



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Engineering & Construction • Public Transportation & Operations

Metropolitan Planning Organization of Washoe County, Nevada

Reno, Sparks and Washoe County, Nevada

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



Your RTC. Our Community.



REGIONAL TRANSPORTATION COMMISSION

Reno, Sparks and Washoe County, Nevada

CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

Lee G. Gibson, AICP
Executive Director

PREPARED BY THE FINANCE DEPARTMENT

Stephanie Haddock, CGFM
Director of Finance & CFO

Jelena Williams, CPA
Financial Manager

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Senior Accountant

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REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

RTC BOARD OF COMMISSIONERS



RON SMITH
RTC CHAIR
City of Sparks Mayor Pro Tempore



NEOMA JARDON
City of Reno Vice Mayor



BOB LUCEY
RTC VICE CHAIR
Washoe County Commissioner



PAUL MCKENZIE
City of Reno Councilman



VAUGHN HARTUNG
Washoe County Commissioner



RUDY MALFABON, Ex-officio
Director
Nevada Department of Transportation

RTC DIRECTORS



LEE G. GIBSON, AICP
Executive Director



AMY MCABEE CUMMINGS,
AICP/LEED AP
Deputy Executive Director/
Director of Planning



STEPHANIE HADDOCK, CGFM
Director of Finance
Chief Financial Officer



ADAM SPEAR, ESQ
Director of Legal Services



DAVID JICKLING
Director of Public Transportation
& Operations



BRIAN STEWART, P.E.
Director of Engineering



ANGELA REICH, SPHR
Director of Administrative Services

TABLE OF CONTENTS

INTRODUCTORY SECTION (unaudited)

Chief Financial Officer's Letter of Transmittal	viii
Principal Officials of the Regional Transportation Commission	xiv
Organization Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government - Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds:	
- Balance Sheet - Governmental Funds	21
- Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	23
- Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	26
- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	27
- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund (Regional Road Impact Fee Fund)	28
- Statement of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual - Special Revenue Fund (Paratransit Services Fund)	29
Proprietary Fund:	
- Statement of Fund Net Position - Proprietary Fund - Enterprise Fund (Public Transit Fund)	30
- Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund - Enterprise Fund (Public Transit Fund)	31

FINANCIAL SECTION - Continued

Basic Financial Statements - Continued

Proprietary Fund:

Statement of Cash Flows - Proprietary Fund - Enterprise Fund (Public Transit Fund)	32
---	----

Notes to Financial Statements	34
-------------------------------	----

Required Supplementary Information:

Schedules of Changes in the Total OPEB Liability and Related Ratios - PEBP	66
--	----

Schedules of Changes in the Total OPEB Liability and Related Ratios - RTC Plan	67
--	----

Schedule of Proportionate Share of the Net Pension Liability	68
--	----

Schedule of Regional Transportation Commissions Contributions	68
---	----

Individual Fund Statements and Schedules:

Non-major Governmental Fund:

Balance Sheet - Non-major Governmental Funds (Metropolitan Planning Organization Fund)	70
---	----

Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
---	--

Special Revenue Fund - (Metropolitan Planning Organization Fund)	71
---	----

Capital Assets Used in the Operation of Governmental Funds:

Schedule by Sources	73
---------------------	----

Schedule by Function and Activity	74
-----------------------------------	----

Schedule of Changes by Function and Activity	75
--	----

Other Supplementary Information (unaudited):

Schedule of Current Expenditures - Budget and Actual - General Fund (Regional Street and Highway Fund)	77
---	----

Schedule of Current Expenditures - Budget and Actual - Debt Service Fund (Debt Service Fund)	78
---	----

Schedule of Current Expenditures - Budget and Actual - Special Revenue Fund (Regional Road Impact Fee Fund)	79
--	----

Schedule of Current Expenditures - Budget and Actual - Special Revenue Fund (Paratransit Services Fund)	80
--	----

Schedule of Current Expenditures - Budget and Actual - Special Revenue Fund (Metropolitan Planning Organization Fund)	81
--	----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	82
---	----

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Proprietary Fund (Public Transit Fund)	83
--	----

Schedule of Expenses by Object Classes - Budget and Actual - Proprietary Fund (Public Transit Fund)	84
---	----

Schedule of Special and Regular Motor Vehicle Fuel Tax	85
--	----

FINANCIAL SECTION - Continued

Other Supplementary Information (unaudited) - Continued

Schedule of Construction Project Expenditures - General Fund (Regional Street and Highway Fund)	86
Schedule of Construction Project Expenditures - Special Revenue Fund (Regional Road Impact Fee Fund)	87
Schedule of Changes in Reserve for Project Appropriations - General Fund (Regional Street and Highway Fund)	88
Schedule of Changes in Reserve for Project Appropriations - Special Revenue Fund (Regional Road Impact Fee Fund)	91
Schedule of Cumulative Construction Project Expenditures - General Fund (Regional Street and Highway Fund)	92
Schedule of Cumulative Construction Project Expenditures - Special Revenue Fund (Regional Road Impact Fee Fund)	99

STATISTICAL SECTION (unaudited)

Net Position by Component - Last ten fiscal years	103
Changes in Net Position - Last ten fiscal years	104
Fund Balances of Governmental Funds - Last ten fiscal years	106
Changes in Fund Balances of Governmental Funds - Last ten fiscal years	107
Revenues by Source, Governmental Funds - Last ten fiscal years	108
Revenues by Source, Proprietary Funds - Last ten fiscal years	109
Principal Regional Road Impact Fee Credit Recipients	110
Vehicle Miles Traveled (VMT) Units	111
Direct and Overlapping Tax Rates - Last ten fiscal years	112
Ratios of Outstanding Debt by Type - Last ten fiscal years	113
Computation of General Obligation Direct and Overlapping Debt	114
Pledged Revenue Bond Coverage and Limitations - Last ten fiscal years	115
Demographic and Economic Statistics - Last ten fiscal years	116
Principal Employers - Current year and nine years ago	117
Full Time Equivalent Government Employees by Department - Last ten fiscal years	118
RIDE Operating Statistics - Last ten fiscal years	119
ACCESS Operating Statistics - Last ten fiscal years	120
Capital Asset Information	121

COMPLIANCE SECTION

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	123
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control over Compliance Required by Uniform Guidance	125
Schedule of Expenditures of Federal Awards	127
Notes to Schedule of Expenditures of Federal Awards	129
Schedule of Findings and Questioned Costs	130



INTRODUCTORY SECTION



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

December 7, 2018

Honorable Chair, Vice Chair and Members
Regional Transportation Commission
1105 Terminal Way
Reno, Nevada 89502

Dear Chair Smith, Vice Chair Lucey, Members of the Commission, and Citizens of Reno, Sparks and Washoe County:

I am pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) of the Regional Transportation Commission of Washoe County (RTC) for the fiscal year ended June 30, 2018. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

The CAFR consists of management's representations concerning the finances of the RTC. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the RTC has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the RTC's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the RTC's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The RTC's financial statements have been audited by Crowe LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the RTC's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report. The independent audit of the financial statements of the RTC was part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The RTC's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The RTC is located in Northern Nevada. It serves the cities of Reno and Sparks and the county of Washoe. The RTC's designated urbanized service area is 165 square miles and serves a population of 467,417.

Two major sources of revenue for the RTC are fuel tax and sales tax (public transportation tax). Fuel tax and sales tax can be designated for the RTC transportation purposes by the Nevada State Legislature and must be implemented by Washoe County ordinance. By statute, the RTC may exercise the power of eminent domain with the approval of the City or County in which the property lies.

The RTC has operated as a special purpose unit of government since 1979, as a result of legislation approved in the 1979 Nevada State Legislature.

Overall agency guidance is provided by the Commission, which is composed of locally elected officials. Members of the Commission are appointed by their respective political jurisdiction and include two (2) members representing Washoe County, two (2) members representing the largest city in the jurisdiction (City of Reno), and one (1) member representing the other city in the jurisdiction (City of Sparks). They serve staggered two-year terms.

The Commission establishes and approves policy direction for the agency in all program areas. Policy established by the Commission is implemented through a professional/technical staff supervised by an Executive Director.

As the Executive Director, I serve at the pleasure of the Commission and I am considered to be an unclassified employee. The Commission establishes compensation for the Executive Director position. Department Directors and certain administrative and senior level personnel are also unclassified employees of the RTC and are subject to a classification and compensation plan approved by the Commission. Remaining staff are classified employees of the RTC and are also subject to a classification and compensation plan approved by the Commission.

The RTC is responsible for three major transportation programs:

Public Transportation Program – The RTC operates public transportation, for fixed-route, paratransit, and vanpool in conformance with Nevada Revised Statutes. The RTC has the responsibility and the authority to appropriate money from the Public Transit Fund for such purposes and may provide for all functions incident to the administration and operation of public transportation.

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

Separate contracts have been established for the public transportation elements of the RTC. MV Transit, Inc., provides turnkey operation for RTC RIDE, the local fixed-route bus system, RTC RAPID, the bus rapid transit service, and RTC REGIONAL CONNECTOR, a commuter service between Reno/Sparks and Carson City. The RTC REGIONAL CONNECTOR service is funded by the RTC and the city of Carson City. The RTC also has a turnkey contract with Ride Right, LLC, for the operation of RTC ACCESS, the ADA paratransit service. RTC established general service delivery policies for both systems and receives all revenues and purchases and maintains ownership of all assets of the transit operations.

In addition, the RTC helps fund transit service on the North Shore of Lake Tahoe for the Tahoe Truckee Area Rapid Transit (TART) system. The service is provided by Placer County, California, through a contractual agreement, with RTC reimbursing Placer County for the transit service provided in the Washoe County portion of the Tahoe basin.

Transportation Planning – The RTC is designated as the Metropolitan Planning Organization (MPO) for Washoe County. In that capacity, the RTC is responsible for establishing policy direction for transportation planning. This responsibility includes the approval of the Regional Transportation Plan (RTP), the annual Five-Year Financial Plan, Transportation Improvement Program (TIP), Unified Planning Work Program (UPWP), and the establishment and approval of federal funding priorities in certain program areas. The RTC provides major project review of the transportation impacts of new projects and developments.

Regional Street and Highway Program – The primary responsibility of the RTC in the Regional Street and Highway program is to approve and implement road projects through a priority-setting process in both the technical and political levels.

The RTC's Budget Process

The annual budget serves as the foundation for the RTC's financial planning and control. All Department Directors of the RTC are required to submit their budgets for approval by the Executive Director in March of each year. The RTC uses zero-based budgeting. Each department's budget is presented in extensive line item detail. A budget workshop is held for the Commissioners in February. A draft budget is presented to the Commission in April. Any Commissioners' changes are included in the final document, and that document is presented for a public hearing and approval in May. The appropriated budget is prepared by fund, function (e.g., Street and Highway), and department (e.g., Finance). Department Directors may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Executive Director. Any increase in Fund Budgets requires the approval of the Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, the General Fund, the Regional Road Impact Fee Fund, and the Paratransit Services Fund, these comparisons are presented as part of the basic financial statements. For the nonmajor governmental fund, with appropriated annual budgets, these comparisons are presented in the Nonmajor Governmental Fund subsection of this report, following the basic financial statements. For the Public Transit Fund, the comparison is presented as part of the other supplementary information.

Agency Accomplishments – FY 2018

- Completed RTC 2017 Annual Report
- Completed RTC Sustainability Plan
- Completed Washoe County Regional Travel Characteristics Study
- Completed Bicycle, Pedestrian and Wheelchair Count Annual Report
- Completed 167 Community Outreach events for RTC programs and services
- Completed construction of Pyramid/McCarran intersection
- Updated Bike Share Feasibility Study
- Continued construction of 4th Street & Prater Way Bus RAPID Transit project
- Continued construction of SouthEast Connector Phase II
- Continued final design of Virginia Street Bus RAPID Transit Extension project to the University of Nevada, Reno
- Initiated Transit Asset Management Plan
- Received unmodified opinion – Certified Audit
- Received GFOA Certificate of Achievement

Factors Affecting Financial Condition

Local economy – Washoe County is experiencing strong economic growth and improvement. The area’s economy is principally based in the trade and service sector. Although gaming and other recreational activities represent a major portion of Washoe County’s economy, the area continues to diversify its business base with the expansion of distribution, warehousing, and manufacturing facilities. Approximately 46% of the workforce is employed in the fields of construction, manufacturing, trade, transportation, utilities, government, hospitality, professional, and finance-related services. These sectors of Washoe County’s workforce increased significantly, accounting for the majority of job gains, with an increase of 9,400 jobs over the prior year. Washoe County had a 3.7% increase in total job growth. The unemployment rate as of June 2018 was 3.5%, a 0.5% decrease over June 2017.

Statewide gross gaming revenues were up by 4.2% and Washoe County gross gaming revenues were up by approximately 15.9% in June 2018 in comparison to June 2017. Washoe County’s housing sales in June of 2018 decreased slightly by 4% over the prior year and median home sale price increased 16% in FY 2018.

Washoe County actual sales tax revenue for FY 2018 was 16% higher than the prior year due to higher taxable sales and a major sales tax refund in FY 2017. Fuel tax revenues continue to increase year-over-year; the increase for FY 2018 was 8.2% due to the producer price inflation (PPI) indexing that was implemented in January 2010. The gallons of gasoline used in Washoe County in FY 2018 were up 2.9% in comparison to FY 2017.

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

Nevada has no personal income tax, and it is a right-to-work state. The State has no estate and/or gift taxes, no unitary taxes, no franchise taxes, and no inventory taxes. These factors have contributed to the State's tremendous growth over the last 20 years and will continue to be important for the State's future growth and continued recovery.

Long-term financial planning – As the Metropolitan Planning Organization (MPO) for surface transportation in the Truckee Meadows, the RTC uses a cooperative strategy inclusive of all local and state governments and community input. The RTC coordinates, plans, and executes Washoe County's transportation projects to serve the present and the future.

As the MPO, the RTC:

- designs and implements the short-range and long-range regional transportation plans for Washoe County;
- acquires federal, state, and local funding for major regional transportation projects;
- coordinates with local jurisdictions to identify traffic impacts from current and proposed residential and commercial development;
- defines measures to relieve congestion;
- creates traffic projections to anticipate and respond to future regional growth; and
- recommends, implements, and monitors new technologies for transit programs.

The foundation of the RTC planning program is a 20-year Regional Transportation Plan (RTP). The current RTP 2040 plan was affirmed in May 2017. The plan had substantial citizen involvement. The RTP serves as the region's long-range transportation plan to accommodate the master-planned development in the City of Reno, City of Sparks, and Washoe County. The plan addresses all modes of travel including automobiles, transit, bicycles, pedestrians, aviation, rail, and goods movement as well as transportation management strategies to make the system more efficient.

Short Term Planning

The Short-Range Transit Program (SRTP) for the fiscal years 2018-2022 was adopted in March 2017. The SRTP serves as the implementation plan for public transit with annual updates over the next five years. The SRTP is driven by the goals and policies of the RTP. The SRTP is a capital-intensive plan. Approximately \$74.7 million in capital and \$193.1 million in operating expenditures are programmed over 5 years. Continued changes in the economy and the financial forecast may affect how some projects move forward. RIDE and ACCESS service levels are projected and implemented from this plan.

Debt Management

The Road Program received a substantial revenue boost when NV Senate Bill 201 (indexing of Local, State and Federal fuel taxes) was approved by the Legislature in June 2009. Collections began in January 2010. In an effort to stimulate the local economy, the Commission deviated from their usual pay-as-you-go philosophy and has initiated four bond sales totaling \$434.6 million. The first bond sale was completed in July 2009, the second in March 2010, the third in December 2010, and the fourth in April 2013. All bond sale funds have been expended and RTC has moved back to the pay-as-you-go method. Key future projects in the road program between now and the next 10 years include: the Virginia Street Bus RAPID Transit Extension project; the Oddie Boulevard & Wells Avenue corridor project; the Sparks Boulevard corridor project; the Sun Valley Boulevard

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

corridor project, Keystone Avenue corridor project, Center Street multimodal improvements and the expansion of the US395/I-580/I-80 interchange.

Operational Model

RTC uses privatization for implementation of the majority of its programs. RTC contracts out with engineering and construction firms for implementation of the road programs. Corridor studies are prepared by engineering and consulting firms. RTC contracts out the operation of RIDE and ACCESS through “turnkey” contracts which are common in the transportation industry. The RTC maintains a staff of 67 employees to oversee the RTC programs.

Awards and Recognition

The RTC staff, projects, and services were recognized on various occasions in FY 2018 for their commitment to quality and meeting the needs of the community:

- American Public Transportation Association Silver Recognition Sustainability Award
RTC Sustainability Plan, August 2017
- Association of Metropolitan Planning Organizations 2017 Outstanding Overall
Achievement for a Transportation Management Association Metropolitan Planning
Organization Honorable Mention Award, October 2017
- American Planning Association, Nevada Chapter DeBoer Award 2017 Outstanding
Implementation Plan - RTC Sustainability Plan, October 2017
- Economic Development Authority of Western Nevada (EDAWN) 2017 Community
Partner Award, October 2017
- GREENevada 2017 Golden Pinecone Sustainability Award, November 2017
- Government Finance Officers Association 2017 Certificate of Achievement, November
2017
- American Society of Civil Engineers, Truckee Meadows Branch 2017 Engineer of the
Year – Scott Gibson , March 2018
- Indigo International Design Competition Bronze Award, Graphic Design Branding
Category – Lincoln Line Bus Designs, April 2018

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Regional Transportation Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 31st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial 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 preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Certified Public Accountants from Crowe LLP. We would like to express our appreciation to all who assisted and contributed to its preparation.

Respectfully submitted,



Lee G. Gibson, AICP
Executive Director
Regional Transportation Commission

Respectfully submitted,



Stephanie Haddock, CGFM
Director of Finance/CFO
Regional Transportation Commission

PRINCIPAL OFFICIALS

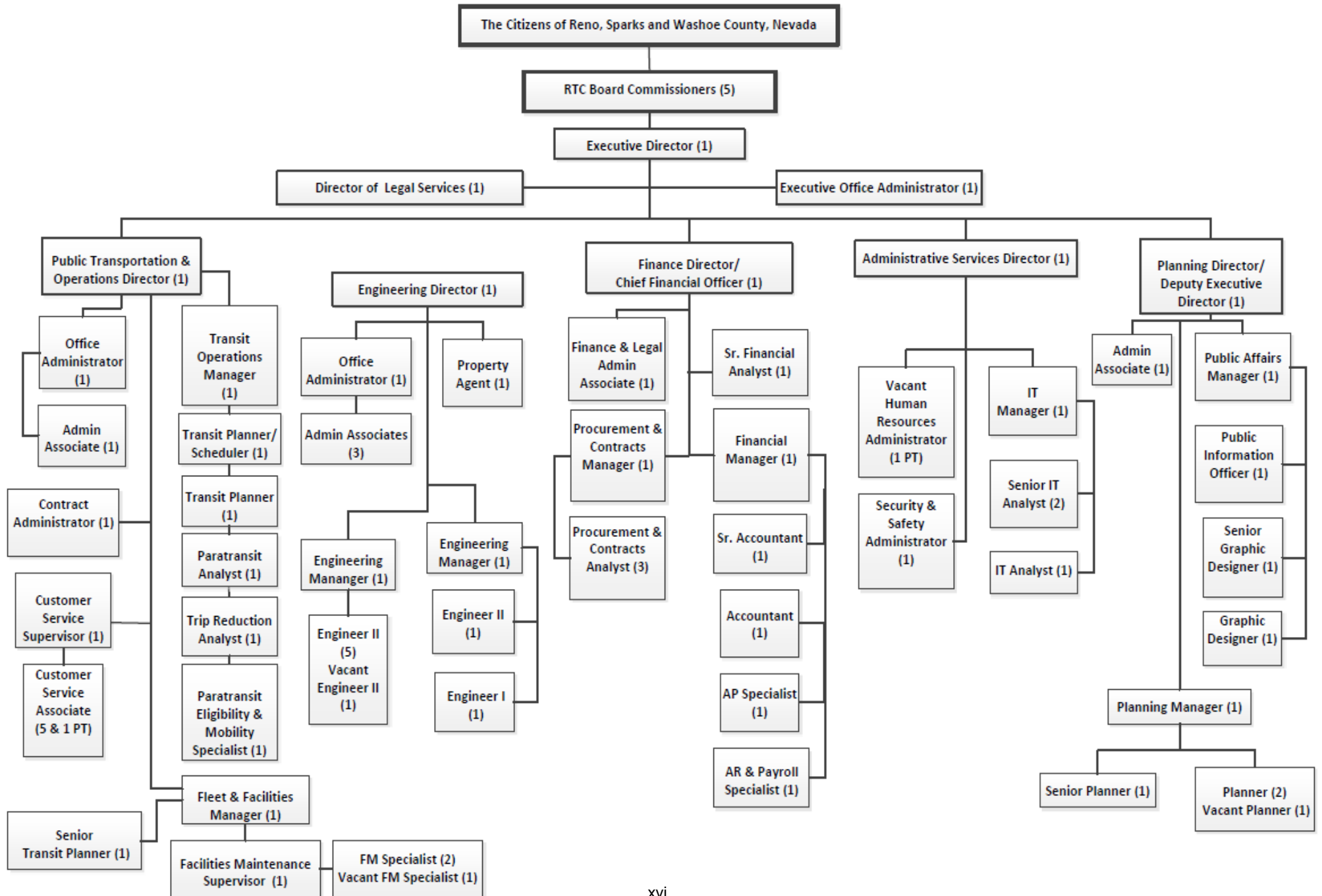
REGIONAL TRANSPORTATION COMMISSION

<u>OFFICE</u>	<u>NAME</u>	<u>TERM OF OFFICE</u>	<u>TERM EXPIRES</u>
<u>Board Members</u>			
Chair	Ron Smith	2 years	December 31, 2018
Vice-Chairman	Bob Lucey	2 years	December 31, 2019
Board Member	Vaughn Hartung	2 years	December 31, 2018
Board Member	Paul McKenzie	2 years	December 31, 2018
Board Member	Neoma Jardon	2 years	December 31, 2019
<u>RTC Staff</u>			
Executive Director *	Lee G. Gibson, AICP		Appointed
Director of Legal Services	Adam Spear, Esq.		Appointed
Administrative Services Director	Angela Reich, SPHR		Appointed
Chief Financial Officer	Stephanie Haddock, CGFM		Appointed
Engineering Director	Brian Stewart, P. E.		Appointed
Deputy Executive Director	Amy M. Cummings, AICP		Appointed
Public Transportation Director	David F. Jickling		Appointed
Legal Counsel	Dale Ferguson, Esq.		Appointed
<u>Contracts</u>			
General Manager	Harley Kempster, MV Transportation, Inc		Contracted
General Manager	Geo Jackson, Ride Right LLC		Contracted
Independent Auditor	Crowe LLP		Contracted

*The Executive Director is appointed by the Regional Transportation Commission. All other staff members are appointed by the Executive Director.

