTC 91 Express Lanes Fund (Fund), an enterprise fund of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the RCTC 91 Express Lanes Fund of the Commission, as of June 30, 2024, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the RCTC 91 Express Lanes Fund and do not purport to, and do not, present fairly the financial position of the Commission, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 9 to the financial statements, the Fund has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2024. Accordingly, a restatement has been made to the net position as of July 1, 2023 to restate beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2024

**RCTC 91 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

As management of the RCTC 91 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission, we offer readers of the Fund financial statements this narrative overview and analysis of the Fund's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider information on financial performance presented in conjunction with the financial statements that begin on page 9.

Financial Highlights

- At the end of fiscal year (FY) 2023/24, the total net position (deficit) of the Fund was (\$61,308,776) and consisted of net investment (deficit) in capital assets of (\$114,992,507), restricted net position for other post-employment benefits of \$17,149, and restricted net position of \$53,666,582.
- Net position (deficit) of (\$61,308,776) during FY 2023/24 reflects the position after the seventh full year of toll operations. Specifically, the net position deficit decreased \$271,915,326 largely due to increased toll revenues and contribution of assets from the Commission's governmental funds related to the 15/91 Express Lanes Connector that opened to traffic in November 2023.
- During FY 2023/24, net operating income for the Fund totaled \$63,659,550. Positive net operating income was due to operating revenues of \$92,717,269 which include toll, violation penalty, and account fee revenues along with Orange County Transportation Authority (OCTA) reimbursements. Total operating expenses of \$29,057,719 include roadway and toll systems maintenance, customer service, back-office operations, other support costs, and depreciation and amortization.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Fund's financial statements. The financial statements are comprised of the Fund financial statements and notes to the financial statements.

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

The statement of revenues, expenses and changes in fund net position presents information showing how the Fund'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 statement of cash flows presents information on the cash flows related to operating, noncapital financing, capital and related financing, and investing activities.

The Fund financial statements can be found on pages 9-12 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13-27 of this report.

**RCTC 91 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

91 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Fund's financial position. At June 30, 2024, the Fund's net position reflected a deficit of \$61,308,776. Our analysis below focuses on net position and changes in net position of the Fund's financial activities.

**RCTC 91 Express Lanes Fund
Net Position**

| | 2024 | 2023 |
|-----------------------------------------------------|------------------------|-------------------------|
| Current and other assets | \$ 46,380,398 | \$ 78,496,421 |
| Restricted assets | 135,677,263 | 94,326,728 |
| Capital assets, net | 500,001,810 | 250,014,357 |
| Total assets | <u>682,059,471</u> | <u>422,837,506</u> |
| Deferred outflows of resources | 14,393,756 | 15,102,893 |
| Total assets and deferred outflows of resources | <u>696,453,227</u> | <u>437,940,399</u> |
| Current liabilities | 22,535,998 | 38,029,725 |
| Long-term liabilities | 735,090,980 | 732,788,044 |
| Total liabilities | <u>757,626,978</u> | <u>770,817,769</u> |
| Deferred inflows of resources | 135,025 | 274,706 |
| Total liabilities and deferred inflows of resources | <u>757,762,003</u> | <u>771,092,475</u> |
| Net position | | |
| Net investment in capital assets | (114,992,507) | (381,252,809) |
| Restricted | 53,683,731 | 48,100,733 |
| Total net position (deficit) | <u>\$ (61,308,776)</u> | <u>\$ (333,152,076)</u> |

FY 2023/24 represents the seventh full year of toll operations for the Fund. Total assets and deferred outflows of resources increased \$258,512,828, or 59%, primarily due to a contribution of assets from the Commission's governmental funds related to the 15/91 Express Lanes Connector that opened to traffic in November 2023. Total liabilities and deferred inflows of resources decreased \$13,330,472 or 2%, primarily due to lower repair and rehabilitation expenses, and surplus toll revenue transfers to the Commission's governmental funds for the 15/91 Express Lanes Connector project in the prior year.

The Fund's net investment in capital assets reflects a deficit of \$114,992,507 and represents (188%) of the total net position (deficit) in FY 2023/24. The net investment in capital assets has decreased from the prior year due to the completion of the 15/91 Express Lanes connector. Fund's net position reflects its investment in capital assets (i.e., land and land improvements; buildings; toll infrastructure; equipment, furniture, and fixtures; transponders; and toll facility franchise), less any related outstanding debt used to acquire these assets. The Fund uses these capital assets, which include intangible assets, to provide improved mobility for the Fund customers and commuters along the State Route (SR)-91 corridor.

**RCTC 91 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

Restricted net position, representing resources subject to external restrictions on how they may be used, was \$53,683,731 and represents 88% of the total net position at June 30, 2024.

The analysis below focuses on the changes in net position.

**RCTC 91 Express Lanes Fund
Changes in Net Position**

| | 2024 | 2023 |
|-----------------------------------------------------------|----------------------|----------------------|
| Operating revenues | | |
| Toll, penalties, and fees | \$ 92,717,269 | \$ 73,335,918 |
| T total operating revenues | <u>92,717,269</u> | <u>73,335,918</u> |
| Operating expenses | | |
| Management and operational services | 12,880,451 | 11,153,921 |
| Administrative overhead | 1,545,000 | 1,759,600 |
| Other operating expenses | 2,792,019 | 26,681,088 |
| Professional services | 859,205 | 1,159,216 |
| General and administrative | 1,361,106 | 1,592,122 |
| Depreciation and amortization | 9,619,938 | 6,271,563 |
| T total operating expenses | <u>29,057,719</u> | <u>48,617,510</u> |
| Operating income | <u>63,659,550</u> | <u>24,718,408</u> |
| Nonoperating revenues (expenses) | | |
| Investment income | 8,442,744 | 4,391,910 |
| Interest expense | (24,916,889) | (24,612,767) |
| Capital expenses | (31,808) | (2,498) |
| T total nonoperating revenues (expenses) | <u>(16,505,953)</u> | <u>(20,223,355)</u> |
| Income before transfers | 47,153,597 | 4,495,053 |
| Transfers and contributions from (to) the Commission, net | <u>224,761,729</u> | <u>(47,134,946)</u> |
| Change in net position | 271,915,326 | (42,639,893) |
| Net position at beginning of year, as previously reported | (333,152,076) | (290,512,183) |
| Change in accounting principle | (72,026) | - |
| Net position at beginning of year, as restated | <u>(333,224,102)</u> | <u>(290,512,183)</u> |

The Fund's total operating revenues increased \$19,381,351, or 26%, due to higher toll and violation revenues, resulting from increased traffic volumes. Toll revenues comprise of dynamic pricing based on real-time traffic congestion toll rate adjustments and violation revenues comprise of increased traffic volumes, including vehicle registration holds as a method of collection. Total operating expenses decreased \$19,559,791, or 40%, primarily due to decreases in repair and rehabilitation costs in the prior year. Nonoperating expenses (net of nonoperating revenues) decreased \$3,717,402, or 18%, primarily due to investment income. Net transfers from the Commission increased by \$271,896,675 as a result of the contribution of assets from the Commission's governmental funds related to the 15/91 Express Lanes Connector that opened to traffic in November 2023, off set by the transfer of surplus funds to the Commission's governmental funds for the 15/91 Express Lanes Connector project completion. Total traffic volume on the RCTC 91 Express Lanes Fund during FY 2023/24 was approximately 18,996,000 trips compared to 16,689,800 trips in FY 2022/23.

**RCTC 91 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

Transfer of surplus funds are related to the accumulation of prior year revenues and not a current year operating revenue transfer. The 91 Express Lanes surplus revenues will meet its funding commitment in the upcoming fiscal year.

Capital Assets

As of June 30, 2024, the Fund had \$500,001,810, net of accumulated depreciation and amortization, invested in a broad range of capital assets including: land and land improvements; construction easements; construction in progress; buildings; toll infrastructure comprised of communication equipment and computer hardware and software; equipment, furniture, and fixtures; toll facility franchise; leased assets, and transponders. The increase of \$249,987,453, or 100%, was due to the increase in transfer of excess land and a contribution of assets from the Commission's governmental funds related to the 15/91 Express Lanes Connector, offset by the decrease in construction in progress and increase in depreciation.

**RCTC 91 Express Lanes Fund
Capital Assets, Net of Depreciation and Amortization**

| | 2024 | 2023 |
|-------------------------------------------------|-----------------------|-----------------------|
| Capital assets not being depreciated: | | |
| Land and land improvements | \$ 22,462,871 | \$ 18,678,656 |
| Construction easements | 206,307 | 206,307 |
| Construction in progress | - | 6,229,120 |
| Capital assets being depreciated and amortized: | | |
| Toll infrastructure | 4,983,373 | 4,515,784 |
| Toll facility franchise | 471,870,827 | 219,713,090 |
| Buildings | 241,256 | 378,010 |
| Equipment, furniture, and fixtures | 4,374 | 11,578 |
| Right to use lease assets being amortized: | | |
| Buildings | 232,802 | 281,812 |
| Total capital assets, net | <u>\$ 500,001,810</u> | <u>\$ 250,014,357</u> |

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

Debt Administration

As of June 30, 2024, the Fund had \$737,054,073 outstanding in toll revenue bonds. The increase of \$2,162,364, or less than 1%, is due to the increases in the compounded and accreted interest on the toll-supported long-term debt, including premium.

**RCTC 91 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

**RCTC 91 Express Lanes Fund
Outstanding Debt**

| | 2024 | 2023 |
|------------------------|-----------------------|-----------------------|
| Toll revenue bonds | \$ 737,054,073 | \$ 734,891,709 |
| Total outstanding debt | <u>\$ 737,054,073</u> | <u>\$ 734,891,709</u> |

Additional information on long-term debt can be found in note 6 to the financial statements.

Economic and Other Factors

The Fund makes up \$84,093,600 or 9% of Commission's FY 2024/25 revenue budget. In FY 2024/25, toll and non-toll revenues are forecasted to increase by 13% over the FY 2023/24 budget. This increase is based on estimated toll transactions and current traffic and revenue data. The RCTC 91 Express Lanes have exceeded initial financing expectations, and the Commission's traffic consultant updated the investment grade and traffic, and revenue study bring down letter in August 2021. The average projected long-term rate of growth for toll road revenues beyond FY 2024/25 is 4.85%.

The majority of expenses related to the Fund within FY 2023/24 budget are on-going general costs related to day-to-day operations of the toll facility. As a fully electronic toll facility, motorists pay tolls through the convenient use of FasTrak® transponders that automatically deduct toll charges from a prepaid account.

Under a cooperative agreement entered into with OCTA in December 2011, the RCTC 91 Express Lanes are jointly operated with the OCTA 91 Express Lanes and collectively referred to as the 91 Express Lanes. The Commission and OCTA agreed on the use of the same initial operator, cost and revenue sharing, business rules, interoperability of technology, and shared marketing activities. The joint operation allows for the sharing of costs and a seamless customer experience.

Contacting 91 Express Lane's Management

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in the government's finances and to demonstrate the Fund's accountability for the money it receives. Questions concerning any of the information provide 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, CA 92502-2208.

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Net Position
June 30, 2024

| | |
|-----------------------------------------------------|------------------------|
| Assets | |
| Current assets: | |
| Cash and investments | \$ 41,243,868 |
| Receivables | |
| Accounts | 3,564,091 |
| Interest | 720,478 |
| Violations | 50,989 |
| Due from other Commission funds | 553,232 |
| Prepaid expenses | 230,591 |
| Total current assets | <u>46,363,249</u> |
| Noncurrent assets: | |
| Restricted cash and investments | 135,677,263 |
| Net pension asset | |
| Net other post-employment benefits assets | 17,149 |
| Capital assets, net | |
| Nondepreciable | 22,669,178 |
| Depreciable and amortizable | 477,099,830 |
| Right to use lease asset | 232,802 |
| Total noncurrent assets | <u>635,696,222</u> |
| Total assets | <u>682,059,471</u> |
| Deferred outflows of resources | |
| Pension benefits | 486,140 |
| Other post-employment benefits | 218,089 |
| Loss on refunding bonds | 13,689,527 |
| Total assets and deferred outflows of resources | <u>696,453,227</u> |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 5,628,756 |
| Interest payable | 1,853,921 |
| Due to other Commission funds | 12,392,906 |
| Other liabilities | 536 |
| Compensated absences liability | 74,529 |
| Lease payable | 47,975 |
| Bonds payable - due within one year | 2,537,375 |
| Total current liabilities | <u>22,535,998</u> |
| Noncurrent liabilities: | |
| Net pension liabilities | 256,011 |
| Compensated absences liability | 121,018 |
| Lease payable | 197,253 |
| Bonds payable - due in more than one year | 734,516,698 |
| Total noncurrent liabilities | <u>735,090,980</u> |
| Total liabilities | <u>757,626,978</u> |
| Deferred inflows of resources | |
| Pension benefits | 104,539 |
| Other post-employment benefits | 30,486 |
| Total liabilities and deferred inflows of resources | <u>757,762,003</u> |
| Net position | |
| Net investment (deficit) in capital assets | (114,992,507) |
| Restricted for other post-employment benefits | 17,149 |
| Restricted for express lanes | 53,666,582 |
| Total net position (deficit) | <u>\$ (61,308,776)</u> |

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Revenues, Expenses and Change in Fund Net Position
For the Year Ended June 30, 2024

| | | |
|-----------------------------------------------------------|----|----------------------|
| Operating revenues | | |
| Tolls, penalties, and fees | \$ | 92,717,269 |
| Operating expenses | | |
| Management and operational services | | 12,880,451 |
| Administrative overhead | | 1,545,000 |
| Other operating expenses | | 2,792,019 |
| Professional services | | 859,205 |
| General and administrative expenses | | 1,361,106 |
| Depreciation and amortization | | 9,619,938 |
| Total operating expenses | | <u>29,057,719</u> |
| Operating income | | <u>63,659,550</u> |
| Nonoperating revenues (expenses) | | |
| Investment income | | 8,442,744 |
| Interest expense | | (24,916,889) |
| Capital expenses | | (31,808) |
| Total nonoperating revenues (expenses) | | <u>(16,505,953)</u> |
| Income before transfers | | 47,153,597 |
| Transfers | | |
| Contributions from Commission governmental funds | | 256,470,619 |
| Transfers in from Commission funds | | 307,585 |
| Transfers out to Commission governmental funds | | (32,016,475) |
| Total transfers | | <u>224,761,729</u> |
| Change in net position | | 271,915,326 |
| Net position at beginning of year, as previously reported | | (333,152,076) |
| Change in accounting principle | | (72,026) |
| Net position at beginning of year, as restated | | <u>(333,224,102)</u> |
| Net position (deficit) at end of year | \$ | <u>(61,308,776)</u> |

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)

Statement of Cash Flows

For the Year Ended June 30, 2024

| | |
|------------------------------------------------------------|-----------------------|
| Cash flows from operating activities | |
| Receipts from customers and users | \$ 90,566,194 |
| Payments to vendors | (31,692,918) |
| Payments to employees | (1,138,349) |
| Payments for RCTC interfund services used | (1,979,591) |
| Payments for reimbursable costs | 424,911 |
| Net cash provided by operating activities | <u>56,180,247</u> |
| | |
| Cash flows from noncapital financing activities | |
| Transfers of surplus funds to governmental activities | <u>(31,740,697)</u> |
| Net cash used for noncapital financing activities | <u>(31,740,697)</u> |
| | |
| Cash flows from capital and related financing activities | |
| Interest paid on long-term debt | (22,201,017) |
| Acquisition of capital assets | (3,136,772) |
| Net cash used for capital and related financing activities | <u>(25,337,789)</u> |
| | |
| Cash flows from investing activities | |
| Interest | <u>7,620,448</u> |
| Net cash provided by investing activities | <u>7,620,448</u> |
| | |
| Net increase in cash and cash equivalents | 6,722,209 |
| | |
| Cash and investments at beginning of year | 170,198,922 |
| Cash and investments at end of year | <u>\$ 176,921,131</u> |

See notes to financial statements

RCTC 91 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows, Continued
For the Year Ended June 30, 2024

| | |
|---------------------------------------------------------------------------------------------------|----------------------|
| Reconciliation of operating income to net cash provided by (used for) operating activities | |
| Operating income | \$ 63,659,550 |
| Adjustments to reconcile operating income to net cash provided by (used for) operating activities | |
| Depreciation and amortization expense | 9,619,939 |
| Change in assets and liabilities | |
| (Increase) Decrease in violations receivables | (17,321) |
| (Increase) Decrease in other receivables, net | (1,063,713) |
| (Increase) Decrease in due from other Commission funds | (553,233) |
| (Increase) Decrease in prepaid assets | (92,894) |
| Increase (Decrease) in pension and post-employment benefit assets, net of deferred items | 171,051 |
| Increase (Decrease) in accounts payable | (3,647,555) |
| Increase (Decrease) in lease payable | (50,792) |
| Increase (Decrease) in due to other Commission funds | (11,854,614) |
| Increase (Decrease) in compensated absences liability | 9,829 |
| Total adjustments | <u>(7,479,303)</u> |
| Net cash provided by operating activities | <u>\$ 56,180,247</u> |
| | |
| Noncash capital, financing and investing activities | |
| Accreted and compounded interest | \$ 4,699,739 |
| Amortization of bond premium | 2,537,375 |
| Amortization of loss on bond refunding | (547,581) |
| Contributions from governmental activities | 256,470,619 |

See notes to financial statements

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 1. Reporting Entity

After more than a decade of work, which includes approximately three years of construction, the Riverside County Transportation Commission (Commission) achieved substantial completion on the SR-91 Corridor Improvement (91 Project) on March 20, 2017, including express lane and general-purpose lane improvements. In achieving substantial completion, the RCTC 91 Express Lanes opened to traffic and tolling commenced. The RCTC 91 Express Lanes cover an eight-mile stretch on SR-91 between I-15 and the Orange/Riverside County line and a tolled direct connector.

The RCTC 91 Express Lanes Fund (Fund) is reported as a major enterprise fund in the Commission's basic financial statements. The accompanying financial statements present the net position, changes in net position, and cash flows of the Fund only. They do not purport to, and do not, present the overall financial position of the Commission or its changes in net position as of June 30, 2024.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting: The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenue is recognized when the customers utilize the toll road facility and payment is collected.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal and ongoing operations. The principal operating revenues of the Fund are charges to customers for use of the toll facility. Operating expenses for the Fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations consist of uncollected violation tolls and penalties. Unpaid violations of \$76,832,809 as of June 30, 2024 are not recognized as revenue until payment is received. If violations and penalties remain owed for more than 90 days, they are attached to the registration for the violation vehicle. If collection at the registration level is unsuccessful, the violation and penalties are turned over to the collection agency after a two-year period. Unpaid violations remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with the Investment Policy adopted by the Board of Commissioners in October 2023. The Investment Policy complies with the California Government Code (Code). Investments of bond proceeds as permitted by the applicable debt documents are maintained with U.S. Bank as trustee. Separate investment accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. The Fund participates in the Riverside County Pooled Investment Fund (RCPIF). Cash from other Commission revenue sources is commingled for investment purposes in the RCPIF, with investment earnings allocated to the different accounts based on average daily account balances.

The Commission holds investments that are measured at fair value on a recurring basis. Investments in U.S. Treasury obligations, U.S. agency securities, corporate notes, mortgage and asset-backed securities, and municipal bonds are carried at fair value based on quoted market prices, except for money market investments, which are carried at amortized cost which approximates fair value. The RCPIF is carried at fair value based on the value of each participating dollar as provided by RCPIF.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies, Continued

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

Restricted cash and investments: Investments set aside in the Senior Lien Obligations Reserve Fund, Senior Lien Capitalized Interest Fund, Senior Lien Principal Fund, Senior Lien Interest Fund, Second Lien Obligation Reserve Fund, Repair and Rehabilitation Fund, and Toll Revenue Fund are pursuant to the terms of the 2013 Indenture, as amended by the fourth Supplemental Indenture and its use is limited by applicable debt terms and conditions.

Permitted investments per the debt indentures include government obligations, State of California and local agency obligations, banker's acceptances, commercial paper notes, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, RCPIF, and variable and floating rate securities.

Receivables: Accounts receivables include amounts due from other California toll road agencies related to their customers' use of the RCTC 91 Express Lanes, as well as amounts owed from the Orange County Transportation Authority (OCTA) in accordance with a cooperative agreement.

Capital assets: Capital assets include land and land improvements; construction easements; construction in progress; toll infrastructure; buildings; equipment, furniture, and fixtures; leased assets, toll facility franchise; and transponders. Capital assets are defined by the Fund as assets with an initial, individual cost of more than \$100,000 and a useful life in excess of three years. It is also the Fund's policy to capitalize transponder purchases, as they are considered a significant class of assets even though individually under \$100,000. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Asset Type | Useful Life |
|------------------------------------|---------------|
| Buildings | 10 years |
| Equipment, furniture, and fixtures | 3 to 5 years |
| Temporary construction easements | 1 to 3 years |
| Toll facility franchise | 50 years |
| Toll infrastructure | 5 to 10 years |
| Transponders | 5 years |

In May 2012 the Commission entered into a toll facility agreement with California's Department of Transportation (Caltrans) and obtained authority to toll the SR-91 from the Orange County/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. The RCTC 91 Express Lanes opened on March 20, 2017.

Right to use lease assets: The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into place. The right to use assets are amortized on a straight-line basis over the life of the related lease.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies, Continued

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. As of June 30, 2024, the Fund has deferred outflows of resources related to pension, other post-employment benefits (OPEB), and loss on refunding bonds.

Due to other Commission funds: During the course of operations, transactions occur between Commission governmental funds involving goods provided and services rendered.

Compensated absences: Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability, net of current portion, in the Fund.

During the year ended June 30, 2024, the Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated absences*. The effect of implementation of this standard on beginning net position is disclosed in Note 9.

Pensions: For purposes of measuring the net pension liabilities and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment benefits other than pensions: For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Lease Payable: During the year ended June 30, 2024, the Fund recognized lease liabilities of \$245,228. The liability is the right to use leased building.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Fund has deferred inflows of resources related to pension and other post-employment benefits.

Risk management: The Fund purchases commercial property insurance including business interruption, earthquake, and flood coverage related to the toll facility.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies, Continued

Net position: Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into two categories:

- *Net investment (deficit) in capital assets* consists of capital and intangible 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 restricted assets less liabilities related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants). The statement of net position includes restricted net position for the portion of net toll revenues restricted by the 2013 Master Indenture, as amended by the fourth Supplemental Indenture for toll operations.

The deficit in net investment in capital assets will be reduced by future toll revenues for the payment of outstanding toll obligations.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 3. Cash and Investments

Cash and investments are comprised of the following at June 30, 2024:

| | | |
|----------------------------|----|-------------|
| Cash in bank | \$ | 323,658 |
| Investments | | |
| With RCPIF | | 40,920,210 |
| With Trustee | | 135,677,263 |
| Total investments | | 176,597,473 |
| Total cash and investments | \$ | 176,921,131 |

Total cash and investments are reported in the financial statements as:

| | | |
|-----------------------------------|----|-------------|
| Unrestricted cash and investments | \$ | 41,243,868 |
| Restricted cash and investments | | 135,677,263 |
| Total cash and investments | \$ | 176,921,131 |

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the Fund as of June 30, 2024:

| Investments by fair value level: | June 30, 2024 | Fair Value Measurements Using | |
|--------------------------------------------------|-----------------------|----------------------------------------------------------------|-----------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
| Investments subject to fair value hierarchy: | | | |
| Mortgage and asset-backed securities | \$ 41,900,748 | \$ – | \$ 41,900,748 |
| U.S. Treasury obligations | 11,411,564 | 11,411,564 | – |
| Money market mutual funds | 75,880,273 | 75,880,273 | – |
| Corporate notes | 5,658,200 | – | 5,658,200 |
| Municipal bonds | 826,478 | – | 826,478 |
| Total investments measured at fair value | | <u>\$ 87,291,837</u> | <u>\$ 48,385,426</u> |
| Investments not subject to fair value hierarchy: | | | |
| RCPIF | 40,920,210 | | |
| Total investments | <u>\$ 176,597,473</u> | | |

Investments classified in Level 1 of the value hierarchy, valued at \$87,291,837 are valued using quoted prices in active markets.

Mortgage and asset-backed securities totaling \$41,900,748, corporate notes totaling \$5,658,200, and municipal bonds totaling \$826,478, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2024, the Fund has the following investments:

| Investments | Fair Value | Principal | Interest Rate Range | Maturity Range | Weighted Average Maturity (Years) |
|--------------------------------------|-----------------------|-----------------------|----------------------------|--------------------|-----------------------------------|
| RCPIF | \$ 40,920,210 | \$ 41,376,322 | 0.273% – 6.197% | 7/1/24 – 6/1/29 | 1.270 |
| Held by Trustee | | | | | |
| Corporate notes | 5,658,200 | 5,624,100 | 0.342% – 6.597% | 12/15/25 – 4/16/29 | 3.454 |
| Money market mutual funds | 75,880,273 | 75,880,276 | 4.556% – 4.931% | N/A | 37 days or 0.104 |
| Mortgage and asset-backed securities | 41,900,748 | 42,632,865 | 0.630% – 6.381% | 1/25/24 – 9/16/55 | 10.708 |
| Municipal bonds | 826,478 | 820,791 | 0.726% – 4.535% | 5/15/25 – 7/1/26 | 1.576 |
| U.S. Treasury obligations | 11,411,564 | 11,482,311 | 0.000% – 3.848% | 12/31/24 – 8/15/30 | 3.442 |
| Total Investments | <u>\$ 176,597,473</u> | <u>\$ 177,816,665</u> | | | |
| | | | Portfolio weighted average | | 3.426 |

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

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments, Continued

As of June 30, 2024, mortgage and asset-backed securities totaled \$41,900,748. 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 least two of the three nationally recognized statistical rating organizations.

Deposits and withdrawals in the RCPIF are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the Fund's investment at June 30, 2024 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

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

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a 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 Fund's cash deposits are included in the overall Commission's deposits. 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 table 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, 2024; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments, Continued

| Investments | Moody's | S&P | % of Portfolio |
|--------------------------------------|---------|-----|----------------|
| RCPIF | Aaa-bf | NR | 23.17% |
| Corporate | | | |
| Notes | Aa2 | A | 0.34% |
| Notes | Aa2 | A+ | 0.33% |
| Notes | Aaa | AAA | 0.59% |
| Notes | Aaa | N/A | 0.09% |
| Notes | NR | AAA | 1.86% |
| Money market mutual funds | | | |
| Funds | AAA | AAA | 42.97% |
| Mortgage and asset backed securities | | | |
| Securities | Aaa | AA+ | 2.30% |
| Securities | Aaa | AAA | 0.13% |
| Securities | Aaa | N/A | 0.28% |
| Securities | NR | AA+ | 21.01% |
| Municipal bonds | | | |
| City of Los Angeles | Aa3 | AA- | 0.18% |
| Florida Housing Finance Corporation | Aaa | NR | 0.29% |
| U.S. Treasuries | | | |
| Treasury | NR | NR | 6.46% |
| 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, 2024, the Commission did not have investments in any one issuer that represents more than 5% of the Commission's total investments.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 4. Capital Assets

Capital assets activity for the Fund for the year ended June 30, 2024 is as follows:

| | Balance June 30, 2023 | Capital Contributions | Additions | Deletions | Balance June 30, 2024 |
|-----------------------------------------------------------|--------------------------|--------------------------|--------------------|-----------------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 18,678,656 | \$ 3,784,215 | \$ - | \$ - | \$ 22,462,871 |
| Construction easements | 206,307 | - | - | - | 206,307 |
| Construction in progress | 6,229,120 | - | 802,348 | (7,031,468) | - |
| Total capital assets not being depreciated | <u>25,114,083</u> | <u>3,784,215</u> | <u>802,348</u> | <u>(7,031,468)</u> | <u>22,669,178</u> |
| Capital assets being depreciated and amortized: | | | | | |
| Toll infrastructure | 33,118,005 | - | 1,879,362 | - | 34,997,367 |
| Transponders | 453,818 | - | - | - | 453,818 |
| Buildings | 1,163,847 | - | - | - | 1,163,847 |
| Equipment, furniture, and fixtures | 73,821 | - | - | - | 73,821 |
| Toll facility franchise | 250,692,492 | 252,686,404 | 7,486,530 | - | 510,865,426 |
| Total capital assets being depreciated and amortized | <u>285,501,983</u> | <u>252,686,404</u> | <u>9,365,892</u> | <u>-</u> | <u>547,554,279</u> |
| Less accumulated depreciation and amortization for: | | | | | |
| Toll infrastructure | (28,602,221) | - | (1,411,773) | - | (30,013,994) |
| Transponders | (453,818) | - | - | - | (453,818) |
| Buildings | (785,837) | - | (136,754) | - | (922,591) |
| Equipment, furniture, and fixtures | (62,243) | - | (7,204) | - | (69,447) |
| Toll facility franchise | (30,979,402) | - | (8,015,197) | - | (38,994,599) |
| Total accumulated depreciation | <u>(60,883,521)</u> | <u>-</u> | <u>(9,570,928)</u> | <u>-</u> | <u>(70,454,449)</u> |
| Capital assets being depreciated and amortized, net | <u>224,618,462</u> | <u>252,686,404</u> | <u>(205,036)</u> | <u>-</u> | <u>477,099,830</u> |
| Right to use lease assets | | | | | |
| Buildings | 379,834 | - | - | - | 379,834 |
| Accumulated amortization | (98,022) | - | (49,010) | - | (147,032) |
| Total right to use lease assets | <u>281,812</u> | <u>-</u> | <u>(49,010)</u> | <u>-</u> | <u>232,802</u> |
| Total capital assets being depreciated and amortized, net | <u>\$ 250,014,357</u> | <u>\$ 256,470,619</u> | <u>\$ 548,302</u> | <u>\$ (7,031,468)</u> | <u>\$ 500,001,810</u> |

On May 14, 2012, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the SR-91 from Orange/Riverside County line to I-15 for 50 years commencing as of the first day on which the RCTC 91 Express Lanes open for public use and toll operations. The agreement also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the RCTC 91 Express Lanes.

The Fund has recorded one right to use leased asset. The asset is a right to use leased building. The related lease liability is discussed in the long-term obligations section. The right to use lease assets are amortized on a straight-line basis over the terms of the related lease.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 5. Interfund Transactions

Due from/to other Commission funds: The composition of balances related to due from other funds and due to other funds of the Commission at June 30, 2024 is as follows:

| Payable Fund | Receivable Fund | Amount | Explanation |
|-------------------------------------------------|---------------------------------------|------------------------|---------------------------------------------------------|
| RCTC 91 Express Lanes Enterprise fund | Commission's General fund | \$ (75,600) | Administrative cost allocation |
| RCTC 91 Express Lanes Enterprise fund | Commission's General fund | (91,013) | Fringe benefits allocation |
| RCTC 91 Express Lanes Enterprise fund | Commission's Special Revenue fund | (144,367) | 91 Corridor Operations project costs allocations |
| RCTC 91 Express Lanes Enterprise fund | Commission's Special Revenue fund | (12,081,926) | 15/91 Express Lanes Connector project costs allocations |
| Commission's Special Revenue fund | RCTC 91 Express Lanes Enterprise fund | 553,232 | Toll express lanes project costs |
| Total due from (to) other Commission funds, net | | <u>\$ (11,839,674)</u> | |

Transfers to/from other Commission funds: During 2024, transfers to/from other Commission funds were as follows:

| Transfer Out | Transfer In | Amount | Explanation |
|-----------------------------------------------|---------------------------------------|-----------------------|----------------------------------------------------------------------------------------|
| Commission's Special Revenue fund | RCTC 91 Express Lanes Enterprise fund | \$ 126,951 | Transfer of surplus funds to fund the 15/91 Express Lane project |
| Commission's Special Revenue fund | RCTC 91 Express Lanes Enterprise fund | 180,634 | Transfer of surplus funds to fund the 91 Corridor Operations project costs allocations |
| Commission's Special Revenue fund | RCTC 91 Express Lanes Enterprise fund | 256,470,619 | Transfer of capital assets |
| RCTC 91 Express Lanes Enterprise fund | Commission's Special Revenue fund | (32,016,475) | Transfer of surplus funds to fund the 15/91 Express Lane project |
| Total transfers out to other Commission funds | | <u>\$ 244,761,729</u> | |

Note 6. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

| | Balance June 30, 2023 | Additions / Accretion | Reductions | Balance June 30, 2024 | Due Within One Year |
|---------------------------------------------|--------------------------|--------------------------|-----------------------|--------------------------|------------------------|
| Toll revenue bonds: | | | | | |
| 2013 Bonds | \$ 68,001,572 | \$ 4,699,739 | \$ - | \$ 72,701,311 | \$ - |
| 2021 Bonds | 615,059,000 | - | - | 615,059,000 | - |
| Toll revenue premium | 51,831,137 | - | (2,537,375) | 49,293,762 | 2,537,375 |
| Total bonds payable, net | <u>734,891,709</u> | <u>4,699,739</u> | <u>(2,537,375)</u> | <u>737,054,073</u> | <u>2,537,375</u> |
| Lease liability | 291,176 | - | (45,948) | 245,228 | 47,975 |
| Compensated absences liability, as restated | 185,718 | 42,729 | (32,900) | 195,547 | 74,529 |
| Total long-term obligations, as restated | <u>\$ 735,368,603</u> | <u>\$ 4,742,468</u> | <u>\$ (2,616,223)</u> | <u>\$ 737,494,848</u> | <u>\$ 2,659,879</u> |

**RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024**

Note 6. Long-Term Obligations, Continued

In July 2010, the Commission authorized the issuance and sale of not to exceed \$900 million of toll revenue bonds related to the 91 Project. In March 2020, the Commission authorized the issuance and sale of not to exceed \$725 million of toll revenue refunding bonds related to the RCTC 91 Express Lanes. In October 2021, the Commission authorized the issuance of toll revenue refunding bonds (2021 Toll Refunding Bonds) consisting of \$88,735,000 senior lien federally taxable bonds, \$450,629,000 senior lien tax-exempt bonds, and \$75,695,000 second lien tax-exempt bonds. The proceeds of the 2021 Toll Refunding Bonds were used to refund a portion of the RCTC 91 Express Lanes 2013 Toll Revenue capital interest bonds (CIBs), pay the purchase price of the 2013 Toll Revenue CIBs accepted for tender for cash, refund and prepay the TIFIA loan, fund capitalized interest, make deposits to required reserves, and pay costs of issuance. Certain senior lien tax-exempt bonds issued were exchanged for certain 2013 Toll Revenue CIBs accepted for exchange. Additionally, the Commission deposited available funds with an escrow agent to defease approximately \$28,919,000 in accreted value of the 2013 Toll Revenue capital appreciation bonds (CABs) maturing in the years 2022 through 2025 and 2027 through 2029. The amount outstanding on the 2013 Toll Revenue CABs at June 30, 2024 was \$14,339,802. Cost of issuance of \$3.8 million was expended in connection with the issuance of the 2021 Toll Refunding Bonds. Loss on refunding of \$6.7 million was recognized in connection with the issuance of the 2021 Toll Refunding Bonds. A portion of the proceeds from the sale of the 2021 Toll Refunding Bonds and the available funds deposited with an escrow agent in separate irrevocable trusts will be used to service the future debt requirements of the refunded 2013 Toll Revenue CIBs and 2013 Toll Revenue CABs.

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

Outstanding

In July 2013, the Commission issued \$52,829,602 principal amount of serial CABs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay costs of issuance. In October 2021, the Commission refunded a portion of the 2013 Series B Senior Bonds. The CABs will not pay current interest as interest will be compounded commencing December 2021 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 \$4,580,000 to \$34,220,000 on various dates from June 1, 2025 through June 1, 2043. Interest rates and yield to maturity range from 3.00% to 4.00%. During 2024, the accretion amount was \$4,699,739; the aggregate accretion through June 30, 2024 is \$11,718,111.

\$ 72,701,311

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 6. Long-Term Obligations, Continued

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

| Year Ending June 30 | Principal | Accreted Interest | Total |
|----------------------------|----------------------|--------------------------|-----------------------|
| 2025 | \$ 3,696,600 | \$ 5,025,700 | \$ 8,722,300 |
| 2026 | 3,681,000 | 5,095,100 | 8,776,100 |
| 2027 | 3,312,500 | 5,145,400 | 8,457,900 |
| 2028 | 4,179,600 | 5,203,100 | 9,382,700 |
| 2029 | 4,944,800 | 5,146,200 | 10,091,000 |
| 2030-2034 | 20,087,100 | 23,679,900 | 43,767,000 |
| 2035-2039 | - | 21,490,700 | 21,490,700 |
| 2040-2043 | 21,081,600 | 17,617,600 | 38,699,200 |
| | <u>\$ 60,983,200</u> | <u>\$ 88,403,700</u> | <u>\$ 149,386,900</u> |

2021 Toll Revenue Refunding Bonds, Series A:

Outstanding

In October 2021, the Commission issued \$88,735,000 principal amount to (i) refund a portion of the Commission's outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (current interest obligations), (ii) fund capitalized interest with respect to the 2021 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which secured the 2021 Series A Senior Bonds and the 2013 Series B Senior Bonds), and (iv) pay certain costs of issuance of the 2021 Series A Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series A mature in annual installments ranging from \$2,305,000 to \$27,750,000 on various dates from June 1, 2030 to June 1, 2041 at interest rates from 2.477% to 3.335%.

\$ 88,735,000

| Year Ending June 30 | Principal | Interest | Total |
|----------------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ - | \$ 2,725,300 | \$ 2,725,300 |
| 2026 | - | 2,725,300 | 2,725,300 |
| 2027 | - | 2,725,300 | 2,725,300 |
| 2028 | - | 2,725,300 | 2,725,300 |
| 2029 | - | 2,725,300 | 2,725,300 |
| 2030-2034 | 23,060,000 | 12,740,400 | 35,800,400 |
| 2035-2039 | 51,070,000 | 4,888,400 | 55,958,400 |
| 2040-2041 | 14,605,000 | 974,400 | 15,579,400 |
| | <u>\$ 88,735,000</u> | <u>\$ 32,229,700</u> | <u>\$ 120,964,700</u> |

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 6. Long-Term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series B-1:

Outstanding

In October 2021, the Commission issued \$437,895,000 principal amount at a premium of \$46,512,600 to (i) refund and prepay a portion of the Commission's outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement, (ii) pay the purchase price of 2013 Series A Senior Bonds accepted for tender for cash, (iii) make a deposit to the 2021 Series B Senior Bonds Reserve Account, and (iv) pay certain costs of issuance of the 2021 Series B Senior Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-1 mature in annual installments ranging from \$5,010,000 to \$65,105,000 on various dates from June 1, 2037 to June 1, 2049 at interest rates from 3.000 to 4.000%.

\$ 437,895,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-----------------------|-----------------------|-----------------------|
| 2025 | \$ - | \$ 16,065,800 | \$ 16,065,800 |
| 2026 | - | 16,065,800 | 16,065,800 |
| 2027 | - | 16,065,900 | 16,065,900 |
| 2028 | - | 16,065,900 | 16,065,900 |
| 2029 | - | 16,065,900 | 16,065,900 |
| 2030-2034 | - | 80,329,200 | 80,329,200 |
| 2035-2039 | 106,590,000 | 76,407,000 | 182,997,000 |
| 2040-2044 | 148,745,000 | 48,240,100 | 196,985,100 |
| 2045-2049 | 182,560,000 | 18,860,600 | 201,420,600 |
| | <u>\$ 437,895,000</u> | <u>\$ 304,166,200</u> | <u>\$ 742,061,200</u> |

2021 Toll Revenue Refunding Bonds, Series B-2:

Outstanding

In October 2021, the Commission issued \$12,734,000 principal amount together with the 2021 Series B-1 Senior Bonds, the 2021 Series B Senior Bonds exchanged for the 2013 Series A Senior Bonds accepted a tender for exchange. The outstanding 2021 Toll Revenue Refunding Bonds, Series B-2 mature in annual installments ranging from \$1,894,000 to \$5,420,000 on various dates from June 1, 2044 to June 1, 2048 at an interest rate of 3.000%.

\$ 12,734,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|---------------------|----------------------|
| 2025 | \$ - | \$ 382,000 | \$ 382,000 |
| 2026 | - | 382,000 | 382,000 |
| 2027 | - | 382,000 | 382,000 |
| 2028 | - | 382,000 | 382,000 |
| 2029 | - | 382,000 | 382,000 |
| 2030-2034 | - | 1,910,100 | 1,910,100 |
| 2035-2039 | - | 1,910,100 | 1,910,100 |
| 2040-2044 | 1,894,000 | 1,910,100 | 3,804,100 |
| 2045-2048 | 10,840,000 | 1,138,300 | 11,978,300 |
| | <u>\$ 12,734,000</u> | <u>\$ 8,778,600</u> | <u>\$ 21,512,600</u> |

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 6. Long-Term Obligations, Continued

2021 Toll Revenue Refunding Bonds, Series C:

Outstanding

In October 2021, the Commission issued \$75,695,000 principal amount at a premium of \$9,455,800, to (i) refund and prepay the remaining portion of the Commission's outstanding TIFIA Obligations and (ii) pay certain costs of issuance of the 2021 Series C Second Lien Bonds. The outstanding 2021 Toll Revenue Refunding Bonds, Series C mature in annual installments ranging from \$17,585,000, to \$58,110,000 on various dates from June 1, 2046 to June 1, 2047 at an interest rate of 4.000%.

\$ 75,695,000

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ - | \$ 3,027,800 | \$ 3,027,800 |
| 2026 | - | 3,027,800 | 3,027,800 |
| 2027 | - | 3,027,800 | 3,027,800 |
| 2028 | - | 3,027,800 | 3,027,800 |
| 2029 | - | 3,027,800 | 3,027,800 |
| 2030-2034 | - | 15,139,000 | 15,139,000 |
| 2035-2039 | - | 15,139,000 | 15,139,000 |
| 2040-2044 | - | 15,139,000 | 15,139,000 |
| 2045-2047 | 75,695,000 | 6,759,000 | 82,454,000 |
| | <u>\$ 75,695,000</u> | <u>\$ 67,315,000</u> | <u>\$ 143,010,000</u> |

Lease Liability: The Fund has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 *Leases*, and therefore, have been recorded at the present value of the future minimum lease payments at the date of its inception.

On November 11, 2019 the Fund entered into a 120-month lease as a lessee for the use of 301 Corporate Terrace Circle, Corona Ca. An initial lease liability was recorded in the amount of \$379,834. As of June 30, 2024, the value of the lease liability is \$245,228. The Fund is required to make quarterly fixed payments of \$12,172. The lease has an interest rate of 1.7670%. The value of the right to use asset as of June 30, 2024 was \$379,834 with accumulated amortization of \$147,032. The following table presents the principal and interest payments to maturity:

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-------------------|------------------|-------------------|
| 2025 | \$ 47,975 | \$ 4,018 | \$ 51,993 |
| 2026 | 50,039 | 3,157 | 53,196 |
| 2027 | 51,988 | 2,259 | 54,247 |
| 2028 | 53,669 | 1,330 | 54,999 |
| 2029 | 41,557 | 368 | 41,925 |
| Total | <u>\$ 245,228</u> | <u>\$ 11,132</u> | <u>\$ 256,360</u> |

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 7. Commitments and Contingencies

Cooperative agreements: The RCTC SR-91 Express lanes are jointly operated with the existing OCTA 91 Express Lanes and collectively referred to as the 91 Express Lanes.

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

In May 2013 the Commission entered into a three-party agreement with OCTA and the third-party toll operator, for the operations of the 91 Express Lanes. This will ensure streamlined and consistent intercounty travel for motorists on the OCTA 91 Express Lanes in Orange County and RCTC 91 Express Lanes in Riverside County. The third-party operator provides operating services to the Commission in the annual amount of \$6,087,538 plus inflation for five initial years with two extension options, subject to Board of Commissioners approval. The third-party operator is responsible for the day-to-day operations of the toll facility; another contractor is responsible for maintaining the roadside toll collection system under a separate agreement with the Commission. The agreement with the third-party operator expired March 6, 2022.

In November 2019, the Commission awarded an agreement to the third-party operator to develop and install a new back-office system and to provide express lane operator services, including the back office and customer services center. The agreement is a three-party contract including OCTA. The contract has a five-year term beginning upon completion and implementation of the new back-office system, plus two 3-year options, to operate both the OCTA and RCTC 91 Express Lanes. The operating term began on March 7, 2022 with the conversion to the new back-office system.

Purchase commitments: The Fund has entered into other agreements in the ordinary course of business with companies and other governmental agencies related to operations and maintenance. These agreements, which are significant, are funded with available and future revenues.

The Commission is party to an ongoing litigation which if settled, would be material to the Fund. Due to the nature of the litigation outlays, if any, would be recorded as a capital asset in the fiscal year paid.

Note 8. Pensions and Other Post-Employment Benefits Other Than Pensions

The Fund participates in the Commission's cost-sharing multiple employers defined benefit pension plan administered by the California Public Employees' Retirement System and the Commission's OPEB. Employees of the Fund are employees of the Commission as a whole. The required note disclosures regarding pension plans and OPEB are included in the Commission's financial statements. Please see those financial statements for information about the pension plans and OPEB as a whole.

The net pension liabilities of \$256,011 and net OPEB asset of \$17,149, reported by the Fund, represent the Fund's proportional share of the Commission's net pension liabilities of \$3,321,856 and net OPEB asset of \$232,200. The Fund's net pension asset and net OPEB asset each represent approximately 8% of the Commission's net pension liability and net OPEB asset, respectively. For the year ended June 30, 2024, the Fund's contributions recognized as part of pension and OPEB expenses were \$204,171 and (\$33,120), respectively.