Regional Transportation Commission of Reno, Sparks and Washoe County, Nevada

Fiscal Year 2018 Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Regional Transportation Commission
of Washoe County, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Commission, Reno, Sparks and Washoe County, Nevada (RTC), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the RTC, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Regional Road Impact Fee Fund, and Paratransit Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A to the financial statements, during the year ended June 30, 2018, the RTC adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which resulted in a restatement of the RTC's beginning net position as of July 1, 2017 of approximately \$10.5 million. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Changes in the Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of RTC Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the RTC's basic financial statements. The Introductory Section, Individual Fund Statements and Schedules, Capital Assets Used in Operation of Governmental Funds, Other Supplementary Information, Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Individual Fund Statements and Schedules, Capital Assets Used in the Operation of Governmental Funds, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Individual Fund Statements and Schedules, Capital Assets Used in the Operation of Governmental Funds, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Other Supplementary Information, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Partial Comparative Information

RTC's basic financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017 from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 on our consideration of RTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RTC's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Sacramento, California
November 26, 2018

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

As management of the Regional Transportation Commission (RTC), we are presenting this narrative overview and analysis of the functional activities of the RTC for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The RTC's cash and investments exceeded its liabilities due within one year by \$79.7 million at the close of the most recent fiscal year. The RTC's cash ratio is 2.6, meaning the RTC has 2.6 times the cash and investments available to meet current obligations. Last year's ratio was 3.5. The decrease is primarily due to decreases in cash used for road construction projects.
- The RTC's total net position decreased by \$25.6 million. Net position of the governmental activities decreased by \$30 million due to revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O). Net position of the business-type activities increased by \$44 million mainly due to increases in capital assets.
- At the close of the current fiscal year, the RTC's governmental funds reported combined ending fund balances of \$117 million, a decrease of \$28 million in comparison with the prior year. Most of the decrease is due to the use of cash for road construction expenses.
- RTC's outstanding bond debt decreased from \$398.3 million to \$390.7 million, as a result of \$7.6 million in principal payments on existing debt. RTC did not issue any debt in the current fiscal year.
- The RTC's total revenue increased 6.8% or \$10.9 million in comparison with the prior year. The increase is due to increases in Public Transportation (sales tax) taxes, Fuel taxes, and Impact Fees. The RTC's primary revenue sources are Motor Vehicle Fuel tax and Public Transportation (Sales) tax. These two revenue sources comprise 47.2% and 18.1% of the RTC's revenues, respectively. Motor Vehicle Fuel tax revenue increased \$6 million or 8.2% due to increased fuel gallons sold and the passage of State legislation that authorized additional indexing taxes on motor vehicle fuel and special fuel. The annual indexing increases are based on a ten year rolling average of the Producer Price Index (PPI). Inflationary increases have been in effect since January 1, 2010. Public Transportation tax increased \$4 million or 16% due to increased taxable retail sales for the County.
- The RTC's total program revenues decreased slightly 0.2% or \$130,091 thousand in comparison with the prior year. The decrease is mostly due to decreases in capital and operating grant revenues.
- Total expenses were \$187 million, an increase of 9.4% over the prior year primarily due to increases in road construction expenses in the general fund. Governmental activities made up 83.2% of the total expenses, an increase of 1.5% over the prior year. Business-type activities made up 16.8% of the total expenses, a decrease of 1.5% over the prior year due to increases in governmental activities; operating expenses for public transportation services were up slightly 0.7% for the fiscal year primarily due to the increased fuel costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the RTC's basic financial statements. The RTC's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (continued)

The Statement of Activities presents information showing how the RTC's net position changed during the most recent 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the RTC that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the RTC include general government activities, streets and highways projects, transportation services, and metropolitan planning. The business-type activity of the RTC includes public transportation.

The government-wide financial statements can be found on pages 19-22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The RTC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the RTC can be divided into two categories: governmental funds and a proprietary fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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.

Because 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. By doing so, readers may better understand the long-term impact of the RTC's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The RTC maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, the Regional Road Impact Fee Fund, and the Paratransit Services Fund, all of which are considered to be major funds and for the Metropolitan Planning Organization Fund which is considered to be a nonmajor fund.

Additional data for all of the governmental funds is provided in the supplementary information section of this report.

The RTC adopts an annual appropriated budget for all funds. Budgetary comparison statements and schedules have been provided to demonstrate compliance with these budgets.

Proprietary Fund

The RTC maintains one proprietary fund. This proprietary fund, an enterprise fund, is used to report the same functions presented as business-type activities in the government-wide financial statements. The RTC uses this fund to account for public transportation.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-64 of this report.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information

Required supplementary information concerning the RTC's progress in funding its obligation to provide pension benefits and OPEB to its employees and retirees can be found on pages 66-67.

Other supplementary information, including individual fund statements and schedules providing budget to actual comparisons and schedules of capital assets used in the operations of governmental funds, are presented after the basic financial statements.

The Statistical Section provides detailed multi-year information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the RTC's overall financial health.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

RTC'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Assets:</u>						
Current and other assets	\$ 141,600,785	\$ 175,965,906	\$ 29,189,796	\$ 24,448,029	\$ 170,790,581	\$ 200,413,935
Capital assets	6,290,221	7,367,327	89,357,472	80,344,692	95,647,693	87,712,019
Total assets	147,891,006	183,333,233	118,547,268	104,792,721	266,438,274	288,125,954
<u>Deferred Outflows of Resources:</u>						
Deferred outflows related to pension	2,446,997	2,943,720	-	-	2,446,997	2,943,720
Deferred outflows related to OPEB	376,704	-	-	-	376,704	-
Total deferred outflows of resources	2,823,701	2,943,720	-	-	2,823,701	2,943,720
<u>Liabilities:</u>						
Noncurrent liabilities	420,925,628	424,345,371	5,119,123	2,471,917	426,044,751	426,817,288
Other liabilities	30,916,321	34,401,733	10,273,163	3,563,305	41,189,484	37,965,038
Total liabilities	451,841,949	458,747,104	15,392,286	6,035,222	467,234,235	464,782,326
<u>Deferred Inflows of Resources:</u>						
Deferred inflows related to pension	1,213,310	-	-	-	1,213,310	-
Deferred inflows related to OPEB	956,172	808,254	-	-	956,172	808,254
Total deferred inflows of resources	2,169,482	808,254	-	-	2,169,482	808,254
<u>Net position:</u>						
Net investment in capital assets	6,290,221	7,367,328	89,134,808	79,532,529	95,425,029	86,899,857
Restricted	115,138,055	142,132,528	-	-	115,138,055	142,132,528
Unrestricted	(424,725,000)	(422,778,260)	14,020,174	19,224,970	(410,704,826)	(403,553,290)
Total net position	\$ (303,296,724)	\$ (273,278,404)	\$ 103,154,982	\$ 98,757,499	\$ (200,141,742)	\$ (174,520,905)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position

As noted earlier, net position may serve over time as a useful indicator of the RTC's financial position. In the case of the RTC, total liabilities exceeded total assets by \$200,141,742 at the close of the current fiscal year. RTC's negative net position results from revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O).

A significant portion of RTC's net position represents resources that are subject to external restrictions (e.g. statutes, bond covenants, and grants) on how they may be used. Restricted net position decreased \$26,994,473 from the prior year due to use of cash for road construction expenses.

Unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. RTC's negative unrestricted net position increased \$7,151,532 from the prior year due to decreases in cash balances.

Another significant portion of RTC's total net position is its net investment in capital assets, (e.g. land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. RTC's net investment in capital assets increased by a net amount \$8,525,172 over the prior year due to the addition of building improvements and buses, less depreciation expense.

The RTC did not use debt to acquire capital assets in this fiscal year. The RTC uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. If the RTC uses debt to purchase capital assets in future fiscal years, it should be noted that the resources needed to repay any long-term obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

RTC's CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 9,762,480	\$ 7,387,129	\$ 6,314,382	\$ 6,365,018	\$ 16,076,862	\$ 13,752,147
Operating grants and contributions	30,324,216	30,524,773	4,088,110	4,825,788	34,412,326	35,350,561
Capital grants and contributions	745,229	227,955	7,847,909	9,881,754	8,593,138	10,109,709
Total program revenues	40,831,925	38,139,857	18,250,401	21,072,560	59,082,326	59,212,417
General revenues:						
Motor vehicle fuel taxes	81,179,894	75,058,070	-	-	81,179,894	75,058,070
Public transportation taxes	9,805,973	8,989,017	21,278,436	17,836,832	31,084,409	26,825,849
Investment earnings	465,271	235,231	65,488	33,843	530,759	269,074
Gain on sale of assets	8,360	4,227	218	5,700	8,578	9,927
Other miscellaneous	162,161	(259,656)	30,121	42,328	192,282	(217,328)
Total general revenues	91,621,659	84,026,889	21,374,263	17,918,703	112,995,922	101,945,592
Total revenues	132,453,584	122,166,746	39,624,664	38,991,263	172,078,248	161,158,009
Expenses:						
Streets and highways	118,729,501	101,901,443	-	-	118,729,501	101,901,443
Transportation services	10,348,473	9,279,374	-	-	10,348,473	9,279,374
Regional road impact fees	5,154,308	6,515,035	-	-	5,154,308	6,515,035
Metropolitan planning	2,226,012	2,518,654	-	-	2,226,012	2,518,654
Public transportation	-	-	31,465,024	31,250,873	31,465,024	31,250,873
Debt service	19,284,377	19,587,307	-	-	19,284,377	19,587,307
Total expenses	155,742,671	139,801,813	31,465,024	31,250,873	187,207,695	171,052,686
Change in net position before transfers	(23,289,087)	(17,635,067)	8,159,640	7,740,390	(15,129,447)	(9,894,677)
Transfers	300,000	217,500	(300,000)	(217,500)	-	-
Change in net position	(22,989,087)	(17,417,567)	7,859,640	7,522,890	(15,129,447)	(9,894,677)
Net position - July 1 as originally stated	(273,278,405)	(255,860,838)	98,757,499	91,234,609	(174,520,906)	(164,626,229)
Cumulative effect of GASB 75 implementation	(7,029,232)	-	(3,462,157)	-	(10,491,389)	-
Net position - July 1 as restated	(280,307,637)	(255,860,838)	95,295,342	91,234,609	(185,012,295)	(164,626,229)
Net position - June 30	\$ (303,296,724)	\$ (273,278,405)	\$ 103,154,982	\$ 98,757,499	\$ (200,141,742)	\$ (174,520,906)

Change in Net Position

The RTC's overall net position decreased \$25,620,833 from the prior year primarily due to revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O). Program revenues are directly related to service activities of a function. Program revenues decreased slightly from the prior year and included charges for services which increased 17% due to increased regional road impact fees; capital grants and contributions decreased 15% mostly due to timing of reimbursements from federal grants. General revenues increased \$11,050,330 or 10.8% from the prior year mostly due to a 8.2% increase in motor vehicle fuel tax and a 16% increase in public transportation tax. General revenues represent 65.7% of total revenues. Total expenses increased by \$16,155,009 or 9.4% from the prior year mostly from streets and highways expenses.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

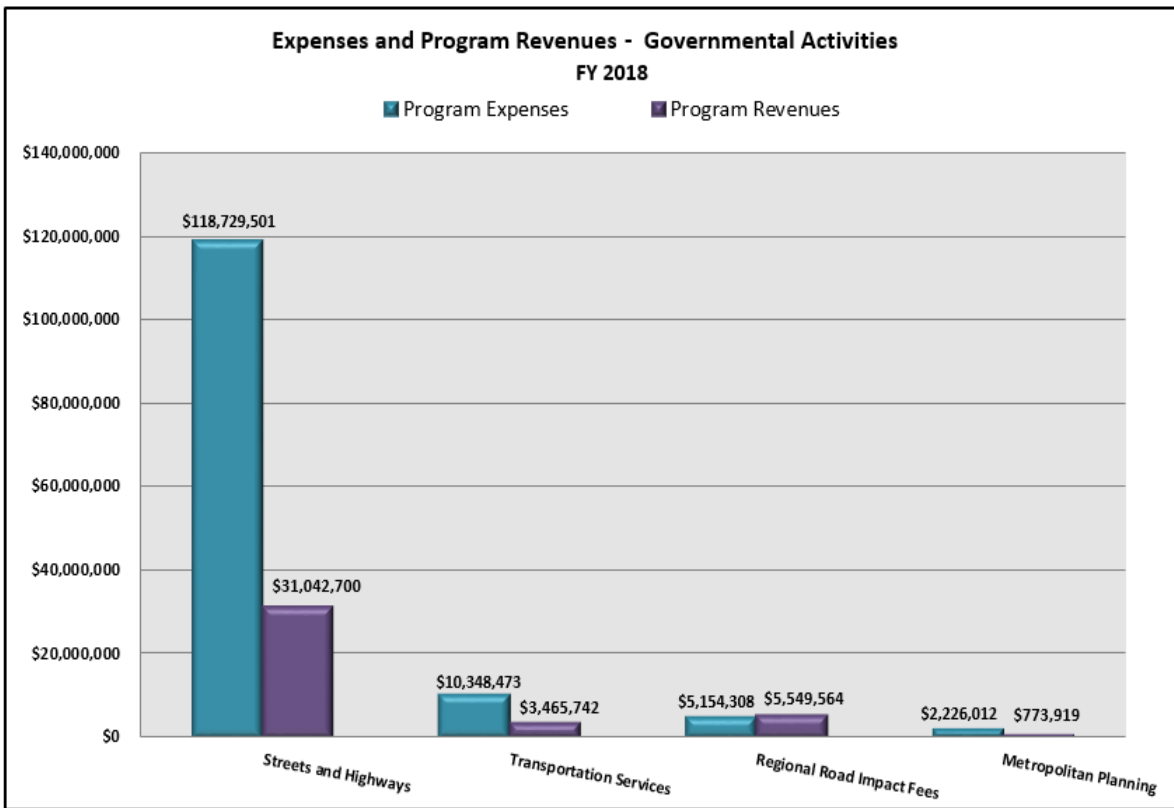
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

Governmental activities include programs for streets and highways, transportation services, and metropolitan planning. Governmental activities decreased the RTC's net position by \$22,989,087. The key element of this decrease is:

- Streets and highway expenses increased over the prior year by \$16,828,058 or 16.5% due to major construction expenses on RTC's largest road project to date the Southeast Connector completed in FY 2018.

The following chart depicts the expenses and program revenues for governmental activities:



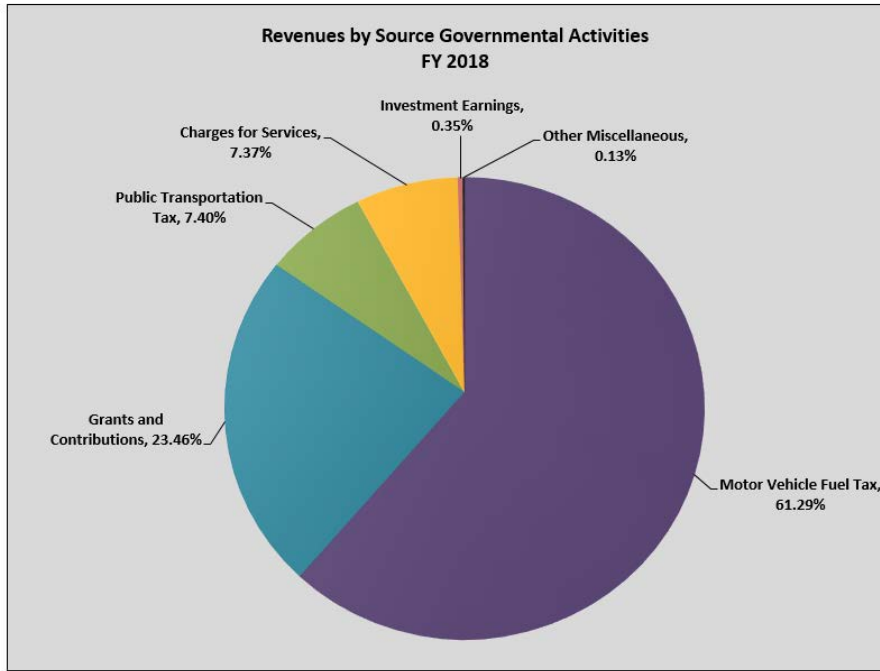
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

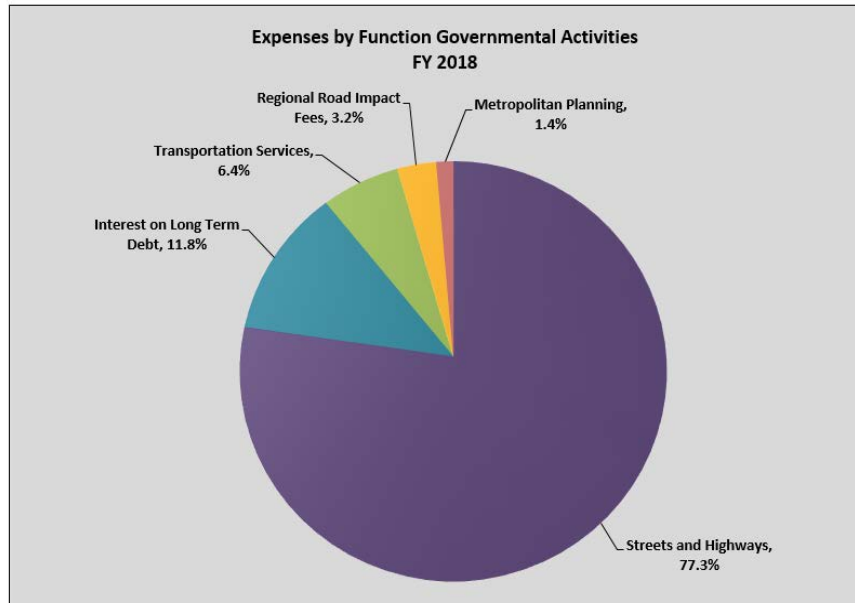
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following chart depicts the governmental activities revenues by source for the current fiscal year:



The following chart depicts the governmental activities expenses by function for the current fiscal year:



**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

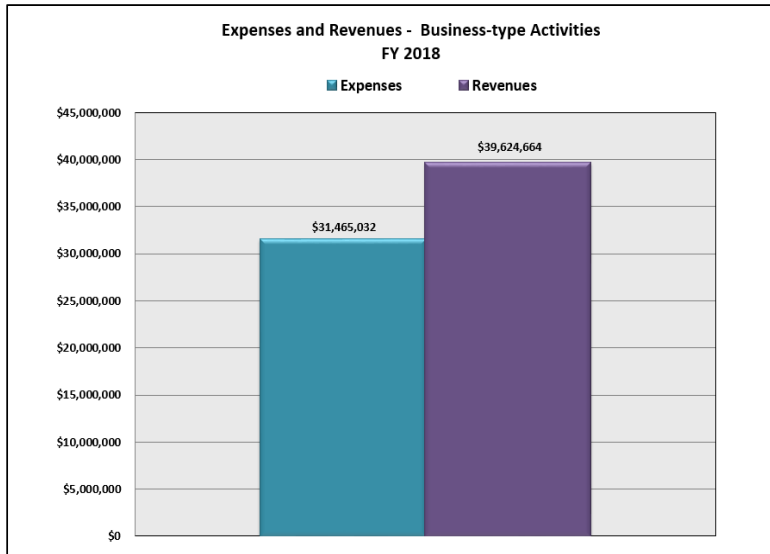
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type Activities

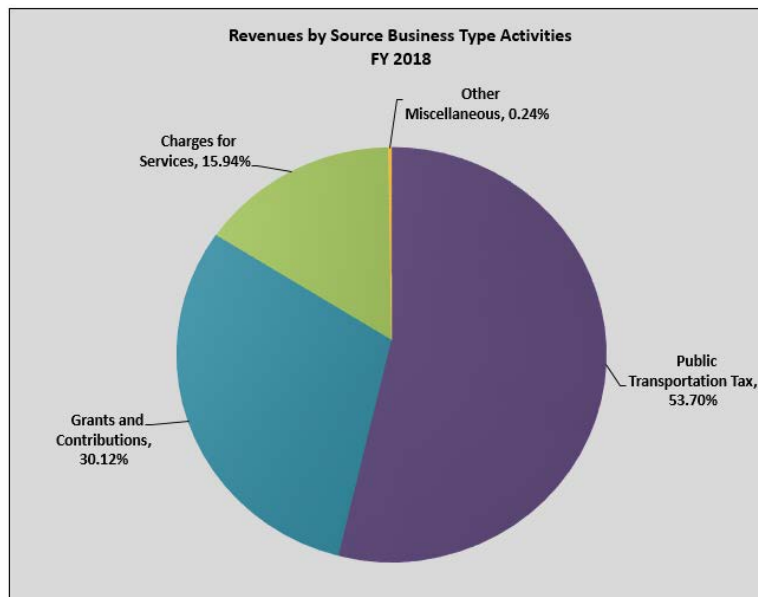
Under this section there is only one program, Public Transportation. Business-type activities increased the RTC's net position by \$7,859,632. The key element of this increase is:

- Public transportation tax increased \$3,441,604 or 19.3% due to increases in capital assets.

The following chart depicts the expenses and revenues for business-type activities:



The following chart depicts the business-type activities revenues for current fiscal year:



**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS

As noted earlier, the RTC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the RTC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the RTC's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the RTC's governmental funds reported combined ending fund balances of \$117,358,346 a decrease of \$27,664,401 in comparison with the prior year primarily due to decreases in cash used for road construction expenses. Most of RTC's governmental fund balances are externally restricted and limited in their use.

General Fund

The General Fund is the primary operating fund of the RTC. It accounts for all financial resources of the RTC, except for those required to be accounted for in another fund. Regional streets and highways expenditures for road projects are accounted for in this fund instead of a separate fund in order to reduce undue complexity in budgeting, accounting and other phases of financial management. At the end of the current fiscal year, the nonspendable fund balance of the general fund was \$303,624 for prepaid expenses and deposits. Restricted fund balance was \$58,704,237 for federal grants match and road construction projects. There is no unassigned fund balance in the General Fund.

The fund balance of the RTC's General Fund decreased \$29,773,863 or 33.5% during the current fiscal year mostly due to decreases in cash used for road construction project expenditures.

Debt Service Fund

The Debt Service Fund is a governmental fund used to account for RTC's debt service requirements. The existing debt in this fund is backed by Motor Vehicle Fuel tax revenues and 1/8th percent of Public Transportation (Sales) tax. The ending fund balance at June 30, 2018, is \$45,655,320 and is restricted for future principal and interest payments on revenue bonds.

Regional Road Impact Fee Fund

The Regional Road Impact Fee Fund is a special revenue fund for road projects funded with impact fees. The fees consist of two components, cash impact fees and impact fee waivers. Waivers are given to developers for the construction of major arterial roads during development. Waivers are booked as a revenue and expenditure with a net zero effect on the financial statements, therefore, they are not included in analysis of fund balance. Ending fund balance at June 30, 2018, is \$10,114,644 of which \$192,975 is nonspendable for prepaid expenses, \$64,045 is restricted for federal grants match and \$9,857,624 is restricted for road construction projects. The Regional Road Impact Fee fund balance increased \$1,951,822 or 24% for the current fiscal year mostly due to increases in cash impact fee revenue.

Paratransit Services Fund

The Paratransit Services Fund is a special revenue fund, which consists of the paratransit service RTC ACCESS for people with disabilities. The Paratransit Services Fund also records all transactions for the Washoe Senior Ride Program, a taxi subsidy for elderly residents of Washoe County. The ending fund balance at June 30, 2018, is \$1,403,169 of which \$59,898 is nonspendable for prepaid expenses, \$641,588 is restricted for federal grants match and \$701,683 is assigned for future expenditures. Unassigned fund balance is a zero.

The Paratransit Services fund balance decreased \$958,452 or 41% for the current fiscal year mostly due a \$1,215,217 increase in paratransit service expenditures over the prior year.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS (CONTINUED)

Paratransit Services Fund (continued)

RTC ACCESS service levels were relatively flat for the current fiscal year but demand for paratransit services increased due to increases in population in the region. The operating statistics for RTC ACCESS are:

- RTC ACCESS carried a total of 251,461 passengers in FY 2018 compared with 231,438 in FY 2017; and
- RTC ACCESS operated 101,872 revenue vehicle hours in FY 2018 compared with 85,025 hours in FY 2017; and
- RTC ACCESS traveled 1,593,665 revenue vehicle miles in FY 2018 compared to 1,376,682 miles in FY 2017.

Metropolitan Planning Organization Fund

The Metropolitan Planning Organization Fund is a special revenue fund. The RTC serves as the Metropolitan Planning Organization (MPO) for Washoe County. The MPO is funded by transfers of public transportation (sales) tax revenues, fuel tax revenues and federal transportation planning grants. The Metropolitan Planning Organization ending fund balance at June 30, 2018, is \$1,177,352, of which \$120,800 is nonspendable for prepaid expenses, \$236,268 is restricted for federal grants match and \$820,284 is assigned for future expenditures.

The total fund balance increased \$400,537 or 52% for the current fiscal year mostly due to \$196,745 in increased federal grant revenue and \$175,808 in decreased consulting expenditures for the Unified Planning Work Program (UPWP).

Proprietary Fund

The RTC's proprietary fund provides the same type of information found in the government-wide financial statements but this fund's statements provide more detail.

Proprietary Operations

The proprietary fund consists of an enterprise fund for the RTC RIDE transit system. The RTC RIDE transit system has been in operation since September, 1978.

RTC RIDE ridership slightly decreased 0.3% over the prior fiscal year as low local fuel prices allows riders to choose use of a personal vehicle over public transportation. The operating statistics for RTC RIDE are:

- RTC RIDE carried a total of 7,396,590 passengers in FY 2018 compared to 7,416,158 passengers in FY 2017; and
- RTC RIDE operated 247,779 revenue service hours in FY 2018 compared to 253,097 revenue service hours in FY 2017; and
- RTC RIDE traveled 2,825,116 revenue miles in FY 2018 compared to 2,875,22 revenue miles in FY 2017.