RCTC 91 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 9. Adoption of GASB Statement No. 101, Compensated Absences

As of July 1, 2023, the Fund adopted GASB Statement No. 101 *Compensated Absences*. The Statement requires the recognition of certain earned and accumulated leave balances, including salary-related payments. The Fund’s professional judgment is that earned and accumulated leave balances, specifically related to sick leave, will more likely than not, to be used, rather than cashed out as previously determined. Additionally, as required in the Statement, pension-related payments have been removed as this is encapsulated in GASB Statement No. 68, *Pensions* disclosure. Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability in the Fund. Beginning balances of compensated absences liabilities were restated to adopt the provisions of GASB Statement No. 101, *Compensated Absences* as follows:

| | | |
|------------------------------------------------------|----|----------------------|
| Net position at July 1, 2023, as previously reported | \$ | (333,152,076) |
| Change in accounting principle | | <u>(72,026)</u> |
| Net position at July 1, 2023, as adjusted | \$ | <u>(333,224,102)</u> |

Note 10. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2024 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025; and
- GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.



Riverside Express

**15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements**

For the Year Ended June 30, 2024



15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Financial Statements

For the Year Ended June 30, 2024

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Independent Auditor's Report

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the 15 Express Lanes Fund (Fund), an enterprise fund of the Riverside County Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 15 Express Lanes of the Commission, as of June 30, 2024, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the 15 Express Lanes Fund, and do not purport to, and do not, present fairly the financial position of the Commission, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 10 to the financial statements, the Fund has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2024. Accordingly, a restatement has been made to the net position as of July 1, 2023 to restate beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2024

**15 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

As management of the 15 Express Lanes Fund (the Fund), an enterprise fund of the Riverside County Transportation Commission, we offer readers of the Fund financial statements this narrative overview and analysis of the Fund's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider information on financial performance presented in conjunction with the financial statements that begin on page 9.

Financial Highlights

- At the end of fiscal year (FY) 2023/24, the total net position of the Fund was \$282,917,899, consisting of net investment in capital assets of \$192,587,959, and restricted net position of \$90,329,940. The net position increased \$20,200,095 due to strong operating financial performance and lower than anticipated operating expenditures.
- Net position of \$282,917,899 during FY 2023/24 reflects the position after the third full year of toll operations. The 15-mile stretch that includes two express lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley achieved final acceptance in FY 2023/24.
- In FY 2023/24, total operating revenues of \$43,996,293 include toll, violation penalty, account fee, and miscellaneous revenues, an increase from the prior fiscal year. Total operating expenses of \$23,677,560 include but not limited to: roadway and toll systems maintenance, customer service, back-office operations, other support costs, and depreciation and amortization down slightly when compared to the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Fund's financial statements. The financial statements are comprised of the Fund financial statements and notes to the financial statements.

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

The statement of revenues, expenses and changes in fund net position presents information showing how the Fund'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 statement of cash flows presents information on the cash flows related to operating, noncapital financing, capital and related financing, and investing activities.

The Fund financial statements can be found on pages 9-12 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13-24 of this report.

**15 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

15 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Fund's financial position. At June 30, 2024, the Fund's net position was \$282,917,899. The analysis below focuses on net position and changes in net position of the Fund's financial activities.

**15 Express Lanes Fund
Net Position**

| | 2024 | 2023 |
|-----------------------------------------------------|-----------------------|-----------------------|
| Current and other assets | \$ 10,240,430 | \$ 7,935,644 |
| Restricted assets | 113,647,084 | 79,347,151 |
| Capital assets, net | 344,802,218 | 356,731,106 |
| Total assets | <u>468,689,732</u> | <u>444,013,901</u> |
| Deferred outflows of resources | <u>355,834</u> | <u>443,606</u> |
| Total assets and deferred outflows of resources | <u>469,045,566</u> | <u>444,457,507</u> |
| Current liabilities | 4,589,003 | 4,908,401 |
| Long-term liabilities | 181,004,578 | 176,126,926 |
| Total liabilities | <u>185,593,581</u> | <u>181,035,327</u> |
| Deferred inflows of resources | <u>534,086</u> | <u>704,376</u> |
| Total liabilities and deferred inflows of resources | <u>186,127,667</u> | <u>181,739,703</u> |
| Net position | | |
| Net investment in capital assets | 192,587,959 | 204,516,847 |
| Restricted | 90,329,940 | 58,200,957 |
| Total net position | <u>\$ 282,917,899</u> | <u>\$ 262,717,804</u> |

FY 2023/24 represents the third full year of toll operations for the Fund. Total assets and deferred outflows of resources increased \$24,588,059, or 6%, largely due to continued strong operating performance, increasing restricted assets which includes the facilities cash investments related to toll operations. Total liabilities and deferred inflows of resources increased \$4,387,964, or 2%, primarily due to increases in toll supported long-term debt related to accreted and compounded interest.

The Fund's net investment in capital assets was \$192,587,959 in FY 2023/24. The Fund's net position reflects its investment in capital assets (i.e., land and land improvements; buildings; toll infrastructure; equipment, furniture and fixtures; and toll facility franchise), less any related outstanding debt used to acquire these assets. The Fund uses these capital assets, which include intangible assets, to provide improved mobility for the Fund customers and commuters along the I-15 corridor.

Restricted net position, representing resources subject to external restrictions on how they may be used, was \$90,329,940 and represents 32% of the total net position at June 30, 2024.

The analysis below focuses on the changes in net position.

**15 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

**15 Express Lanes Fund
Changes in Net Position**

| | 2024 | 2023 |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| Operating revenues | | |
| Toll, penalties, and fees | \$ 43,996,293 | \$ 39,371,149 |
| Total operating revenues | <u>43,996,293</u> | <u>39,371,149</u> |
| Operating expenses | | |
| Management and operational services | 9,384,855 | 9,729,858 |
| Administrative overhead | 354,500 | 337,800 |
| Other operating expenses | 268,697 | 191,108 |
| Professional services | 481,843 | 466,264 |
| General and administrative | 670,394 | 896,386 |
| Depreciation and amortization | 12,517,271 | 12,652,913 |
| Total operating expenses | <u>23,677,560</u> | <u>24,274,329</u> |
| Operating income | <u>20,318,733</u> | <u>15,096,820</u> |
| Nonoperating revenues (expenses) | | |
| Investment income | 4,739,233 | 1,594,076 |
| Interest expense | (5,210,429) | (5,055,596) |
| Total nonoperating revenues (expenses) | <u>(471,196)</u> | <u>(3,461,520)</u> |
| Income before contributions and transfers | 19,847,537 | 11,635,300 |
| Contributions from Commission governmental funds | 389,255 | 1,263,354 |
| Transfers from Commission governmental funds | 204 | 177,116 |
| Transfers to enterprise funds | - | (43) |
| Total contributions and transfers | <u>389,459</u> | <u>1,440,427</u> |
| Change in net position | 20,236,996 | 13,075,727 |
| Total net position at beginning of year, as previously reported | 262,717,804 | 249,642,077 |
| Change in accounting principle | (36,901) | - |
| Net position at beginning of year, as restated | <u>262,680,903</u> | <u>249,642,077</u> |
| Total net position at end of year | <u>\$ 282,917,899</u> | <u>\$ 262,717,804</u> |

**15 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

The Fund's operating revenues increased \$4,625,144, or 12%, due to increased traffic volumes in FY 2023/24. Total operating expenses decreased \$596,769, or 2% due to program operations. Nonoperating incomes and expenses, net increase of \$2,990,324, or 86%, is due to investment income, offset by toll supported long-term debt related to accreted and compounded interest. Contributions and transfers from the Commission decreased by \$1,050,968, or 73%, as a result of the prior year's contribution of capital and intangible assets. Total traffic volume on the 15 Express Lanes Fund during FY 2023/24 was approximately 29,718,900 transactions.

Capital Assets

As of June 30, 2024, the Fund had \$344,802,218, net of accumulated depreciation and amortization, invested in a broad range of capital assets including: land and land improvements; buildings; toll infrastructure comprised of communication equipment and computer hardware and software; equipment, furniture, and fixtures; and toll facility franchise.

**15 Express Lanes Fund
Capital Assets, Net of Depreciation**

| | 2024 | 2023 |
|------------------------------------|-----------------------|-----------------------|
| Land and land improvements | \$ 611,755 | \$ 611,755 |
| Toll infrastructure | 8,241,309 | 12,715,942 |
| Toll facility franchise | 331,865,851 | 338,569,119 |
| Buildings | 4,066,943 | 4,789,768 |
| Equipment, furniture, and fixtures | 16,360 | 44,522 |
| Total capital assets, net | <u>\$ 344,802,218</u> | <u>\$ 356,731,106</u> |

More detailed information about the Fund's capital assets is presented in note 5 to the financial statements.

Debt Administration

As of June 30, 2024, the Fund had \$171,814,288 outstanding in a Transportation Innovation Finance and Infrastructure Act (TIFIA) loan and \$9,000,000 outstanding from an advance from Commission Measure A revenues. The increase in outstanding debt when compared to prior year is due to compounded interest on the TIFIA Loan.

**15 Express Lanes Fund
Outstanding Debt**

| | 2024 | 2023 |
|------------------------------|-----------------------|-----------------------|
| TIFIA loan | \$ 171,814,288 | \$ 167,030,355 |
| Advance from Commission fund | 9,000,000 | 9,000,000 |
| Total outstanding debt | <u>\$ 180,814,288</u> | <u>\$ 176,030,355</u> |

Additional information on long-term debt can be found in note 7 to the financial statements.

**15 Express Lanes Fund
Management Discussion and Analysis
For the Year Ended June 30, 2024**

Economic and Other Factors

The Fund makes up \$41,666,800 or 4% of Commission's FY 2024/25 revenue budget. In FY 2024/25, toll and non-toll revenues are forecasted to increase 22% over the FY 2023/24 budget. This increase is due to higher than anticipated revenues received during FY 2023/24 largely as a result of tolls collected within the southern terminus of the Enterprise. The average projected long-term rate of growth for toll road revenues beyond FY 2024/25 is 2.1%.

The majority of expenses related to the Fund within FY 2024/25 budget are on-going general costs related to day-to-day operations of the toll facility. As a fully electronic toll facility, motorists pay tolls through the convenient use of FasTrak® transponders that automatically deduct toll charges from a prepaid account.

I-15 Corridor Freight and Express Lanes Project: The Commission and San Bernardino County Transportation Agency (SBCTA) entered into a Cooperative Agreement (Agreement) on May 24, 2023, formalizing the coordination of the toll facilities between Riverside and San Bernadino counties; collectively referred to as the I-15 Corridor Freight and Express Lanes project or I-15 Next. Specifically, the Agreement requires the Commission to assign approximately 2.2 miles of its existing RCTC 15 Toll Lanes to SBCTA in exchange for annual toll revenue payments payable by SBCTA.

The assignment is made by the Commission to SBCTA in preparation for planning and constructing a toll facility within the median of I-15. Construction by SBCTA is anticipated to begin during calendar year 2024 with an estimated completion date of summer 2026.

As of June 30, 2024, no impacts have been incurred by the existing RCTC 15 Express Lanes as a result of entering into this Agreement. However, SBCTA will reimburse RCTC 15 Express Lanes for any impacts during construction phase of the project. Furthermore, assignment of the RCTC 15 Express Lanes will not occur until sixty (60) days prior to project completion estimated to occur during calendar year 2026.

Contacting 15 Express Lane's Management

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in the government's finances and to demonstrate the Fund's accountability for the money it receives. Questions concerning any of the information provide 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, CA 92502-2208.

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Net Position
June 30, 2024

| | |
|-----------------------------------------------------|-----------------------|
| Assets | |
| Current assets: | |
| Cash and investments | \$ 4,024,730 |
| Receivables | |
| Accounts | 5,394,841 |
| Interest | 80,735 |
| Lease | 95,950 |
| Prepaid expenses | 241,274 |
| Total current assets | <u>9,837,530</u> |
| Noncurrent assets: | |
| Restricted cash and investments | 113,647,084 |
| Lease receivable | 394,506 |
| Net other post-employment benefits assets | 8,394 |
| Capital assets, net | |
| Nondepreciable | 611,755 |
| Depreciable and amortizable | 344,190,463 |
| Total noncurrent assets | <u>458,852,202</u> |
| Total assets | <u>468,689,732</u> |
| Deferred outflows of resources | |
| Pension benefits | 249,086 |
| Other post-employment benefits | 106,748 |
| Total assets and deferred outflows of resources | <u>469,045,566</u> |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 1,938,376 |
| Interest payable | 2,123,907 |
| Due to other Commission funds | 61,348 |
| Other liabilities | 428,965 |
| Compensated absences liability | 36,407 |
| Total current liabilities | <u>4,589,003</u> |
| Noncurrent liabilities: | |
| Net pension liabilities | 131,173 |
| Compensated absences liabilities | 59,117 |
| Advance from other Commission funds | 9,000,000 |
| Bonds payable - due in more than one year | 171,814,288 |
| Total noncurrent liabilities | <u>181,004,578</u> |
| Total liabilities | <u>185,593,581</u> |
| Deferred inflows of resources | |
| Pension benefits | 53,562 |
| Other post-employment benefits | 14,922 |
| Lease revenues | 465,602 |
| Total liabilities and deferred inflows of resources | <u>186,127,667</u> |
| Net position | |
| Net investment in capital assets | 192,587,959 |
| Restricted for other post-employment benefits | 8,394 |
| Restricted for express lanes | 90,321,546 |
| Total net position | <u>\$ 282,917,899</u> |

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Revenues, Expenses and Change in Fund Net Position
For the Year Ended June 30, 2024

| | |
|-----------------------------------------------------------|----------------|
| Operating revenues | |
| Tolls, penalties, and fees | \$ 43,996,293 |
| Operating expenses | |
| Management and operational services | 9,384,855 |
| Administrative overhead | 354,500 |
| Other operating expenses | 268,697 |
| Professional services | 481,843 |
| General and administrative expenses | 670,394 |
| Depreciation and amortization | 12,517,271 |
| Total operating expenses | 23,677,560 |
| Operating income | 20,318,733 |
| Nonoperating revenues (expenses) | |
| Investment income (loss) | 4,739,233 |
| Interest expense | (5,210,429) |
| Total nonoperating revenues (expenses) | (471,196) |
| Income before contributions and transfers | 19,847,537 |
| Contributions and transfers | |
| Contributions from Commission governmental activities | 389,255 |
| Transfers from Commission governmental activities | 204 |
| Total contributions and transfers | 389,459 |
| Change in net position | 20,236,996 |
| Net position at beginning of year, as previously reported | 262,717,804 |
| Change in accounting principle | (36,901) |
| Net position at beginning of year, as restated | 262,680,903 |
| Net position at end of year | \$ 282,917,899 |

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)

Statement of Cash Flows

For the Year Ended June 30, 2024

| | |
|-----------------------------------------------------------------------|----------------|
| Cash flows from operating activities | |
| Receipts from customers and users | \$ 40,712,644 |
| Payments to vendors | (10,021,386) |
| Payments to employees | (563,688) |
| Payments for RCTC interfund services used | (415,900) |
| Reimbursements received for lease costs | 50,791 |
| Net cash provided by operating activities | 29,762,461 |
| | |
| Cash flows from noncapital financing activities | |
| Transfers from governmental activities for operations and maintenance | 771,795 |
| Net cash used for noncapital financing activities | 771,795 |
| | |
| Cash flows from capital and related financing activities | |
| Payment for acquisition of capital assets | (199,128) |
| Net cash used for capital and related financing activities | (199,128) |
| | |
| Cash flows from investing activities | |
| Interest received | 3,911,331 |
| Net cash used for investing activities | 3,911,331 |
| | |
| Net increase in cash and cash equivalents | 34,246,459 |
| | |
| Cash and investments at beginning of year | 83,425,355 |
| Cash and investments at end of year | \$ 117,671,814 |

See notes to financial statements

15 Express Lanes Fund
(Enterprise Fund of the Riverside County Transportation Commission)
Statement of Cash Flows, Continued
For the Year Ended June 30, 2024

| | |
|---------------------------------------------------------------------------------------------------|----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities | |
| Operating income | \$ 20,318,733 |
| Adjustments to reconcile operating income to net cash provided by (used for) operating activities | |
| Depreciation and amortization expense | 12,517,271 |
| Change in assets and liabilities | |
| (Increase) Decrease in other receivables, net | (2,314,970) |
| (Increase) Decrease in prepaid assets | (98,303) |
| (Increase) Decrease in lease receivable, net of deferred items | (6,127) |
| Increase (Decrease) in pension and post-employment benefit liabilities, net of deferred items | 92,330 |
| Increase (Decrease) in accounts payable | (427,769) |
| Increase (Decrease) in due to other Commission funds | (49,307) |
| Increase (Decrease) in compensated absences liability | 376 |
| Increase (Decrease) in other liabilities | (269,773) |
| Total adjustments | <u>9,443,728</u> |
| Net cash provided by operating activities | <u>\$ 29,762,461</u> |
| | |
| Noncash capital, financing and investing activities | |
| Accreted and compounded interest on TIFIA Loan | \$ 4,783,933 |
| Compounded interest on advance from other Commission fund | 416,425 |
| Contributions of capital and intangible assets from Commission governmental activities | 389,255 |
| Transfers in of accrued investment income from Commission governmental activities | 204 |

See notes to financial statements

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 1. Reporting Entity

After more than a decade of work, which includes approximately three years of construction, the Riverside County Transportation Commission (Commission) achieved substantial completion on the I-15 Express Lanes Project on April 10, 2021. In achieving substantial completion, the 15 Express Lanes opened to traffic; tolling commenced on April 14, 2021. The 15-mile stretch includes two lanes in each direction of the center median along the Interstate (I) 15 corridor between Cajalco Road in Corona and State Route (SR) 60 in Jurupa Valley.

The 15 Express Lanes Fund (Fund) is reported as a major enterprise fund in the Commission's basic financial statements. The accompanying financial statements present the net position, changes in net position, and cash flows of the Fund only. They do not purport to, and do not, present the overall financial position of the Commission or its changes in net position as of June 30, 2024.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting: The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll revenue is recognized when the customers utilize the toll road facility and payment is collected.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal and ongoing operations. The principal operating revenues of the Fund are charges to customers for use of the toll facility. Operating expenses for the Fund include the cost of services, administrative expenses, and depreciation and amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Violations: Violations consist of uncollected violation tolls and penalties. Unpaid violations of \$42,603,386 as of June 30, 2024 are not recognized as revenue until payment is received. If violations and penalties remain owed for more than 90 days, they are attached to the registration for the violation vehicle. Unpaid violations will remain recorded for a period of four years in accordance with the statute of limitations, at which time, they will be deemed uncollectible.

Cash and investments: The Commission maintains cash and investments in accordance with the Investment Policy adopted by the Board of Commissioners in October 2023. The Investment Policy complies with the California Government Code (Code). Investments of bond proceeds as permitted by the applicable debt documents are maintained with U.S. Bank as trustee. Separate investment accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. The Fund participates in the Riverside County Pooled Investment Fund (RCPIF). Cash from other Commission revenue sources is commingled for investment purposes in the RCPIF, with investment earnings allocated to the different accounts based on average daily account balances.

The Commission holds investments that are measured at fair value on a recurring basis. Investments in U.S. Treasury obligations, U.S. agency securities, and mortgage and asset-backed securities are carried at fair value based on quoted market prices, except for money market investments, which are carried at amortized cost which approximates fair value. The RCPIF is carried at fair value based on the value of each participating dollar as provided by RCPIF.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies, Continued

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

Restricted cash and investments: Investments set aside in the Senior Lien Obligations Reserve Fund, Second Lien Obligations Reserve Fund, Subordinate Lien Obligations Reserve Fund, and Residual Fund Scheduled Retained Balance Fund are pursuant to the terms of the 2017 Indenture and their use is limited by applicable debt terms and conditions.

Permitted investments per the debt indentures include government obligations, State of California and local agency obligations, banker's acceptances, commercial paper notes, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, RCPIF, and variable and floating rate securities.

Receivables: Accounts receivables include amounts due from other California toll road agencies related to their customers' use of the 15 Express Lanes.

Capital assets: Capital assets include land and land improvements; toll infrastructure; buildings; equipment, furniture and fixtures; and toll facility franchise. Capital assets are defined by the Fund as assets with an initial, individual cost of more than \$100,000 and a useful life in excess of three years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Asset Type | Useful Life |
|------------------------------------|--------------------|
| Buildings | 10 years |
| Equipment, furniture, and fixtures | 3 to 5 years |
| Toll facility franchise | 50 years |
| Toll infrastructure | 5 to 10 years |

The Commission entered into a toll facility agreement with California's Department of Transportation (Caltrans) and obtained authority to toll the I-15 corridor between Cajalco Road and SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations through April 2071. The 15 Express Lanes opened on April 10, 2021.

Deferred outflows of resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. As of June 30, 2024, the Fund has deferred outflows of resources related to pension and other post-employment benefits (OPEB).

Due to other Commission funds: During the course of operations, transactions occur between Commission governmental funds involving goods provided and services rendered.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies, Continued

Compensated absences: Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability, net of current portion, in the Fund.

During the year ended June 30, 2024, the Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated absences*. The effect of implementation of this standard on beginning net position is disclosed in Note 10.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deduction from Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Post-employment benefits other than pensions: For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to the OPEB asset and OPEB expense, information about the fiduciary net position of the Commission's OPEB plan, and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust administered by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money markets and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred inflows of resources: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenue, until then. The Fund has deferred inflows of resources related to pension, OPEB, and leases.

Risk management: The Fund purchases commercial property insurance including business interruption, earthquake, and flood coverage related to the toll facility.

Net position: Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into two categories:

- *Net investment in capital assets* consists of capital and intangible 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 restricted assets less liabilities related to those assets. Restricted assets are recorded when there are limitations imposed by creditors (such as through debt covenants). The statement of net position includes restricted net position for the portion of net toll revenues restricted by the 2017 Master Indenture for toll operations.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Cash and investments are comprised of the following at June 30, 2024:

| | | |
|----------------------------|----|--------------------|
| Cash in bank | \$ | 1,058,865 |
| Investments | | |
| With RCPIF | | 3,755,920 |
| With Trustee | | 112,857,029 |
| Total investments | | <u>116,612,949</u> |
| Total cash and investments | \$ | <u>117,671,814</u> |

Total cash and investments are reported in the financial statements as:

| | | |
|-----------------------------------|----|--------------------|
| Unrestricted cash and investments | \$ | 4,024,730 |
| Restricted cash and investments | | 113,647,084 |
| Total cash and investments | \$ | <u>117,671,814</u> |

Fair Value Hierarchy: The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and Level 3 inputs are significant unobservable inputs (the Commission does not value any of its investments using Level 3 inputs).

The following is a summary of the fair value hierarchy of the fair value of investments of the Fund as of June 30, 2024:

| | June 30, 2024 | Fair Value Measurements Using | |
|--------------------------------------------------|-----------------------|----------------------------------------------------------------|-----------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
| Investments by fair value level: | | | |
| Investments subject to fair value hierarchy: | | | |
| Mortgage and asset-backed securities | \$ 4,881,839 | \$ - | \$ 4,881,839 |
| U.S. Treasury obligations | 11,275,523 | 11,275,523 | - |
| Money market mutual funds | 96,699,667 | 96,699,667 | - |
| Total investments measured at fair value | | <u>\$ 107,975,190</u> | <u>\$ 4,881,839</u> |
| Investments not subject to fair value hierarchy: | | | |
| RCPIF | 3,755,920 | | |
| Total investments | <u>\$ 116,612,949</u> | | |

Investments classified in Level 1 of the value hierarchy, valued at \$107,975,190 are valued using quoted prices in active markets.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments, Continued

Mortgage and asset-backed securities totaling \$4,881,839 classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

As of June 30, 2024, the Fund has the following investments:

| Investments | Fair Value | Principal | Interest Rate Range | Maturity Range | Weighted Average Maturity (Years) |
|--------------------------------------|-----------------------|-----------------------|----------------------------|--------------------|-----------------------------------------|
| RCPIF | \$ 3,755,920 | \$ 3,797,785 | 2.73% – 6.197% | 7/1/24 – 6/1/29 | 1.270 |
| Held by Trustee | | | | | |
| Money market mutual funds | 96,699,667 | 96,699,667 | 4.931% | N/A | 37 days or 0.104 |
| Mortgage and asset-backed securities | 4,881,839 | 5,041,912 | 0.636% – 5.209% | 1/25/24 – 12/15/42 | 3.601 |
| U.S. Treasury obligations | 11,275,523 | 11,240,550 | 5.057% | 7/5/24 – 4/15/28 | 0.865 |
| Total Investments | <u>\$ 116,612,949</u> | <u>\$ 116,779,914</u> | | | |
| | | | Portfolio weighted average | | 1.460 |

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

As of June 30, 2024, mortgage and asset-backed securities fair value totaled \$4,881,839. 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/AA+ by at least two of the three nationally recognized statistical rating organizations.

Deposits and withdrawals in the RCPIF are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the Fund's investment at June 30, 2024 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

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

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a 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 Fund's cash deposits are included in the overall Commission's deposits. 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.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 3. Cash and Investments, Continued

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 table 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, 2024; securities denoted as NR are not rated by one of the nationally recognized statistical rating organizations.

| <i>Investments</i> | <i>Moody's</i> | <i>S&P</i> | <i>% of Portfolio</i> |
|--------------------------------------|----------------|----------------|-----------------------|
| RCPIF | Aaa-bf | NR | 3.20% |
| Money market mutual funds | | | |
| Funds | AAA | AAA | 83.04% |
| Mortgage and asset backed securities | | | |
| Securities | AAA | AA+ | 1.49% |
| Securities | AAA | NR | 0.09% |
| Securities | NR | AA+ | 2.58% |
| U.S. Treasuries | | | |
| Treasury | AAA | NR | 5.44% |
| Treasury | NR | AA+ | 1.15% |
| Treasury | NR | A-1+ | 3.01% |
| 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, 2024, the Commission did not have investments in any one issuer that represents more than 5% of the Commission's total investments.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 4. Lease Receivable

The 15 Express Lanes is the owner of a building within the City of Corona which is leased by both Orange County Transportation Authority (OCTA) and the Riverside Transportation Commission (RCTC) 91 Express Lanes. The Fund has the following lease receivables as of June 30, 2024:

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the Orange County Transportation Authority. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2024, the value of the lease receivable is \$245,228. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2024 was \$232,801 and the Fund recognized lease revenue of \$49,011.

On November 1, 2019, the Fund entered a 120-month lease for the use of 301 Corporate Terrace Circle, Corona, Ca with the RCTC 91 Express Lanes Enterprise Fund. An initial lease receivable was recorded in the amount of \$379,833. As of June 30, 2024, the value of the lease receivable is \$245,228. The lessee is required to make quarterly fixed payments of \$12,171. The lease has an interest rate of 1.7670%. The value of the deferred inflow of resources as of June 30, 2024 was \$232,801 and the Fund recognized lease revenue of \$49,011.

In accordance with the standard, the principal and interest expected to maturity is as follows:

| Year ending June 30 | Principal | Interest | Total |
|-------------------------------|-------------------|------------------|-------------------|
| 2025 | \$ 95,950 | \$ 8,037 | \$ 103,987 |
| 2026 | 100,077 | 6,314 | 106,391 |
| 2027 | 103,977 | 4,518 | 108,495 |
| 2028 | 107,337 | 2,661 | 109,998 |
| 2029 | 83,115 | 735 | 83,850 |
| Total lease receivable | \$ 490,456 | \$ 22,265 | \$ 512,721 |

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 5. Capital Assets

Capital assets activity for the Fund for the year ended June 30, 2024 is as follows:

| | Balance June 30, 2023 | Capital Contributions | Additions | Deletions | Balance June 30, 2024 |
|-----------------------------------------------------------|--------------------------|--------------------------|-----------------|-----------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 558,405 | \$ - | \$ - | \$ - | \$ 558,405 |
| Construction easements | 53,350 | - | - | - | 53,350 |
| Total capital assets not being depreciated | 611,755 | - | - | - | 611,755 |
| Capital assets being depreciated and amortized: | | | | | |
| Toll infrastructure | 21,359,874 | - | 199,128 | - | 21,559,002 |
| Buildings | 6,451,978 | - | - | - | 6,451,978 |
| Equipment, furniture, and fixtures | 115,121 | - | - | - | 115,121 |
| Toll facility franchise | 354,356,503 | 389,255 | - | - | 354,745,758 |
| Total capital assets being depreciated and amortized | 382,283,476 | 389,255 | 199,128 | - | 382,871,859 |
| Less accumulated depreciation and amortization for: | | | | | |
| Toll infrastructure | (8,643,932) | - | (4,673,761) | - | (13,317,693) |
| Buildings | (1,662,210) | - | (722,825) | - | (2,385,035) |
| Equipment, furniture, and fixtures | (70,599) | - | (28,162) | - | (98,761) |
| Toll facility franchise | (15,787,384) | - | (7,092,523) | - | (22,879,907) |
| Total accumulated depreciation | (26,164,125) | - | (12,517,271) | - | (38,681,396) |
| Total capital assets being depreciated and amortized, net | 356,119,351 | 389,255 | (12,318,143) | - | 344,190,463 |
| Capital assets, net | \$ 356,731,106 | \$ 389,255 | \$ (12,318,143) | \$ - | \$ 344,802,218 |

On September 29, 2016, the Commission entered into a toll facilities agreement with Caltrans providing the Commission with authorization to toll the I-15 from Cajalco Road to SR-60 for 50 years commencing as of the first day on which the 15 Express Lanes open for public use and toll operations. The agreement also set forth the Commission's rights to Caltrans' right of way and Caltrans' oversight role in the operations and maintenance of the 15 Express Lanes.

Note 6. Interfund Transactions

Due from/to other Commission funds: The composition of balances related to due from other funds and due to other funds of the Commission at June 30, 2024 is as follows:

| Payable Fund | Receivable Fund | Amount | Explanation |
|-------------------------------------------------|---------------------------|--------------------|--------------------------------|
| 15 Express Lanes Enterprise fund | Commission's General fund | \$ (16,800) | Administrative cost allocation |
| 15 Express Lanes Enterprise fund | Commission's General fund | (44,548) | Fringe benefits allocation |
| Total due from (to) other Commission funds, net | | <u>\$ (61,348)</u> | |

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 6. Interfund Transactions, Continued

Contributions and transfers to/from other Commission funds: During 2024, contributions and transfers to/from other Commission funds were as follows:

| Contribution and Transfer Out | Contribution and Transfer In | Amount | Explanation |
|-------------------------------------------------------------------|----------------------------------|-------------------|-----------------------------------------------|
| Commission's Governmental activities | 15 Express Lanes Enterprise fund | \$ 389,255 | Contribution of capital and intangible assets |
| Commission's Governmental activities | 15 Express Lanes Enterprise fund | 204 | Transfer of project costs allocations |
| Total contributions/transfers in from other Commission funds, net | | <u>\$ 389,459</u> | |

Advances from other funds: A Commission governmental fund advanced \$9,000,000 to the 15 Express Lanes Fund to establish an \$18,000,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) debt service reserve for the I-15 Express Lanes project as required no later than June 30, 2024. Capitalized interest on the advance as of June 30, 2024, was \$1,853,345. Repayment of this initial Commission advance is subject to satisfying certain conditions under the related indenture, including the occurrence of the second anniversary of the TIFIA debt service payment commencement date.

Note 7. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

| | Balance June 30, 2023 | Additions / Accretion | Reductions | Balance June 30, 2024 | Due Within One Year |
|---------------------------------------------|--------------------------|--------------------------|--------------------|--------------------------|------------------------|
| TIFIA loan | \$ 167,030,355 | \$ 4,783,933 | | \$ 171,814,288 | \$ - |
| Compensated absences liability, as restated | 95,148 | 16,448 | (16,072) | 95,524 | 36,407 |
| Total long-term obligations, as restated | <u>\$ 167,125,503</u> | <u>\$ 4,800,381</u> | <u>\$ (16,072)</u> | <u>\$ 171,909,812</u> | <u>\$ 36,407</u> |

In May 2017, the Commission authorized the issuance and sale of not to exceed \$165 million of toll revenue bonds related to the 15 Express Lanes Project. The TIFIA loan is a senior toll revenue bond per the I-15 Express Lanes Project indenture.

| TIFIA Loan Agreement: | Outstanding |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| In July 2017, the Commission executed a TIFIA loan of up to \$152,214,260, which proceeds financed a portion of the costs for the I-15 Express Lanes Project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence on December 1, 2025, which is five years after substantial completion of the I-15 Express Lanes Project, through December 1, 2055. The interest rate of the TIFIA loan is 2.84%. During 2024, \$0 was drawn on the TIFIA loan and \$4,783,933 interest was compounded. | <u>\$ 171,814,288</u> |

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 7. Long-Term Obligations, Continued

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

| Year Ending June 30 | Principal | Interest | Total |
|----------------------------|------------------------------|-----------------------|-----------------------|
| 2026 | \$ - | \$ 5,018,900 | \$ 5,018,900 |
| 2027 | - | 5,018,900 | 5,018,900 |
| 2028 | - | 5,025,800 | 5,025,800 |
| 2029 | - | 5,012,000 | 5,012,000 |
| 2030-2034 | 6,089,500 | 24,888,500 | 30,978,000 |
| 2035-2039 | 21,208,500 | 23,265,800 | 44,474,300 |
| 2040-2044 | 21,845,300 | 20,248,200 | 42,093,500 |
| 2045-2049 | 46,285,900 | 15,848,200 | 62,134,100 |
| 2050-2054 | 66,595,700 | 7,891,500 | 74,487,200 |
| 2055 | 14,696,800 | 417,400 | 15,114,200 |
| Total | <u>\$ 176,721,700</u> | <u>\$ 112,635,200</u> | <u>\$ 289,356,900</u> |
| Future compounded interest | <u>(4,907,412)</u> | | |
| Total TIFIA loan | <u><u>\$ 171,814,288</u></u> | | |

Pursuant to the I-15 Express Lanes Project toll indenture the Commission is required to establish the following to support the 15 Express Lanes:

- A \$16.5 million ramp-up reserve was funded prior to substantial completion and commencement of express lanes operations. The balance at June 30, 2024 is approximately \$16.2 million and reflects a \$1 million withdrawal in accordance with the indenture and is not required to be replenished;
- An \$18 million TIFIA loan reserve from an advance of Measure A sales tax revenues up to \$3 million per year from 2019 through 2024 to the extent that 15 Express Lanes revenues are not sufficient to fund the TIFIA loan reserve. Through FY 2020/21 \$9 million was funded by Measure A Sales Tax revenue and \$9 million was funded by 15 Express Lanes toll revenues for a total of \$18 million funded through FY 2023/24. The balance as of June 30, 2024 is approximately \$18.7 million; and
- Up to a \$38.5 million backstop loan from Measure A sales tax revenues of up to \$3.85 million per year to the extent 15 Express Lanes revenues are not sufficient to cover operations and maintenance costs, TIFIA loan mandatory debt service, and TIFIA scheduled interest. Funding for this account is scheduled to begin in FY 2024/25.

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 8. Commitments and Contingencies

Cooperative agreements: In January 2017 the Commission entered into a toll operator agreement, for the operations of the 15 Express Lanes. The toll operator is responsible for day-to-day operations of the toll collection system. The toll operator agreement expires in April 2031. In August 2024, the ten-year extension options were exercised, and the agreement will expire April 2041. The toll operator agreement provides operating services to the Commission in the annual amount of \$7,755,600 for the first two years of operations. Thereafter, annual amounts are based on variable pricing.

Purchase commitments: The Fund has entered into other agreements in the ordinary course of business with companies and other governmental agencies related to operations and maintenance. These agreements, which are significant, are funded with available and future revenues.

Note 9. Pensions and Other Post-Employment Benefits Other Than Pensions

The Fund participates in the Commission's cost-sharing multiple employers defined benefit pension plan administered by the California Public Employees' Retirement System and the Commission's OPEB. Employees of the Fund are employees of the Commission as a whole. The required note disclosures regarding pension plans and OPEB are included in the Commission's financial statements. Please see those financial statements for information about the pension plans and OPEB as a whole.

The net pension liability of \$131,173 and net OPEB asset of \$8,394, reported by the Fund, represent the Fund's proportional share of the Commission's net pension liabilities of \$3,321,856 and net OPEB asset of \$232,200. The Fund's net pension liabilities and OPEB assets each represent approximately 4% of the Commission's net pension liabilities and OPEB assets. For the year ended June 30, 2024, the Fund's contributions recognized as part of pension and OPEB expenses were \$104,610 and (\$12,280), respectively.

Note 10. Adoption of GASB Statement No. 101, Compensated Absences

As of July 1, 2023, the Fund adopted GASB Statement No. 101 *Compensated Absences*. The Statement requires the recognition of certain earned and accumulated leave balances, including salary-related payments. The Fund's professional judgment is that earned and accumulated leave balances, specifically related to sick leave, will more likely than not, be used, rather than cashed out as previously determined. Additionally, as required in the Statement, pension-related payments have been removed as this is encapsulated in GASB Statement No. 68, *Pensions* disclosure. Sick, vacation, and administrative hours earned and accumulated that have not been taken at year-end is reported as a long-term liability in the Fund. Beginning balances of compensated absences liabilities were restated to adopt the provisions of GASB Statement No. 101, *Compensated Absences* as follows:

| | |
|------------------------------------------------------|-----------------------|
| Net position at July 1, 2023, as previously reported | \$ 262,717,804 |
| Change in accounting principle | (36,901) |
| Net position at July 1, 2023, as adjusted | <u>\$ 262,680,903</u> |

15 Express Lanes Fund
Notes to Financial Statements
June 30, 2024

Note 11. Subsequent Events

On October 9, 2024, the Fund approved the payoff of the TIFIA Loan in full approximating \$173,734,100 which included the compounded interest amount through October 2024. The TIFIA Loan will be paid off with a combination of 15 Express Lanes toll revenues and established reserves, a contribution from Measure A, and establishment of a Measure A inter-fund loan to the I-15 Express Lanes totaling \$48,700,000. Annual payments are due for the inter-fund loan with the balance due in four fiscal years or by August 31, 2028. Also, the inter-fund loan is assessed interest annually, which is indexed to RCTC's portfolio rate of return at the Riverside County Treasurer-Tax Collector.

Note 12. Pronouncements Issued, Not Yet Effective

The GASB pronouncements issued prior to June 30, 2024 that have an effective date that may impact future financial presentations include:

- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025; and
- GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.



**Independent Auditor's Report on Compliance
With Aspects of Contractual Agreements**

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 31, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions or conditions of Sections 6.2(g) and 6.2(l) contained in the Reimbursement Agreement, dated October 1, 2014, with State Street Bank and Trust Company, a wholly-owned subsidiary of State Street Corporation, related to the Commercial Paper Notes (Limited Tax Bonds) Series A, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above-referenced terms, covenants, provisions or conditions of the Reimbursement Agreement, insofar as they relate to accounting matters.

The report is intended solely for the information and use of the Board of Commissioners and management of the Commission and State Street Bank and Trust Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California
October 31, 2024



**Independent Accountant's Report
on the Article XII-B Appropriations Limit Calculation**

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the Riverside County Transportation Commission (Commission) prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2024. The Commission's management is responsible for the Appropriations Limit Calculation.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Appropriations Limit Calculation and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the Commission's 2023-24 appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Commissioners. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Commissioners.

Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2023-24 appropriations limit.

Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in Procedure 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were found as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the Board of Commissioners.

Finding: No exceptions were found as a result of this procedure.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
October 31, 2024



Measure A Commuter Assistance Program
Agreed-Upon Procedures
June 30, 2024

Riverside County
Transportation Commission

Riverside County Transportation Commission
Measure A Commuter Assistance Program
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June 30, 2024

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Independent Accountant's Report

To the Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have performed the procedures enumerated below, on certain requirements of the Riverside County Transportation Commission's (Commission or RCTC) agreement with William Sale Partnership USA Inc. (WSP) to administer its Measure A Commuter Assistance Program (Program) for the year ended June 30, 2024. The Commission's management is responsible for the administration and operation of the Program.

As background information for this engagement to perform agreed-upon procedures, we were provided with: Resolution No. 22-002, Resolution of the Commission Amending Guidelines for the administration of the Measure A funded Commuter Incentive Programs, and Agreement No.15-41-038-00, Agreement for Commuter Assistance Program Graphic Design and Program Administration Services between WSP USA Inc. and the Commission, entered into as of June 1, 2015 for the period of June 1, 2015 to June 30, 2024, as amended per Amendments Nos. 1 to 6, and the Inland Empire (IE) Commuter Incentives Programs and Processes Standard Operating Procedures. In addition, we received an explanation of the WSP registration process with the employer and employee from staff at WSP.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assessing WSP's compliance with the agreement and we will report on findings based on the procedures performed.

This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtain an understanding of the Administration of the Measure A Commuter Assistance Program by reading Resolution No. 22-002, Resolution of the Commission Amending Guidelines for the Administration of the Measure A Funded Commuter Incentive Program.

Finding: No exceptions were found as a result of performing this procedure.

2. Obtain a listing of all disbursements to vendors and invoiced to the Commission for reimbursement by WSP for the purchase of gift cards for the year ending June 30, 2024, and haphazardly select a sample of 10 items for the year for the testing and report any findings (see Exhibit 1). The procedures related to Exhibit 1 are as follows:
 - a. Agree the amount recorded as disbursed by WSP to cancelled checks.
 - b. Agree the amount recorded as itemized in WSP invoices to the Commission's accounting records.
 - c. Agree the amount recorded and the payee on the Check Request Register to the log of requested gift cards maintained by WSP.

Finding: We noted there were 8 purchases made for the fiscal year. No exceptions were found as a result of performing these procedures.

3. Obtain the "Commission Payments by Employer" reports that list recorded disbursements made to recipients by WSP for the year and haphazardly select a sample of 10 items for the year for testing and report any findings (see Exhibit 2). Our procedures and findings related to Exhibit 2 are as follows:
 - a. Determine that the employer was registered by inspecting the Employer Partnership Agreement (EPA).
 - b. Determine that the employee was registered by inspecting the Incentive Application Form (Application).
 - c. Agree WSP's disbursements to the Application and observe proper approval of the Application.
 - d. Recalculate the number of days the employee participated in each rideshare mode and the incentive earned for each rideshare mode and agree those totals to the amounts listed on the monthly incentive claim form in order to mathematically check the monthly claim form.
 - e. Agree the daily amount per mode of transportation to the amount approved in the EPA.
 - f. Agree the recorded disbursement amount per the WSP Incentive Payment Report to the employer transmittal letter.

Finding: No exceptions were found as a result of performing these procedures.

4. Compare WSP's total gift card inventory balance as of June 30, 2023, to the inventory schedule which denotes the amount of gift cards on hand at that date and report the results. In addition, 100% of the gift cards as reported on the inventory schedule on June 30, 2024, will be selected for recount.

Finding: We met with the WSP Incentive Specialist virtually to conduct a gift card inventory of gift cards for Riverside County Service Authority for Freeway Emergencies (RC Safe), RCTC, and the San Bernardino County Transportation Authority (SBCTA) (all funded by RCTC). No exceptions were found as a result of performing this procedure.

| | Amazon | Stater Bros. | Target | Wal-Mart | Total |
|----------------------------------|-----------|--------------|-----------|----------|------------------|
| RC Safe | \$ 23,755 | \$ 7,390 | \$ 10,830 | \$ 2,000 | \$ 43,975 |
| RCTC Advantage Rideshare Program | 5 | 15,700 | 8,510 | 6,560 | 30,775 |
| SBCTA Option Rideshare Program | 30 | 460 | 30 | 590 | 1,110 |
| | | | | | <u>\$ 75,860</u> |

5. Confirm that the storage and security of gift cards by WSP is consistent with IE Commuter Standard Operating Procedures.

Finding: The Incentives Programs and Processes Standard Operating Procedures note that gift cards are secured in a safe. Monthly, the gift cards are manually counted by the Incentives Specialist and Manager where they are logged on the Monthly Inventory Spreadsheet. No exceptions were found as a result of performing these procedures.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the Commission's agreement with WSP to administer the Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and WSP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
October 31, 2024

Riverside County Transportation Commission
 Measure A Commuter Assistance Program
 Schedule of Selected Purchases of Gift Cards by the Contractor
 Fiscal Year Ended June 30, 2024

Exhibit 1

| <u>Check Date</u> | <u>Project</u> | <u>Vendor</u> | <u>Check Number</u> | <u>Amount</u> |
|-------------------|-------------------------------|---------------|---------------------|---------------|
| 06/14/2023 | IE Commuter Incentive Program | Amazon | 2625427 | \$ 27,500 |
| 06/14/2023 | IE Commuter Incentive Program | Stater Bros* | 4066375 | 4,496 |
| 06/14/2023 | IE Commuter Incentive Program | Amazon | 2625426 | 27,500 |
| 06/14/2023 | IE Commuter Incentive Program | Amazon | 2629119 | 2,500 |
| 6/15/2023 | IE Commuter Incentive Program | Target | 4069745 | 8,000 |
| 6/15/2023 | IE Commuter Incentive Program | Target | 4068144 | 7,500 |
| 6/19/2023 | IE Commuter Incentive Program | Stater Bros* | 4066376 | 9,999 |
| 6/19/2023 | IE Commuter Incentive Program | Stater Bros* | 4066377 | 2,498 |

* Gross amount of the gift cards purchased was \$17,735 as a discount was provided totaling \$742.