RTC RIDE currently operates 26 total routes, including RTC SIERRA SPIRIT, RTC RAPID and RTC INTERCITY most of which operate seven days a week with three routes operating 24 hours per day.

Revenues

The revenue sources for the RTC RIDE transit system are a 5/16 percent public transportation tax revenue, passenger revenues, investment income, advertising revenue, and Federal and State capital and operating grants.

In November 1982, voters of Washoe County approved a 1/4 percent sales tax increase for the purpose of public transportation and related support services. This tax is to be used for the operation of the RTC RIDE transit system, transportation planning, paratransit services, and other transportation services. This revenue source cannot be used for the construction of street and highway projects.

Effective July 1, 2003, an additional 1/8 percent sales tax was implemented. This revenue source can be used for public transportation or the construction of street and highway projects as directed by RTC management.

In total Public Transportation tax revenue was \$31,084,409 in FY 2018 compared to \$26,825,849 in FY 2017, an increase of \$4,258,560 or 16%.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS (CONTINUED)

RTC RIDE passenger revenues were \$5,614,832 in FY 2018 compared to \$5,716,864 in FY 2017, a decrease of \$102,032 or 1.81% due to decreases in ridership.

Federal funding amounts, received from the Federal Transit Administration (FTA), are based on nationwide formula allocations included in the Surface Transportation Act and discretionary grants.

The RTC has built or renovated five major facilities and currently has a total fleet of 72 coaches. The FTA has participated in most of the transit and paratransit capital acquisitions.

Expenses

RTC RIDE operating expenses, including depreciation, in FY 2018 were \$31,465,024 compared to \$31,250,873 in FY 2017, a slight increase of \$214,151 or 0.7%; primarily due to increased fuel costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were under budget by \$2,165,269 primarily due to decrease in project reimbursements from other local entities for road construction projects. Total expenditures were \$33,081,642 under budget due to the timing of planned road construction projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The RTC's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to \$95,647,693 (net of accumulated depreciation). The RTC's net investment in capital assets for the current fiscal year increased \$7,935,674 or 9% due to completed building renovations and bus purchases.

Capital spending decisions are based upon:

- Needs defined in the Regional Transportation Plan, and
- The availability of FTA funding and local funding

Major capital assets events during the current fiscal year included the following:

- Villanova and Terminal Way building renovations of \$14,260,095.
- Six electric buses \$5,237,244.
- Shop Equipment for Villanova facility \$542,346.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (continued)

RTC's CAPITAL ASSETS (Net of Depreciation) (Expressed in Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,282	\$ 2,282	\$ 16,682	\$ 16,682	\$ 18,964	\$ 18,964
Construction in progress	19	116	9,778	15,312	9,796	15,428
Total capital assets not being depreciated	2,301	2,398	26,460	31,994	28,760	34,392
Coaches/vehicles	5,587	6,621	40,484	35,265	46,071	41,886
Buildings and leasehold improvements	7,176	7,176	65,453	51,192	72,629	58,369
Miscellaneous equipment	4,301	4,052	4,172	3,594	8,473	7,646
ITS	-	-	3,057	3,057	3,057	3,057
Computer equipment	-	-	1,761	1,781	1,761	1,781
Office furniture	-	-	133	133	133	133
Passenger shelters	-	-	7,641	7,565	7,641	7,565
Communications equipment	-	-	558	477	558	477
Revenue collection equipment	-	-	1,784	1,784	1,784	1,784
	17,064	17,849	125,042	104,848	142,106	122,696
Accumulated depreciation	(13,074)	(12,879)	(62,144)	(56,497)	(75,219)	(69,376)
Total capital assets being depreciated (net)	3,990	4,969	62,898	48,351	66,887	53,321
Capital assets (net)	<u>\$ 6,290</u>	<u>\$ 7,367</u>	<u>\$ 89,357</u>	<u>\$ 80,345</u>	<u>\$ 95,648</u>	<u>\$ 87,713</u>

Additional information on the RTC's capital assets can be found in Note E in the Notes to the Financial Statements and the Supplementary Information section.

Long-term Debt

At the end of the fiscal year, RTC had total bonded debt outstanding of \$390,732,000. The proceeds from all bond issues are used for financing the construction of street and highway projects. RTC's current fiscal year outstanding debt decreased \$7.6 million as a result of principal payments on debt.

Additional information of the RTC's long-term debt including a roll-forward of debt, debt issues outstanding and future debt service requirements can be found in Notes I and J in the Notes to the Financial Statements.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

ECONOMIC FACTORS

- Nevada economy continues to experience steady growth in retail sales, jobs, and the housing market.
- Nevada overall unemployment rate of 4.7% is higher than the national average of 4.0% for June 2018.
- Reno-Sparks metropolitan area unemployment rate was at 3.5% in June 2018.
- Unemployment in Nevada did not change over the past twelve months. In the Reno-Sparks metropolitan area, the rate declined 0.5%.
- Nevada continues to experience an ongoing healthy labor market with positive twelve months of job growth in FY 2018
- Nevada experienced overall job growth of 2.8%. June 2018 was the 90th consecutive month of job gains in the State. Nevada continues to exceed the national average job growth of 1.8%. The largest job gains were in manufacturing an increase of 14.5% and construction an increase of 7.9% in June of 2018 as compared to June of 2017.
- Washoe County's total labor force for June 2018 is estimated at 249,100, with total employment of 240,400. An increase of 3.2% and 4.1% respectively over the prior year.
- Consumer Price Index (CPI) was 3.6% for the western region for June 2018.
- Nevada's average personal income growth exceeded national growth over fifteen of the past seventeen quarters as of June 2018..
- Nevada's statewide taxable sales increased 4.2% for FY 2018. Reno-Sparks taxable sales increased 6.8% for FY 2018.
- Median home sale prices in Washoe County increased 16% in June of 2018 as compared to June of 2017.
- Washoe County fuel consumption was up 2.9% for FY 2018 and Nevada's statewide fuel consumption was up 2.4% for FY 2018. The fiscal year fuel consumption increases are attributed to average lower fuel prices.

All of these factors were considered in preparing the RTC's budget for fiscal year 2019.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the RTC's finances for all those with an interest in the RTC's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Regional Transportation Commission, 1105 Terminal Way, Suite 300, Reno, NV 89502.



BASIC FINANCIAL STATEMENTS

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

STATEMENT OF NET POSITION

June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments in custody of County Treasurer	\$ 53,065,005	\$ 16,255,626	\$ 69,320,631
Cash in bank and on hand	11,764,634	2,927,762	14,692,396
Restricted cash and investments	45,511,197	-	45,511,197
Accounts receivable	1,289,970	184,692	1,474,662
Due from federal government	7,733,625	5,916,187	13,649,812
Due from State of Nevada	15,425,850	5,469,842	20,895,692
Interest receivable	2,016,511	58,082	2,074,593
Impact fees receivable	1,853,328	-	1,853,328
Internal balances	2,263,368	(2,263,368)	-
Inventory	-	180,901	180,901
Prepaid expenses, deposits and other assets	677,297	460,072	1,137,369
Capital Assets:			
Land and construction in progress	2,300,612	26,459,715	28,760,327
Property, buildings and equipment, net of accumulated depreciation	3,989,609	62,897,757	66,887,366
Total assets	147,891,006	118,547,268	266,438,274
Deferred Outflows of Resources			
Deferred outflows related to pension	2,446,997	-	2,446,997
Deferred outflows related to OPEB	376,704	-	376,704
Total deferred outflows of resources	2,823,701	-	2,823,701
Liabilities			
Accounts payable	11,656,621	9,409,722	21,066,343
Retentions payable	9,358,482	222,663	9,581,145
Accrued liabilities	108,869	606,928	715,797
Unearned revenue	12,500	33,850	46,350
Interest payable	9,779,849	-	9,779,849
Noncurrent liabilities:			
Due within one year	8,649,963	-	8,649,963
Due in more than one year	391,981,335	286,561	392,267,896
Net Pension Liability	10,915,835	-	10,915,835
Total OPEB liability	9,378,495	4,832,562	14,211,057
Total liabilities	451,841,949	15,392,286	467,234,235
Deferred Inflows of Resources			
Deferred inflows related to pension	1,213,310	-	1,213,310
Deferred inflows related to OPEB	956,172	-	956,172
Total deferred inflows of resources	2,169,482	-	2,169,482
Net Position			
Net investment in capital assets	6,290,221	89,134,808	95,425,029
Restricted for:			
Street and highway construction	58,543,762	-	58,543,762
Federal grants match	10,960,000	-	10,960,000
Debt service	45,634,293	-	45,634,293
Total restricted net position	115,138,055	-	115,138,055
Unrestricted	(424,725,000)	14,020,174	(410,704,826)
Total net position	\$ (303,296,724)	\$ 103,154,982	\$ (200,141,742)

The accompanying notes are an integral part of this statement.

Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
Streets and highways	\$ 118,729,501	\$ 3,787,312	\$ 27,255,388	\$ -	\$ (87,686,801)	\$ -	\$ (87,686,801)
Transportation services	10,348,473	425,604	2,294,909	745,229	(6,882,731)	-	(6,882,731)
Regional road impact fees	5,154,308	5,549,564	-	-	395,256	-	395,256
Metropolitan planning	2,226,012	-	773,919	-	(1,452,093)	-	(1,452,093)
Interest on long-term debt	19,284,377	-	-	-	(19,284,377)	-	(19,284,377)
Total governmental activities	<u>155,742,671</u>	<u>9,762,480</u>	<u>30,324,216</u>	<u>745,229</u>	<u>(114,910,746)</u>	<u>-</u>	<u>(114,910,746)</u>
Business-type activities:							
Public Transportation	31,465,024	6,314,382	4,088,110	7,847,909	-	(13,214,623)	(13,214,623)
Total primary government	<u>\$ 187,207,695</u>	<u>\$ 16,076,862</u>	<u>\$ 34,412,326</u>	<u>\$ 8,593,138</u>	<u>(114,910,746)</u>	<u>(13,214,623)</u>	<u>(128,125,369)</u>
General revenues:							
Motor vehicle fuel tax					81,179,894	-	81,179,894
Public transportation tax					9,805,973	21,278,436	31,084,409
Investment earnings					465,271	65,488	530,759
Gain on sale of capital assets					8,360	218	8,578
Miscellaneous					162,161	30,121	192,282
Transfers					300,000	(300,000)	-
Total general revenues and transfers					<u>91,921,659</u>	<u>21,074,263</u>	<u>112,995,922</u>
Change in net position					<u>(22,989,087)</u>	<u>7,859,640</u>	<u>(15,129,447)</u>
Net position - beginning of year					<u>(273,278,405)</u>	<u>98,757,499</u>	<u>(174,520,906)</u>
Cumulative effect of GASB 75 implementation					<u>(7,029,232)</u>	<u>(3,462,157)</u>	<u>(10,491,389)</u>
Net position - beginning of year, as restated					<u>(280,307,637)</u>	<u>95,295,342</u>	<u>(185,012,295)</u>
Net position - ending					<u>\$ (303,296,724)</u>	<u>\$ 103,154,982</u>	<u>\$ (200,141,742)</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2018

	Major Funds	
	General Fund	Debt Service Fund
Assets		
Cash and investments in custody of County Treasurer	\$ 45,133,626	\$ 11,818
Cash in bank and on hand	7,986,530	9,208
Restricted cash and investments	-	45,511,197
Accounts receivable	1,254,802	-
Due from federal government	6,416,267	-
Due from other government	14,276,712	-
Interest receivable	182,789	126,038
Impact fees receivable	-	-
Prepays and other assets	301,439	-
Due from other funds	2,862,325	-
Deposits	2,185	-
Total assets	\$ 78,416,675	\$ 45,658,261
Liabilities		
Accounts payable	\$ 9,452,019	\$ 2,941
Retentions payable	9,216,552	-
Accrued liabilities	108,869	-
Due to other funds	127,232	-
Unearned revenue	12,500	-
Total liabilities	18,917,172	2,941
Deferred Inflows of Resources		
Unavailable revenue - federal grants	324,711	-
Unavailable revenue - other reimbursements	166,931	-
Total deferred inflows of resources	491,642	-
Fund balances		
Nonspendable:		
Prepays	301,439	-
Deposits	2,185	-
Restricted for:		
Federal grants match	10,018,099	-
Street and highway construction	48,686,138	-
Debt service	-	45,634,293
Assigned:		
Subsequent year's actual & budget: appropriation of fund balance	-	21,027
Total fund balances	59,007,861	45,655,320
Total liabilities, deferred inflows of resources and fund balances	\$ 78,416,675	\$ 45,658,261

The accompanying notes are an integral part of this statement.

Major Funds		Nonmajor Fund	
Regional Road Impact Fee Fund	Paratransit Services Fund	Metropolitan Planning Organization Fund	Total Governmental Funds
\$ 6,770,118	\$ 721,627	\$ 427,816	\$ 53,065,005
1,990,731	926,375	851,790	11,764,634
-	-	-	45,511,197
-	35,168	-	1,289,970
75,826	1,017,077	224,455	7,733,625
-	1,149,138	-	15,425,850
29,860	2,496	1,419	342,602
1,853,328	-	-	1,853,328
192,975	59,898	120,800	675,112
-	6,485	2	2,868,812
-	-	-	2,185
<u>\$ 10,912,838</u>	<u>\$ 3,918,264</u>	<u>\$ 1,626,282</u>	<u>\$ 140,532,320</u>
\$ 568,831	\$ 1,439,818	\$ 193,012	\$ 11,656,621
141,930	-	-	9,358,482
-	-	-	108,869
72,450	149,840	255,918	605,440
-	-	-	12,500
<u>783,211</u>	<u>1,589,658</u>	<u>448,930</u>	<u>21,741,912</u>
14,983	519,801	-	859,495
-	405,636	-	572,567
<u>14,983</u>	<u>925,437</u>	<u>-</u>	<u>1,432,062</u>
192,975	59,898	120,800	675,112
-	-	-	2,185
64,045	641,588	236,268	10,960,000
9,857,624	-	-	58,543,762
-	-	-	45,634,293
-	701,683	820,284	1,542,994
<u>10,114,644</u>	<u>1,403,169</u>	<u>1,177,352</u>	<u>117,358,346</u>
<u>\$ 10,912,838</u>	<u>\$ 3,918,264</u>	<u>\$ 1,626,282</u>	<u>\$ 140,532,320</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2018

Total fund balances - Governmental Funds		\$ 117,358,346
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds		
Capital assets used in the operation of governmental funds	\$ 19,364,530	
Less accumulated depreciation	<u>(13,074,309)</u>	6,290,221
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		
		1,432,062
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period, and therefore, are not reported in the governmental funds		
Governmental bonds payable	(390,732,000)	
Bond premiums and discounts	(9,154,667)	
Accrued interest payable	(9,779,849)	
Compensated absences	(744,628)	
Other postemployment benefits (OPEB)	<u>(9,378,495)</u>	(419,789,639)
Build America Bond credits are not due in the current period and are not reported in the governmental funds		
		1,673,911
Net pension liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds		
		(10,915,835)
Deferred outflows and inflows of resources related to OPEB are applicable to reporting periods and, therefore, are not reported in the funds		
		(579,468)
Deferred outflows and inflows of resources related to pensions are applicable to reporting periods and, therefore, are not reported in the funds		
		1,233,678
Net position of governmental activities		<u><u>\$ (303,296,724)</u></u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year ended June 30, 2018

	Major Funds	
	General Fund	Debt Service Fund
Revenues		
Motor vehicle fuel tax	\$ 81,179,894	\$ -
Public transportation tax	5,105,973	-
Impact fees	-	-
Passenger fares	-	-
Project reimbursements	3,605,357	-
Transportation planning, operating and capital grants, and contributions:		
State of Nevada Department of Health and Human Services	-	-
Federal Transit Administration	13,856,961	-
Federal Highway Administration	15,719,605	-
Investment income	235,362	195,868
Miscellaneous	69,036	-
Total revenues	<u>119,772,188</u>	<u>195,868</u>
Expenditures		
Current:		
Streets and highways	119,682,838	-
Transportation services	-	-
Metropolitan planning	-	-
Capital outlay:		
Land	65,507	-
Equipment	-	-
Debt service:		
Principal	-	7,603,000
Interest	-	19,789,748
Debt service fees and other fiscal charges	-	45,469
Total expenditures	<u>119,748,345</u>	<u>27,438,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,843</u>	<u>(27,242,349)</u>
Other financing sources (uses)		
Sale of capital assets	-	-
Transfers in	-	27,957,904
Transfers out	<u>(29,797,706)</u>	<u>-</u>
Total other financing sources (uses)	<u>(29,797,706)</u>	<u>27,957,904</u>
Net change in fund balances	(29,773,863)	715,555
Fund balances - beginning	<u>88,781,724</u>	<u>44,939,765</u>
Fund balances - ending	<u>\$ 59,007,861</u>	<u>\$ 45,655,320</u>

The accompanying notes are an integral part of this statement.

Major Funds		Nonmajor Fund	
Regional Road Impact Fee Fund	Paratransit Services Fund	Metropolitan Planning Organization Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 81,179,894
-	4,700,000	-	9,805,973
5,549,564	-	-	5,549,564
-	425,604	-	425,604
-	-	-	3,605,357
-	1,458,394	-	1,458,394
-	1,485,363	-	15,342,324
1,048,533	-	965,572	17,733,710
28,231	4,833	977	465,271
-	167,844	-	236,880
<u>6,626,328</u>	<u>8,242,038</u>	<u>966,549</u>	<u>135,802,971</u>
5,154,308	-	-	124,837,146
-	9,032,467	-	9,032,467
-	-	2,226,012	2,226,012
-	-	-	65,507
-	176,383	-	176,383
-	-	-	7,603,000
-	-	-	19,789,748
-	-	-	45,469
<u>5,154,308</u>	<u>9,208,850</u>	<u>2,226,012</u>	<u>163,775,732</u>
<u>1,472,020</u>	<u>(966,812)</u>	<u>(1,259,463)</u>	<u>(27,972,761)</u>
-	8,360	-	8,360
479,802	-	1,660,000	30,097,706
-	-	-	(29,797,706)
<u>479,802</u>	<u>8,360</u>	<u>1,660,000</u>	<u>308,360</u>
1,951,822	(958,452)	400,537	(27,664,401)
<u>8,162,822</u>	<u>2,361,621</u>	<u>776,815</u>	<u>145,022,747</u>
<u>\$ 10,114,644</u>	<u>\$ 1,403,169</u>	<u>\$ 1,177,352</u>	<u>\$ 117,358,346</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Year ended June 30, 2018

Net change in fund balances - total governmental funds \$ (27,664,401)

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

Governmental funds report capital outlays as expenditures. However in the
statement of activities the cost of these assets are allocated over their estimated
useful lives and reported as depreciation expense. This is the amount by which
capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 241,889	
Current year depreciation expense	<u>(1,318,993)</u>	(1,077,104)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in governmental funds. (3,357,751)

The issuance of long-term debt (e.g., bonds, leases) 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 bond premiums, discounts, and similar items when
debt is first issued, whereas these amounts are amortized in the statement
of activities.

Principal payments	7,603,000	
Amortization of bond premium and discounts	<u>(362,920)</u>	7,240,080

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.

Change in compensated absences	50,683	
Change in other post-employment benefits (OPEB)	(152,592)	
Change in accrued interest payable	1,065,968	
Change in long term payable	1,300,000	
Change in interest credits due from federal government	<u>(197,680)</u>	2,066,379

Governmental funds report pension contributions as expenditures when made.
However, in the statement of activities pension expense is the cost of benefits
earned, adjusted for member contributions, the recognition of changes in
deferred outflows and inflows of resources related to pensions, and investment
experience.

Contributions	1,502,067	
Pension expense	<u>(1,698,357)</u>	(196,290)

Change in net position of governmental activities \$ (22,989,087)

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

Year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance to Final Budget
	Original	Final		
Revenues				
Motor vehicle fuel tax	\$ 81,044,609	\$ 81,044,609	\$ 81,179,894	\$ 135,285
Public transportation tax	4,980,098	4,980,098	5,105,973	125,875
Project reimbursements	5,500,000	5,500,000	3,605,357	(1,894,643)
Transportation planning and operating grants:				
Federal Transit Administration	12,000,000	12,000,000	13,856,961	1,856,961
Federal Highway Administration	18,087,750	18,087,750	15,719,605	(2,368,145)
Investment income	325,000	325,000	235,362	(89,638)
Miscellaneous	-	-	69,036	69,036
Total revenues	<u>121,937,457</u>	<u>121,937,457</u>	<u>119,772,188</u>	<u>(2,165,269)</u>
Expenditures				
Current:				
Streets and highways	152,764,480	152,764,480	119,682,838	33,081,642
Capital outlay:				
Land	-	-	65,507	(65,507)
Total expenditures	<u>152,764,480</u>	<u>152,764,480</u>	<u>119,748,345</u>	<u>33,016,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,827,023)</u>	<u>(30,827,023)</u>	<u>23,843</u>	<u>30,850,866</u>
Other financing sources (uses)				
Transfers out	<u>(28,542,112)</u>	<u>(28,542,112)</u>	<u>(29,797,706)</u>	<u>(1,255,594)</u>
Total other financing sources (uses)	<u>(28,542,112)</u>	<u>(28,542,112)</u>	<u>(29,797,706)</u>	<u>(1,255,594)</u>
Net change in fund balance	(59,369,135)	(59,369,135)	(29,773,863)	29,595,272
Fund balance - beginning	156,038,064	156,038,064	88,781,724	(67,256,340)
Fund balance - ending	<u>\$ 96,668,929</u>	<u>\$ 96,668,929</u>	<u>\$ 59,007,861</u>	<u>\$ (37,661,068)</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 9,568,401	\$ 9,568,401	\$ 5,549,564	\$ (4,018,837)
Project reimbursements	5,000	5,000	-	(5,000)
Transportation planning and capital grants:				
Federal Highway Administration	3,445,650	3,445,650	1,048,533	(2,397,117)
Investment income	200,000	200,000	28,231	(171,769)
Total revenues	<u>13,219,051</u>	<u>13,219,051</u>	<u>6,626,328</u>	<u>(6,592,723)</u>
Expenditures				
Current:				
Streets and highways	16,283,119	16,283,119	5,154,308	11,128,811
Capital outlay:				
Equipment	369,000	369,000	-	369,000
Total expenditures	<u>16,652,119</u>	<u>16,652,119</u>	<u>5,154,308</u>	<u>11,497,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,433,068)</u>	<u>(3,433,068)</u>	<u>1,472,020</u>	<u>4,905,088</u>
Other financing sources				
Transfers in	450,000	450,000	479,802	29,802
Total other financing sources	<u>450,000</u>	<u>450,000</u>	<u>479,802</u>	<u>29,802</u>
Net change in fund balance	(2,983,068)	(2,983,068)	1,951,822	4,934,890
Fund balance - beginning	<u>7,377,602</u>	<u>7,377,602</u>	<u>8,162,822</u>	<u>785,220</u>
Fund balance - ending	<u>\$ 4,394,534</u>	<u>\$ 4,394,534</u>	<u>\$ 10,114,644</u>	<u>\$ 5,720,110</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Paratransit Services Fund)**

Year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public transportation tax	\$ 4,000,000	\$ 4,000,000	\$ 4,700,000	\$ 700,000
Passenger fares	733,491	733,491	425,604	(307,887)
Transportation planning, operating and capital grants, and contributions:				
State of Nevada Department of Health and Human Services	540,000	540,000	1,458,394	918,394
Federal Transit Administration	1,854,601	1,854,601	1,485,363	(369,238)
Investment income	15,000	15,000	4,833	(10,167)
Miscellaneous	63,325	63,325	167,844	104,519
Total revenues	<u>7,206,417</u>	<u>7,206,417</u>	<u>8,242,038</u>	<u>1,035,621</u>
Expenditures				
Current:				
Transportation services	9,235,408	9,235,408	9,032,467	202,941
Capital outlay:				
Equipment	1,147,869	1,147,869	176,383	971,486
Total expenditures	<u>10,383,277</u>	<u>10,383,277</u>	<u>9,208,850</u>	<u>1,174,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,176,860)</u>	<u>(3,176,860)</u>	<u>(966,812)</u>	<u>2,210,048</u>
Other financing sources				
Sale of capital assets	5,000	5,000	8,360	3,360
Total other financing sources	<u>5,000</u>	<u>5,000</u>	<u>8,360</u>	<u>3,360</u>
Net change in fund balance	(3,171,860)	(3,171,860)	(958,452)	2,213,408
Fund balance - beginning	<u>3,363,269</u>	<u>3,363,269</u>	<u>2,361,621</u>	<u>(1,001,648)</u>
Fund balance - ending	<u>\$ 191,409</u>	<u>\$ 191,409</u>	<u>\$ 1,403,169</u>	<u>\$ 1,211,760</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**June 30, 2018
with comparative amounts at June 30, 2017**