Riverside County Transportation Commission
 Measure A Commuter Assistance Program
 Schedule of Selected Employee Incentive Payments Made by the Contractor
 Fiscal Year Ended June 30, 2024

Exhibit 2

| Employer Name | Participant Initials | Incentive Type | Disbursement Date | Commute Mode | Amount |
|------------------------------------------------------|----------------------|----------------|-------------------|--------------|--------|
| ESRI | E.O. | Walmart | 5/29/2024 | Bike | \$120 |
| Cedars Sinai Medical Center | A.B. | Amazon | 2/21/2024 | Vanpool | 125 |
| Inland Empire Health Plan (IEHP) | C.L. | Target | 6/19/2024 | Carpool | 90 |
| NFI Industries | T.M. | Target | 6/19/2024 | Bus | 125 |
| Loma Linda University Health (LLUH) | C.K. | Stater Bros | 8/31/2023 | Walk | 125 |
| California State University San Bernardino (CSUSB) | L.P. | Amazon | 5/29/2024 | Carpool | 115 |
| California Department of Tax and Fees Administration | J.B. | Target | 1/24/2024 | Bus | 125 |
| Desert Regional Medical Center (DRMC) | S.H. | Amazon | 5/15/2024 | Walk | 125 |
| ARMTEC Defense Technologies | I.J.G. | Walmart | 6/19/2024 | Carpool | 125 |
| College of the Desert | A.S. | Amazon | 2/14/2024 | Bike | 125 |



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Mailing Address: P.O. Box 12008 • Riverside, CA 92502-2208
951.787.7141 • 951.787.7920 • www.rctc.org

October 31, 2024

Board of Commissioners
Riverside County Transportation Commission
Riverside, California

The Annual Comprehensive Financial Report (ACFR) of the Riverside County Transportation Commission (Commission) for the year ended June 30, 2024 is hereby submitted for your receipt and acceptance. The ACFR is presented in three sections consisting of Introductory, Financial, and Statistical. The Financial Section includes the audited financial statements and other supplementary information and the independent auditor's report on those financial statements. Management of the Commission is responsible for the financial statements and other information presented in the ACFR.

As the Executive Director and Chief Financial Officer of the Commission, we have reviewed the ACFR for the year ended June 30, 2024. Based on our knowledge, the ACFR does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the ACFR not misleading with respect to the period covered by the ACFR.

Additionally, based on our knowledge, the financial statements and other financial information included in the ACFR fairly present in all material respects the financial condition and results of operations of the Commission as of and for the year ended June 30, 2024.



Aaron Hake, Executive Director



Sergio Vidal, Chief Financial Officer



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October 31, 2024

Board of Commissioners
 Riverside County Transportation Commission
 Riverside, California

In connection with the submission of the Annual Comprehensive Financial Report (ACFR) of the Riverside County Transportation Commission (Commission) for the year ended June 30, 2024, as the management and Directors of the Commission, we understand that we are responsible for the operations and activities of the Commission's programs, projects, and administration.

Accordingly, we hereby make the following representations based upon our knowledge. We are responsible for establishing and maintaining controls and procedures related to these operations and activities. We have designed such controls and procedures to ensure that material information is made known to us, particularly during the year ended June 30, 2024. The controls and procedures have been effective for the year ended June 30, 2024 and through the date of this letter. There have been and are no significant deficiencies in the design or operation of internal controls regarding financial reporting for the same period which could adversely affect the Commission's ability to record, process, summarize and report financial data. There have been and are no material weaknesses in internal controls. There have been no significant changes in internal control or in other factors that could significantly affect internal controls subsequent to June 30, 2024.

Management also recognizes its responsibility for fostering a strong ethical climate so that the Commission's affairs are conducted according to the highest standards of personal and organizational conduct. In connection with this responsibility, we are not aware of any fraud, whether or not material, that involves management or other employees who have a significant role in the Commission's internal controls.

Aaron Hake

Aaron Hake, Executive Director

Sergio Vidal

Sergio Vidal, Chief Financial Officer

Lorelle Moe Luna

Lorelle Moe-Luna, Multimodal Services Director

Jennifer D Crosson

Jennifer Crosson, Toll Operations Director

Aaron Gabbe

Aaron Gabbe, Regional Conservation Director

David Knudsen

David Knudsen, Deputy Executive Director

Jillian Guizado

Jillian Guizado, Planning and Programming Director

David K Thomas


David Thomas, Toll Project Delivery Director

Erik W Galloway

Erik Galloway, Project Delivery Director


Lisa Mobley


Lisa Mobley, Administrative Services Director/Clerk of the Board


Signature: 
Email: lmobley@rctc.org

Signature: 
Email: jcrosson@rctc.org

Signature: 
Lorelle Moe-Luna (Oct 31, 2024 17:29 PDT)
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Signature: 
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Signature: 
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Signature: 
Email: ahake@rctc.org












2024 Director Certification









Final Audit Report

2024-11-05

| | |
|-----------------|----------------------------------------------|
| Created: | 2024-10-29 |
| By: | Sergio Vidal (svidal@rctc.org) |
| Status: | Signed |
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"2024 Director Certification" History

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-  Signer egalloway@rctc.org entered name at signing as Erik W Galloway
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 Agreement completed.

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October 31, 2024

To the Audit Ad Hoc Committee
Riverside County Transportation Commission
Riverside, California

We have audited the financial statements of the Riverside County Transportation Commission (Commission) as of and for the year ended June 30, 2024, and have issued our reports thereon dated as indicated below:

| <u>Report</u> | <u>Audit Report Date</u> |
|-----------------------------------------------|--------------------------|
| Annual Comprehensive Financial Report (ACFR) | October 31, 2024 |
| RCTC 91 Express Lanes Fund | October 31, 2024 |
| RCTC 15 Express Lanes Fund | October 31, 2024 |
| State Transit Assistance Fund | October 31, 2024 |
| Local Transportation Fund | October 31, 2024 |
| State of Good Repair Fund | October 31, 2024 |
| Low Carbon Transit Operations Program Account | October 31, 2024 |
| Single Audit | October 31, 2024 |

Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated July 8, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the Commission complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission’s major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the Commission’s major federal program compliance, is to express an opinion on the compliance for each of the Commission’s major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the Commission’s internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 31, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor’s Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated October 31, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” We have identified the following as significant risks.

- Management override
- Revenue recognition
- Net pension liability

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As discussed in Note 15 to the financial statements, the Commission has changed accounting policies related to accounting for compensated absences to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Net pension liabilities and related deferred inflows/outflows and expenses are based on actuarial valuations which include assumptions adopted by the California Public Employees' Retirement System (CalPERS).

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to:

- Net pension liabilities in Note 11 is sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed in Note 11, a 1% increase or decrease in the discount rate has a significant effect on the pension.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 15 to the financial statements, due to the adoption of GASB Statement No. 101, *Compensated Absences*, the Commission restated opening balances as of July 1, 2023. The purpose of the paragraph is to draw attention to the disclosures for the adoption of the standards update. We have included an emphasis of matter in our report regarding this restatement. We did not modify our opinions related to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 31, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Commission's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Additionally, in accordance with such standards, we have read the introductory and statistical sections of the Commission's annual report and considered whether such information, or the manner of its presentation was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Group Audits

The financial statements include the financial statements of the Service Authority for Freeway Emergencies (SAFE), a blended component unit of the Commission, which for the purposes of our audit we do not consider to be a significant component within the financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of SAFE and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and completion of further audit procedures.

This report is intended solely for the information and use of the Board of Commissioners, the Audit Ad Hoc Committee, and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

This report is intended solely for the information and use of the Board of Commissioners, the Audit Ad Hoc Committee, and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California



CPAs & BUSINESS ADVISORS

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

Communication With Those Charged With Governance

December 9, 2024

AUDIT SERVICES

- Audits of the following:
 - Annual Comprehensive Financial Report (Annual Report)
 - 91 Express Lanes Fund
 - 15 Express Lanes Fund
 - Local Transportation Fund (LTF)
 - State Transit Assistance Fund (STAF)
 - State of Good Repair Fund (SGR)
 - Low Carbon Transit Operations Program (LCTOP) Account
- Audit report on compliance over each major federal program, schedule of expenditures of federal awards and internal control in accordance with 2 CFR 200 (Single Audit)
- Reports on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards
- Report on compliance with aspects of contractual agreements – Commercial Paper
- Perform Agreed Upon Procedures (AUP) on the following:
 - Appropriations Limit Calculation
 - Measure A Commuter Assistance Program

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Express an opinion as to whether RCTC complied with direct and material compliance requirements described in the OMB Compliance Supplement for major federal programs.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting and over direct and material compliance requirements for major federal programs. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SUMMARY OF AUDIT RESULTS

Financial Statements

- Unmodified opinion on the Commission's Annual Report and stand-alone reports

Government Auditing Standards

- No material weaknesses or significant deficiencies were reported

Single Audit

- Unmodified opinion on compliance
- No material weaknesses, significant deficiencies or compliance findings were reported

AUDITOR COMMUNICATIONS

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- Summary of significant accounting policies – Note 1
- Adopted GASB 101, *Compensated Absences*, as of July 1, 2023-
Note 15

Significant Risks Identified

- Management override
- Revenue recognition
- Net pension liability

AUDITOR COMMUNICATIONS

Sensitive Estimate/Disclosure

- Net Pension Liability (Note 11)

Uncorrected Misstatements

- None noted

AUDITOR COMMUNICATIONS

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the course of the audit.

THANK YOU

Roger Alfaro

Partner

ralfaro@eidebailly.com

909.466.4410



CPAs & BUSINESS ADVISORS

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

AGENDA ITEM 6E

| RIVERSIDE COUNTY TRANSPORTATION COMMISSION | |
|---------------------------------------------------|--------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Tyler Madary, Legislative Affairs Manager |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | State and Federal Legislative Update |

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

State Update

State Legislature 2025-2026 Session and State Budget Outlook

The California Legislature reconvened on December 2 to swear-in more than two dozen new members and begin a special session. Newly elected representatives from Riverside County include Assemblymember Jeff Gonzalez (Coachella) and Assemblymember Leticia Castillo (Corona) representing Assembly Districts 36 and 58, respectively. Additionally, Senator Sabrina Cervantes (Riverside) was sworn-in to represent Senate District 31 following four terms of service in the Assembly. Committee assignments for newly elected officials have not been announced by Senate and Assembly leadership as of the publish date of this report.

The reconvening of the California Legislature formally kicks off its 2025-2026 session. Later this week, Governor Gavin Newsom is expected to release his budget proposal for Fiscal Year 2025-26. While the State is not projected to face significant shortfalls as was seen in FY 2024-25, the Legislative Analyst’s Office released a report on November 30 anticipating a deficit of \$2 billion in the next fiscal year. Staff will closely monitor the Governor’s budget proposal and potential impacts to transportation funding programs of interest.

Draft 2024 Climate Action Plan for Transportation Infrastructure (CAPTI) Actions

RCTC submitted its technical comments to the California State Transportation Agency (CalSTA) on the Draft 2024 CAPTI Actions ahead of the December 13, 2024 deadline (attached). In addition to comments provided by cities and residents across Riverside County as a result of RCTC’s engagement and public education, Commissioners Linda Molina of Calimesa and Wes Speake of

Corona joined Executive Director Aaron Hake in providing verbal comments at the California Transportation Commission (CTC) meeting in Riverside following a presentation by CalSTA.

On December 12, 2024, staff attended an annual meeting in Sacramento with legislative staff from regional transportation planning agencies (RTPA) from across the state. The purpose of the annual meeting is for RTPAs to share and discuss their legislative priorities for the upcoming year, and opportunities for collaboration. Staff from the Assembly Transportation Committee and Senate Transportation Committee were present for a portion of the meeting to share updates and hear RTPA priorities. During this discussion with committee staff, RCTC staff echoed comments made by Commissioners at the CTC meeting and recent RCTC meetings regarding RCTC's concerns about the Draft 2024 CAPTI Actions, the state's vehicle miles traveled (VMT) reduction goals, and the disproportionate impacts Riverside County residents would feel.

CalSTA is anticipated to release its final CAPTI Actions in early 2025. Staff will monitor for updates from CalSTA as well as the California Legislature, which could be prompted to introduce legislation.

Federal Update

On November 13, Senator John Thune of South Dakota was elected as the Senate Majority Leader for the next Congress. Leader-elect Thune succeeds Senate Minority Leader Mitch McConnell of Kentucky as the leader of the Senate Republican Conference and will succeed Senate Majority Leader Chuck Schumer of New York in the next Congress. On November 18, former Congress Member Sean Duffy of Wisconsin was nominated by President-elect Trump for the Secretary of Transportation. If confirmed by the Senate, Secretary-designate Duffy would succeed Secretary Pete Buttigieg, who has served in the Biden Administration since 2021. On December 9, Senator Adam Schiff was sworn in to the United States Senate to complete a partial term and will begin his full, six-year term this month. RCTC staff will engage Senator Schiff's office to provide an introduction and share RCTC's federal priorities, including advancing the Interstate 15 Express Lanes Project Southern Extension and the Coachella Valley Rail Project.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachment: RCTC Technical Comments on the Draft 2024 CAPTI Actions



4080 Lemon St. 3rd Fl. Riverside, CA 92501
Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
951.787.7141 • rctc.org

December 13, 2024

The Honorable Toks Omishakin
Secretary
California State Transportation Agency
400 Capitol Mall, Suite 2340
Sacramento, CA 95814

Subject: Draft 2024 CAPTI Actions Comment Letter

Dear Secretary Omishakin:

On behalf of the Riverside County Transportation Commission (RCTC), I express my gratitude for the opportunity you and your leadership team have provided for transportation stakeholders across California to weigh in on the California State Transportation Agency's (CalSTA) Draft 2024 Climate Action Plan for Transportation Infrastructure (CAPTI) Actions. Policies proposed to address our mounting challenges with transportation mobility, housing affordability, climate adaptation, and equity merit thorough vetting by all stakeholders throughout our diverse state. I specifically thank Undersecretary Mark Tollefson and Deputy Secretary Darwin Moosavi for their openness to dialogue and mutual understanding of both the shared and differing priorities of Governor Newsom's Administration and the public agencies representing the people of Riverside County. I am hopeful that following this comment period on CAPTI we can continue this constructive dialogue in the interest of transportation policy that lifts up all Californians.

RCTC strives to balance the need for resilient, multimodal infrastructure with functional roads and highways that move people and goods safely. RCTC, our local governments, and transit operators for decades have been on the forefront of reducing emissions of our public transit system, transformational active transportation projects, commuter rail, roadway pricing, safety, habitat conservation, and yes – general purpose roads. We have put our local self-help dollars into projects of all of the above modes and often with state partnership. However, the CAPTI draft actions would upend transportation programming in a manner that disproportionately impacts inland regions with less capacity to transition to alternative modes of transportation. The federal government ranks Riverside County in the 65th percentile for the ability of residents to get to where they need to go to meet their daily needs. More than half of Riverside County's residents live in disadvantaged census tracts, and these same residents face the greatest harm from the state's best intentions.

Riverside County sits at the crossroads of the state's transportation, housing, and climate action policies. Difficulty in achieving the state's goals in these areas is exacerbated by continuous population growth and the explosion of goods movement in our region from the Ports of Los Angeles and Long Beach. Congestion relief is ranked among the issues of greatest public concern in our region, with nearly one million of the 2.5 million Riverside County residents driving to work. With Riverside County expected to grow by 17% to 3 million residents over the next 25 years and mandated to plan for over 167,000 new housing units by 2029, our region is the key to statewide success for meeting housing needs.

Meeting these housing goals is in direct opposition to saddling the very transportation projects that support that growth with the costs of VMT neutrality and reduction, making them less competitive for state funding and more difficult to deliver. It would take decades and tens, if not hundreds, of billions of dollars to construct and operate an integrated public transportation system that Riverside County residents would need to get where they travel without a car. Reorienting

The Honorable Toks Omishakin
December 13, 2024
Page 2

which projects would be competitive for state funding without dramatically increasing state funding over the long term does not jumpstart Riverside County's transition to a multimodal future—all it does is delay or halt the transportation mobility improvements our residents need. We seek a **just transition** to multimodal transportation systems.

Furthermore, efforts to codify CAPTI Guiding Principles into statute are simply premature. The state must first study CAPTI's impacts on transportation mobility in regions across the state. Codifying any portion of CAPTI could tie the hands of agencies awarding transportation funding. Without consideration for project merits and regional needs, our projects may no longer be competitive, leaving our residents behind in traffic. Our communities need funding to support all transportation modes.

RCTC applauds CalSTA's efforts to promote the development of VMT mitigation banks and exchanges and to reevaluate how VMT analyses are conducted in rural areas to make the mitigation process more predictable and cost effective. While RCTC appreciates comments by CalSTA at the California Transportation Commission (CTC) meeting on December 5, 2024, expressing interest in moderating its VMT neutrality proposal for state funding programs, I caution against proposals to establish arbitrary goals for either an increasing percentage of program cycle funding to go to VMT neutral projects, or an increasing percentage of VMT mitigation to be required for program eligibility. Such approaches would still deal significant harm to the most disadvantaged residents of Riverside County. For them, time lost to traffic is all the more impactful. Please do not disregard their lived experiences.

RCTC values its partnership with CalSTA and understands its charge to help advance the state's ambitious climate action goals. However, I request that CalSTA's draft actions **meet RCTC and the communities we represent at the intersection of ambition and reality**. Enclosed for your consideration are detailed comments on the Draft 2024 CAPTI Actions. If you have questions regarding these comments, please do not hesitate to contact me at (951) 787-7141 or ahake@rctc.org. Thank you for your thoughtful consideration and I look forward to seeing you again soon.

Sincerely,



Aaron Hake
Executive Director

Enclosure: RCTC Comments on the Draft 2024 CAPTI Actions

RCTC Comments on the Draft 2024 CAPTI Actions

Strategy 1, Action: “Create a Caltrans Statewide Express Mobility Action Plan that defines the role of roadway pricing and includes equity-based best practices, in consultation with the Roadway Pricing Working Group and the interagency Equity Advisory Committee (EAC).”

- RCTC strongly requests that the California Toll Operators Committee (CTOC) be named a stakeholder of equal or greater standing in the development of a Caltrans Statewide Express Mobility Action Plan. CTOC is the forum for toll operators to discuss and resolve statewide tolling issues. CTOC has a track record of strong and productive collaboration with Caltrans and the Legislature on policy and operational issues. For example, CTOC thoughtfully engaged Assemblymember Ting throughout the development of AB 2594 (Chapter 969, Statutes of 2022) regarding how to best balance equitable toll charges and accessibility with the operational needs of tolled facilities across the state. Additionally, CTOC played a crucial role in providing input on Caltrans’ DD-43-R2 so that the directive would achieve the Department’s goals while also being something that could be practically implemented without chilling the development of toll facilities in California. To the extent the proposed Caltrans Statewide Express Mobility Action Plan interacts with any of these policies, RCTC requests that the plan follows this established model. The entities with the risk and responsibility of implementing toll facilities must be the prime stakeholders.

Strategy 1, Action: “Implement a comprehensive climate adaptation planning and delivery framework and corresponding performance targets at Caltrans.”

- The state’s current climate adaptation planning has placed an overwhelming focus on coastal resiliency. RCTC requests that future plans consider and incorporate the climate adaptation needs of inland regions, including wildfires, as well as extreme heat and the flooding of low water crossings in the Coachella Valley.
- When developing the 2024-2028 update to the Caltrans Strategic Management Plan, please consider the potential for increased project costs and the funding needed to implement these improvements for future projects, and that the established time frames to meet these goals are realistically set for regional transportation agencies to facilitate. RCTC requests that Caltrans avoid or minimize additional requirements during the planning and environmental document phases that could significantly lengthen project review time.
- Please provide greater detail on the intentions and anticipated outcomes of the objectives outlined in the last sentence of the description.

Strategy 2, Action: “Create a statewide VMT mitigation bank or exchange program that facilitates mitigation directly and/or assists regions in creating their own programs to deliver infill housing and other VMT-reducing projects as mitigation at scale.”

- RCTC applauds CalSTA’s efforts to promote the development of VMT mitigation banks and exchanges to make the mitigation process more predictable and cost effective, and looks forward to engaging in the process, considering that the Western Riverside County Council of Governments is developing a VMT mitigation exchange pilot program and the City of Riverside is developing a VMT mitigation bank program.
- RCTC requests flexibility in the application of “additionality” in the development of a statewide program or guidelines for regional programs when identifying existing VMT-reducing projects that were planned, programmed, or delivered since the enactment of SB 743 (Chapter 386, Statutes of 2013).
- As guidelines for local mitigation programs are developed along with a potential statewide program, RCTC requests that more guidance be provided regarding how projects may be included in a bank, including who approves it.
- RCTC has provided comments to Caltrans regarding the Transportation Analysis Framework and Transportation Analysis under the California Environmental Quality Act (CEQA) expressing concern regarding the use of infill housing as VMT mitigation. In regions such as Riverside County where many residents commute to job centers in Los Angeles, Orange, and San Diego counties, adding housing as a form of mitigation could contribute to more traffic congestion on highways and surface streets.

Strategy 2, Action: “Improve VMT analysis and mitigation guidance for rural projects to better account for the low VMT impact of many rural projects in consultation with rural stakeholders.”

- RCTC applauds CalSTA’s efforts to reevaluate how VMT analyses are conducted in rural areas to make the mitigation process more predictable, cost effective, and reflective of the needs of the communities the projects would serve.
- RCTC concurs that the implementation of VMT analysis and mitigation strategies in rural areas “require more nuanced guidance given the limited research,” and argues that the same is true for rural areas of metropolitan regions, as well as in areas of varying population density that may lack density of job centers, services, or sufficient transit options to incentivize mode shifts.
- RCTC strongly encourages Caltrans to conduct new studies to inform the update of SB 743 VMT analysis and mitigation guidance that are appropriate for a sliding scale of population densities. These studies should include analyses proposed in the August 19, 2024, version of SB 768 (Chapter 773, Statutes of 2024) prior to enactment, including:
 - “An analysis and comparison of how vehicle miles traveled impacts and mitigation measures are identified, measured, and deployed at the local, regional, and statewide level that shall include an exhaustive list of project types that are considered to increase capacity, induce vehicle miles traveled, or both. The analysis may include how the projected vehicle miles traveled is estimated for each mitigation strategy.”
 - “An analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, urban, and low vehicle miles traveled areas.”
 - “An inventory of the cost of vehicle miles traveled mitigation measures to projects thus far, including housing projects, and an analysis of whether the cost of those measures either indefinitely delayed, temporarily delayed, or necessitated the phasing of those projects.”
- In establishing a definition of “rural area” or other categories of population densities, RCTC cautions against a strict application of guidance by geographic boundaries, as a project could benefit a rural community but be adjacent to one of a higher density.
- Guidance should allow for more flexibility in use of travel demand modeling for rural areas.

Strategy 2, Action: “Update the Trade Corridor Enhancement Program (TCEP) guidelines to state that goods movement projects that mitigate their passenger VMT impacts are more competitive for funding.”

- RCTC questions this action’s consistency with established law.
- RCTC opposes draft actions seeking to deprioritize highway and road investments in SB 1 (Chapter 5, 2017) gas tax funding program guidelines, including TCEP. This draft action conflicts directly with the expectations of voters who affirmed the need for SB 1 funding in 2018 by rejecting Proposition 6.
- Adding VMT preferences to existing TCEP guidelines, no matter how well-intentioned, narrows the eligibility of projects that otherwise would meet the legislative intent of enhancing trade corridors. Furthermore, it could disadvantage inland regions if they do not have enough resources to fund increased VMT mitigation in order for a project to compete with applications from more resourced regions.
- RCTC respects and values its partnership with the California Transportation Commission (CTC), and the discretion that the CTC practices in its awarding of TCEP funding in a manner that considers the context of project merit and regional transportation mobility needs. This draft action would further tie the hands of the CTC to the detriment of the people of Riverside County.

Strategy 2, Action: “Update the Solutions for Congested Corridors Program (SCCP) guidelines to require that all applications state that they are VMT neutral in order to compete in the program, while continuing existing practice in guidelines to prioritize projects that reduce VMT.”

- RCTC questions this action’s consistency with established law.
- RCTC opposes draft actions seeking to deprioritize highway and road investments in SB 1 (Chapter 5, 2017) gas tax funding program guidelines, including SCCP. This draft action conflicts directly with the expectations of voters who affirmed the need for SB 1 funding in 2018 by rejecting Proposition 6.

- Adding VMT neutrality requirements to existing SCCP guidelines, no matter how well-intentioned, narrows the eligibility of projects that otherwise would meet the legislative intent of corridor congestion relief. Consider the VMT mitigation of the I-5 Express Lanes Project as a part of its CEQA review as an example: the project’s VMT mitigation cost was estimated at \$441 million, or \$14.2 million per lane mile. Despite that exorbitant cost, this only accounts for 26% mitigation of project VMT impacts. If that project was mitigated at 100%, then it would have cost \$54.6 million per lane mile, or nearly \$1.7 billion for VMT mitigation alone. Meeting this requirement is simply infeasible and would take vital projects out of consideration for SCCP, effectively killing projects without sufficient funding sources. This will negatively and disproportionately impact communities in need of congestion relief in regions where sufficient public transportation infrastructure does not exist, countering principles of equity. Furthermore, it could disadvantage inland regions if they do not have enough resources to fund increased VMT mitigation in order for a project to compete with applications from more resourced regions.
- RCTC urges caution when developing requirements for VMT neutrality across suites of projects in a given corridor. While the intention to consider corridor-wide context in order to provide flexibility is appreciated, it is important to consider that the timing of a given improvement’s planning and programming elsewhere in the corridor may not align with inclusion for consideration of a project application.
- The sheer cost of VMT reduction and VMT neutrality is only now beginning to be processed across the state, and formal studies must be conducted to understand its true cost, how those costs may vary by region, and how they may impact disadvantaged communities. These studies should include analyses proposed in the August 19, 2024, version of SB 768 (Chapter 773, Statutes of 2024) prior to enactment, including:
 - “An analysis and comparison of how vehicle miles traveled impacts and mitigation measures are identified, measured, and deployed at the local, regional, and statewide level that shall include an exhaustive list of project types that are considered to increase capacity, induce vehicle miles traveled, or both. The analysis may include how the projected vehicle miles traveled is estimated for each mitigation strategy.”
 - “An analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, urban, and low vehicle miles traveled areas.”
 - “An inventory of the cost of vehicle miles traveled mitigation measures to projects thus far, including housing projects, and an analysis of whether the cost of those measures either indefinitely delayed, temporarily delayed, or necessitated the phasing of those projects.”
- State Route 91 and the Metrolink rail corridor in Riverside County are specifically cited in the Legislature’s findings and declarations outlining the intent of SCCP in Section 43 of SB 1. These corridors provide Riverside County residents with vital access to Los Angeles and Orange counties. With state support, RCTC investments have ranged from establishing and expanding a regional express lanes network and delivering needed interchange improvements, to extending Metrolink service into the Perris Valley. Work continues with the planning and development of the Coachella Valley Rail Project to establish daily intercity rail service, as well as the Mead Valley Metrolink Station, which just received a Transit and Intercity Rail Capital Improvement Program award. However, these capital improvements take years to deliver, and securing sufficient funding for the institution or increase of passenger rail service must also be considered. Beyond these improvements, it would take decades and billions upon billions of dollars to construct and operate an integrated public transportation system that Riverside County residents would need to get where they need to go without a car. Until then, we cannot abandon mobility improvements required now on the highway system to maintain resident access to job centers.
- RCTC respects and values its partnership with the CTC and the discretion that the CTC practices in its awarding of SCCP funding in a manner that considers the context of project merit and regional transportation mobility needs. This draft action would further tie the hands of the CTC to the detriment of the people of Riverside County.

Strategy 3, Action: “Continue strengthening existing Senate Bill 1 (SB 1) program guidelines to better account for environmental justice impacts of projects.”

- RCTC takes community engagement and environmental justice impacts seriously. RCTC requests the involvement of regional transportation planning agencies as this action is further developed to avoid new requirements that are impractical without improving outcomes in local disadvantaged communities, especially those that rely on SB 1 funding for mobility improvements for all modes.

- Community engagement has already been detailed in guidance issued by Caltrans. RCTC requests that the CTC ensure that these new community engagement requirements tied to SB 1 funds do not conflict with existing guidance.
- Additionally, engagement requirements should be specific to stakeholders that reside near, and are impacted by, the proposed project.

Strategy 3, Action: “Improve technical assistance to Tribal governments by reviewing existing services and programs, consulting with Tribal governments on needs, and revising or expanding existing services or programs through partnerships to address needs.”

- RCTC supports improved technical assistance to tribal governments and requests that current established AB 52 (Chapter 532, Statutes of 2014) consultation guidance and requirements are reviewed to prevent conflicting approaches to tribal input and consultation.

Strategy 3, Action: “Create a Caltrans Directors Policy focused on displacement caused by projects on the State Highway System with the intent to avoid future housing takings, particularly in disadvantaged communities.”

- Avoiding unnecessary displacement is a priority of RCTC’s, but how would this draft action affect how agencies conduct right-of-way acquisition, if at all?
- If implemented, this draft action may require development of a procedure to explain what can be considered as justifiable for displacement.
- Any new policy must be consistent with established state and federal laws.

Strategy 4, Action: “Create a public and searchable database of Caltrans projects under development.”

- Please specify "Caltrans projects" in the second line of the description.

Strategy 4, Action: “Codify CAPTI Guiding Principles in statute to ensure continuation of CAPTI in future administrations.”

- RCTC opposes this draft action and any effort to codify any portion of CAPTI. From its inception, CAPTI has been characterized by Governor Newsom and CalSTA as a “living” document. Indeed, CalSTA does so again in the third line of the description. Governor Newsom has vetoed previous legislation to codify CAPTI, citing Assembly Bill 2438 (Friedman, 2022) as “unnecessary.” The Governor went on to state in his veto message:
 - “CalSTA is committed to reviewing outcomes and integrating public feedback in future years to make modifications to CAPTI, as necessary, to meet the needs of the statewide transportation system. Linking these programs in statute to a specific iteration of this plan inhibits the state's ability to appropriately respond to the evolution of the state's response to climate change.”

RCTC agreed with the Governor when he said this in 2022 and we agree with his statement today.

- Before the state considers codifying CAPTI, RCTC believes the state must first study CAPTI’s impacts on transportation mobility in regions across the state. These studies should include analyses proposed in the August 19, 2024, version of SB 768 (Chapter 773, Statutes of 2024) prior to enactment, including:
 - “An analysis and comparison of how vehicle miles traveled impacts and mitigation measures are identified, measured, and deployed at the local, regional, and statewide level that shall include an exhaustive list of project types that are considered to increase capacity, induce vehicle miles traveled, or both. The analysis may include how the projected vehicle miles traveled is estimated for each mitigation strategy.”
 - “An analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, urban, and low vehicle miles traveled areas.”
 - “An inventory of the cost of vehicle miles traveled mitigation measures to projects thus far, including housing projects, and an analysis of whether the cost of those measures either indefinitely delayed, temporarily delayed, or necessitated the phasing of those projects.”
- RCTC is concerned that codifying any portion of CAPTI could tie the hands of state agencies awarding transportation funding. Without consideration for project merits and regional needs, our projects will no longer be competitive,

leaving our residents behind with insufficient transportation systems. Our communities need funding to support all transportation modes.

Strategy 4, Action: “Launch another CAPTI outcomes study to continue evaluation of climate, equity and economic outcomes of CAPTI investments.”

- This draft action does not appear to make any meaningful improvements on the scope and methodology of the first CAPTI outcomes study, which was not sufficiently inclusive of regional transportation planning agencies and was too narrow in focus regarding its evaluation of equity and economic outcomes. If a study is to be conducted, it should study the economic impacts of CAPTI actions to achieve the statewide 30% VMT reduction goal, changes in commute and travel times for the public, impacts to goods and freight movement, and changes in highway safety accidents.
- If conducted, these studies should also include analyses proposed in the August 19, 2024, version of SB 768 (Chapter 773, Statutes of 2024) prior to enactment, including:
 - “An analysis and comparison of how vehicle miles traveled impacts and mitigation measures are identified, measured, and deployed at the local, regional, and statewide level that shall include an exhaustive list of project types that are considered to increase capacity, induce vehicle miles traveled, or both. The analysis may include how the projected vehicle miles traveled is estimated for each mitigation strategy.”
 - “An analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, urban, and low vehicle miles traveled areas.”
 - “An inventory of the cost of vehicle miles traveled mitigation measures to projects thus far, including housing projects, and an analysis of whether the cost of those measures either indefinitely delayed, temporarily delayed, or necessitated the phasing of those projects.”

AGENDA ITEM 7

| RIVERSIDE COUNTY TRANSPORTATION COMMISSION | |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Technical Advisory Committee Edward Emery, Senior Management Analyst Jillian Guizado, Planning and Programming Director |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | Article 3 Bicycle and Pedestrian Facilities Program Update |

TECHNICAL ADVISORY COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the revised Transportation Development Act (TDA) Article 3, or Senate Bill 821 (SB 821), Fiscal Year (FY) 2025/26 Call for Projects Guidelines, including the Evaluation Criteria.

BACKGROUND INFORMATION:

SB 821 is a discretionary program administered by the Commission to fund local bicycle and pedestrian projects. The program is funded through the Local Transportation Fund (LTF), a one-quarter percent of the state sales tax. Each year, two percent of LTF revenues are set aside for the SB 821 program, and every odd-numbered year the Commission conducts a competitive call for projects in which all local agencies within the county can submit applications. Eligible projects include construction of bicycle lanes, sidewalks, Americans with Disabilities Act curb ramps, and the development of bicycle and pedestrian master plans.

DISCUSSION:

During the FY 2023/24 SB 821 Call for Projects, staff received constructive feedback from applicants and evaluators relating to general program policies, the application, and the scoring metrics. On September 18, 2023, July 15, 2024, and September 16, 2024, staff discussed this feedback with the Technical Advisory Committee (TAC) and drafted revisions to the SB 821 guidelines and scoring metrics based on the discussions. The TAC approved these revisions at its November 18, 2024, meeting.

The proposed revisions are summarized in Table 1 and redlined in the Attachment. The TAC and staff recommend approval of the proposed changes. Upon Commission adoption, the guidelines will be implemented for the FY 2025/26 Call for Projects, to be released on February 3, 2025. Similar to the previous calls for projects, applications will be submitted online; hardcopies will

not be required. The applications will be due to the Commission April 24, 2025, by 5:00 PM. Projects recommended for approval are anticipated to be presented at the June 2025 Commission meeting.

Table 1: SB 821 Summary of Recommended Changes

| Evaluation Criteria | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Criteria and <i>Comment Received</i> | Proposed Changes |
| Destinations Served – 14 points max, 2 points per destination; for pedestrian projects, destinations are within ¾ mile or less, for bicycle projects, destinations are within 2 miles or less. <i>Update radii and language to better represent the distances individuals are willing to walk/bike.</i> | Destinations Served – 14 points max, 2 points per type of destination; for pedestrian projects, destinations are within ½ mile or less , for bicycle projects, destinations are within 1 mile or less . |
| Safety – 15 points max. <i>Update language to reduce subjectivity.</i> | Safety – 15 points max. Broke out the current question into 3 sub-questions , to improve clarity: 1) Severity of existing safety hazard; 2) Safety countermeasures; and 3) Safety benefits. Each sub-question is worth 5 points. <i>See Safety section found on page 3 of Attachment for more information.</i> |
| Multimodal Access – 6 points max; for pedestrian projects, destinations are within ¾ mile or less, for bicycle projects, destinations are within 2 miles or less. <i>Update radii and language to better represent the distances individuals are willing to walk/bike.</i> | Multimodal Access – 6 points max; for pedestrian projects, destinations are within ½ mile or less , and for bicycle projects, destinations are within 1 mile or less . |
| Matching Funds – 10 points max. <i>Update language for clarity.</i> | Matching Funds – 10 points max; matching funds can include non-SB 821 funds previously spent on pre-construction phases. |
| Call for Projects Guidelines | |
| Class III Bicycle Lanes - TDA Article 3 policy requires funds to be spent on projects exclusively benefiting pedestrians and bicyclists. Facilities like Class III bicycle lanes are dual-purpose and serve both bicyclists and motor vehicles. <i>Update guidelines.</i> | Class III Bicycle Lanes - Update the 2025 SB 821 Guidelines to clarify Class III bicycle lane project funding is limited to striping and signage improvements. |

Attachment: Draft SB 821 FY 2025/26 Biennial Call for Projects Guidelines with redline edits



TDA Article 3 (SB 821) Bicycle and Pedestrian Facilities

Biennial Call for Projects Guidelines

FY 2025/26



Background/Funding Capacity:

TDA Article 3, or SB 821, the Bicycle and Pedestrian Facilities Program, is provided through the Transportation Development Act (TDA), funded through a ¼ cent of the general sales tax collected statewide. The TDA provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance (STA). The LTF provides funding for essential transit and commuter rail services, TDA Article 3/SB 821 and planning. Each year, two percent of the LTF revenue is made available for use on bicycle and pedestrian facility projects through TDA Article 3/SB 821 program. This is a discretionary program administered by the Commission. Based on the FY 2024/25 mid-year adjustments, FY 2025/26 apportionments, and project savings, the amount available for programming in the 2025 TDA Article 3/SB 821 Call for Projects is an estimated \$tbd.

Eligible Applicants:

Per TDA, Riverside County cities and the County are eligible to submit applications.

Each city is eligible to submit up to three applications, and Riverside County is eligible to submit two applications per Supervisory District.

Each application is limited to a maximum request of 10% of the current Call for Projects programming capacity. For this cycle, each application is limited to \$tbd.

For total award, each agency is limited to 20% of the current Call for Projects programming capacity. For this cycle, each agency is limited to \$tbd.

Program Schedule:

The SB 821 Call for Projects occurs on a biennial basis, with a release date on the first Monday in February and a close date on the last Thursday in April. Per Commission’s Article 3/SB 821 adopted policies, awardees receiving an allocation have 36 months from award, defined as July 1 of the Call for Projects fiscal year cycle to complete construction and submit final claim forms. Where substantial progress or compelling reason for delay can be shown, awardees may be granted time extensions in twelve-month increments at the discretion of the Executive Director.

Calendar

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>February 3, 2025</i> | <i>Call for Projects released. Guidelines and application available on Commission webpage and Rivtrack.</i> |
| <i>February 4 – April 17, 2025</i> | <i>One-on-One Sessions on program eligibility and guidance with RCTC Staff are available on requests. Submit requests to Jenny Chan (jchan@rctc.org) and Edward Emery (eemery@rctc.org).</i> |
| <i>April 24, 2025 @ 5:00 p.m.</i> | <i>Proposals due to RCTC via Rivtrack.</i> |
| <i>April 23, 2025</i> | <i>Evaluation Committee preliminary meeting</i> |
| <i>May 14, 2025</i> | <i>Evaluation Committee meets to discuss scores of proposals</i> |

| | |
|-------------------------|--------------------------------------------------------------------------------|
| <i>June (TBD), 2025</i> | <i>Present recommended funding allocation to Commission for project award.</i> |
| <i>July 1, 2025</i> | <i>Project Start</i> |
| <i>October 1, 2025</i> | <i>Deadline to Execute MOU with Commission</i> |
| <i>July 1, 2028</i> | <i>Project Completion</i> |

Eligible Projects:

Per TDA and RCTC policies, eligible projects include:

- 🚲 Construction, including related engineering expenses, of bicycle and pedestrian facilities, or for bicycle safety education programs.
- 🚲 Maintenance of bicycling trails, which are closed to motorized traffic.
- 🚲 Maintenance and repairs of Class I off-street bicycle facilities only.
- 🚲 Restriping Class II bicycle lanes.
- 🚲 Facilities provided for the use of bicycles that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are available.
- 🚲 Development of comprehensive bicycle and pedestrian plans (limitations apply). Plans must emphasize bike/pedestrian facilities that support utilitarian bike/pedestrian travel rather than solely recreational activities.
- 🚲 Funding for Class III bicycle lane projects is limited to the cost of the lane striping and signage improvements directly related to bicycles. Pavement rehabilitation is not an eligible expense for Class III bicycle lane projects

Temporary facilities, projects in the bid process, or projects that are under construction will not be funded.

One-on-One Sessions:

RCTC Staff is available for one-on-one sessions with interested applicants to discuss project eligibility, scoping and any other program guidance. Sessions will occur between February 4 to April 17, 2025. Please note, applications are due on April 24, 2025, at 5:00 P.M.

Please contact Jenny Chan (jchan@rctc.org)/(951) 787-7924) and Edward Emery (eemery@rctc.org)/(951) 787-7968) to schedule a one-on-one session.

Project Proposal Submittal Process:

The FY25/26 SB 821 Call for Projects guidelines will be posted on the Commission webpage at <http://rctc.org/sb821call> on Monday, February 3, 2025. Project proposals are due on Thursday, April 24, 2025, by 5:00 p.m.

Submit completed project applications through [Rivtrack](#). Applicants are required to register an account with Rivtrack or utilize their existing Rivtrack account. Please note, draft applications can be saved in Rivtrack before submitting to RCTC.

Training to submit an application in Rivtrack is available here: [Module 3 Submit Grant Application.mp4](#)

Please contact Jenny Chan (jchan@rctc.org/(951) 787-7924) and Edward Emery (eemery@rctc.org/(951) 787-7968) if you have any questions regarding the submittal process or for any other questions.

Evaluation Criteria:

DESTINATIONS SERVED (14 pts) – Two points will be awarded for each type of destination served by the proposed project (e.g. employment center, school/college, retail center, downtown area, park or recreation facility, library, museum, government office, medical facility, restaurant) up to a maximum of 14 points.

- For pedestrian projects, destinations served must be within a 1/2-mile or less radius of the proposed project.

For bicycle projects, destinations served must be within a one-mile or less radius of the proposed project. *Applicant must include map listing all destinations served. Map must include the respective radius around the project location. A map without the marked buffer will receive half of its eligible points.*

SAFETY (15 pts) – The extent to which the proposed project will increase safety for the non-motorized public or how the project will reduce the number of non-motorized fatalities and serious injuries.

- Points (5) will be given on the severity of the existing safety hazard at the project location to demonstrate project need.

Examples include: no existing shoulder within project limits, no existing/planned sidewalk or bike route/lane/path adjacent to the project; and/or by providing documented pedestrian/bicycle collision history,, most current and valid 85th percentile speed of motorized traffic in project limits, photos of existing safety hazards project will address, existing pedestrian/bicycle traffic counts, and/or student attendance figures for school served by the project. Projects proposed in areas with lower collision history should provide details describing the safety need for the project or provide collision or safety information from a similar adjacent street.

- Points (5) will be given for safety countermeasures or safety enhancement features included in the project scope. Provide an explanation of how each countermeasure will improve safety for bicyclists and pedestrians.
 - Examples of acceptable safety countermeasures and enhancements include rectangular rapid flashing beacons, bicycle boxes, and curb extensions. For more examples see <https://safety.fhwa.dot.gov/provencountermeasures/>. The use of countermeasures not appearing on the FHWA list of proven countermeasures must include a detailed description of why the countermeasure is needed and how it will improve safety for non-motorized travel.
- Points (5) will be given based on the potential of the proposed project to provide safety benefits to the non-motorized public. Applicant should draw from responses in the prior safety sections. Discuss the considerations made when evaluating and determining the type of bicycle or pedestrian facility for the project corridor.. Why was Class I selected over Class IV, why was Class II considered over Class III?

MULTIMODAL ACCESS (6 pts) – One point will be awarded for each transit route, Metrolink station, or park and ride facility that will have improved accessibility by bicyclists and pedestrians, because of the project. Points will also be awarded for addressing each gap in sidewalks, bicycle lanes, or crosswalks leading to improved connectivity for non-motorized travel.

- For pedestrian projects, transit stops served must be within a 1/2 mile or less radius of the proposed project.
- For bicycle projects, transit stops served must be within a one-mile or less radius of the proposed project.

Applicant must include map listing all locations with improved access. Map must include the respective radius around the project location. A map without the marked buffer will receive half of its eligible points.