	2018	2017
Assets		
Current assets:		
Cash in custody of County Treasurer	\$ 16,255,626	\$ 16,092,760
Cash in bank and on hand	2,927,762	2,053,798
Accounts receivable	184,692	294,133
Due from federal government	5,916,187	5,843,795
Due from State of Nevada	5,469,842	4,992,311
Interest receivable	58,082	43,154
Due from other funds	153,574	48,560
Inventory	180,901	127,288
Prepaid expenses	460,072	387,945
Total current assets	31,606,738	29,883,744
Noncurrent assets:		
Property, buildings, and equipment, net	89,357,472	80,344,692
Total assets	120,964,210	110,228,436
Liabilities		
Current liabilities:		
Accounts payable	9,409,722	2,691,966
Retentions payable	222,663	812,163
Accrued liabilities	606,928	36,854
Unearned revenue	33,850	22,322
Due to other funds	2,416,942	5,435,715
Total current liabilities	12,690,105	8,999,020
Noncurrent liabilities:		
Other post-employment benefits	4,832,562	1,163,667
Contingent liability	-	1,308,250
Sales tax refund payable	286,561	-
Total liabilities	17,809,228	11,470,937
Net Position		
Net investment in capital assets	89,134,808	79,532,529
Unrestricted	14,020,174	19,224,970
Total net position	\$ 103,154,982	\$ 98,757,499

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	2018	2017
Operating revenues:		
Passenger fares	\$ 5,614,832	\$ 5,716,864
Bus advertising	264,091	190,455
Rental income	435,459	457,699
Miscellaneous	30,121	42,328
Total operating revenues	6,344,503	6,407,346
Operating expenses:		
General administration	25,769,143	25,949,838
Depreciation	5,695,881	5,301,035
Total operating expenses	31,465,024	31,250,873
Operating loss	(25,120,521)	(24,843,527)
Nonoperating revenues:		
Operating subsidies:		
Federal government grants	4,088,110	4,825,788
Other revenue:		
Public transportation tax	11,066,489	8,458,799
Public transportation taxes pledged	10,211,947	9,378,033
Investment income	65,488	33,843
Gain (loss) on sale of capital assets	218	5,700
Total nonoperating revenues	25,432,252	22,702,163
Loss before capital contributions and transfers	311,731	(2,141,364)
Capital contributions:		
Federal grants	7,710,653	9,881,754
State grants	137,256	-
Total capital contributions	7,847,909	9,881,754
Transfers:		
Transfers out	(300,000)	(217,500)
Total transfers	(300,000)	(217,500)
Change in net position	7,859,640	7,522,890
Net position - beginning of year	98,757,499	91,234,609
Cumulative effect of GASB 75 implementation	(3,462,157)	-
Net position - beginning of year, as restated	95,295,342	91,234,609
Net position - ending	\$ 103,154,982	\$ 98,757,499

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	2018	2017
Cash flows from operating activities		
Cash received from customers	\$ 6,069,334	\$ 6,147,947
Cash received from other funds	291,360	291,360
Cash payments to suppliers for goods and services	(15,894,942)	(19,922,504)
Cash compensation and employee benefits	(6,110,601)	(3,649,843)
Net cash provided by (used for) operating activities	(15,644,849)	(17,133,040)
Cash flows from noncapital financing activities		
Operating grants	4,822,871	3,730,687
Transfers to other funds	(300,000)	(217,500)
Public transportation tax received	19,778,983	18,838,794
Net cash provided by (used for) noncapital financing activities	24,301,854	22,351,981
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(14,711,709)	(11,949,689)
Capital contributions	7,040,756	9,983,535
Proceeds from the sale of capital assets	218	5,700
Net cash provided by (used for) capital and related financing activities	(7,670,735)	(1,960,454)
Cash flows from investing activities:		
Investment income	50,560	23,531
Net change in cash and cash equivalents	1,036,830	3,282,018
Cash and cash equivalents - beginning	18,146,558	14,864,540
Cash and cash equivalents - ending	\$ 19,183,388	\$ 18,146,558

(continued)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - CONTINUED
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	2018	2017
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (25,120,521)	\$ (24,843,527)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization expense	5,695,881	5,301,035
Decrease (increase) in accounts receivable	109,673	(7,386)
Decrease (increase) in inventory	(53,613)	(35,561)
Decrease (increase) in prepaid expenses	(72,125)	(89,714)
Increase (decrease) in accounts payable	6,717,756	2,560,652
Increase (decrease) in net OPEB liability	206,732	-
Increase (decrease) in other liabilities	(3,128,632)	(18,538)
Total adjustments	9,475,672	7,710,488
Net cash used for operating activities	\$ (15,644,849)	\$ (17,133,039)

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Regional Transportation Commission of Reno, Sparks and Washoe County, Nevada (RTC) conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements, constitutes GAAP for governmental units. A summary of RTC's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Reporting Entity

The Regional Transportation Commission of Reno, Sparks and Washoe County was created through an interlocal cooperative agreement signed in May 1978 by Washoe County, the City of Reno and the City of Sparks. It became the Regional Transportation Commission (RTC) in July 1979. The agreement was amended in 1985 when these three public entities delegated their powers to the Commission in order to consolidate the administration and operation of public mass transportation in Washoe County. The Commission operates as a governing board with two representatives selected by the Washoe County Board of Commissioners, two representatives selected by the City Council of the City of Reno and one representative selected by the City Council of the City of Sparks.

The RTC's street and highway construction projects in Washoe County are financed from the motor vehicle fuel tax revenue, public transportation tax revenue, and impact fees for the construction of new roads and capacity improvements on roads impacted by new development. These projects are submitted to the RTC for approval and subsequently to Washoe County, City of Reno, and City of Sparks for approval. An interlocal cooperative agreement, signed by the three public entities mentioned is required before monies can be expended on these construction projects. The infrastructure created by these projects becomes the asset of the applicable public entity (City of Reno, the City of Sparks or Washoe County) upon completion.

The RTC is also responsible for the local public transit system, RTC RIDE. Final authority on the budget of the program rests with the RTC.

The RTC has allocated public transportation tax receipts to the following operations: (1) RTC RIDE a public bus system in Washoe County; the RTC contracts with a private company, MV Transportation, Incorporated, to operate RTC RIDE; (2) RTC ACCESS a paratransit operation which provides transportation services to the elderly and disabled population in Washoe County; the RTC contracts with a private company, Ride Right LLC, to operate RTC ACCESS; and (3) Tahoe Area Regional Transit (TART) a transit system operating in part in Incline Village, Nevada; TART is operated by Placer County, California; the RTC reimburses Placer County for operating expenses incurred while providing transit service in Washoe County.

The accompanying financial statements present the government. The RTC does not have any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, and allowable expenses are made under the grant provisions.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Income earned on investments and project reimbursements associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Motor vehicle fuel tax and public transportation tax revenues are derived tax revenues collected by the State of Nevada and shared with the RTC. The RTC recognizes these revenues in the same period as the State. All other revenue items are considered to be measurable and available only when cash is received by the government.

Generally, expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due.

Project appropriations that have been approved but for which expenditure has not been incurred, are reflected as amounts restricted for project appropriations in the General Fund and Special Revenue Funds. Project appropriations are approved when a cooperative agreement specifying the amount of motor vehicle fuel tax funds, bond proceeds, impact fees or other financing sources to be spent, is executed by all the governing bodies within the jurisdiction of the RTC, or when the project has been added to the program of projects and approved by the RTC Board of Commissioners.

The RTC reports the following major governmental funds:

General Fund – The General Fund is the RTC’s primary operating fund. It accounts for all financial resources of the RTC, except for those required to be accounted for in another fund. Regional street and highway expenditures for road projects are accounted for in this fund instead of a separate fund in order to reduce undue complexity in budgeting, accounting and other phases of financial management.

Debt Service Fund – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Regional Road Impact Fee Fund (Special Revenue Fund) – Monies recovered from impact fees and resources provided for capacity improvements to the regional road system are accounted for in the Regional Road Impact Fee Fund.

Paratransit Services Fund (Special Revenue Fund) – Allocation of public transportation tax, passenger fares, and federal grants for RTC ACCESS are accounted for in the Paratransit Services Fund.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The RTC reports the following major proprietary fund:

Public Transit Fund (*Enterprise Fund*) – Accounts for the operation of RTC RIDE.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the RTC's proprietary fund are charges to customers for services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash, Cash Equivalents and Temporary Investments

The RTC's cash and cash equivalents are considered to be cash on hand, demand deposits, and temporary investments. A portion of the cash resources of the individual funds are deposited with the Washoe County Treasurer. Those resources are combined with the resources of the County's funds and other local governments within the County to form a pool of cash and investments. In accordance with 355.170 of Nevada Revised Statutes, Washoe County invested in various treasury notes, mutual funds, commercial paper, bonds, and U.S. Government securities. The RTC's net position in these securities is reported at fair value, in accordance with GASB Statement No. 72, Fair Value Measurements and Application.

In addition to the cash and investment pool, certain deposits and investments are held separately by RTC funds and reported accordingly. Investments are reported at fair value and changes in fair value are included in investment income.

Investment income earned as a result of the above pooling arrangement is distributed by the County Treasurer to the appropriate funds as it is received. Interest receivable at June 30 is calculated by the Treasurer's office and accrued in the various funds. The investment income is allocated based on each fund's monthly average cash balance.

For purposes of the statement of cash flows, the RTC considers all highly liquid investments, including pooled investments with original maturities of three months or less to be cash equivalents.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by either bond covenants or other external agreements. RTC's restricted assets consist of remaining bond proceeds for specific road construction projects, unspent grant proceeds and debt service requirements pursuant to bond covenants.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (continued)

between funds are reported as “due 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.” The RTC considers trade receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

Inventories and Prepaid Items

The Proprietary Fund’s inventory is comprised of bus fuel and is stated at weighted average cost. Inventories of governmental funds, generally consisting of materials and supplies, are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide, governmental, and proprietary fund financial statements. The RTC uses the consumption method in accounting for prepaids.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the RTC as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

Infrastructure assets constructed by the street and highway function of the RTC (e.g., roads, bridges, curbs and gutters, streets and sidewalks) are not assets of the RTC, and so have not been capitalized or depreciated. Under the cooperative agreements to build such infrastructure assets, the entities agree that the infrastructure created belongs to the applicable public entity (City of Reno, City of Sparks or Washoe County).

The RTC has intangible assets in the form of water rights. The water rights are acquired through right of way land purchases as part of the construction of infrastructure assets. Water rights are separated from land purchases before the land is dedicated to the applicable public entity as part of their completed infrastructure asset. Water rights are not used in the operation of RTC’s street and highway function and are recorded as other assets.

Expenditures related to the construction of infrastructure assets are recognized when incurred. Grants, contributions and reimbursements for the construction of infrastructure assets are recognized as operating grants and contributions in the Statement of Activities. Impact fees collected for use in the street and highway function are recognized as general revenues in the Statement of Activities.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

When capital assets are retired, sold, or otherwise disposed of, the asset’s carrying amount and related accumulated depreciation are removed from the asset accounts and any gain or loss is recorded in the period of disposal.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. For both governmental and business-type activities, property, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Estimated Service Life (Years)
Buildings and building improvements	15-30
Communication equipment	3-5
Computer equipment	3-5
Leasehold improvements	3-20
Miscellaneous fixtures and equipment	4-7
Office furniture and equipment	3-8
Passenger shelters	3 -15
Revenue collection and counting equipment	3-6
Revenue vehicles (buses)	12
Revenue vehicles (vans)	5-7
Support vehicles	5
Safety and security equipment	5-6
Tool and shop equipment	3-12

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report separate sections for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The RTC reports an amount related to pensions and other postemployment benefits (OPEB) on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The RTC has two types of deferred inflows of resources: 1) Amounts which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The unavailable revenue reported is from three sources, federal grants, state grants, and project reimbursements and 2) Amounts related to pensions and OPEB on the government-wide financial statements. The amounts are deferred and recognized as an inflow of resources in the period that they become available.

Compensated Absences

It is the RTC's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is recognized for compensated absences relating to services already rendered that are not contingent on a specific event and are accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. The obligation for compensated absences is accrued when incurred in the government-wide financial statements.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

For governmental type funds, the compensated absences are reported as fund liabilities only to the extent that those liabilities relate to benefits payable to employees upon termination of their employment as of the fiscal year end.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund lease payments between the RTC's street and highways, transportation services and metropolitan planning functions and the business-type activities, public transportation, function. Elimination of these payments would distort the direct costs and program revenues for the various functions concerned.

Long-Term Obligations, Bond Discounts and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which is materiality consistent with the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed during the current period.

In 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 or not withheld from the actual debt proceeds received, are reported as expenditures.

Pension

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Classifications

In government-wide statements, net position is classified as net position and displayed in three components:

- Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.
- Restricted – consists of net position subject to constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (continued)

In the fund financial statements, governmental funds report the difference between assets and liabilities as fund balance. The following are the classification policies and procedures used for reporting fund balance:

- *Nonspendable* fund balance includes amounts that are not in a spendable form or are required to be legally or contractually maintained intact.
- *Restricted* fund balance includes amounts that can only be spent for the specific purposes where restrictions are externally imposed by creditors, grantors, contributors, constitutional provisions, regulations of other governments, or enabling legislation. Effectively, restrictions may only be changed or lifted with the consent of the external party. The RTC has restricted fund balances in the form of monies restricted by the State for special studies, federal grants and enabling legislation.
- *Committed* fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision making authority. Commitments may only be changed or lifted by the government taking the same formal action that imposed the original constraint. The RTC's Board of Commissioners is the highest level of decision making authority and any fund balance commitments established, modified, or rescinded would require a majority vote of the RTC's Board of Commissioners.
- *Assigned* fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body, an official or body to which the governing body delegates the authority. The RTC Board of Commissioners delegates to the Executive Director or his or her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- *Unassigned* fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted or committed.

The RTC will consider restricted fund balance to be spent first for an expenditure for which multiple fund balance classifications are available. Committed fund balance will be spent first, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for the purposes for which any unrestricted fund balance classification could be used.

Budget Minimum Fund Balance Policy

The RTC Board of Commissioners has adopted a minimum fund balance policy for budget preparation. Fund balance is set aside as a contingency for revenue shortfalls or unanticipated expenditures. Fund balance can also be used to temporarily finance cash flow and to fund self-insurance and capital replacement programs. A minimum fund balance policy establishes the type of fund balances an organization will have, as well as the size and use of those fund balances. It is not the intent of this policy to accumulate unnecessary or excessive levels of fund balance; nor is it to be used to fund regular or ongoing operations.

The purpose of this minimum fund balance policy is to:

- Provide an overall, long-range approach to financial management.
- Ensure that the RTC is able to meet its financial obligations as they arise.
- Improve fiscal stability and protect the RTC during a financial emergency.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Minimum Fund Balance Policy (continued)

a. Public Transportation Program Policy Statement

The sum of all fund balances for the Public Transportation Program shall be maintained at a minimum amount equal to two months of operating expenditures at June 30 of each fiscal year budget. The maximum fund balance amount would not exceed three months of operating expenditures.

b. Street and Highway Program Policy Statement

The minimum fund balance for the Street and Highway Program shall consist of two components:

1. Operating fund reserves will be maintained at a minimum of five (5) percent of operating expenditures.
2. The projects not yet finalized account will be maintained annually at a minimum of \$500,000.

The development of the minimum fund balance policy should ensure financial planning and stability for the future.

Comparative Data

Comparative total data for the prior year has been presented only for the Enterprise Fund in the basic financial statements in order to provide an understanding of the changes in the financial position and operations of this fund. It has been provided to add comparability but is not considered full disclosure of transactions for 2017. Such information can only be obtained by referring to the audited financial statements for that year.

New Accounting Pronouncements

The Governmental Accounting Standards Board has issued GASB Statement No. 75, *Account and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). RTC adopted the Statement during the year ended June 30, 2018 and the adoption resulted in a decrease in net position at July 1, 2017 of \$7,029,232 for the governmental activities and \$3,462,157 for the business type activities and public transportation enterprise fund to reflect the beginning of year total OPEB liability and deferred outflow of resources.

The Governmental Accounting Standards Board has issued GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2019.

The Governmental Accounting Standards Board has issued GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2020.

The Governmental Accounting Standards Board has issued GASB Statement No. 85, *Omnibus 2017*, effective for fiscal years beginning after June 15, 2018. The RTC has implemented this pronouncement where applicable as of June 30, 2018.

The Governmental Accounting Standards Board has issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, effective for fiscal years beginning after June 15, 2017. This pronouncement was applicable; however, no advance refunding occurred during FY18 and therefore no disclosures for RTC as of June 30, 2018.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (continued)

The Governmental Accounting Standards Board has issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. This pronouncement will be implemented in fiscal year ending June 30, 2021.

The Governmental Accounting Standards Board has issued GASB Statement No. 88, *Certain Disclosures Related to Debt*, effective for fiscal years beginning after June 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2019.

The Governmental Accounting Standards Board has issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. This pronouncement will be implemented in fiscal year ending June 30, 2021.

The Governmental Accounting Standards Board has issued GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2020.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

For the year ended June 30, 2018, the RTC established its budget within the legally mandated timeframe.

- a. On or before April 15, the Finance Department submits to the Nevada Department of Taxation a tentative budget for the fiscal year commencing July 1, 2017.
- b. On May 18, 2017, the Executive Director submitted to the RTC's Board of Commissioners a proposed operating budget for the fiscal year commencing July 1, 2017. The operating budget includes proposed expenditures/expenses and the means of financing them.
- c. Public hearings were conducted in May to obtain taxpayer comments. On May 18, 2017, the budget for each fund was adopted through passage of a resolution by a majority vote of the RTC's Board of Commissioners of the RTC. The RTC filed the budget directly with the Department of Taxation, State of Nevada.

The following legal requirements were considered in developing the budgetary data which is reflected in the financial statements.

- a. Annual budgets for all governmental and proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The governing body can augment the budget after following public hearing procedures. Unexpended appropriations lapse at year-end.
- b. The Executive Director is authorized to transfer appropriations between accounts within the General Fund. Any revision which alters the total appropriations of a function or fund must be approved in advance prior to year-end by the RTC's Board of Commissioners and submitted to the Department of Taxation, State of Nevada.
- c. State statute does not require that capital outlay, debt service payments, and other cash transactions normally reflected in the Statement of Net Position of the Proprietary Fund be limited by the budget.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

- d. Budgeted appropriations generally may not be exceeded by actual expenditures of the various governmental functions in the General Fund, Special Revenue Funds, and by operating and non-operating expenses in the Proprietary Fund.
- e. Fund net position in the Proprietary Fund may not be a deficit.

Excess of Expenditures over Appropriations and Deficit Fund Net Position

The RTC conformed to all significant statutory constraints on its financial administration during the year.

NOTE C – CASH AND INVESTMENTS

Deposits

For the year ended June 30, 2018, the RTC had the following cash balances:

	Carrying Amount	Bank Balance
On hand	\$ 7,547	\$ 7,547
On deposit with bank	14,684,848	19,675,912
Restricted cash from Motor Vehicle Fuel Tax Revenue Bonds	18,293,060	18,293,060
Total RTC cash and deposits	\$ 32,985,455	\$ 37,976,519

The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected at the bank.

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the RTC's deposits may not be returned. The RTC does not have a policy for custodial credit risk; however, the RTC participates through Washoe County in the Nevada State Collateral Pool for public fund deposits. Depository banks are required to place acceptable securities of no less than 102% of the market value of the total deposits of public entities in Nevada with a third party custodian. The collateral pool is administered and monitored by the Nevada State Treasurer's Office. Due to its participation in the Nevada State Collateral Pool, the RTC's deposits were fully insured and collateralized, and as such, were not exposed to any custodial credit risk at June 30, 2018.

Pooled Investment Funds

The RTC deposits are maintained in a recognized pooled investment fund under the care of the Washoe County Chief Investment Official (the Washoe County Treasurer) under authority delegated by the Board of County Commissioners. In addition, the Washoe County Treasurer's External Investment Pool is overseen by an Investment Committee and is included in their annual audit.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Pooled Investment Funds (continued)

Pooled investment funds consist of cash deposited in the interest-bearing Washoe County Treasurer's External Investment Pool. The investment pool is not registered with the SEC as an investment company and no legally binding guarantees have been provided to support the value of the shares. The fair value of the pooled investments deposited in the investment pool is equal to the value of the pool shares. At June 30, 2018, the carrying amount of \$69,320,631 recorded at fair value of the various funds of the RTC in the pool was approximately 14.0% of the County's total balance. Earnings, realized and unrealized gains and losses are included in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund's Statement of Revenues, Expenses and Changes in Fund Net Position, captioned as investment income.

Because the RTC's deposits are maintained in a recognized pooled investment fund under the care of a third party and the RTC's share of the pool does not consist of specific, identifiable investment securities, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. The RTC's deposits in the pool are considered to be highly liquid. The Washoe County audited Comprehensive Annual Financial Report indicates that there were no derivatives in the pool as of June 30, 2018. A copy of this report can be obtained at www.washoecounty.us or through a request sent to P.O. Box 11130, Reno, NV 89520.

Investments

The RTC has a formal investment policy adopted by the RTC Board of Commissioners that is designed to insure conformity with NRS and seeks to limit exposure to investment risks. State statute authorizes the RTC to invest in the following:

- Obligations of the United States or its agencies.
- Certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations as well as certain farm loan bonds.
- Certain securities issued by local governments of the State of Nevada and other securities expressly authorized by other statutes of the State of Nevada.
- Bankers acceptances, commercial paper issued by a U.S. corporation or state operating in the U.S., and money market mutual funds registered with the Securities and Exchange Commission.
- Notes, bonds, and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States.

Investments are recorded at fair value.

The RTC categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The RTC does not have any investment that is measured using Level 3 inputs.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

As of June 30, 2018, the RTC had the following recurring fair value measurements as identified below:

Government-Wide Balances:	Total	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Commercial Paper	\$ 4,875,218	\$ 4,875,218	\$ -	\$ -
U.S. Treasury Notes	22,067,915	22,067,915	-	-
Money Market Mutual Funds	30,683	30,683	-	-
Federal Agency Bond	244,321	244,321	-	-
Total Investment	27,218,137	27,218,137	-	-
Total Cash	32,985,455			
Washoe County Investment Pool	69,320,631			
Total Cash and Investments	\$ 129,524,223			

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued at fair value based on the observable market prices of the underlying assets held by the pool or fund less liabilities.

As of June 30, 2018, the RTC had the following investments and maturities:

Government-Wide Balances:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 4	4 to 6	6 to 10
Commerical paper	\$ 4,875,218	\$ 4,875,218	\$ -	\$ -	\$ -
U.S. Treasury Notes	22,067,915	2,249,199	19,818,716	-	-
Money Market Mutual Funds	30,683	30,683	-	-	-
Federal Agency Bond	244,321	-	244,321	-	-
Washoe County Investment Pool	69,320,631	18,951,940	28,744,533	19,705,162	1,918,996
Total Investment	96,538,768	26,107,040	48,807,570	19,705,162	1,918,996
Total Cash	32,985,455	32,985,455	-	-	-
Total Cash and Investments	\$ 129,524,223	\$ 59,092,495	\$ 48,807,570	\$ 19,705,162	\$ 1,918,996

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit quality of investments is limited by NRS, which authorizes investments in obligations of the U.S. Treasury and agencies or instrumentalities of the U.S., obligations of the State of Nevada and local governments, notes, bonds and other obligations issued by corporations rated "A" or better by one or more nationally recognized bond credit rating agencies, commercial paper rated "A-1", "P-1" or better, repurchase agreements, certificates of deposit, and money market mutual funds rated "AAA" or its equivalent.

The RTC investment policy does not further limit its investment choices with the exception of investments in notes, bonds and other obligations issued by corporations. Pursuant to the RTC's formal investment policy, corporate obligations must be rated "AA" or better.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Credit Risk (continued)

As of June 30, 2018, the RTC's investments were rated as follows:

Investment Type	Fair Value	Ratings	
		Moody's	Standard & Poor's
Commerical Paper	\$ 4,875,218	P-1	A-1
U.S. Treasury Notes	22,067,915		
Money Market Mutual Funds	30,683	Aaa	AAA
Federal Agency Bond	244,321		
Total Investments	<u>\$ 27,218,137</u>		

Interest Rate Risk

Interest rate risk is defined as the risk that changes in market interest rates will adversely affect the fair value of an investment. NRS 355.170 and NRS 355.171 limit maturities of authorized investments. The RTC's formal investment policy does not further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average years to maturity for all investments at June 30, 2018 are 0.96 years.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The RTC's formal investment policy requires investment portfolio diversification in order to eliminate the risk of loss from overconcentration. The policy places the statutory limits on investments. Amounts invested in direct obligations of the U.S. government, securities backed by the full faith and credit of the U.S. government, repurchase agreements or certificates of deposit are not limited. Investment limits per issuer are placed on the following securities: securities backed by federal agencies, 35%; agency issued mortgage-backed securities, 15%; corporate obligations, 4%; obligations issued by state and local governments, 25%. Other limits are placed on the following securities: bankers acceptances, 20% in the aggregate, commercial paper, 20% of portfolio; and money market funds, 45% of money market fund assets.

At June 30, 2018, RTC's investments were invested in the following:

Commercial Paper	17.91%
U.S. Treasury	81.08%
Money Market Mutual funds	0.11%
Federal Agency Bond	0.90%

NOTE D – RESTRICTED CASH AND INVESTMENTS

Governmental Funds

The restricted cash and investments balance of \$45,511,197 in the Debt Service Fund is restricted for required reserves and debt service on the bonds.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS

A summary of activity in capital assets used in the operation of governmental activities for the year ended June 30, 2018, follows:

Governmental Activities	Balance June 30, 2017	Additions & Reclassifications	Transfers/ Deletions	Balance June 30, 2018
Capital Assets not being depreciated:				
Land	\$ 2,282,090	\$ -	\$ -	\$ 2,282,090
Construction in progress	115,784	-	(97,262)	18,522
Total Capital Assets, not being depreciated	<u>2,397,874</u>	<u>-</u>	<u>(97,262)</u>	<u>2,300,612</u>
Capital Assets being depreciated:				
Revenue & support vehicles	6,620,751	-	(1,033,849)	5,586,902
Other equipment	4,051,603	339,152	(90,038)	4,300,717
Buildings and leasehold improvements	7,176,299	-	-	7,176,299
Total Capital Assets being depreciated	<u>17,848,653</u>	<u>339,152</u>	<u>(1,123,887)</u>	<u>17,063,918</u>
Less accumulated depreciation for:				
Revenue & support vehicles	(3,450,311)	(973,986)	1,033,849	(3,390,448)
Other equipment	(4,040,795)	(59,968)	90,038	(4,010,725)
Buildings and leasehold improvements	(5,388,097)	(285,039)	-	(5,673,136)
Total accumulated depreciation	<u>(12,879,203)</u>	<u>(1,318,993)</u>	<u>1,123,887</u>	<u>(13,074,309)</u>
Total Capital Assets being depreciated, net	<u>4,969,450</u>	<u>(979,841)</u>	<u>-</u>	<u>3,989,609</u>
Governmental activities Capital Assets, net	<u>\$ 7,367,324</u>	<u>\$ (979,841)</u>	<u>\$ (97,262)</u>	<u>\$ 6,290,221</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS (CONTINUED)

A summary of activity in capital assets used in business-type activities for the year ended June 30, 2018, follows:

Business-type Activities	Balance June 30, 2017	Additions	Transfers/ Deletions	Balance June 30, 2018
Capital Assets not being depreciated:				
Land	\$ 16,681,817	\$ -	\$ -	\$ 16,681,817
Construction in progress	15,312,169	9,506,126	(15,040,398)	9,777,897
Total Capital Assets, not being depreciated	31,993,986	9,506,126	(15,040,398)	26,459,714
Capital Assets being depreciated:				
Revenue vehicles	34,715,788	5,237,244	-	39,953,032
Tool and shop equipment	482,383	542,346	-	1,024,729
Office furniture and equipment	132,917	-	-	132,917
Support vehicles	549,339	-	(17,961)	531,378
Revenue collection and counting equipment	1,783,525	-	-	1,783,525
Miscellaneous fixtures and equipment	2,133,085	14,985	-	2,148,070
Buildings and leasehold improvements	49,828,056	14,260,095	-	64,088,151
Land improvements	1,364,355	-	-	1,364,355
Communications equipment	476,806	81,587	-	558,393
Surveillance equipment	978,633	20,500	-	999,133
Passenger shelters	7,564,821	75,965	-	7,640,786
Computer equipment	1,780,555	10,500	(30,549)	1,760,506
Intelligent transportation system	3,057,214	-	-	3,057,214
Total Capital Assets being depreciated	104,847,477	20,243,222	(48,510)	125,042,189
Less accumulated depreciation for:				
Revenue vehicles	(22,371,973)	(2,608,758)	-	(24,980,731)
Tool and shop equipment	(340,987)	(69,787)	-	(410,774)
Office furniture and equipment	(132,917)	-	-	(132,917)
Support vehicles	(489,427)	(15,277)	17,961	(486,743)
Revenue collection and counting equipment	(1,350,393)	(94,501)	-	(1,444,894)
Miscellaneous fixtures and equipment	(1,088,729)	(150,976)	-	(1,239,705)
Buildings and leasehold improvements	(20,758,407)	(1,840,428)	-	(22,598,835)
Land improvements	(599,032)	(55,049)	-	(654,081)
Communications equipment	(409,009)	(40,715)	-	(449,724)
Surveillance equipment	(855,312)	(28,691)	-	(884,003)
Passenger shelters	(3,698,679)	(633,948)	-	(4,332,627)
Computer equipment	(1,344,691)	(157,751)	30,258	(1,472,184)
Intelligent transportation system	(3,057,214)	-	-	(3,057,214)
Total accumulated depreciation	(56,496,770)	(5,695,881)	48,219	(62,144,432)
Total Capital Assets being depreciated, net	48,350,707	14,547,341	(291)	62,897,757
Business-type activities Capital Assets, net	<u>\$ 80,344,693</u>	<u>\$ 24,053,467</u>	<u>\$ (15,040,689)</u>	<u>\$ 89,357,471</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities:</u>	
Streets and highways	\$ 2,987
Transportation services	<u>1,316,006</u>
Total depreciation expense-governmental activities	<u>\$ 1,318,993</u>
<u>Business-type Activities:</u>	
Public transportation	<u>\$ 5,695,881</u>

NOTE F – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the RTC expects such amounts, if any, to be immaterial.

NOTE G – UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, \$12,500 in unearned rental revenue was reported in the General Fund.

NOTE H – UNINSURED RISK

The RTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The RTC is self-insured for municipal liability and business auto liability. The RTC administers claims and judgments falling under the self-insurance limit. Liabilities of any fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount, as it depends on many factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. All claims are liquidated as they become due and payable using current resources. Additional excess coverage insurance policies cover individual claims in excess of \$25,000 per event. Settlements have not exceeded coverage for each of the past five fiscal years. The RTC did not incur any liability claim in fiscal year 2018.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE I – LONG TERM OBLIGATIONS

Revenue Bonds

The RTC issued revenue bonds to provide funds for the construction and pavement maintenance of certain streets and highways in the County.

The bond Series 2009, Series 2010ABC, Series 2010DEF and Series 2013 constitute special, limited obligations of Washoe County, payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues, derived primarily from certain taxes on motor vehicle fuel collected by the RTC.

The bond Series 2010H constitutes special, limited obligations of Washoe County, payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues, derived primarily from one-eighth of one percent (0.125%) sales tax collected by the RTC.

The bonds shall not be considered or held to be a general obligation of the County or RTC. Owners of the bonds may not look to any other funds or accounts other than those specifically pledged to the payment of the bonds.

Bonds outstanding at June 30, 2018 are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Principal Outstanding July 1, 2018</u>
Motor Vehicle Fuel Tax Series 2009 ⁽¹⁾	7/8/2009	\$ 89,567,000	3.0 - 5.5 %	2/1/2028	\$ 60,787,000
Motor Vehicle Fuel Tax Series 2010A ⁽¹⁾	3/17/2010	13,179,000	2.5 - 4.0	2/1/2020	4,699,000
Motor Vehicle Fuel Tax Series 2010B ⁽²⁾	3/17/2010	66,821,000	5.6 - 7.2	2/1/2039	66,821,000
Motor Vehicle Fuel Tax Series 2010C ⁽³⁾	3/17/2010	10,000,000	7.2	2/1/2040	10,000,000
Motor Vehicle Fuel Tax Series 2010E ⁽²⁾	12/16/2010	58,775,000	7.969	2/1/2040	58,775,000
Motor Vehicle Fuel Tax Series 2010F ⁽³⁾	12/16/2010	5,385,000	7.875	2/1/2040	5,385,000
Motor Vehicle Fuel Tax Series 2013 ⁽¹⁾	4/16/2013	165,000,000	5.0	2/1/2043	164,265,000
Sales Tax Improvement Bonds Series 2010H ⁽²⁾	12/16/2010	20,000,000	7.451	2/1/2040	20,000,000
		<u>\$ 428,727,000</u>			<u>\$ 390,732,000</u>

¹ Tax Exempt Bond

² Taxable Direct Pay Build America Bond (BAB) providing federally refundable interest credits

³ Taxable Recovery Zone Economic Development Bond (RZEDB) providing federally refundable interest credits

The debt service on bond Series 2009, 2010A, and 2013 will be payable from net pledged revenues.

The debt service on bond Series 2010B, 2010C, 2010E, 2010F, and 2010H will be payable from net pledged revenues and BAB and RZED interest credits to the extent that any such credits are actually received by the RTC.

Net pledged motor vehicle fuel tax revenues for the fiscal year on Motor Vehicle Fuel Tax bonds totaled \$81,179,894 with principal and interest payments on the bonds totaling \$27,392,748. Total principal and interest remaining to be paid on all motor vehicle fuel tax bonds before BAB and RZEDB credits is \$713,192,360 payable through 2043.

Pledged sales tax revenue for the fiscal year on the Series 2010H bonds totaled \$10,211,947. Interest payments totaling \$1,490,200 were made during FY 2018. Total principal and interest remaining to be paid on the Series 2010H bond before BAB interest credits, is \$45,423,185 payable through 2040.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE I – LONG TERM OBLIGATIONS (CONTINUED)

Compensated Absences

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The governmental activities liability for compensated absences is for RTC employee benefits which are paid from the General Fund; therefore, no compensated absences liability is reported for in the business-type activities.

Changes in long-term liabilities

Changes in long-term liabilities for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Revenue Bonds					
Motor Vehicle Fuel Tax Bonds	\$ 378,335,000	\$ -	\$ (7,603,000)	\$ 370,732,000	\$ 7,935,000
Sales Tax Improvement Bonds	20,000,000	-	-	20,000,000	-
Total Revenue Bonds	<u>398,335,000</u>	<u>-</u>	<u>(7,603,000)</u>	<u>390,732,000</u>	<u>7,935,000</u>
Less					
Bond Premium	9,558,249	-	(378,627)	9,179,622	378,627
Bond Discount	(40,662)	15,707	-	(24,955)	(15,707)
Total Bond Premiums and Discounts	<u>9,517,587</u>	<u>15,707</u>	<u>(378,627)</u>	<u>9,154,667</u>	<u>362,920</u>
Other Liabilities					
Compensated absences	795,311	592,112	(642,795)	744,628	352,041
Other long-term payable	1,300,000	-	(1,300,000)	-	-
Total Other Liabilities	<u>2,095,311</u>	<u>592,112</u>	<u>(1,942,795)</u>	<u>744,628</u>	<u>352,041</u>
Total Governmental Activities	<u>409,947,898</u>	<u>607,819</u>	<u>(9,924,422)</u>	<u>400,631,295</u>	<u>8,649,961</u>
Total Long-Term Obligations	<u>\$ 409,947,898</u>	<u>\$ 607,819</u>	<u>\$ (9,924,422)</u>	<u>\$ 400,631,295</u>	<u>\$ 8,649,961</u>

Long term liabilities are liquidated from the General Fund for governmental activities.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE J – DEBT SERVICE REQUIREMENTS

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal ¹	Interest ²	Total
2019	7,935,000	23,471,648	31,406,648
2020	8,287,000	23,117,356	31,404,356
2021	8,668,000	22,739,669	31,407,669
2022	9,052,000	22,305,375	31,357,375
2023	9,472,000	21,831,602	31,303,602
2024-2028	54,722,000	100,845,363	155,567,363
2029-2033	76,995,000	81,357,529	158,352,529
2034-2038	98,078,000	53,232,081	151,310,081
2039-2043	117,523,000	18,982,923	136,505,923
	<u>\$ 390,732,000</u>	<u>\$ 367,883,547</u>	<u>\$ 758,615,547</u>

¹ Principal amounts exclude discounts and premiums

² Interest amounts exclude Build America Bond (BAB) and Recovery Zone Economic Development Bond (RZEDB) credits in the amount of \$66,979,705 through 2043.

NOTE K – INTERFUND ACCOUNT BALANCES AND TRANSFERS

Interfund account balances are a result of the timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, and transfers between funds are made. Interfund account balances at June 30, 2018 are summarized as follows:

	Due From						Total
	General Fund	Debt Service Fund	Regional Road Impact Fee Fund	Paratransit Fund	Nonmajor Governmental Funds	Proprietary Fund	
Due To:							
General Fund	\$ -	\$ -	\$ 72,450	\$ 134,613	\$ 244,803	\$ 2,410,459	\$ 2,862,325
Regional Road Impact Fee Fund	-	-	-	-	-	-	-
Paratransit Fund	-	-	-	-	-	6,485	6,485
Nonmajor Governmental Fund	-	-	-	-	-	2	2
Governmental Funds	-	-	72,450	134,613	244,803	2,416,946	2,868,812
Proprietary Fund	127,232	-	-	15,227	11,115	-	153,574
	<u>\$ 127,232</u>	<u>\$ -</u>	<u>\$ 72,450</u>	<u>\$ 149,840</u>	<u>\$ 255,918</u>	<u>\$ 2,416,946</u>	<u>\$ 3,022,386</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE K – INTERFUND ACCOUNT BALANCES AND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them to the funds that statute or budget requires expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due. Interfund transfer balances at June 30, 2018 were as follows:

Interfund transfers for the year ended June 30, 2018		
Transfers from:	Transfers to:	Amount
General Fund	Regional Road Impact Fee Fund	\$ 479,802
	Debt Service Fund	27,957,904
	Nonmajor Governmental Funds	1,360,000
	Subtotal	<u>29,797,706</u>
Public Transit Fund	Nonmajor Governmental Funds	300,000
Total Transfers In / Out		<u>\$ 30,097,706</u>

NOTE L – INVESTMENT INCOME

Investment income consists of the following as of June 30, 2018:

<u>Governmental Activities</u>	
Interest income	\$ 1,403,657
Net decrease in the fair value of investments	(1,028,563)
Realized gain	90,177
	<u>\$ 465,271</u>
<u>Business-type Activities</u>	
Interest income	\$ 273,304
Net decrease in the fair value of investments	(226,277)
Realized gain	18,461
	<u>\$ 65,488</u>

The calculation of realized gain or loss is independent of the calculation of the net change in the fair value of investments. Realized gains or losses on investments held more than one fiscal year, which were sold in the current year, have been included as a change in the fair value of investments as reported in prior years and the current year.

NOTE M – LEASE INCOME

The Proprietary Fund owns a building located on Terminal Way in Reno, Nevada. The acquisition cost and subsequent improvements of the building and land are \$6,563,799 as of June 30, 2018. As of June 30, 2018, accumulated depreciation of the building was \$4,023,667.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE M – LEASE INCOME (CONTINUED)

Building space is leased to various companies. Eventually, the RTC plans to fully occupy the building. Future minimum lease receipts are as follows:

Year ending June 30,

2019	18,387
<u>\$</u>	18,387

In addition, building space is leased to the General Fund and Special Revenue Funds on a month-to-month basis. Rental income from the building for the year ended June 30, 2018, was \$435,459 of which \$246,900 was received from the General Fund, and \$44,460 was received from the Special Revenue Funds.

In December 2012, the RTC entered into a license agreement with Megabus to allow the use of the Centennial Plaza property for passenger waiting, boarding and alighting for their service between Reno and San Francisco. Rental income of \$2,925 was received in fiscal year 2018. In January 2018, Megabus ceased operation on the Reno/Sparks route.

In addition, a license agreement was entered into in June 2014 with Silver State Trailways to allow the use of Bus Bay B of the Centennial Plaza property for passenger waiting, boarding and alighting only. In fiscal year 2018, Silver State Trailways was purchased by Silverado Stages. Silverado Stages provides charter bus, tour and fixed route motorcoach service from various locations in the Western United States. Rental income of \$5,862 was received in fiscal year 2018.

Lease income of \$15,000 was received from Clear Channel Outdoor, Inc. for a billboard acquired through property acquisition for the Moana Lane widening project which was paid for by Motor Vehicle Fuel Tax Bond funds.

NOTE N – RETIREMENT PROGRAMS

The RTC contributes to the following retirement programs:

State of Nevada Public Employees' Retirement System

Plan Description

The RTC contributes to the Public Employees' Retirement System (PERS) (the System). PERS administers a cost-sharing, multiple-employer defined benefit Public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by the Nevada Revised Statutes (NRS) are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees’ Retirement System (continued)

to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 -.579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Funding Policy

Plan members are funded under the employer pay contribution plan, wherein the RTC is required to contribute all amounts due under the plan. The authority for establishing and mending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System’s basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee’s working lifetime in order to accumulate sufficient assets to pay benefits when due. The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. For the fiscal year ended June 30, 2018, the employer-pay contribution rate was 28% of annual covered payroll. The RTC contributes 100% of the required annual contribution. The following are the rates and amounts contributed for the last three years:

<u>Year ending June 30,</u>	<u>Contribution Required</u>	<u>Employers Contribution Rate</u>
2018	1,502,067	28.00%
2017	1,473,393	28.00%
2016	1,464,380	28.00%

The System’s policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return</u>
Domestic Equity	42.00%	5.50%
International Equity	18.00%	5.75%
Domestic Fixed Income	30.00%	0.25%
Private Markets	10.00%	6.80%

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees’ Retirement System (continued)

Pension Liability

The System’s net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate it was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer’s proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2017. At June 30, 2017, RTC’s proportion was .08207%, which was a .00429 decrease from its proportion measured at June 30, 2016.

The following presents the net pension liability of the RTC as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
RTC's proportionate share of the net pension liability	\$ 16,501,695	\$ 10,915,835	\$ 6,276,691

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website at www.nvpers.org.

Actuarial Assumptions

The System’s net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.5%, including inflation
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Mortality rate	Healthy/Regular: RP-2000 Combined Healthy Mortality Table projected to 2016 with Scale AA, set back one year for females (no age setback for males) Disables/Regular: RP-2000 Disabled Retiree Mortality table projected to 2016 with Scale AA, set forward three years
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan’s fiduciary net position at June 30,

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees' Retirement System (continued)

2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

As of June 30, 2018, RTC's total pension expense is \$755,025. At June 30, 2017, the plan's measurement date, RTC's 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
Differences between expected and actual experience	\$ -	\$ 716,299
Changes of assumptions	724,162	-
Net difference between projected and actual earnings on investments	70,875	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	149,893	497,011
Total before contribution subsequent to measurement date	944,930	1,213,310
Contributions subsequent to the measurement date	1,502,067	-
Total	\$ 2,446,997	\$ 1,213,310

As of June 30, 2018, RTC reported \$1,502,067 deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

Average expected remaining service lives are 6.39 years.

RTC's deferred outflows/(inflows) of resources related to pension will be recognized as follows:

Reporting period ended June 30:

2019	\$ (265,281)
2020	183,882
2021	(8,277)
2022	(265,187)
2023	46,405
2024	40,077

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension amounts by Employer is located in the PERS Comprehensive Annual Financial Report available on the PER's website at www.nvpers.org under Quick Links – Publications.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

RTC – Internal Revenue Code Section 457 Deferred Compensation Plan

The RTC offers a non-qualified deferred compensation plan to its employees under Internal Revenue Code (IRC) Section 457. The plan is offered to all RTC employees and permits them to defer a portion of their salary until future years. The accumulated amount of each employee's deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries and are administered by an independent plan administrator. The RTC does not have fiduciary accountability for the plan. The RTC elects to contribute to each employee's deferred compensation plan, as matching funds, up to 1% of each employee's annual base salary. The RTC also matches 7% of the Executive Director's salary. Total contributions to the plan for the year ended June 30, 2018 were \$44,586.

RTC – 401(a) Plan

On December 17, 2004, the RTC established a 401(a) Money Purchase Retirement Plan through ICMA Retirement Corporation. The ICMA Retirement Corporation Governmental Money Purchase Plan & Trust was established for the exclusive benefit of eligible employees and their beneficiaries under Section 401(a) of the IRC. The plan year coincides with the calendar year. All employees whose positions are covered by PERS are eligible to participate. The Plan is voluntary and there are no mandatory contributions from employees or the RTC. Contributions are limited to less than 25% of compensation, and compensation has been defined to include overtime and bonuses. The decision to participate is a one-time irrevocable decision. Loans are not permitted under the plan.

In 2009, the Internal Revenue Service (IRS) ruled that annual open enrollment periods for 401(a) plans would no longer be allowed. New plan enrollments are only allowed for new hires within the first sixty days of employment.

RTC – Retirement Health Savings Plans

On December 17, 2004, the RTC established a Retirement Health Savings Plan (RHS Plan). The RHS Plan was funded through voluntary employee contributions. The assets of the Plan are held in trust for the exclusive benefit of the RHS Plan participants and their beneficiaries, with the ICMA Retirement Corporation serving as the trustee. Once an employee participates in the RHS Plan, the election to contribute is irrevocable. The participant is eligible to receive benefits upon separation from service.

In 2007, the IRS ruled that the elective features of the types of plans like the RHS Plan would not be permitted after December 31, 2007. Although the ICMA and IRS reached a settlement preserving the existing favorable tax treatment of participants already in the RHS Plan, no new participants can join the plan and no further contributions can be made to the Plan by existing participants.

NOTE O – FUND BALANCES / NET POSITION

Government-wide Financial Statements

The government-wide Statement of Net Position is categorized as net investment in capital assets, restricted and unrestricted. Governmental Activities reports \$6,290,221 in net investment in capital assets and \$69,503,762 of restricted net position which is restricted by terms of grants and by enabling legislation for street and highway construction. Another \$45,634,293 is subject to restrictions by the terms of bond covenants for future debt service requirements of principal and interest. Unrestricted net position is \$(424,725,000), and total net position is \$(303,296,724). The negative unrestricted balances are the result of bonds issued during the fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2013 totaling \$434,567,000 in the aggregate. Proceeds of the bonds have been used to fund various streets and highways projects.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE O – FUND BALANCES / NET POSITION (CONTINUED)

Government-wide Financial Statements (continued)

RTC's Street and Highway program builds and maintain streets and highways, which are then dedicated to Reno, Sparks, and Washoe County. As a result the RTC carries a large debt burden with no offsetting asset. The debt will be paid

through pledged motor vehicle fuel and sales taxes projected to be collected over the next 25 years. Management believes that the RTC will have sufficient cash flow to service the debt.

The net position for Business-type Activities is categorized as net investment in capital assets and unrestricted. The total net position at June 30, 2018 is \$103,154,982.

Fund Financial Statements

Governmental Funds

Governmental fund balances are classified as nonspendable, restricted, and assigned based primarily on the extent to which the RTC is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable funds include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2018, nonspendable funds consisted of prepaid items and deposits totaling \$677,297.

Restricted fund balances are restricted to specific purposes either by external restrictions (debt covenants, grantors, laws or regulations of other governments) or restrictions imposed by law through constitutional provisions or enabling legislation.

At June 30, 2018, the RTC had \$10,960,000 in restricted fund balances on unspent federal grants match.