MATCHING FUNDS (10 pts) – One point is awarded for each 5% of match provided by the local agency, for a maximum of 10 points at a 50% match. Matching funds includes non-SB 821 funds spent on pre-construction phases. **Supporting documentation of proposed match must be included.*

POPULATION EQUITY (5 pts) – Points for population equity is calculated by RCTC Staff. Population equity is scored by comparing the agency’s total SB 821 allocation received in the last ten fiscal years versus the agency’s share based on per capita basis. RCTC Staff calculates the ratio between the two factors and assigns points based on the table below.

| |
|-----------------------------------------------------------|
| <p>Ratio of Total Allocation to Per Capita</p> |
|-----------------------------------------------------------|

| | |
|-------------|----------|
| 0.80 – 0.99 | 1 Point |
| 0.60 – 0.79 | 2 Points |
| 0.40 – 0.59 | 3 Points |
| 0.20 – 0.39 | 4 Points |
| 0 – 0.19 | 5 Points |

The equity table for the 2025 SB 821 Call for Projects is provided below.

| Agency | Share | Points | Population | Percent Population |
|-----------------------|--------------|---------------|-------------------|---------------------------|
| Banning | 0.47 | 3 | 31,213 | 1.28% |
| Beaumont | 0.5 | 3 | 57,416 | 2.35% |
| Blythe | 0 | 5 | 15,575 | 0.64% |
| Calimesa | 0 | 5 | 10,867 | 0.44% |
| Canyon Lake | 0 | 5 | 10,832 | 0.44% |
| Cathedral City | 2.5 | 0 | 50,911 | 2.08% |
| City of Eastvale | 0.77 | 2 | 68,884 | 2.82% |
| City of Jurupa Valley | 1.02 | 0 | 104,721 | 4.29% |
| Coachella | 4.29 | 0 | 43,173 | 1.77% |
| Corona | 0.43 | 3 | 156,615 | 6.41% |
| Desert Hot Springs | 2.77 | 0 | 32,654 | 1.34% |
| Hemet | 0.95 | 1 | 89,663 | 3.67% |
| Indian Wells | 23.77 | 0 | 4,797 | 0.20% |
| Indio | 0.51 | 3 | 90,680 | 3.71% |
| La Quinta | 0.63 | 2 | 38,370 | 1.57% |
| Lake Elsinore | 1.88 | 0 | 71,452 | 2.93% |
| Menifee | 1.44 | 0 | 111,560 | 4.57% |
| Moreno Valley | 0.75 | 2 | 207,146 | 8.48% |
| Murrieta | 0 | 5 | 109,177 | 4.47% |
| Norco | 0.31 | 4 | 25,068 | 1.03% |
| Palm Desert | 0.14 | 5 | 50,889 | 2.08% |
| Palm Springs | 1.35 | 0 | 43,791 | 1.79% |
| Perris | 0.45 | 3 | 79,311 | 3.25% |
| Rancho Mirage | 4.93 | 0 | 16,992 | 0.70% |
| Riverside County | 0.87 | 1 | 405,366 | 16.60% |
| Riverside, City of | 0.73 | 2 | 316,690 | 12.97% |
| San Jacinto | 0.81 | 1 | 53,538 | 2.19% |
| Temecula | 0.62 | 2 | 108,700 | 4.45% |
| Wildomar | 4.54 | 0 | 36,327 | 1.49% |

Evaluation Committee:

The SB 821 evaluation committee will be comprised of a minimum of five evaluators representing a wide range of interests and geographic areas, such as: accessibility, bicycling, Coachella Valley, Western Riverside, public transit, and the region. Staff, consultants, and other representatives from agencies submitting project proposals will not be eligible to participate on the evaluation committee that year.

Allocation:

Based on the results of the evaluation committee's scores, staff will develop a recommended funding allocation. Starting from the highest ranked project on the list, the full amount requested will be allocated until a project cannot be fully funded. Unfunded projects will be placed on a contingency list and may be awarded if additional funding becomes available.. The contingency list will remain effective until the next call for projects opens. The allocation recommendation will be presented to the Commission for final approval on June 18, 2025.

If a project cannot be fully funded, RCTC may recommend partial funding for award.

If there is insufficient funding to award all projects with the same score, RCTC may recommend funding based on, in order of priority, safety question, then construction readiness.

Memorandum of Understanding:

Per Commission's SB 821 adopted policies, awardees receiving an allocation have 36 months upon award, defined as July 1 of the Call for Projects fiscal year cycle to complete construction and submit final claim forms. Memorandum of Understandings (MOU) shall be executed by October 1, 2025. A sample MOU is provided in Exhibit A.

Where substantial progress or compelling reason for delay can be shown, awardees may be granted time extensions in twelve-month increments at the discretion of the Executive Director. Extension requests will be submitted to RCTC via Rivtrack.

Claims:

The claim form is to be used to claim reimbursement for approved SB 821 projects. Adequate supporting documentation substantiating the cost of the claim is required. Supporting documentation are: before and after pictures of project site, copy of notice of completion, and copies of paid invoices from project contractor. Claims will be submitted to RCTC via Rivtrack.

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR FUNDING UNDER SB 821 BICYCLE AND PEDESTRIAN FACILITIES
PROGRAM**

(Transportation Development Act Article 3; Senate Bill 821)

This Funding Agreement (“Agreement”) is entered into as of _____, 2025 (“Effective Date”), by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION (“RCTC”) and xxxxxxxx (“RECIPIENT”). RCTC and RECIPIENT may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

- A. RCTC is a county transportation commission created and existing pursuant to California Public Utilities Code Sections 130053 and 130053.5.
- B. Under RCTC’s SB 821 Bicycle and Pedestrian Facilities Program (“PROGRAM”), cities and counties in the County of Riverside are notified of the availability of PROGRAM funding and a call for projects (“CALL FOR PROJECTS”) is anticipated to be issued biennially by RCTC.
- C. On February 3rd, 2025, a CALL FOR PROJECTS was published by RCTC seeking applications for FY 2025/26 PROGRAM funding, which applications were reviewed in accordance with the applicable evaluation criteria included in the CALL FOR PROJECTS.
- D. Based on the application attached as Attachment 1 and incorporated herein by this reference, RECIPIENT has been selected to receive PROGRAM funding for its proposed xxxxxxxxxxxxxxxx (“PROJECT”).
- E. Funding for the Project shall be provided pursuant to the terms contained in this Agreement and pursuant to applicable PROGRAM policies adopted by RCTC, which are attached hereto and incorporated herein as Attachment 2.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants and consideration contained herein, the Parties mutually agree as follows:

- 1. Incorporation of Recitals. The Parties acknowledge and agree that the above recitals are true and correct, and hereby incorporate those recitals by this reference into the Agreement.
- 2. RCTC Funding Amount. RCTC hereby agrees to distribute to the RECIPIENT, on the terms and conditions set forth herein, a sum not to exceed xxxxxxxxxxxxxxxx Dollars (\$xxx,xxx), to be used exclusively for reimbursing the RECIPIENT for eligible expenses as described herein (“Funding Amount”). RECIPIENT acknowledges and agrees that the Funding Amount may be less than the actual and final cost of the PROJECT, which final costs are the sole responsibility of RECIPIENT, and RCTC will not contribute PROGRAM funds in excess of

the maximum authorized in this Section 2 unless otherwise mutually agreed to in writing by the PARTIES. In the event the FUNDING AMOUNT is not fully utilized by RECIPIENT for the PROJECT, the unused FUNDING AMOUNT must be returned to RCTC within ninety (90) ninety days of a written request by RCTC unless RECIPIENT can demonstrate in writing, subject to written approval by RCTC in its sole discretion, the following: (i) valid reason for why PROJECT costs were significantly lower than the estimate included in RECIPIENT's attached application for funding, and (ii) written proposal for how any unused FUNDING AMOUNT will be used for a proposal to support the PROJECT or other use that supports the goals and requirements of the PROGRAM.

2.1 Eligible Project Costs. Reimbursement for PROJECT costs ("REIMBURSEMENT") may only include those items expressly allowed for under Article 3 of the Transportation Development Act (California Public Utilities Code section 99200 *et seq.*), which provides that funding shall be allocated for the construction, including related engineering expenses, of facilities based on the PROGRAM policies adopted by RCTC, provided that such items are included in the scope of work included in the application, attached as Attachment 1 ("SCOPE OF WORK"). All PROJECT costs not included in the SCOPE OF WORK and not expressly permitted under Article 3 of the Transportation Development Act and the PROGRAM policies shall be considered ineligible for REIMBURSEMENT. In the event the SCOPE OF WORK needs to be amended, RECIPIENT shall submit a scope change request electronically via RCTC's online tracking and reporting system known as the Rivtrack system and accessible at <https://rivtrack.rctc.org/> ("Rivtrack system"). The electronically submitted scope change request must include the reasons for the requested change and confirmation that costs associated with the proposed amendment are eligible for PROGRAM reimbursement. Such request is subject to written approval by RCTC, in RCTC's sole discretion.

In the event of any ambiguity between this AGREEMENT, PROGRAM policies, and applicable law, the following order of precedence will govern: (1) applicable law; (2) PROGRAM policies; (3) this AGREEMENT. In the case of any conflict between this Agreement and any of its attachments, the body of this Agreement shall govern. Notwithstanding the foregoing, in the case of a conflict, the most stringent requirement shall govern, unless prohibited by applicable law or otherwise agreed upon by RCTC.

2.2 Timing for Project Completion. In accordance with the PROGRAM policies attached hereto as Attachment 2, RECIPIENT has thirty-six (36) months to complete the PROJECT from the date of this AGREEMENT, unless otherwise agreed to in writing by the PARTIES. If the PROJECT is not completed within 36 months, RCTC shall have the sole discretion to delete the PROJECT from the PROGRAM and reprogram the funding for future approved PROGRAM projects. RECIPIENT will not be reimbursed until the PROJECT is accepted as complete by RCTC following the submission of the PROGRAM funding claim form completed electronically via the Rivtrack system. In the event additional time is needed for the completion of the PROJECT, RECIPIENT may submit a time extension request electronically via the Rivtrack system. Before and after PROJECT photographs must be uploaded with the CLAIM FORM upon PROJECT completion, as well as copies of paid invoices and any other backup requested for repayment and audit purposes.

2.3 Cost Savings. In the event that bids or proposals for the PROJECT are lower than anticipated, or there are cost savings for any other reason, the Funding Amount shall be reduced

through an amendment to the AGREEMENT. RECIPIENT shall inform RCTC of any cost savings and any cost savings shall be returned to RCTC or may be reprogrammed with written approval by RCTC for other RECIPIENT projects that align with the PROGRAM. No PROGRAM funding may be used for projects not approved by RCTC. If RECIPIENT provides a local match commitment and there are cost savings on the PROJECT, RCTC will still be reimbursed at the matching ratio as presented in the Project application despite such cost savings in accordance with PROGRAM policies.

2.4 No Funding for Temporary Improvements. Only segments or components of improvements that are intended to form part of or be integrated into the PROJECT may be funded by PROGRAM funds. No improvement(s) which is/are temporary in nature, including but not limited to temporary lanes, curbs, or drainage facilities, shall be funded with PROGRAM funds except as needed for staged construction of the PROJECT.

2.5 Review and Reimbursement by RCTC. Upon submission into Rivtrack, of the final detailed invoice from the RECIPIENT clearly documenting work completed and corresponding costs, RCTC may request additional documentation or explanation of the SCOPE OF WORK costs for which reimbursement is sought. Undisputed amounts shall be paid by RCTC to the RECIPIENT within thirty (30) days. In the event that RCTC disputes the eligibility for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. Additional details concerning the procedure for the RECIPIENT's submittal of invoices to RCTC and RCTC's consideration and payment of submitted invoices are set forth in Attachment 2.

2.6 Recipient's Funding Obligation to Complete the Work; Limitation of RCTC Obligations. In the event that the PROGRAM funds allocated to the SCOPE OF WORK represent less than the total cost of the PROJECT, RECIPIENT shall be solely responsible for providing such additional funds as may be required to complete the PROJECT. RCTC has no obligation with respect to the safety of any work performed under the SCOPE OF WORK, for the PROJECT, or at a PROJECT site. Further, RCTC shall not be liable for any action of RECIPIENT or its contractors relating to the condemnation of property undertaken by RECIPIENT or construction related to the PROJECT.

2.7 Recipient's Obligation to Repay Program Funds to RCTC. In the event it is determined, whether through a post-completion audit or otherwise, the PROJECT was not completed in accordance with the PROGRAM requirements or this AGREEMENT, RECIPIENT agrees that any PROGRAM funds distributed to RECIPIENT for the PROJECT shall be repaid in full to RCTC. The Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism which may include, but is not limited to, withholding of Measure A Local Streets and Roads revenues, if applicable. RECIPIENT acknowledges and agrees that RCTC shall have the right to withhold any Measure A Local Streets and Roads revenues due to RECIPIENT, in an amount not to exceed the total of the PROGRAM funds distributed to RECIPIENT, and/or initiate legal action to compel repayment, if the RECIPIENT fails to repay RCTC within a reasonable time period not to exceed one hundred eighty (180) days, including any good faith negotiations, from receipt of written notification from RCTC that repayment is required due to failure to comply with the PROGRAM policies or this AGREEMENT.

2.8 Records Retention and Audits. RECIPIENT shall retain all PROJECT records in an organized manner for a minimum of three (3) years following completion of the PROJECT. PROJECT records shall be made available for inspection by RCTC upon request. If a post PROJECT audit or review indicates that RCTC has provided reimbursement to the RECIPIENT in an amount in excess of the FUNDING AMOUNT set forth in Section 2, or has provided reimbursement of ineligible PROJECT costs, the RECIPIENT shall reimburse RCTC for the excess or ineligible payments within thirty (30) days of notification by RCTC. This Section 2.9 does not supersede any rights or remedies provided to RCTC under Section 2.8 or applicable law.

3. Recipient's Local Match Contribution. RECIPIENT shall provide at least xxxxxxxxxxxx Dollars (\$xxx,xxx) of funding toward the SCOPE OF WORK, as indicated in Recipient's application attached as Attachment 1 and submitted to RCTC in response to its Call for Projects. RECIPIENT costs related to (i) preparation and administration costs related to invoices, billings and payments; (ii) any RECIPIENT fees attributed to the processing of the SCOPE OF WORK; and (iii) expenses for items not included within the attached SCOPE OF WORK shall be borne solely by the RECIPIENT and shall not qualify towards RECIPIENT's local match requirement in this Section 3.

(Note: Include this Section only if RECIPIENT identified Local Match funds in its Project Nomination Form.)

4. Term: The term of this Agreement shall be from the date first herein above written until: (i) the date RCTC formally accepts the PROJECT as complete, pursuant to Section 2.2; (ii) termination of this Agreement pursuant to Section 14; or (iii) RECIPIENT has fully satisfied its obligations under this Agreement. All applicable indemnification and insurance provisions of this Agreement shall remain in effect following the termination of this Agreement.

5. Recipient Responsibilities. RECIPIENT shall be responsible for all aspects of the PROJECT, in compliance with all applicable state and federal laws, including: (i) development and approval of plans, specifications and engineer's estimate in accordance with all applicable laws, regulations and building codes; obtaining any necessary environmental clearances; right of way acquisition; and, obtaining all permits required by impacted agencies prior to commencement of the PROJECT; (ii) all aspects of procurement, contracting, and administration of the contracts and claims for the PROJECT; (iii) all construction management of any construction activities undertaken in connection with the PROJECT, including surveying and materials testing; and, (iv) development of a budget for the PROJECT and SCOPE OF WORK prior to award of any contract for the PROJECT, taking into consideration available funding, including PROGRAM funds.

6. Indemnification. RECIPIENT shall defend, indemnify and hold RCTC, its officials, governing board members, officers, employees, agents, and consultants free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property, persons or government funding agency, including wrongful death, arising out of or incident to any intentional or negligent acts, errors or omissions of the RECIPIENT, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of this AGREEMENT, the

PROJECT or the SCOPE OF WORK. RECIPIENT'S obligation to indemnify includes without limitation the payment of all consequential damages and reasonable attorneys' fees, expert witness fees and other related costs and expenses of defense. RECIPIENT shall defend, at its own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against RCTC, its officials, officers, employees, agents, and consultants in connection with this AGREEMENT. RECIPIENT shall pay and satisfy any judgment, award or decree that may be rendered against RCTC, its officials, officers, employees, agents, and consultants in any such suits, actions or other legal proceedings, including any settlement. RECIPIENT's obligation to indemnify shall not be restricted to insurance proceeds. The indemnity obligation shall not apply to the extent of any negligence or willful misconduct of RCTC, its officials, officers, employees, agents, and consultants. This section shall survive the expiration or termination of this Agreement.

7. Expenditure of Funds by Recipient Prior to Execution of Agreement. recipient may commence the Project starting July 1, 2025, and costs incurred following such date will be eligible for reimbursement under this Agreement, provided they otherwise meet the requirements herein, and provided that this AGREEMENT is executed no later than October 1, 2025.
8. Compliance with Applicable Laws and Insurance. RECIPIENT agrees to comply with all applicable laws and regulations, including public contracting laws, requirements for any local state or federal funding used, and records retention and performance reporting requirements concerning the SCOPE OF WORK and PROJECT, which applicable laws and regulations shall be passed on to contractors by RECIPIENT as applicable. RECIPIENT shall have the responsibility of making sure the appropriate amounts of insurance are included in all applicable agreements for the construction of the PROJECT and RCTC shall be named as an Additional Insured on all insurance certificates obtained for the completion of the PROJECT. PROJECT insurance funds shall be looked to first for the repayment of any claims determined to have merit.
9. Representatives of the Parties. RCTC's Executive Director, or his or her designee, shall serve as RCTC's representative and shall have the authority to act on behalf of RCTC for all purposes under this AGREEMENT. RECIPIENT's representative shall be the individual identified in the Project application as RECIPIENT'S representative to RCTC. RECIPIENT'S representative, or designee, shall have the authority to act on behalf of RECIPIENT for all purposes under this AGREEMENT and shall coordinate all activities with RCTC concerning the SCOPE OF WORK under the RECIPIENT's responsibility. RECIPIENT shall work closely and cooperate fully with RCTC's representative and any other agencies which may have jurisdiction over or an interest in the PROJECT.
10. Monitoring of Progress by RCTC. RECIPIENT shall allow RCTC's designated representative, or designee, to inspect or review the progress of the work at any reasonable time with prior written notice by RCTC. RCTC may request that the RECIPIENT provide RCTC with progress reports concerning the status of the SCOPE OF WORK and PROJECT completion.
11. Binding on Successors in Interest. Each and every provision of this AGREEMENT shall be binding and inure to the benefit of the successors in interest of the Parties. Due to the specific

obligations contemplated herein, this AGREEMENT may not be assigned by any Party hereto except with the prior written consent of the other Party.

12. Independent Contractors. Any person or entities retained by RECIPIENT or any contractor shall be retained on an independent contractor basis and shall not be employees of RCTC. Any personnel performing services on the PROJECT shall at all times be under the exclusive direction and control of the RECIPIENT or contractor, whichever is applicable. The RECIPIENT or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the SCOPE OF WORK and as required by law. The RECIPIENT or contractor shall be responsible for all reports and obligations concerning such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

13. Conflicts of Interest. For the term of this AGREEMENT, no member, officer or employee of RECIPIENT or RCTC, during the term of his or her service with RECIPIENT or RCTC, as the case may be, shall have any direct interest in this AGREEMENT, or obtain any present or anticipated material benefit arising therefrom.

14. Termination. This AGREEMENT may be terminated for cause or convenience as further specified below.

14.1 Termination for Convenience. Either RCTC or RECIPIENT may, by written notice to the other party, terminate this Agreement, in whole or in part, for convenience by giving thirty (30) days' written notice to the other party of such termination and specifying the effective date thereof.

14.2 Effect of Termination for Convenience. In the event that RECIPIENT terminates this Agreement for convenience, RECIPIENT shall, within 180 days, repay to RCTC in full all PROGRAM funds provided to RECIPIENT under this AGREEMENT. In the event that RCTC terminates this Agreement for convenience, RCTC shall, within 90 days, distribute to the RECIPIENT PROGRAM funds in an amount equal to the aggregate total of all unpaid invoices which have been received from RECIPIENT regarding the SCOPE OF WORK for the PROJECT at the time of the notice of termination; provided, however, that RCTC shall be entitled to exercise its rights under Section 2.6, including but not limited to conducting a review of the invoices and requesting additional information from RECIPIENT. This Agreement shall terminate upon receipt by the non-terminating party of the amounts due it under this Section 14.

14.3 Termination for Cause. Either RCTC or RECIPIENT may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other Party of such termination and specifying the effective date thereof. The written notice shall provide a thirty (30) day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

14.4 Effect of Termination for Cause. In the event that RECIPIENT terminates this Agreement in response to RCTC's uncured material breach hereof, RCTC shall, within ninety (90) days, distribute to the RECIPIENT PROGRAM funds in an amount equal to the aggregate total of all

unpaid invoices which have been received from RECIPIENT regarding the SCOPE OF WORK for the PROJECT at the time of the notice of termination. In the event that RCTC terminates this Agreement in response to the RECIPIENT's uncured material breach hereof, the RECIPIENT shall, within one hundred eighty (180) days, repay to RCTC in full all PROGRAM funds provided to RECIPIENT under this AGREEMENT. Notwithstanding termination of this AGREEMENT by RCTC pursuant to this Section 14.4, RCTC shall be entitled to exercise its rights under Section 2.6, including but not limited to conducting a review of the invoices and requesting additional information. This Agreement shall terminate upon receipt by the terminating Party of the amounts due it under this Section 14.4.

14.5 No Program Funding. In the event that RCTC determines there are inadequate PROGRAM funds for whatever reason, RCTC shall have the right to immediately terminate the AGREEMENT with written notice to RECIPIENT. In the event that RCTC terminates this Agreement under this Section 14.5, RCTC shall, within 90 days, distribute to the RECIPIENT PROGRAM funds in an amount equal to the aggregate total of all unpaid invoices which have been received from RECIPIENT regarding the SCOPE OF WORK for the PROJECT at the time of the notice of termination; provided, however, that RCTC shall be entitled to exercise its rights under Section 2.6, including but not limited to conducting a review of the invoices and requesting additional information from RECIPIENT.

14.6 Cumulative Remedies. The rights and remedies of the Parties provided in this Section 14 are in addition to any other rights and remedies provided by law or under this Agreement.

15. Notice. All notices hereunder shall be in writing and shall be effective upon receipt by the other Party. All notices and communications between the Parties to this AGREEMENT shall be addressed as set forth below and provided by any of the following methods (i) personally delivered; (ii) sent by electronic mail, with a subject line clearly identifying this AGREEMENT, read receipt requested, and a cc: provided to the identified staff; (iii) sent by first-class mail, return receipt requested; or (iv) sent by overnight express delivery service with postage or other charges fully prepaid. Notwithstanding the foregoing, notices of dispute or termination sent by electronic mail must be followed by hard copy mailed notice to be effective. Notwithstanding the foregoing, invoices and requests for changes to the SCOPE OF WORK, shall be submitted through the Rivtrack system as specified in this AGREEMENT.

TO RCTC:

Aaron Hake
Executive Director
RCTC
4080 Lemon Street, 3rd Floor
Riverside, California 92501
Phone: (951) 787-7141
e-mail: ahake@rctc.org

TO RECIPIENT:

NAME
TITLE
AGENCY
ADDRESS
ADDRESS
(xxx) PHONE
EMAIL

cc: eemery@RCTC.org

Any party may update its address and contact information by providing written notice of the new information to the other Parties in accordance with this Section 15.

16. Prevailing Wages. RECIPIENT is alerted to the requirements of California Labor Code Sections 1770 *et seq.*, which require the payment of prevailing wages where the SCOPE OF WORK or any portion thereof is determined to be a “public work,” as defined therein. RECIPIENT shall ensure compliance with applicable prevailing wage requirements by any person or entity hired to perform the SCOPE OF WORK or any portion thereof falling within the definition of “public work.” RECIPIENT shall defend, indemnify, and hold harmless RCTC, its officers, employees, consultants, and agents from any claim or liability, including without limitation reasonable attorneys’ fees, arising from any failure or alleged failure to comply with California Labor Code Sections 1770 *et seq.* on the PROJECT.

17. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sexual orientation, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

18. Entire Agreement. This AGREEMENT embodies the entire understanding and agreement between the Parties pertaining to the matters described herein and supersedes and cancels all prior oral or written agreements between the Parties with respect to these matters. Each Party acknowledges that no Party, agent or representative of the other Party has made any promise, representation or warranty, express or implied, not expressly contained in this AGREEMENT, that induced the other Party to sign this document. Modifications to this AGREEMENT shall be in the form of a written amendment executed by authorized representatives of the Parties to be bound.

19. Governing Law; Venue and Severability. This AGREEMENT shall be governed by, and be construed in accordance with, the laws of the State of California. Venue shall be in Riverside County. If any portion of this AGREEMENT is found to be unenforceable by a court of law with appropriate jurisdiction, the remainder of the AGREEMENT shall be severable and survive as binding on the Parties.

20. Attorneys’ and Other Fees. If any legal action is initiated for the enforcement/interpretation of this AGREEMENT, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this AGREEMENT, the successful or prevailing party shall be entitled to recover reasonable attorneys’ fees, witness fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled as determined by a court of law or appointed decider under alternative legal proceedings.

21. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

22. Section Headings and Interpretation. The section headings contained herein are for convenience only and shall not affect in any way the interpretation of any of the provisions contained herein. The AGREEMENT shall not be interpreted as being drafted by any Party or its counsel.
23. No Waiver. Failure of RCTC to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions in this AGREEMENT shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power provided under applicable law.
24. Time of Essence. Time is of the essence for each and every provision of this AGREEMENT.
25. Counterparts. This AGREEMENT may be executed in any number of counterparts, each of which shall be deemed to be an original, but all which together will constitute but one agreement.
26. Form of Signatures. A manually signed copy of this Agreement which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes. This Agreement may be signed using an electronic signature.
27. Survival. All rights and obligations under this AGREEMENT that by their nature are to continue after any expiration or termination of this AGREEMENT shall survive any such expiration or termination.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE
TO
AGREEMENT NO. XX-62-XXX-00
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR FUNDING UNDER SB 821 BICYCLE AND PEDESTRIAN FACILITIES
PROGRAM**

IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be signed by their duly authorized representatives as of the Effective Date.

RCTC

RECIPIENT

[INSERT NAME]

By: _____
Aaron Hake, Executive Director

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

Best, Best & Krieger LLP

By: _____

By: _____
General Counsel to RCTC

Name: _____

Title: _____

ATTACHMENT 1

(RECIPIENT APPLICATION FOR FUNDING)

ATTACHMENT 2

(PROGRAM POLICIES)

RIVERSIDE COUNTY TRANSPORTATION COMMISSION TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 BICYCLE AND PEDESTRIAN FACILITIES PROGRAM ADOPTED POLICIES

Transportation Development Act Policies

1. Up to 5% of Article 3 apportionment can be used to supplement other funding sources used for bicycle and safety education programs; the allocation cannot be used to fully fund the salary of a person working on these programs.
2. Article 3 money shall be allocated for the construction, including related engineering expenses, of the facilities, or for bicycle safety education programs.
3. Money may be allocated for the maintenance of bicycling trails, which are closed to motorized traffic.
4. Facilities provided for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are available.
5. Within 30 days after receiving a request for a review from any city or county, the transportation-planning agency shall review its allocations.
6. Up to 20 percent of the amount available each year to a city or county may be allocated to restripe Class II bicycle lanes.
7. A portion of each city's allocation may also be used to develop comprehensive bicycle and pedestrian plans. Plans must emphasize bike/pedestrian facilities that support utilitarian bike/pedestrian travel rather than solely recreational activities; a maximum of one entire allocation per five years may be used for plan development.
8. Allowable maintenance activities for the local funds are limited to maintenance and repairs of Class I off-street bicycle facilities only.

RCTC Policies

1. The SB 821 Call for Projects will occur on a biennial basis, with a release date of the first Monday of every other February and a close date of the last Thursday of every other April, beginning in 2015.
2. If a project cannot be fully funded, RCTC may recommend partial funding for award. To handle tiebreakers, RCTC will use, in terms of priority, the safety question first then construction readiness.
3. Agencies awarded funds will not be reimbursed for any project cost overruns.
4. Agencies being awarded an allocation will be reimbursed in arrears only upon submitting adequate proof of satisfactory project completion. Claims need to include: the

- claim form, copies of paid invoices, a copy of the Notice of Completion (NOC), and photographs of the completed project.
5. The allocated amount represents the maximum amount eligible for reimbursement. For projects completed under the allocated amount, the agency will be reimbursed at the matching ratio as presented in the application.
 6. An agency will have thirty-six (36) months from the time of the allocation to complete the project. There will be no time extensions granted unless the reason for the delay can be demonstrated. Where substantial progress or a compelling reason for delay can be shown, the agency may be granted administrative extensions in twelve-month increments at the discretion of the Executive Director.
 7. Any programmed and unused Article 3 Program funds will be forfeited unless that agency can a) utilize the unused funds to complete projects that are the same or similar in scope and/or are contiguous to the approved project or b) apply the funds to a project previously submitted under an Article 3 call for projects and approved by the Commission, subject to Executive Director approval.
 8. Design and construction of facilities must conform to the general design criteria for non-motorized facilities as outlined in the Caltrans Highway Design Manual.
 9. Temporary facilities, projects in the bid process, or projects that are under construction will not be funded.
 10. The SB 821 evaluation committee will be comprised of a minimum of five evaluators representing a wide range of interests; such as: accessibility, bicycling, Coachella Valley, public transit, and the region. Staff, consultants, and other representatives from agencies submitting project proposals will not be eligible to participate on the evaluation committee that year.
 11. Following each call, staff will monitor the equity of allocations to Coachella Valley versus Western Riverside County; the allocation should be relative to what the Coachella Valley's share would have been if distributed on a per capita basis (the percentage of funds applied for should also be taken into consideration). If the allocation is often found to be inequitable to the Coachella Valley, staff will recommend adoption of a new policy to correct the imbalance.
 12. Certain costs at times associated with bicycle/pedestrian projects are not eligible when the benefit provided is not the exclusive use of bicyclists/pedestrians, such as: curb and gutter as part of roadway drainage system, driveway ramps installed across sidewalks, and where roadway design standards require a roadway shoulder width that is at least as wide as a standard bike lane.
 13. For each Call for Projects, a city is eligible to submit up to three (3) applications, and the County of Riverside is eligible to submit up to two (2) applications per Supervisorial District.
 14. Each application is limited to a maximum request of 10% of the current Call for Projects programming capacity.
 15. Total award to one jurisdiction is limited to 20% of current Call for Project's programming capacity.

16. Awarded agencies can commence reimbursable project activities on July 1 of the Call for Project fiscal year cycle. E.g.: for FY 25/26 Call for Projects, reimbursable work starts on July 1, 2025.
17. Awarded agencies have until October 1 of the Call for Project fiscal year cycle to execute the Memorandum of Understanding (MOU) with RCTC. E.g.: for FY 25/26 Call for Projects, MOUs must be executed by October 1, 2025

DRAFT

AGENDA ITEM 8

| RIVERSIDE COUNTY TRANSPORTATION COMMISSION | |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DATE: | January 8, 2025 |
| TO: | Riverside County Transportation Commission |
| FROM: | Technical Advisory Committee Edward Emery, Senior Management Analyst Jillian Guizado, Planning and Programming Director |
| THROUGH: | Aaron Hake, Executive Director |
| SUBJECT: | Active Transportation Program Cycle 7 – Metropolitan Planning Organization Component – Selection Criteria for Riverside County Applications and Riverside County Project Recommendations |

TECHNICAL ADVISORY COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the 20-points distribution methodology selection criteria for the Metropolitan Planning Organizations’ (MPO) Regional Program Guidelines for Active Transportation Program (ATP) Cycle 7 and all future ATP cycles; and
- 2) Approve the ATP Cycle 7 list of recommended projects and contingency list in Riverside County for MPO adoption in the amount of \$4,437,000.

BACKGROUND INFORMATION:

ATP is a highly competitive statewide program that funds bicycle and pedestrian facilities and programs to enhance or encourage walking and biking. The California Transportation Commission (CTC) awards 50 percent of the funds at the statewide competitive level, 10 percent to small urban and rural regions, and 40 percent at the large MPO level. The ATP process allows applicants two opportunities for award – at the statewide level and the large MPO level. As part of the sequential project selection, projects are first evaluated statewide and those that are not ranked high enough for statewide funding are automatically provided a second opportunity for funding through the large MPO share. As the MPO, Southern California Association of Governments (SCAG) is required to work with county transportation commissions, the CTC, and Caltrans to develop its regional program recommendations.

Budget Cut to ATP

On August 15, 2024, the CTC adopted the amended 2025 ATP fund estimate, indicating a \$400 million reduction from the original estimate of \$568 million. The remaining fund balance of \$168 million will be distributed as follows:

- Statewide competition: \$84.3 million
- Small urban and rural region: \$16.8 million
- MPO component: \$67.4 million

SCAG’s portion of the MPO component is \$35 million, of which \$4.6 million is targeted for Riverside County.

ATP Cycle 7 Statewide Recommendations and Schedule

The Statewide component project funding recommendations were adopted by the CTC on December 5, 2024. No Riverside County projects were recommended for award in the Statewide competition due to the very small amount of funding available. Table 1 summarizes the ATP Cycle 7 schedule:

Table 1: ATP Schedule

| | |
|--------------------------------------------------------------------------------------|-------------------|
| Environmental Documents Due to RCTC for MPO Component | January 8, 2025 |
| Commission Considers 20-points Methodology and MPO Component Funding Recommendations | January 8, 2025 |
| County Transportation Commissions Submit Recommended Project Lists to SCAG | February 5, 2025 |
| County Transportation Commissions’ 20-points Methodology Due to SCAG | February 5, 2025 |
| MPO Component Draft Project Funding Recommendations Due to CTC | February 21, 2025 |
| MPO Component Final Project Funding Recommendations Due to CTC | April 22, 2025 |
| MPO Component Project Funding Recommendations Adopted by CTC | June 26, 2025 |

DISCUSSION:

SCAG is required to work with county transportation commissions to develop its ATP MPO Guidelines. As such, SCAG allows each county transportation commission to assign up to 20 points to the CTC’s project scores to award projects at the MPO level. Each county transportation commission in the SCAG region is responsible for developing its guidance and methodology for assigning the 20 points. For ATP Cycle 7, the Commission will have approximately \$4.6 million, of which, \$4.4 million is available to award implementation projects. Similar to past cycles, the SCAG share is split 95 percent for implementation projects and five percent for Non-Infrastructure (NI) projects and plans. For Cycle 7, the five percent share supplemented SCAG’s Sustainable Communities Program (SCP), and funded non-State awarded NI, planning, or Quick-Build projects. Agencies had the option to apply directly to SCAG’s SCP Program during a separate call for projects that was released in July 2024. On December 5, 2024, the SCAG Regional Council adopted the recommended projects list for the SCP Program. The City of Banning was awarded \$895,000, considerably more than Riverside County’s population-based fair share funding target of \$234,000.

On July 13, 2022, the Commission approved the 20-point distribution methodology for ATP Cycle 6. The methodology allowed the Commission to meet its goal of funding projects that are construction ready and giving additional points to agencies that invested in pre-construction activities. For Cycle 7, staff recommends retaining the previous Commission-approved points distribution with no changes. To

streamline the process, staff also recommends approving the methodology for use in all future ATP cycles. The 20-point distribution is shown in Table 2.

Table 2: 20-Points Distribution

| | Criteria | Points |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Requesting construction-only funding | 6 |
| 2. | Construction funding in the first three years of programming | 4 |
| 3. | PA/ED completed – either CEQA, NEPA, or both | 7 or |
| 3a. | PA/ED started – either CEQA, NEPA, or both (partial funding) | 3 |
| 4. | Projects identified in WRCOG Sub-regional Active Transportation Plan or CVAG Active Transportation Plan; or an adopted local active transportation plan, bike or pedestrian master plan, or Safe Routes to School Plan | 3 |

Projects were evaluated based on the submitted ATP Cycle 7 applications to the CTC. Preliminarily, Project Approval/Environmental Document (PA/ED) completion was evaluated based on the status presented in the ATP application. The requested California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) signature page was used to confirm project PA/ED completion. The Commission will request state-only funding for projects with completed CEQA, but there is no guarantee the request will be fulfilled by the CTC.

Upon Commission approval of the 20-points distribution methodology selection criteria and list of recommended projects and contingency list, staff will forward the methodology and recommended projects list to SCAG as required by the SCAG ATP Regional Guidelines. All projects will remain on the contingency list until the start of the next cycle. In the event additional Cycle 7 funding becomes available, projects on the contingency list will be considered in order, starting with the highest scoring project.

FISCAL IMPACT:

There is no fiscal impact to the Commission.

Attachment: ATP Cycle 7 MPO Component Recommended Projects and Contingency List

| MPO Funded Implementation Projects (RECOMMENDED) | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------|--------------------|-------------|-----------------------------|--------|----------|-------|-----------|----------|--------|-----------|-----------|-----------|-----------|-----------|-------------|------------|----------------|-------------------------|------------------------------|---------------|
| Total Capacity: \$4.437M | | | | | | | | | | | | | | | | | | | | | | |
| Agency | Application # | Project Name | Total Project Cost | ATP Request | Recommended Funding Amount | PA/ED | PS&E | ROW | CON | CON-NI | PLAN | 25/26 | 26/27 | 27/28 | 28/29 | MPO Score | STATE Score | MPO points | CON-Only 6 pts | CON first 3 years 4 pts | PAED done/started 3 or 7 pts | In Plan 3 pts |
| City of Coachella | 8-Coachella, City of-1 | Connecting Coachella | \$ 22,574 | \$ 19,148 | \$ 2,548 | - | \$ 2,150 | \$ - | \$ - | \$ 398 | | \$ 2,548 | \$ - | \$ - | - | 109 | 95 | 14 | 0 | 4 | 7 | 3 |
| County of Riverside, Transportation Department | 8-Riverside County-3 | Monroe Street & Interstate-10 Interchange Active Transportation Improvements Project | \$ 128,739 | \$ 4,935 | \$ 1,889 | - | - | \$ - | \$ 1,889 | - | | \$ 1,889 | \$ - | \$ - | - | 107.5 | 87.5 | 20 | 6 | 4 | 7 | 3 |
| TOTAL | | | \$ 151,313 | \$ 24,083 | \$ 4,437 | | | | | | | | | | | | | | | | | |
| Contingency List - Unfunded Projects | | | | | | | | | | | | | | | | | | | | | | |
| Agency | Application # | Project Name | Total Project Cost | ATP Request | Recommended Funding Amount | PA/ED | PS&E | ROW | CON | CON-NI | PLAN | 25/26 | 26/27 | 27/28 | 28/29 | MPO Score | STATE Score | MPO points | CON-Only 6 pts | CON first 3 years 4 pts | PAED done/started 3 or 7 pts | In Plan 3 pts |
| City of Coachella | 8-Coachella, City of-1 | Connecting Coachella | \$ 22,574 | \$ 19,148 | Partial-Keep on contingency | - | \$ 2,150 | \$ - | \$ 16,600 | \$ 398 | | \$ 2,548 | \$ 16,600 | \$ - | - | 109 | 95 | 14 | 0 | 4 | 7 | 3 |
| County of Riverside, Transportation Department | 8-Riverside County-3 | Monroe Street & Interstate-10 Interchange Active Transportation Improvements Project | \$ 128,739 | \$ 4,935 | Partial-Keep on contingency | - | - | \$ - | \$ 4,935 | - | | \$ 4,935 | \$ - | \$ - | - | 107.5 | 87.5 | 20 | 6 | 4 | 7 | 3 |
| City of Eastvale | 8-Eastvale, City of-2 | Improvement of Trail Network Connectivity Project | \$ 27,832 | \$ 21,988 | | - | - | \$ - | \$ 20,606 | \$ 1,382 | | \$ 21,988 | \$ - | \$ - | - | 103 | 83 | 20 | 6 | 4 | 7 | 3 |
| City of Temecula | 8-Temecula, City of-1 | Temecula Creek South Side Trail | \$ 9,289 | \$ 6,967 | | - | - | \$ - | \$ 6,967 | - | | \$ 6,967 | \$ - | \$ - | - | 101.5 | 81.5 | 20 | 6 | 4 | 7 | 3 |
| City of Hemet | 8-Hemet, City of-1 | East Menlo Avenue Pedestrian Improvements and Bicycle Connectivity | \$ 9,052 | \$ 7,151 | | - | - | \$ - | \$ 7,151 | - | | - | \$ 7,151 | \$ - | - | 100 | 80 | 20 | 6 | 4 | 7 | 3 |
| City of Banning | 8-Banning, City of-1 | City of Banning Downtown Active Transportation Improvement Project | \$ 24,419 | \$ 23,266 | | \$ 815 | \$ 3,260 | \$ - | \$ 19,191 | - | | \$ 815 | \$ 3,260 | \$ 19,191 | - | 99 | 92 | 7 | 0 | 4 | 0 | 3 |
| Riverside County Transportation Department | 8-Riverside County-1 | Thermal and Oasis Sidewalk and Trail Project | \$ 26,833 | \$ 20,933 | | - | - | \$ - | \$ 20,933 | - | | - | \$ - | \$ - | \$ 20,933 | 98 | 82 | 16 | 6 | 0 | 7 | 3 |
| City of Jurupa Valley | 8-Jurupa Valley, City of-1 | Pedley Elementary School Pedestrian Improvements | \$ 2,658 | \$ 2,648 | | - | \$ 150 | \$ - | \$ 2,238 | \$ 260 | | \$ 150 | \$ 2,498 | | | 91 | 87 | 4 | 0 | 4 | 0 | 0 |
| City of Jurupa Valley | 8-Jurupa Valley, City of-2 | Galena Street Improvement Project | \$ 8,788 | \$ 7,028 | | - | \$ 727 | \$ - | \$ 6,301 | - | | \$ 727 | \$ 6,301 | \$ - | - | 91 | 84 | 7 | 0 | 4 | 0 | 3 |
| City of Moreno Valley | 8-Moreno Valley, City of-4 | Juan Bautista de Anza Multi-Use Trail Project - Street Lighting | \$ 2,659 | \$ 2,659 | | \$ 50 | \$ 300 | \$ - | \$ 2,309 | - | | \$ 350 | \$ 2,309 | \$ - | | 86.5 | 79.5 | 7 | 0 | 4 | 0 | 3 |
| Riverside County Transportation Department | 8-Riverside County-2 | Salton Sea Multi-Benefit Trail Network | \$ 14,981 | \$ 11,981 | | - | \$ 1,200 | \$ - | \$ 10,781 | - | | - | \$ 1,200 | \$ - | \$ 10,781 | 85 | 82 | 3 | 0 | 0 | 0 | 3 |
| CVAG | Association of Governments-1 | CV SAFE (Safe Active Transportation For Everyone) | \$ 3,429 | \$ 2,116 | | \$ - | \$ - | \$ - | \$ - | \$ 2,116 | | \$ 2,116 | \$ - | \$ - | \$ - | 82 | 82 | 0 | 0 | 0 | 0 | 0 |
| RivCo PH | 8-Riverside University Health System-1 | RUHS-Public Health Safe Routes for All - Riverside | \$ 885 | \$ 885 | | \$ - | \$ - | \$ - | \$ - | \$ 885 | | \$ 885 | \$ - | \$ - | \$ - | 75 | 75 | 0 | 0 | 0 | 0 | 0 |
| City of Moreno Valley | 8-Moreno Valley, City of-5 | Iris Avenue Pedestrian-Bicyclist Gap Closure and Safety Improvements | \$ 2,834 | \$ 2,834 | | \$ 50 | \$ 150 | \$ 20 | \$ 2,614 | - | | \$ 50 | \$ 170 | \$ 2,614 | - | 74 | 67 | 7 | 0 | 4 | 0 | 3 |
| RivCo PH | 8-Riverside University Health System-3 | RUHS-Public Health Safe Routes for All - Perris | \$ 862 | \$ 862 | | \$ - | \$ - | \$ - | \$ - | \$ 862 | | \$ 862 | \$ - | \$ - | \$ - | 72 | 72 | 0 | 0 | 0 | 0 | 0 |
| City of Indio | 8-Indio, City of-1 | Clinton & Miles SRTS Community Connections Project | \$ 2,540 | \$ 2,290 | | - | - | \$ - | \$ 2,290 | - | | - | \$ 2,290 | \$ - | - | 69 | 56 | 13 | 6 | 4 | 0 | 3 |
| RivCo TLMA | 8-Riverside County-4 | Lakeview and Nuevo Mobility Plan | \$ 325 | \$ 325 | | \$ - | \$ - | \$ - | \$ - | | \$ 325 | \$ 325 | \$ - | \$ - | \$ - | 68 | 68 | 0 | 0 | 0 | 0 | 0 |
| City of Moreno Valley | 8-Moreno Valley, City of-3 | Pedestrian and Bicycle Bridge Connectivity Project | \$ 1,012 | \$ 1,012 | | \$ 50 | \$ 120 | \$ 15 | \$ 827 | - | | \$ 170 | \$ 15 | \$ 827 | - | 66 | 62 | 4 | 0 | 4 | 0 | 0 |
| RivCo PH | 8-Riverside University Health System-2 | RUHS-Public Health Safe Routes for All - Indio | \$ 888 | \$ 888 | | \$ - | \$ - | \$ - | \$ - | \$ 888 | | \$ 888 | \$ - | \$ - | \$ - | 56 | 56 | 0 | 0 | 0 | 0 | 0 |
| City of Indian Wells | 8-Indian Wells, City of-1 | Indian Wells Complete Streets Project | \$ 15,015 | \$ 15,015 | | \$ 653 | \$ 1,632 | \$ - | \$ 11,642 | \$ 1,088 | | \$ 15,015 | \$ - | \$ - | - | 53 | 46 | 7 | 0 | 4 | 0 | 3 |
| City of Moreno Valley | 8-Moreno Valley, City of-2 | Pedestrian Intersection Access Improvements | \$ 1,135 | \$ 1,135 | | \$ 60 | \$ 120 | \$ - | \$ 955 | - | | \$ 60 | \$ 120 | \$ 955 | - | 53 | 46 | 7 | 0 | 4 | 0 | 3 |
| City of Moreno Valley | 8-Moreno Valley, City of-1 | Steepchase Drive Pedestrian-Bicyclist Gap Closure and Safety Improvements | \$ 4,227 | \$ 3,857 | | \$ 100 | \$ 250 | \$ 20 | \$ 3,357 | - | | \$ 100 | \$ 270 | \$ 3,357 | - | 44 | 37 | 7 | 0 | 4 | 0 | 3 |
| TOTAL | | | \$ 310,976 | \$ 159,923 | \$ - | | | | | | | | | | | | | | | | | |

AGENDA ITEM 9

PRESENTATION