The restricted amounts for street and highway construction represent project appropriations for construction planning commitments as permitted by state statute.

The changes in the amounts for project appropriations in the General Fund (Regional Streets and Highways) during the year ended June 30, 2018 were as follows:

Balance at July 1, 2017	\$	156,917,524
Project appropriations		74,005,791
Expenditures		(114,258,121)
Net project adjustments		(5,473,744)
Total balance for project appropriations at June 30, 2018	\$	111,191,450

The total balance for project appropriations exceeds the available restricted fund balance of \$48,686,138 for street and highway construction in the General Fund by \$62,505,312. Since the expenditures for these projects will span more than one year, future revenue sources will be required to fund these appropriations.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE O – FUND BALANCES / NET POSITION (CONTINUED)

Fund Financial Statements (continued)

The changes in the amounts for project appropriations of the Special Revenue Fund (Regional Road Impact Fee) during the year ended June 30, 2018 were as follows:

Balance at July 1, 2017	\$	10,735,297
Project appropriations		8,080,518
Expenditures		(4,661,821)
Net project adjustments		(5,233,862)
Total balance for project		8,920,132
appropriations at June 30, 2018	\$	8,920,132

The available restricted fund balance for street and highway construction in the Regional Road Impact Fee Fund is \$9,857,624 which exceeds the total balance for project appropriations by \$(937,492) which will be used for future expenditures.

Debt service restricted funds of \$45,655,320 represents resources legally restricted by bond covenants for future debt service requirements of both principal and interest.

Assigned fund balances represent amounts that are constrained by the RTC's intent to use the funds for specific purposes. The RTC had \$701,683 in assigned balances which have been assigned for the purposes of the Paratransit Services Fund and \$820,284 assigned for purposes of the Metropolitan Planning Organization fund.

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

In addition to the pension benefits described in Note N, the RTC provides other postemployment health benefits (OPEB) for eligible retirees through the RTC Retiree Health Benefit Program (RTC RHBP), a single employer defined benefit OPEB plan and participates in the State of Nevada's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit OPEB plan.

RTC Retiree Health Benefit Program (RTC RHBP)

Plan Description

In accordance with NRS 287.010, the RTC Commission established and administers a retiree health insurance plan through the RTC Personnel Rules to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, vision, and life insurance coverage through a single-employer defined benefit plan. As of June 30, 2017, all employees hired before June 1, 2013 who retire from the RTC and meet the requirements for retirement under the Public Employees Retirement System of Nevada (PERS) are eligible to participate. The plan benefit formula is based on years of service and retirees can choose from a self-funded group health plan or an HMO. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements and benefits of the RTC are established and may be amended by the RTC Commission through the RTC Personnel Rules. The RTC contributes 50% of the health benefit premium for retirees with at least 10 years of service, 75% with 15 years, and 100% with 20 years or more. The benefit is reduced by 50% for part-time employees achieving the required milestones. Benefits are paid on a pay-as-you-go basis.

As of July 1, 2016 the following employees were covered by the benefit terms:

Active employees		62
Retirees		34
Total Participants		96

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

State of Nevada’s Public Employee Benefit Plan (PEBP)

Plan Description

NRS 287.023 allowed retired employees of governmental entities within the State of Nevada to join the State’s Public Employee Benefit Program (PEBP), an agent multiple-employer defined benefit OPEB plan administered by a nine member governing board. PEBP provided medical, prescription, vision, life and accident insurance, and dental for retirees. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan and no financial reports are issued.

Eligibility, benefit provisions, and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. The statutes were revised effective November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. While the plan is generally closed to RTC retirees after September 1, 2008, former employees covered by PEBP at the time of their retirement (through a subsequent employer) may join the plan. For a retiree to participate in the PEBP program, the participant must be receiving PERS benefit.

Funding Policy

The RTC is required to provide a subsidy for their retirees that have elected to join PEBP. The subsidy is paid on the pay-as-you-go basis. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. Unsubsidized non-state retiree plan rates in effect for the fiscal year ranged from \$373 to \$405 per month. The contributions required for PEBP subsidies depend on the date of retirement or prior years of Public Employees Retirement System (PERS) service former employees earned while working for the RTC. The subsidy depends on years of service and ranges from a minimum of \$33 for 16 years of service to a maximum of \$167 for 20 years of service. These subsidies are then allocated and billed to all applicable former employers of the retiree.

RTC’s portion of the monthly subsidies ranged from \$2 to \$151 during the 2018 fiscal year. Subsidies for retiree premiums are required to be paid directly to the State when due.

As of July 1, 2016, the following employees were covered by the benefit terms:

Active employees	0
Retirees	6
Total Participants	<u>6</u>

Total OPEB Liability

An actuarial valuation performed as of July 1, 2016 was used to determine the total OPEB liability for both the RTC and PEBP plans for their fiscal year ended June 30, 2018. The plans are funded on a pay-as-you-go basis with zero percent funding for the plan. For fiscal year 2018, the RTC’s cost of the RTC plan was \$262,038 for 37 eligible retirees. The RTC’s cost of the PEBP plan was \$5,112 for 7 eligible retirees. The RTC RHBP total OPEB liability is \$75,196. The PEBP total OPEB liability is \$14,135,863. RTC’s total OPEB liability for both plans is \$14,211,059.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>RTC Plan</u>	<u>PEBP</u>
Funding Method	Entry Age Normal	Entry Age Normal
Discount Rate	2.68% as of June 30, 2016 3.13% as of June 30, 2017	2.68% as of June 30, 2016 3.13% as of June 30, 2017
Salary Increase	4.00% per year	Not Applicable
General Inflation Rate	2.75% per year	2.75% per year
Healthcare cost trend	6.50% for 2018, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years	6.50% for 2018, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years

Mortality rates were based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2015, except for a different basis used to project future mortality improvements. The discount rate was based on the published change in return for the applicable municipal bond index.

The actuarial assumptions used for the fiscal year ending June 30, 2018 were measured as of June 30, 2017 based on a July 1, 2016 measurement date for both plans.

Changes in OPEB Liabilities

Changes in the Total OPEB Liability - RTC PLAN:

Balance at June 30, 2017	\$ 14,723,360
Service Cost	518,107
Interest	403,526
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,140,051)
Benefit Payments	(369,079)
Net Changes	(587,497)
Balance at June 30, 2018	\$ 14,135,863

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in OPEB Liabilities (continued)

Changes in the Total OPEB Liability - PEBP:

Balance at June 30, 2017	\$ 80,984
Service Cost	-
Interest	2,116
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions	(3,835)
Benefit Payments	(4,069)
Net Changes	(5,788)
Balance at June 30, 2018	\$ 75,196

Changes in assumptions reflect a change in the discount rate from 2.68% as of June 30, 2016 to 3.13% as of June 30, 2017, based on the published change in the return for the applicable municipal bond index.

Sensitivity of the total OPEB liabilities to changes in the discount rate. The following presents the total OPEB liabilities of the plans, as well as what each plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	Current - 1% 2.13%	Current 3.13%	Current +1% 4.13%
RTC PLAN - Total OPEB Liability	\$ 16,852,415	\$ 14,135,863	\$ 12,001,094
PEBP - Total OPEB Liability	\$ 84,158	\$ 75,196	\$ 67,675

Sensitivity of the total OPEB liabilities to changes in the healthcare cost trend rates. The following presents the total OPEB liabilities of the plans, as well as what each plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
RTC PLAN - Total OPEB Liability	\$ 11,258,005	\$ 14,135,863	\$ 18,129,595
PEBP - Total OPEB Liability	\$ 67,404	\$ 75,196	\$ 84,301

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the RTC recognized OPEB expense of \$359,331. At June 30, 2018, the RTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RTC PLAN	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 956,172
Differences between expected and actual experiences	-	-
Net difference between projected and actual earnings on investments	-	-
Benefits paid subsequent to the measurement date	371,592	-
Total	\$ 371,592	\$ 956,172

	PEBP PLAN	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ -
Differences between expected and actual experiences	-	-
Net difference between projected and actual earnings on investments	-	-
Benefits paid subsequent to the measurement date	5,112	-
Total	\$ 5,112	\$ -

\$376,704 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (183,879)
2020	(183,879)
2021	(183,879)
2022	(183,879)
2023	(183,879)
Thereafter	(36,777)

NOTE Q – RELATED PARTY TRANSACTION

The RTC provides administrative support to the non-profit organization CitiCare. CitiCare's mission is to seek additional funding sources to bridge the gap for people with mental and physical handicaps and senior citizens between their transportation needs and the resources currently available for transportation. RTC provided approximately \$43,184 in services to CitiCare during the year ended June 30, 2018.

CitiCare paid \$59,700 to the RTC to provide rides to seniors and the disabled.



REQUIRED SUPPLEMENTARY INFORMATION

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - PEBP^{1 2}

	2018
Total OPEB liability	
Service Cost	\$ -
Interest	2,116
Changes of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions or other inputs	(3,835)
Benefit payments	(4,069)
Net change in total OPEB liability	(5,788)
Total OPEB liability - beginning	80,984
Total OPEB liability - ending	\$ 75,196

¹ GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.

² The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

*There are no assets accumulated in a trust to pay related benefits.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RTC Plan ^{1 2}

	2018
Total OPEB liability	
Service Cost	\$ 518,107
Interest	403,526
Changes of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions or other inputs	(1,140,051)
Benefit payments	(369,079)
Net change in total OPEB liability	(587,497)
Total OPEB liability - beginning	14,723,360
Total OPEB liability - ending	\$ 14,135,863
Covered employee payroll	\$ 3,857,000
Net OPEB liability as a percentage of covered payroll	366.50%

¹ GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.

² The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

*There are no assets accumulated in a trust to pay related benefits.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - LAST TEN YEARS ^{1 2}

State of Nevada Public Employees' Retirement System (PERS)

	2017 Valuation	2016 Valuation	2015 Valuation	2014 Valuation
RTC's proportion of the net pension liability	0.08207%	0.08636%	0.08468%	0.08501%
RTC's proportionate share of the net pension liability	\$ 10,915,835	\$ 11,621,332	\$ 9,704,188	\$ 8,860,041
RTC's covered payroll	\$ 5,262,122	\$ 5,279,436	\$ 5,076,193	\$ 5,003,226
RTC's proportionate share of the net pension liability as a percentage of its covered payroll	207.44%	220.12%	191.17%	177.09%
Plan fiduciary net position as a percentage of the total pension liability	74.40%	72.20%	75.10%	76.30%

SCHEDULE OF THE REGIONAL TRANSPORTATION COMMISSION'S CONTRIBUTION - LAST TEN YEARS ²

State of Nevada Public Employees' Retirement System (PERS)

	2018	2017	2016	2015
Statutorily required contribution	\$ 1,502,067	\$ 1,473,393	\$ 1,464,380	\$ 1,287,423
Contributions in relation to the statutorily required contribution	\$ 1,502,067	\$ 1,473,393	\$ 1,464,380	\$ 1,287,423
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 5,364,778	\$ 5,262,122	\$ 5,279,436	\$ 5,076,193
Contributions as a percentage of covered payroll	28.00%	28.00%	27.74%	25.36%

¹ The amounts presented for each fiscal year is of the valuation determined one year in arrears from the basic financial statements. For example, the fiscal year 2017 basic financial statements are based on the 2016 valuation.

² GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.



NON-MAJOR GOVERNMENTAL FUNDS

Metropolitan Planning Organization Fund

This fund is used to account for resources provided for transportation planning.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND
METROPOLITAN PLANNING ORGANIZATION**

June 30, 2018

Assets

Cash in custody of County Treasurer	\$	427,816
Cash in bank and on hand		851,790
Due from federal government		224,455
Interest receivable		1,419
Prepays		120,800
Due from other funds		<u>2</u>
Total assets	\$	<u><u>1,626,282</u></u>

Liabilities

Accounts payable	\$	193,012
Due to other funds		<u>255,918</u>
Total liabilities		<u>448,930</u>

FUND BALANCE

Nonspendable:		
Prepays		120,800
Restricted for:		
Federal grants match		236,268
Assigned:		
Subsequent years actual & budget: appropriation of fund balance		<u>820,284</u>
Total fund balance		<u>1,177,352</u>
Total liabilities and fund balance	\$	<u><u>1,626,282</u></u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Metropolitan Planning Organization Fund)**

Year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Regional transportation planning operating and capital grants:				
Federal Highway Administration	\$ 2,598,545	\$ 2,598,545	\$ 965,572	\$ (1,632,973)
Investment income	5,000	5,000	977	(4,023)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>2,604,545</u>	<u>2,604,545</u>	<u>966,549</u>	<u>(1,637,996)</u>
Expenditures				
Current:				
Metropolitan planning	4,208,900	4,208,900	2,226,012	1,982,888
Total expenditures	<u>4,208,900</u>	<u>4,208,900</u>	<u>2,226,012</u>	<u>1,982,888</u>
Deficiency of revenues under expenditures	<u>(1,604,355)</u>	<u>(1,604,355)</u>	<u>(1,259,463)</u>	<u>344,892</u>
Other financing sources				
Transfers in	1,600,000	1,600,000	1,660,000	60,000
Total other financing sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,660,000</u>	<u>60,000</u>
Net change in fund balance	(4,355)	(4,355)	400,537	404,892
Fund balance - beginning	1,322,815	1,322,815	776,815	(546,000)
Fund balance - ending	<u>\$ 1,318,460</u>	<u>\$ 1,318,460</u>	<u>\$ 1,177,352</u>	<u>\$ (141,108)</u>



**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCES**

June 30, 2018

Governmental funds capital assets

Land	\$ 2,282,090
Buildings and leasehold improvements	7,176,299
Revenue vehicles	5,586,902
Other equipment	4,300,717
Construction in progress	<u>18,522</u>
Total governmental funds capital assets	<u>\$ 19,364,530</u>

**Investments in governmental capital assets
by source**

General fund	\$ 2,150,013
Special revenue funds	<u>17,214,517</u>
Total governmental funds capital assets	<u>\$ 19,364,530</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY**

June 30, 2018

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Leasehold Improvements</u>	<u>Revenue Vehicles</u>	<u>Other Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General government	\$ 1,407,500	\$ 51,886	\$ -	\$ 690,627	\$ -	\$ 2,150,013
Metropolitan planning	-	-	-	169,993	-	169,993
Transportation services	874,590	7,124,413	5,586,902	3,440,097	18,522	17,044,524
Total governmental funds capital assets	<u>\$ 2,282,090</u>	<u>\$ 7,176,299</u>	<u>\$ 5,586,902</u>	<u>\$ 4,300,717</u>	<u>\$ 18,522</u>	<u>\$ 19,364,530</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

Year ended June 30, 2018

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets June 30, 2018</u>
General government	\$ 2,131,207	\$ 65,507	\$ (46,701)	\$ 2,150,013
Metropolitan planning	189,081	-	(19,088)	169,993
Transportation services	17,926,240	273,645	(1,155,361)	17,044,524
Total governmental funds capital assets	<u>\$ 20,246,528</u>	<u>\$ 339,152</u>	<u>\$ (1,221,150)</u>	<u>\$ 19,364,530</u>



OTHER SUPPLEMENTARY INFORMATION

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
(Regional Street and Highway Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance to Final Budget</u>	<u>2017 Actual Amounts</u>
Labor	\$ 2,034,949	\$ 2,368,061	\$ 333,112	\$ 1,915,694
Fringe	945,545	1,187,215	241,670	874,442
Services	1,982,872	2,159,801	176,929	1,442,136
Materials and supplies	82,462	84,158	1,696	79,551
Utilities	20,235	18,422	(1,813)	18,052
Insurance costs	29,489	49,910	20,421	38,631
Miscellaneous expense	329,165	527,658	198,493	1,219,442
Street and highway projects	114,258,121	146,369,255	32,111,134	96,267,487
Total current expenditures	<u>\$ 119,682,838</u>	<u>\$ 152,764,480</u>	<u>\$ 33,081,642</u>	<u>\$ 101,855,435</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance to Final Budget</u>	<u>2017 Actual Amounts</u>
Principal	\$ 7,603,000	\$ 7,603,000	\$ -	\$ 6,604,000
Interest	19,789,747	19,796,326	6,579	20,058,757
Debt service fees and other fiscal charges	45,470	55,000	9,530	41,823
Total current expenditures	<u>\$ 27,438,217</u>	<u>\$ 27,454,326</u>	<u>\$ 16,109</u>	<u>\$ 26,704,580</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 251,576	\$ 209,281	\$ (42,295)	\$ 260,430
Fringe	118,699	112,721	(5,978)	120,552
Services	93,869	75,356	(18,513)	95,336
Materials and supplies	7,792	6,351	(1,441)	8,507
Utilities	2,364	1,442	(922)	2,489
Miscellaneous expense	18,188	17,838	(350)	17,205
Capacity improvement projects	3,947,308	9,237,800	5,290,492	5,060,918
Capital contribution projects	714,512	3,000,000	2,285,488	452,098
Total current expenditures	<u>\$ 5,154,308</u>	<u>\$ 12,660,789</u>	<u>\$ 7,506,481</u>	<u>\$ 6,017,535</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Paratransit Services Fund)**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance to Final Budget</u>	<u>2017 Actual Amounts</u>
Labor	\$ 505,955	\$ 534,932	\$ 28,977	\$ 490,419
Fringe	238,720	265,459	26,739	227,013
Services	326,114	430,475	104,361	702,072
Materials and supplies	153,186	273,981	120,795	144,138
Utilities	22,841	72,928	50,087	59,551
Casualty/liability insurance	60,649	86,438	25,789	310,740
Miscellaneous expense	377,137	434,386	57,249	435,879
Purchased transportation services	7,347,865	7,136,809	(211,056)	5,447,438
Total current expenditures	<u>\$ 9,032,467</u>	<u>\$ 9,235,408</u>	<u>\$ 202,941</u>	<u>\$ 7,817,250</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - NONMAJOR FUND
(Metropolitan Planning Organization Fund)**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 888,143	\$ 1,116,442	\$ 228,299	\$ 889,272
Fringe	419,044	546,299	127,255	411,638
Services	544,806	2,057,238	1,512,432	735,750
Materials and supplies	41,195	44,844	3,649	39,460
Utilities	8,347	8,495	148	8,498
Casualty/liability insurance	14,745	21,609	6,864	19,316
Miscellaneous expense	309,732	413,973	104,241	297,883
Total current expenditures	<u>\$ 2,226,012</u>	<u>\$ 4,208,900</u>	<u>\$ 1,982,888</u>	<u>\$ 2,401,817</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

Year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 250,000	\$ 250,000	\$ 195,868	\$ (54,132)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>195,868</u>	<u>(54,132)</u>
Expenditures				
Current:				
Debt service:				
Principal	7,603,000	7,603,000	7,603,000	-
Interest	19,796,326	19,796,326	19,789,748	6,578
Debt service fees and other fiscal charges	55,020	55,020	45,469	9,551
Total expenditures	<u>27,454,346</u>	<u>27,454,346</u>	<u>27,438,217</u>	<u>16,129</u>
Deficiency of revenues under expenditures	<u>(27,204,346)</u>	<u>(27,204,346)</u>	<u>(27,242,349)</u>	<u>(38,003)</u>
Other financing sources				
Transfers in	26,732,112	26,732,112	27,957,904	1,225,792
Total other financing sources	<u>26,732,112</u>	<u>26,732,112</u>	<u>27,957,904</u>	<u>1,225,792</u>
Net change in fund balance	(472,234)	(472,234)	715,555	1,187,789
Fund balance - beginning	<u>44,099,864</u>	<u>44,099,864</u>	<u>44,939,765</u>	<u>839,901</u>
Fund balance - ending	<u>\$ 43,627,630</u>	<u>\$ 43,627,630</u>	<u>\$ 45,655,320</u>	<u>\$ 2,027,690</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
PROPRIETARY FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	2018			2017
	Final Budget	Actual Amounts	Variance to Final Budget	Actual Amounts
Operating revenues				
Passenger fares	\$ 6,127,096	\$ 5,614,832	\$ (512,264)	\$ 5,716,864
Bus advertising	200,000	264,091	64,091	190,455
Rental income	506,000	435,459	(70,541)	457,699
Miscellaneous	46,200	30,121	(16,079)	42,328
Total operating revenues	<u>6,879,296</u>	<u>6,344,503</u>	<u>(534,793)</u>	<u>6,407,346</u>
Operating expenses				
General administration	29,714,952	25,769,143	3,945,809	25,949,838
Depreciation	6,000,000	5,695,881	304,119	5,301,035
Total operating expenses	<u>35,714,952</u>	<u>31,465,024</u>	<u>4,249,928</u>	<u>31,250,873</u>
Operating loss	<u>(28,835,656)</u>	<u>(25,120,521)</u>	<u>3,715,135</u>	<u>(24,843,527)</u>
Nonoperating revenues				
Operating subsidies:				
Federal government grants	3,841,277	4,088,110	246,833	4,825,788
Other revenue:				
Public transportation tax	20,900,488	21,278,436	377,948	17,836,832
Investment income	125,000	65,488	(59,512)	33,843
Gain on sale of capital assets	20,000	218	(19,782)	5,700
Total nonoperating revenues	<u>24,886,765</u>	<u>25,432,252</u>	<u>545,487</u>	<u>22,702,163</u>
Income (loss) before capital contributions and transfers	<u>(3,948,891)</u>	<u>311,731</u>	<u>(7,586,051)</u>	<u>(2,141,364)</u>
Capital contributions				
Federal grants	17,986,043	7,710,653	(10,275,390)	9,881,754
State grants	-	137,256	137,256	-
Total capital contributions	<u>17,986,043</u>	<u>7,847,909</u>	<u>(10,138,134)</u>	<u>9,881,754</u>
Transfers out	<u>(240,000)</u>	<u>(300,000)</u>	<u>(60,000)</u>	<u>(217,500)</u>
CHANGE IN NET POSITION	<u>\$ 13,797,152</u>	<u>\$ 7,859,640</u>	<u>\$ (5,937,512)</u>	<u>\$ 7,522,890</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENSES BY OBJECT CLASSES - BUDGET AND ACTUAL
PROPRIETARY FUND
(Public Transit Fund)**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance to Final Budget</u>	<u>2017 Actual Amounts</u>
Labor	\$ 2,094,199	\$ 2,315,232	\$ 221,033	\$ 1,978,610
Fringe	1,204,363	1,387,580	183,217	1,204,592
Services	2,849,487	3,596,822	747,335	2,990,905
Materials and supplies	1,867,489	2,860,960	993,471	1,725,067
Utilities	220,865	450,053	229,188	153,104
Casualty/liability insurance	211,649	343,593	131,944	276,692
Miscellaneous expenses	368,322	530,747	162,425	336,764
Purchased transportation services	16,952,769	18,229,964	1,277,195	17,284,104
Operating expenses before depreciation and amortization	25,769,143	29,714,951	3,945,808	25,949,838
Depreciation and amortization	5,695,881	6,000,000	304,119	5,301,035
Total operating expenses	<u>\$ 31,465,024</u>	<u>\$ 35,714,951</u>	<u>\$ 4,249,927</u>	<u>\$ 31,250,873</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF SPECIAL AND REGULAR MOTOR
VEHICLE FUEL TAX COLLECTIONS BY MONTH**

Year ended June 30, 2018

Date Collected by State of Nevada	RTC Special Motor Vehicle Fuel Tax - 4¢	RTC Special Motor Vehicle Fuel Tax - 5¢	RTC Special Motor Vehicle Fuel Tax - CPI Index ⁽¹⁾	RTC Special Motor Vehicle Fuel Tax - PPI Index ⁽²⁾	Local Regular Motor Vehicle Fuel Tax - 5.35¢	Local Regular Motor Vehicle Fuel Tax - 1¢	Local Regular Motor Vehicle Fuel Tax -Index	Total
July 2017	\$ 617,529	\$ 785,945	\$ 1,156,418	\$ 4,401,103	\$ 741,569	\$ 155,942	\$ 815,915	\$ 8,674,421
August 2017	643,698	819,252	1,205,835	4,839,039	765,277	162,550	850,781	9,286,431
September 2017	586,333	746,242	1,098,034	4,415,514	694,610	148,064	774,723	8,463,520
October 2017	584,875	744,386	1,095,484	4,429,592	698,699	147,696	772,923	8,473,655
November 2017	547,568	696,905	1,025,504	4,107,481	648,459	138,275	723,548	7,887,740
December 2017	591,034	752,225	1,112,887	4,267,658	700,835	153,145	785,202	8,362,986
January 2018	546,974	696,149	1,024,633	4,112,889	646,904	138,125	722,934	7,888,608
February 2018	532,278	677,445	996,806	3,890,817	619,109	134,414	703,301	7,554,170
March 2018	564,114	717,963	1,056,593	4,167,919	680,166	142,453	745,484	8,074,692
April 2018	569,847	725,260	1,067,090	4,285,868	689,060	143,901	752,890	8,233,916
May 2018	606,337	771,702	1,135,496	4,604,762	727,238	153,115	801,155	8,799,805
June 2018	605,168	770,213	1,133,451	4,649,580	715,330	152,820	799,712	8,826,274
	<u>\$ 6,995,755</u>	<u>\$ 8,903,686</u>	<u>\$ 13,108,231</u>	<u>\$ 52,172,222</u>	<u>\$ 8,327,256</u>	<u>\$ 1,770,500</u>	<u>\$ 9,248,568</u>	<u>\$ 100,526,218</u>

Allocation

Regional Transportation Commission, Washoe County,
Nevada

General Fund	\$ 79,290,092
Regional Road Impact Fee Fund	479,802
Other governmental funds	1,410,000
	<u>81,179,894</u>

Distributed to the City of Reno, City of Sparks
and Washoe County, Nevada

	19,346,324
	<u>\$ 100,526,218</u>

Notes:

(1) From October 2003 through December 2009, the Washoe County Tax Ordinance provided that the rate of levy of the 9 cent motor vehicle fuel tax would be increased on the first day of each fiscal year by the lesser of (i) 4.5 percent or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.

(2) On November 4, 2008, the voters of Washoe County approved Washoe County Ballot Question RTC-5 which imposed additional county taxes on motor vehicle fuel and various special fuels used in motor vehicles. These taxes cause annual increases in the current amount of taxes imposed on such fuels based upon the lesser of the average increase in the Producer Price Index for construction materials for the preceding 10 years or 7.8%. SB201 carried out of the ballot question and it became effective January 1, 2010. The new basis for calculation was the 9 cent per gallon rate indexed by the CPI through December 31, 2009 for a base rate of 10.5621 cents per gallon.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CONSTRUCTION PROJECT EXPENDITURES
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Right- of-way Acquisition	Engineering and Inspection	Construction	Total
<u>Pavement Preservation Projects</u>				
All Jurisdictions				
Annual pavement preservation FY2017/2018	\$ -	\$ 398,914	\$ 5,909,908	\$ 6,308,822
Annual pavement preservation FY2018/2019-Crack Sealing	-	292,807	-	292,807
Annual pavement preservation FY2018/2019-Clean Water Water Way	-	59,670	-	59,670
Oddie/Wells Corridor Multi-Modal	-	50,751	-	50,751
City of Reno				
4th and Prater corridor improvement - Evans/Galetti	132,032	995,986	12,643,741	13,771,759
City of Sparks				
4th/Prater corridor improvement - Galetti/Pyramid	132,032	995,986	12,643,741	13,771,759
Total Pavement Preservation Projects	<u>264,064</u>	<u>2,794,114</u>	<u>31,197,390</u>	<u>34,255,568</u>
<u>Capacity Improvement Projects</u>				
All Jurisdictions				
ITS Network Pilot Project	-	216,473	448,919	665,392
Traffic Management 2A	-	11,399	228,035	239,434
Washoe County				
Southeast Connector phase 2 - Clean Water/S. Meadows	290,623	1,125,525	11,702,798	13,118,946
City of Reno				
Southeast Connector phase 2 - Clean Water/S. Meadows	1,162,494	4,502,100	46,811,192	52,475,786
Virginia St/ Midtown/ UNR	196,878	1,773,351	163,091	2,133,320
Bicycle and Pedestrian Improvement (2018) - Kesytone	-	116,685	-	116,685
Bicycle and Pedestrian Improvement (2018) - Mill-Terminal Way -McCarran	-	25,856	-	25,856
City of Sparks				
Pyramid/McCarran intersection improvements	35,445	-	-	35,445
NV Department of Transportation				
Pyramid/McCarran intersection improvements	-	1,107,555	9,910,205	11,017,760
Pyramid Hwy./US 393 connector	-	173,929	-	173,929
Total Capacity Improvement Projects	<u>1,685,440</u>	<u>9,052,873</u>	<u>69,264,240</u>	<u>80,002,553</u>
Total All Projects	<u>\$ 1,949,504</u>	<u>\$ 11,846,987</u>	<u>\$ 100,461,630</u>	<u>\$ 114,258,121</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CONSTRUCTION PROJECT EXPENDITURES
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	Right- of-way Acquisition	Engineering and Inspection	Construction	Impact Fee Credits	Total
Capacity Improvement Projects					
North Service Area					
Bike/Ped improvements 3,4,4 - Evans Ave	\$ 3,250	\$ 69,450	\$ 848,891	\$ -	\$ 921,591
T/E spot intersection improvements 5	-	8,892	-	-	8,892
T/E spot intersection improvement 7	-	216,183	406,000	-	622,183
North valleys safety improvements 1 & 2	-	190,884	1,583,708	-	1,774,592
Sun Valley & Lemmon Valley ped improvements	-	33,986	189,512	-	223,498
Impact Credits/Waivers	-	-	-	672,387	672,387
South Service Area					
T/E spot intersection improvements 5	-	(788)	140,465	-	139,676
T/E spot intersection improvements 6	-	7,689	241,550	-	249,239
Southeast Connector phase 2-irrigation meters	-	-	371	-	371
I580/Meadowood-close out	-	7,265	-	-	7,265
Impact Credits/Waivers	-	-	-	42,127	42,127
 Total All Projects	 \$ 3,250	 \$ 533,561	 \$ 3,410,497	 \$ 714,514	 \$ 4,661,821

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
<u>Pavement Preservation Projects</u>					
All Jurisdictions					
Annual pavement preservation FY2017/2018					
Engineering and inspection	\$ 4,365,856	\$ -	\$ 398,914	\$ (3,838,992)	\$ 127,950
Construction	-	5,000,000	5,909,908	1,270,471	360,563
Annual pavement preservation FY2018/2019					
Engineering and inspection	-	1,047,900	352,477	(900,736)	(205,313)
Construction	-	7,402,100	-	-	7,402,100
Oddie/Wells Corridor Multi-Modal					
Engineering and inspection	-	1,550,000	50,751	-	1,499,249
Total All Jurisdictions	4,365,856	15,000,000	6,712,050	(3,469,257)	9,184,549
City of Reno					
4th St. - Prater Way corridor improvement - Evans/Galetti					
Right-of-way acquisition	-	-	132,032	132,032	-
Engineering and inspection	-	-	995,986	995,986	-
Construction	23,707,973	3,226,112	12,643,741	(1,128,018)	13,162,326
Reno Sparks Indian Colony Riverside Pathway					
Construction	212,754	-	-	-	212,754
Total City of Reno	23,920,727	3,226,112	13,771,759	-	13,375,080
City of Sparks					
4th St. - Prater Way corridor improvement - Galetti/Pyramid					
Right-of-way acquisition	-	-	132,032	132,032	-
Engineering and inspection	-	-	995,986	995,986	-
Construction	23,707,973	3,226,112	12,643,741	(1,128,018)	13,162,326
Total City of Sparks	23,707,973	3,226,112	13,771,759	-	13,162,326
Total Pavement Preservation Projects	51,994,556	21,452,224	34,255,568	(3,469,257)	35,721,955

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
Capacity Improvement Projects					
All Jurisdictions					
ITS Network Pilot Project					
Engineering and inspection	\$ 840,000	\$ -	\$ 216,473	\$ (480,127)	\$ 143,400
Construction	-	526,864	448,918	-	77,946
Traffic management 2A					
Engineering and inspection	560,980	-	11,399	(491,432)	58,149
Construction	1,253,310	-	228,035	(471,278)	553,997
Total All Jurisdictions	<u>2,654,290</u>	<u>526,864</u>	<u>904,825</u>	<u>(1,442,837)</u>	<u>833,492</u>
Washoe County					
Southeast Connector Phase 2 -					
Clean Water/S.Meadows					
Right-of-way acquisition	-	-	290,623	290,623	-
Engineering and inspection	-	-	1,125,525	1,125,525	-
Construction	26,196,915	369,069	11,702,798	(1,416,148)	13,447,038
Total Washoe County	<u>26,196,915</u>	<u>369,069</u>	<u>13,118,946</u>	<u>-</u>	<u>13,447,038</u>
City of Reno					
Southeast Connector Phase 2 -					
Clean Water/S.Meadows					
Right-of-way acquisition	-	-	1,162,494	1,162,494	-
Engineering and inspection	26,499,488	-	4,502,100	(19,935,720)	2,061,668
Construction	34,968,287	1,476,276	46,811,192	19,935,720	9,569,091
Virginia St. Bus Rapid Transit Extension					
Right-of-way acquisition	-	1,957,970	196,878	-	1,761,092
Engineering and inspection	-	-	1,773,351	4,177,828	2,404,477
Construction	6,361,507	33,000,000	163,091	(4,177,828)	35,020,588
Bicycle and Pedestrian Improvement(2018)-Keystone					
Engineering and inspection	-	2,272,125	116,685	-	2,155,440
Construction	-	-	-	-	-
Bicycle and Pedestrian Improvement(2018)-Mill-Term					
Engineering and inspection	-	3,021,625	25,856	25,856	3,021,625
Construction	-	-	-	-	-
North valley safety improvement 1 & 2					
Engineering and inspection	250,000	-	-	(250,000)	-
Construction	1,500,000	-	-	(1,500,000)	-
Total City of Reno	<u>69,579,281</u>	<u>41,727,996</u>	<u>54,751,647</u>	<u>(561,650)</u>	<u>55,993,980</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
City of Sparks					
Pyramid/McCarran intersection improvements					
Right-of-way acquisition	-	-	35,445	35,445	-
Total City of Sparks	<u>-</u>	<u>-</u>	<u>35,445</u>	<u>35,445</u>	<u>-</u>
NV Department of Transportation					
Pyramid/McCarran intersection improvements					
Engineering and inspection	-	-	1,107,554	1,107,554	-
Construction	6,123,566	4,929,638	9,910,205	(1,142,999)	-
Pyramid Highway/US 393 connector					
Engineering and inspection	368,916	5,000,000	173,929	-	5,194,987
Total NV Department of Transportation	<u>6,492,482</u>	<u>9,929,638</u>	<u>11,191,688</u>	<u>(35,445)</u>	<u>5,194,987</u>
Total Capacity Improvement Projects	<u>104,922,968</u>	<u>52,553,567</u>	<u>80,002,553</u>	<u>(2,004,487)</u>	<u>75,469,495</u>
Total All Projects	<u>\$ 156,917,524</u>	<u>\$ 74,005,791</u>	<u>\$ 114,258,121</u>	<u>\$ (5,473,744)</u>	<u>\$ 111,191,450</u>

Notes: (1) Capacity projects funded with Motor Vehicle Fuel Tax Revenue Bonds were previously reported in the Regional Road Impact Fee Fund. In FY14 the projects were transferred to the Regional Streets and Highways Fund.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
Capacity Improvement Projects					
North Service Area					
Bike/Ped Improvements 3,4,5 - Evans Ave					
Right of Way	\$ -	\$ -	\$ 3,250	\$ 3,250	\$ -
Engineering and inspection	322,930	-	69,450	(220,835)	32,645
Construction	880,000	66,007	848,892	-	97,115
T/E spot intersection improvements 5					
Engineering and inspection	-	-	8,892	8,892	-
Construction	459,247	-	-	(459,247)	-
North valleys safety improvement 1 & 2					
Engineering and inspection	-	-	190,884	190,884	-
Construction	4,397,465	-	1,583,708	(2,516,093)	297,664
Sun Valley & Lemmon Dr ped improvements					
Engineering and inspection	-	-	33,986	33,986	-
Construction	2,038,389	-	189,512	(33,986)	1,814,891
T/E spot intersection improvements 7					
Engineering and inspection	-	-	216,183	216,183	-
Construction	-	2,750,000	406,000	(216,183)	2,127,817
Impact Credits/Waivers					
Construction	-	672,386	672,386	-	-
Total North Service Area	<u>8,098,031</u>	<u>3,488,393</u>	<u>4,223,143</u>	<u>(2,993,149)</u>	<u>4,370,132</u>
South Service Area					
T/E spot intersection improvements 4					
Construction	53,191	-	-	(53,191)	-
T/E spot intersection improvements 5					
Engineering and inspection	-	-	(787)	(787)	-
Construction	255,219	-	140,465	(114,754)	-
T/E spot intersection improvements 6					
Engineering and inspection	-	-	7,689	7,689	-
Construction	328,856	-	241,550	(87,306)	-
SEC Phase 2 - irrigation meters					
Construction	-	-	371	371	-
I580/Meadowood Complex Interchange					
Engineering and inspection	-	-	7,265	7,265	-
Impact Credits/Waivers					
Construction	-	42,125	42,125	-	-
Total South Service Area	<u>637,266</u>	<u>42,125</u>	<u>438,678</u>	<u>(240,713)</u>	<u>-</u>
Multi-Service Area					
Traffic Management Fiber Optic Connectivity					
Construction	2,000,000	-	-	(2,000,000)	-
T/E spot intersection improvements 8					
Engineering and inspection	-	500,000	-	-	500,000
Construction	-	2,500,000	-	-	2,500,000
Sun Valley Corridor Multi-Modal Improvements					
Engineering and inspection	-	1,550,000	-	-	1,550,000
Total Multi-Service Area	<u>2,000,000</u>	<u>4,550,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>4,550,000</u>
Total All Projects	<u>\$ 10,735,297</u>	<u>\$ 8,080,518</u>	<u>\$ 4,661,821</u>	<u>\$ (5,233,862)</u>	<u>\$ 8,920,132</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
4th St. Prater Way corridor improvement	\$ 11,633,442	\$ 27,543,517	\$ 39,176,959	\$ 26,324,652
ADA pedestrian transition improvement plan 2012	36,631	-	36,631	-
ADA pedestrian transition improvement plan 2013	648,584	-	648,584	-
ADA pedestrian transition improvement plan 2014	515,862	-	515,862	-
ADA pedestrian transition improvement plan 2015	876,304	-	876,304	-
Albert-Bravo	90,764	-	90,764	-
Alignment, plan line, technical studies	2,412,214	-	2,412,214	-
Alturas - Keystone/Earl	797,128	-	797,128	-
Arlington/1st/Elm Street	3,325,154	-	3,325,154	-
Avenida de Landa - Beaumont/865' N. Valleywood	643,664	-	643,664	-
Baker Lane/Colman Drive	1,563,418	-	1,563,418	-
Baring Blvd./McCarran/Sparks Blvd.	735,979	-	735,979	-
Baring Blvd./Sparks/Vista	1,536,322	-	1,536,322	-
Bicycle/Pedestrian/Improvement FY2018	-	142,541	142,541	5,177,065
Board Discretionary Projects -				
Washoe County	19,946	-	19,946	-
Reno	12,625	-	12,625	-
Sparks	54,731	-	54,731	-
Boxington Way - Lincoln/Lillard	771,209	-	771,209	-
Bravo Ave. - Mt. Limbo/Ramsey	866,677	-	866,677	-
California Ave./ Liberty/Ryland	873,386	-	873,386	-
Casazza - Wells /Kietzke	1,595,069	-	1,595,069	-
Cashill/Skyline	2,168,552	-	2,168,552	-
Caughlin Parkway-Sawbuck/Longknife	977,185	-	977,185	-
Caughlin Parkway/Bridge St.-Longknife/McCarran/Frin/3rd	1,493,077	-	1,493,077	-
Center Street	2,241,994	-	2,241,994	-
Center Street overlay - Plaza/19th	374,460	-	374,460	-
Clearacre/Scottsdale	42,000	-	42,000	-
Coliseum/Yori - Peckham/Gentry	760,552	-	760,552	-
Computer signal system	190,000	-	190,000	-
Corrective maintenance FY12	1,708,346	-	1,708,346	-
Corrective maintenance FY13	1,668,466	-	1,668,466	-
Corrective maintenance FY14	1,843,310	-	1,843,310	-
Corrective maintenance FY15	1,183,656	-	1,183,656	-
County Estates - Huffaker	1,060,740	-	1,060,740	-
County-wide	184,950	-	184,950	-
County bridge - Galena Creek	353,599	-	353,599	-
Country Club Drive	664,059	-	664,059	-
Dandini Blvd.	1,005,190	-	1,005,190	-
Delucchi Lane - Virginia/Tyrone	1,031,031	-	1,031,031	-
Deming Way - Greg/Kleppe	692,449	-	692,449	-
Department of Energy traffic and street light retrofit	988,364	-	988,364	-
Donati Lane/Vista Blvd.	1,216,154	-	1,216,154	-
E. Glendale - McCarran/RR Xng	1,226,316	-	1,226,316	-
E.Greg Street	1,293,369	-	1,293,369	-
East Lake Blvd.	783,530	-	783,530	-
E. Lincoln Wy. - McCarran/Howard	236,596	-	236,596	-
E. Lincoln Wy. - Sparks/Lillard	337,446	-	337,446	-
E. Lincoln Wy. - Stanford/Howard	690,659	-	690,659	-
E. Moana Lane	54,764	-	54,764	-
E. Ninth Street	148,162	-	148,162	-
E. Nugget Ave. - McCarran/End of pavement	229,123	-	229,123	-
Echo Ave. - Mt. Bismark/Military	982,740	-	982,740	-
El Rancho Drive	1,331,531	-	1,331,531	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
El Rancho Drive - McCarran/Sun Valley Road	\$ 871,775	\$ -	\$ 871,775	\$ -
El Rancho - Sun Valley/Sullivan	1,408,196	-	1,408,196	-
El Rancho - Sullivan/McCarran	1,341,019	-	1,341,019	-
Emerson Way - Pyramid/N. Truckee	2,101,524	-	2,101,524	-
Evans Avenue	943,829	-	943,829	-
Evans Avenue/Fourth St./Jodi	1,887,228	-	1,887,228	-
Evans St./Highland Ave. - Jodi/Enterprise/Evans/Valley	1,059,969	-	1,059,969	-
First Street - Prater/Richard	912,015	-	912,015	-
Fifth Street - Ralston/RR Xng	1,237,235	-	1,237,235	-
Foothill/Thomas Creek bridge	117,830	-	117,830	-
Franklin Way - Greg/Kleppe	371,847	-	371,847	-
Freeport Blvd.	50,000	-	50,000	-
Freeport and Steneri - 21st/Steneri/Gendale	118,873	-	118,873	-
Galetti Way - Kietzke/Fourth	1,018,720	-	1,018,720	-
Geiger Grade/Toll Road	8,188,519	-	8,188,519	-
Gentry Way and Second St. - Brinkby/Virginia/Giroux/Kietzke	1,060,051	-	1,060,051	-
Gentry/Virginia/Kietzke	864,863	-	864,863	-
Glendale Avenue	4,946,368	-	4,946,368	-
Golden Valley	211,382	-	211,382	-
Golden Valley - N. Hills/U.S. 395	631,855	-	631,855	-
Greenbrae - Rock/Fourth	816,660	-	816,660	-
Greenbrae - Rock/Pyramid	21,182	-	21,182	-
Greg Street	4,343,180	-	4,343,180	-
Greg Street - McCarran Intersection/Prater drainage	140,000	-	140,000	-
Greg Street - Mill/Truckee River	749,884	-	749,884	-
Greg St. Phase I - RR Xng/Sparks Blvd.	2,387,066	-	2,387,066	-
Greg St. Phase II - Sparks Blvd./180	3,666,549	-	3,666,549	-
Greg Street - Reno limit/McCarran	1,550,952	-	1,550,952	-
Greg Street - Spice Island	687,487	-	687,487	-
Greg Street - Truckee River/Rock	599,797	-	599,797	-
Harvard Way - Linden to Vassar	1,717,554	-	1,717,554	-
Howard/Greenbrae/Sparks	441,573	-	441,573	-
Howard Drive/Lincoln/Prater/Vista to east city limits	736,655	-	736,655	-
Hunter Lake - Plumb/Mayberry	768,273	-	768,273	-
Incline traffic signal	5,937	-	5,937	-
Industrial Way/Coney Island/Glendale	793,183	-	793,183	-
International Place/Ice House Road	454,428	-	454,428	-
Intersection corrective maintenance FY10	1,465,920	-	1,465,920	-
Intersection corrective maintenance FY11	1,247,428	-	1,247,428	-
Keystone Avenue/California Avenue/Booth St. intersection	248,679	-	248,679	-
Keystone Avenue rehabilitation	1,036,521	-	1,036,521	-
Kirman - Casazza/Plumb	146,912	-	146,912	-
Kirman/Kuenzli/Apple	412,286	-	412,286	-
Kirman/Locust	3,752,490	-	3,752,490	-
Kleppe - Greg/N. Truckee Drain	2,778,473	-	2,778,473	-
Kuenzli Street	119,416	-	119,416	-
Kuenzli Street bridge	496,598	-	496,598	-
Kuenzli Street - 2nd	1,487,274	-	1,487,274	-
La Posada/Eagle Canyon at Pyramid Hwy.	1,752,339	-	1,752,339	-
Lakeshore Drive	1,134,078	-	1,134,078	-
Lakeside Drive	1,182,372	-	1,182,372	-
Lakeside Drive - Brinkby/Mt. Rose	1,991,639	-	1,991,639	-
Lakeside - Huffaker/Meadowridge	612,170	-	612,170	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Larkin Circle/Madison Ave. - Greg/Greg	\$ 709,203	\$ -	\$ 709,203	\$ -
Las Brisas - McCarran/Brittania	818,312	-	818,312	-
Lear Blvd. - Moya/Zeolite	1,483,799	-	1,483,799	-
Lemmon Drive - Buck/Patrician	1,495,172	-	1,495,172	-
Lemmon Drive - Patrician/Ramsey	1,019,271	-	1,019,271	-
Lemmon Drive - Patrician/Waterash	1,446,833	-	1,446,833	-
Lemmon Drive, Phase I	357,708	-	357,708	-
Lemmon Drive, Phase II and III	394,729	-	394,729	-
Liberty/Ryland - Center/Holcomb/Kirman/Mill	1,042,238	-	1,042,238	-
Lillard - Brierly/Prater	1,177,261	-	1,177,261	-
Linda Way/Southern Way - Coney Island/Glendale/Freeport	1,201,905	-	1,201,905	-
Longitudinal joint study	65,470	-	65,470	-
Longley Lane - Houston/Rock	2,045,694	-	2,045,694	-
Longley Lane - Huffaker realignment	227,910	-	227,910	-
Longley Lane - S. Virginia St./Peckham Ln.	2,242,374	-	2,242,374	-
Longley - McCarran/Houston	2,150,102	-	2,150,102	-
Longley - McCarran/S. Virginia	3,760,669	-	3,760,669	-
Loop Road/Salomon Circle -Vista/end of pavement/cul de sac	629,758	-	629,758	-
Los Altos Pkwy. - Canyon Run/Goodwin	441,188	-	441,188	-
Mae Anne/Sierra Highlands - Avenida de Landa/McCarran	2,551,997	-	2,551,997	-
Mae Anne - Avenida de Landa/Ambassador	675,540	-	675,540	-
Mae Anne - Sharlands/Avenida de Landa	1,578,105	-	1,578,105	-
Mayberry Drive	3,025,256	-	3,025,256	-
Mayberry Dr. - Canyon/W. McCarran	1,659,547	-	1,659,547	-
Mayberry Dr. - Hunter Lake/California	1,073,723	-	1,073,723	-
Mayberry Dr. - McCarran/California	2,628,315	-	2,628,315	-
Mayberry Dr. - Truckee River/Canyon	2,346,483	-	2,346,483	-
Mays and Tanager - Lakeshore/Village	754,427	-	754,427	-
McCarran Blvd. - Cashill/Plumb	116,563	-	116,563	-
McCarran Blvd. - forensic study	36,693	-	36,693	-
McCarran Blvd. - Greensboro/Skyline	852,287	-	852,287	-
McCarran Blvd. - Mira Loma/Equity	1,212,775	-	1,212,775	-
McCarran Blvd. - Mira Loma/ S. Virginia Street	2,158,994	-	2,158,994	-
McCarran Blvd. - Plumas/Greensboro	250,000	-	250,000	-
McCarran Blvd. /I-80/Prater	64,396	-	64,396	-
McCarran Blvd. - S. Virginia/4th	11,611,934	-	11,611,934	-
Military Road	542,342	-	542,342	-
Military Road - Lemmon/Echo	2,780,321	-	2,780,321	-
Mill Street	2,453,504	-	2,453,504	-
Mill Street/Kietzke/Rock	3,233,994	-	3,233,994	-
Mill Street - Rock/E. McCarran	1,919,943	-	1,919,943	-
Mill Street - Wells/Virginia	454,051	-	454,051	-
Mira Loma - Longley/McCarran	1,506,925	-	1,506,925	-
Mira Loma - McCarran/1,711' E.	398,356	-	398,356	-
Mira Loma - McCarran/Rosewood	476,022	-	476,022	-
Moana Lane	87,781	-	87,781	-
Moana - Neil/Longley	301,376	-	301,376	-
Moana - Neil/Peckham	991,505	-	991,505	-
Moana - Neil/Kietzke	946,617	-	946,617	-
Moana - Peckham/McCarran	6,834	-	6,834	-
Moana - Plumas/Kietzke	1,693,570	-	1,693,570	-
Moana - Plumas/Pioneer	29,500	-	29,500	-
Moana Lane widening - S. Virginia/Neil ¹	(629,985)	-	(629,985)	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Montello Street - 9th/Wedekind	\$ 1,159,797	\$ -	\$ 1,159,797	\$ -
Mount Rose St. - Arlington/Plumas	472,072	-	472,072	-
Moya Blvd - Redrock/Echo	2,143,452	-	2,143,452	-
Neil Road - Virginia/Delucci	622,975	-	622,975	-
Neil Road/Gentry/Terminal Way - Moana/Plumb	2,050,483	-	2,050,483	-
Nichols Blvd. - E. McCarran/Howard	1,965,071	-	1,965,071	-
Nichols Blvd. - Bike/Pedestrian improvements	1,508,713	-	1,508,713	-
Ninth Street - Virginia/Valley	620,911	-	620,911	-
North Hills Boulevard - Golden Valley/1880' West	484,301	-	484,301	-
N. Virginia - 4th/6th/Maple/8th	2,869,570	-	2,869,570	-
North Valley safety improvement	-	-	-	-
Old 395 N. rehabilitation	1,551,287	-	1,551,287	-
Oddie Wells Corridor Multi -Modal	-	50,751	50,751	1,499,249
Pagni Lane	467,304	-	467,304	-
Parr Blvd.	90,219	-	90,219	-
Parr Blvd - N. Virginia/US 395	2,469,681	-	2,469,681	-
Parr Circle/Catron Drive - Parr/Parr	1,266,490	-	1,266,490	-
Pavement maintenance FY16	5,846,668	-	5,846,668	-
Pavement preservation FY2017/2018	-	6,308,822	6,308,822	488,513
Pavement preservation FY2018/2019	-	352,477	352,477	7,196,787
Peckham Lane, Phases I and II	2,704,066	-	2,704,066	-
Peckham Lane - Kietzke/Longley	1,732,873	-	1,732,873	-
Peckham Lane - S. Virginia/Kietzke	774,381	-	774,381	-
Pembroke - McCarran/Steamboat Pkwy	18,357	-	18,357	-
Pembroke Drive	160,056	-	160,056	-
Pembroke/Steamboat Parkway	815,084	-	815,084	-
Pembroke Dr. - McCarran/Boynton Bridge	1,757,774	-	1,757,774	-
Plumas - Glenda/Plumb	1,419,557	-	1,419,557	-
Plumas - Manzanita/Glenda Way	1,026,092	-	1,026,092	-
Plumas - Moana/Urban	1,159,358	-	1,159,358	-
Plumas St. sidewalks	407,385	-	407,385	-
Plumas - Sierra	993,209	-	993,209	-
Plumas - Moana south to end of pavement	2,467,726	-	2,467,726	-
Plumb Lane - Margot/S. Virginia	1,472,271	-	1,472,271	-
Plumb Lane - McCarran/Ferris	6,745,829	-	6,745,829	-
Prater Way	1,002,507	-	1,002,507	-
Prater Way and El Rancho Dr. - Stanford/ Sparks Blvd./Victorian/Prater	1,723,938	-	1,723,938	-
Prater Way enhancements Ph. 3	856,858	-	856,858	-
Prater Way enhancements Ph. 4	257,713	-	257,713	-
Probasco Way	1,614,766	-	1,614,766	-
Purina Way - Spice Island/E. Greg	448,572	-	448,572	-
Putnam and Wyoming - Kings Row/ Keystone	817,093	-	817,093	-
Pyramid Highway Corridor	402,761	-	402,761	-
Pyramid/McCarran intersection right-of-way	709,232	-	709,232	-
Pyramid/McCarran intersection improvements ¹	61,422,149	11,053,205	72,475,354	-
Pyramid Way - signal improvement	12,456	-	12,456	-
Pyramid/McCarran Blvd.-north urban limit	1,581,221	-	1,581,221	-
Pyramid Hwy./US 395 connector	1,705,599	173,929	1,879,528	5,194,987
Pyramid Hwy. northbound right turn at Ironwood	140,742	-	140,742	-
Ralston St./5th St. - 2nd/5th/Keystone/Ralston	1,854,752	-	1,854,752	-
Ranger Road - Panther/Newport	883,361	-	883,361	-
Red Rock - Adobe/Argosy	2,062,105	-	2,062,105	-
Red Rock - Moya/U.S. 395	461,643	-	461,643	-
Red Rock - Osage	1,870,038	-	1,870,038	-
Red Rock - Silver Knolls/Adobe	303,947	-	303,947	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Regional RMMS	\$ 290,439	\$ -	\$ 290,439	\$ -
Regional road maintenance - fuel tax	40,573,974	-	40,573,974	-
Regional road maintenance - public transportation tax	19,617,423	-	19,617,423	-
Regional System Photo Study	60,005	-	60,005	-
Reno Consolidated 06-01- Court/Sierra	2,264,572	-	2,264,572	-
Reno Consolidated 06-02-Airmotive/Condor/Bible	1,762,634	-	1,762,634	-
Reno Consolidated 07-01-Corporate/Finacial Blvd.	981,297	-	981,297	-
Reno Consolidated 07-02-Ralston/S. Meadows Pkwy	757,306	-	757,306	-
Reno Consolidated 08-01 - Kirman/Sutro/9th	1,888,858	-	1,888,858	-
Reno Consolidated 09-01 - Vassar/Holcomb	3,428,153	-	3,428,153	-
Reno Consolidated 09-02 - Matley/Market/Louise/ Redwood/Automotive	1,920,049	-	1,920,049	-
Reno Consolidated 10-01 - Crummer/Green Acres/Huffaker	785,000	-	785,000	-
Reno Consolidated 10-02 - Bluestone/Offenhausser/ Patriot/Portman	1,866,520	-	1,866,520	-
Reno Consolidated 10-03 - Lakeside/Manzanita	3,169,011	-	3,169,011	-
Reno Consolidated 10-04 - Brookside/Energy/Edison/ Joule/Reactor	4,370,038	-	4,370,038	-
Reno Consolidated 10-05 - Mira Loma/Barron/Louie	863,130	-	863,130	-
Reno Consolidated 11-01 - First/State	1,663,549	-	1,663,549	-
Reno Consolidated 11-02 - Brinkby/Lymberry	2,850,741	-	2,850,741	-
Reno Consolidated 11-03 - Gould/Kuenzli/Sunshine/Prosperity	1,707,328	-	1,707,328	-
Reno overlays	225,997	-	225,997	-
Reno rehabilitation 97-1	1,065,046	-	1,065,046	-
Reno rehabilitation 98-2	1,273,479	-	1,273,479	-
Reno rehabilitation 98-3	1,676,960	-	1,676,960	-
Reno rehabilitation - Lake/Sierra/Sinclair	1,505,712	-	1,505,712	-
Reno Sparks Indian Colony Riverside Pathway	-	-	-	212,754
Reno-Sparks signal link	27,000	-	27,000	-
Ring Road - northeast and northwest quadrants	3,317,635	-	3,317,635	-
Ridgeview Dr. - Plumas/Lakeside	358,494	-	358,494	-
Ridgeview Terrace/Plumas	1,442,660	-	1,442,660	-
Robb Drive - Walnut/S. Las Brisas	4,923,830	-	4,923,830	-
Rock Blvd.	3,016,760	-	3,016,760	-
Rock - Glendale/McCarran Blvd.	3,800,574	-	3,800,574	-
Rock - Glendale/Hymer	841,147	-	841,147	-
Rock Blvd. - Oddie/N. McCarran Blvd.	1,489,587	-	1,489,587	-
Rock Blvd. - Victorian/Oddie	1,944,538	-	1,944,538	-
Second Street bridge	308,140	-	308,140	-
Security Circle - N. Virginia/N. Virginia	835,227	-	835,227	-
Seventh Street - Akard/Keystone	3,573,805	-	3,573,805	-
Seventh Avenue - Sun Valley/Klondike	534,358	-	534,358	-
Sierra - 9th/N. Virginia Street	1,936,791	-	1,936,791	-
Silver Lake Blvd. - Silver Shores/1,000'E. of Stead	1,790,071	-	1,790,071	-
Silver Lake Blvd. - 1000' E. of Stead/Sky Vista	764,518	-	764,518	-
S. Stanford Way	699,429	-	699,429	-
S. Virginia Street - Gentry/Brinkby	396,492	-	396,492	-
S. Virginia Street - Wells intersection relocation	2,556,207	-	2,556,207	-
Southeast Connector phase 1 - Greg/Clean Water Wy. ¹	54,617,002	-	54,617,002	-
Southeast Connector phase 2 - Clean Water Wy./S. Meadows ¹	124,520,433	65,594,732	190,115,165	25,077,797
S.E. McCarran Blvd. - Longley/Mill	3,875,960	-	3,875,960	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	<u>Expenditures</u>			<u>Unexpended Balance of Project Appropriations</u>
	<u>July 1, 1965 through June 30, 2017</u>	<u>July 1, 2017 through June 30, 2018</u>	<u>Total</u>	
S.E. McCarran Blvd. - Cashill/Plumb	\$ 5,237,865	\$ -	\$ 5,237,865	\$ -
S.E. McCarran Blvd. - S. Virginia/Longley	53,000	-	53,000	-
S.E. McCarran Blvd. widening - Longley/Greg ¹	24,367,677	-	24,367,677	-
S.W. McCarran Blvd. - Mayberry/US 40	4,599,570	-	4,599,570	-
S.W. McCarran Blvd. - Plumas/US 40	156,659	-	156,659	-
S.W. McCarran Blvd. - Plumas/Skyline	6,663,719	-	6,663,719	-
S.W. McCarran Blvd. - Plumb/Mayberry	529,845	-	529,845	-
S.W. McCarran Blvd. - Skyline/Cashill	1,277,939	-	1,277,939	-
S.W. McCarran Blvd. - Skyline/Mayberry	156,959	-	156,959	-
S.W. McCarran Blvd. - S. Virginia/Plumas	1,715,990	-	1,715,990	-
Socrates Dr. - McCarran/Sienna Park	1,914,449	-	1,914,449	-
Sparks Blvd.	2,145,524	-	2,145,524	-
Sparks Blvd. - Baring/Shadow	1,266,801	-	1,266,801	-
Sparks Blvd. - Shadow/Disc	8,432,386	-	8,432,386	-
Sparks Blvd. - I-80/E. Greg	1,286,356	-	1,286,356	-
Sparks Blvd. - I-80/Prater	1,527,293	-	1,527,293	-
Sparks Blvd. - left turn at McCabe	9,677	-	9,677	-
Sparks Blvd. NB lanes - Prater/Baring	1,476,646	-	1,476,646	-
Sparks Consolidated 09-02 - Deming/Bergin/Franklin/Meredith	1,152,136	-	1,152,136	-
Sparks Consolidated 09-03 - Freeport/ Steneri	2,231,867	-	2,231,867	-
Sparks Consolidated 10-01 - Pacific/Hymer/15h/16th/ 18th/19th/Pittman/Shaber/Frazer/Crane	5,008,735	-	5,008,735	-
Sparks Consolidated 11-01 - Marietta/Snider	1,720,526	-	1,720,526	-
Sparks Consolidated 12-01 - Greenbrae/ Merchant	1,724,835	-	1,724,835	-
Sparks overlay projects	2,007,754	-	2,007,754	-
Sparks rehabilitation project	1,628,273	-	1,628,273	-
Sparks rehabilitation project 3	820,166	-	820,166	-
Spice Island Dr./United Circle - Greg/Franklin/Spice Island	2,395,074	-	2,395,074	-
Stead Blvd. - U.S. 395/Mt. Vida	2,859,984	-	2,859,984	-
Stoker Avenue	245,792	-	245,792	-
Sullivan Lane	30,000	-	30,000	-
Sullivan Lane - Byrd/McCarran	555,480	-	555,480	-
Summit Ridge/Sky Mountain - W.McCarran to 4th	1,524,397	-	1,524,397	-
Sun Valley alignment	21,616	-	21,616	-
Sun Valley Drive	19,554	-	19,554	-
Sun Valley - 8th/Leon	533,064	-	533,064	-
Sun Valley - Spanish Springs	50,063	-	50,063	-
Sutro - 9th/McCarran Blvd.	1,606,380	-	1,606,380	-
Sutro Complete St. - Mill/McCarran	1,785,808	-	1,785,808	-
Tahoe-Pyramid link	183,716	-	183,716	-
Tahoe-Pyramid link - I-80/Mt. Rose	99,989	-	99,989	-
Tanburg Dr. - 7th/Mineral	225,718	-	225,718	-
Taylor - Virginia/Holcomb/Kirman	33,557	-	33,557	-
Terminal - Gentry/Mill Street	2,291,418	-	2,291,418	-
Terminal - Plumb/Mill Street	12,105	-	12,105	-
Thomas Creek - S. Saddlehorn/Evening Song	1,242,478	-	1,242,478	-
Traffic Management 1 - ITS Master Plan	266,660	665,392	932,052	221,345
Traffic Management 2 - ITS Network Pilot Project	178,710	239,434	418,144	612,146
Traffic signals	716,583	-	716,583	-
21st - Glendale/Greg	256,987	-	256,987	-
U.S. 395/S. McCarran Blvd./S. Virginia	394,390	-	394,390	-
University Terrace	829,055	-	829,055	-
Victorian Avenue Ph. I - Rock/16th	545,905	-	545,905	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	<u>Expenditures</u>			<u>Unexpended Balance of Project Appropriations</u>
	<u>July 1, 1965 through June 30, 2017</u>	<u>July 1, 2017 through June 30, 2018</u>	<u>Total</u>	
Victorian Avenue Ph. II - Pyramid/McCarran	\$ 3,383,103	\$ -	\$ 3,383,103	\$ -
Village - Tahoe to Country Club Dr.	1,290,321	-	1,290,321	-
Villanova - Harvard/Terminal	1,150,059	-	1,150,059	-
Virginia Street Bus Rapid Extension- Plumb/Liberty	1,133,413	-	1,133,413	-
Virginia Street - Truckee/I-80	24,418	-	24,418	-
Virginia Street - Truckee River bridge replacement	2,000,000	-	2,000,000	-
Virginia St. Bus Rapid Transit Extension	3,145,222	2,133,321	5,278,543	39,186,155
Vista - Prater/Baring	1,801,361	-	1,801,361	-
Vista - Baring/Disc/Los Altos	3,438,894	-	3,438,894	-
Vista - I-80/Prater	1,721,671	-	1,721,671	-
Washington Street - 6th/7th	115,848	-	115,848	-
Washoe County regional preventive maintenance	1,828,193	-	1,828,193	-
Wedekind Road - Sullivan/McCarran	339,811	-	339,811	-
Wedekind Road - N. McCarran/Mapali	597,965	-	597,965	-
Wedge - Despain/Mt. Rose	121,430	-	121,430	-
Wells Avenue overpass	3,163,717	-	3,163,717	-
Wells - Casazza/Second	110,438	-	110,438	-
Wells - 9th/Sutro	889,016	-	889,016	-
Wells - Kuenzli/7th St.	1,273,099	-	1,273,099	-
Wells - Virginia/Kuenzli	5,345,136	-	5,345,136	-
W. 7th - Madera/NW McCarran	809,706	-	809,706	-
W. Huffaker - Del Monte/Spring Leaf	909,776	-	909,776	-
W. Moana Lane	188,145	-	188,145	-
West Sun Valley arterial	12,132	-	12,132	-
Whites Creek-Zolezzi/ S. Virginia Street	2,376,551	-	2,376,551	-
White Lake Parkway - Village/Brant	1,048,629	-	1,048,629	-
York Way	1,998,479	-	1,998,479	-
York Way - 18th/4th	116,049	-	116,049	-
Zolezzi Lane rehabilitation and widening	1,164,468	-	1,164,468	-
	<u>\$ 782,785,343</u>	<u>\$ 114,258,121</u>	<u>\$ 897,043,464</u>	<u>\$ 111,191,450</u>

Notes: ¹ Capacity projects were previously reported in the Regional Road Impact Fee program and were transferred to Streets and Highways in FY14.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2016 through June 30, 2018	Total	
Arrowcreek Parkway	\$ 2,981,540	\$ -	\$ 2,981,540	\$ -
Bicycle/Pedestrian improvements	1,625,955	921,591	2,547,546	129,761
Damonte Ranch/Double R intersection	437,940	-	437,940	-
Farnsworth	61	-	61	-
Geiger Grade realignment	932,412	-	932,412	-
Geiger Grade/Toll Road	1,762,624	-	1,762,624	-
Golden Valley Road	1,615,421	-	1,615,421	-
I580 northbound widening	20,000,000	-	20,000,000	-
Intersection improvement - Veterans/Geiger Grade	5,294,747	-	5,294,747	-
Intersection improvements 97 - all districts	434,168	-	434,168	-
Intersection improvements 98 - all districts	965,019	-	965,019	-
Intersection improvements 02 - all districts	277,711	-	277,711	-
Intersection improvements 03 - all districts	2,944,528	-	2,944,528	-
Intersection improvements 04 - all districts	4,595,415	-	4,595,415	-
Intersection improvements 05 - all districts	271,527	-	271,527	-
Intersection improvements 07 - all districts	283,468	-	283,468	-
Lemmon Drive - Military realignment	3,044,517	-	3,044,517	-
Lemmon Drive - US395 /N. Virginia	182,424	-	182,424	-
Lemmon Drive - Memorial / US 395	360,331	-	360,331	-
Lincoln Way - Marina/Sparks Blvd.	13,200	-	13,200	-
Longley - McCarran/Moana	1,386,833	-	1,386,833	-
McCarran - Kietzke/Lakeside	645,172	-	645,172	-
McCarran - Prater/I-80	208,467	-	208,467	-
McCarran Blvd sidewalk improvement - Nichols/Prater	149,881	-	149,881	-
S.E. McCarran Blvd widening - Longley/Greg ¹	14,858,157	-	14,858,157	-
Moana Lane extension - Longley/Neil	22,756,313	-	22,756,313	-
Moana Lane widening - S. Virginia/Neil	35,932,930	-	35,932,930	-
Neil/Kietzke roundabout	1,404,622	-	1,404,622	-
N. McCarran/N. Virginia intersection	2,450,082	-	2,450,082	-
North Valleys Safety Improvement	1,309,585	1,774,592	3,084,177	297,664
Plumb/Terminal ITS	937,133	-	937,133	-
Pyramid Hwy. - La Posada/Eagle Canyon	8,829,283	-	8,829,283	-
Pyramid/McCarran intersection ¹	4,090,380	-	4,090,380	-
Pyramid/McCarran southbound right turn lane	86,413	-	86,413	-
Pyramid Hwy./US 395 connector ¹	7,596,949	-	7,596,949	-
Red Rock - Moya/U.S. 395	710,254	-	710,254	-
Signal coordination project	1,492,556	-	1,492,556	-
Signal - Mt. Rose/Thomas Creek	324,961	-	324,961	-
Southeast connector alignment study	1,182,383	-	1,182,383	-
Southeast connector phase 1 - Greg/Clean Water Way ¹	30,199,524	-	30,199,524	-
Southeast connector phase 2 - Clean Water Way/ Veterans Pkwy. ¹	18,810,055	371	18,810,426	-
Sparks Blvd. - Pyramid/Los Altos	4,402,862	-	4,402,862	-
Sun Valley/Clearacre	363,043	-	363,043	-
Sun Valley Corridor Multi-Modal Improvements	-	-	-	1,550,000
Sun Valley/Eagle Canyon	7,604	-	7,604	-
Sun Valley/Lemmon Drive	307,700	223,498	531,198	1,814,891
Sun Valley/W. 7th Avenue	364,407	-	364,407	-
System corridor studies	1,132,593	-	1,132,593	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Traffic and pedestrian signal safety upgrade	\$ 44,903	\$ -	\$ 44,903	\$ -
T/E spot intersection improvements	5,573,826	1,019,991	6,593,817	5,127,816
Traffic management center	268,948	-	268,948	-
Traffic management fiber optic connectivity	-	-	-	-
Traffic signals	103,692	-	103,692	-
U.S. 395 NB and SB/Clearacre/Sun Valley	54,632,326	-	54,632,326	-
U.S. 395/Meadowood interchange	15,079,961	-	15,079,961	-
Virginia St. - Peckham/Moana	5,000	-	5,000	-
Virginia Street transit Q-jump	1,069,169	-	1,069,169	-
Virginia Street transit signal priority	1,066,499	-	1,066,499	-
Vista/Baring northbound left turn lane	461,633	-	461,633	-
Vista Blvd. corridor study	136,708	-	136,708	-
Vista/Pah Rah/Disc/Los Altos	2,723,274	-	2,723,274	-
Vista Blvd. widening - Los Altos/Wingfield Springs	9,821,787	-	9,821,787	-
Vista Blvd/Sparks Blvd at Los Altos	763,018	-	763,018	-
White Lake Parkway	46,049	-	46,049	-
Zolezzi Ln./I-580 interchange	62,076	-	62,076	-
Zolezzi Ln. rehabilitation and widening	1,949,394	-	1,949,394	-
Impact fee credits issued:				
Northwest District	40,454,705	672,386	41,127,091	-
Northeast District	74,982,099	-	74,982,099	-
South District	88,529,911	42,125	88,572,036	-
	<u>\$ 507,738,128</u>	<u>\$ 4,654,554</u>	<u>\$ 512,392,682</u>	<u>\$ 8,920,132</u>

Notes: ¹ Projects were transferred to the Schedule of Changes in Reserves for Project Appropriations - General Fund. Due to insufficient impact fee collections, the projects were funded with either bond funds pledged by fuel tax funds, direct fuel tax funds and/or federal funds.



STATISTICAL SECTION - (*Unaudited*)

STATISTICAL SECTION - Unaudited

This part of Regional Transportation Commission's (RTC) comprehensive annual financial report presents historical perspective, context, and detail to assist in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the RTC's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help understand how the RTC's financial performance and well-being have changed over time.</i>	
Net Position by Component - Last ten fiscal years	103
Changes in Net Position - Last ten fiscal years	104
Fund Balances of Governmental Funds	106
Changes in Fund Balances of Governmental Funds	107
Revenue Capacity	
<i>These schedules contain information to help assess the factors affecting the RTC's ability to generate revenue.</i>	
Revenues By Source, Governmental Funds	108
Revenues By Source, Proprietary Funds	109
Principal Regional Road Impact Fee Credit Recipients	110
Vehicle Miles Traveled	111
Direct & Overlapping Tax Rates	112
Debt Capacity	
<i>These schedules present information to help assess the affordability of the RTC's current levels of outstanding debt and the RTC's ability to issue additional debt in the future.</i>	
Ratios Of Outstanding Debt By Type	113
Computation Of General Obligation Direct And Overlapping Debt	114
Pledged Revenue Bond Coverage And Limitations	115
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help understand the environment within which the RTC's financial activities take place.</i>	
Demographic And Economic Statistics	116
Principal Employers - Current Year And Ten Years Ago	117
Operating Information	
<i>These schedules contain service and infrastructure data to help understand how the information in the RTC's financial report relates to the services the RTC provides and the activities it performs.</i>	
Full Time Equivalent Government Employees By Department	118
RIDE Operating Statistics	119
ACCESS Operating Statistics	120
Capital Asset Information	121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The RTC implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NET POSITION BY COMPONENT

**Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Invested in capital assets	\$ 6,290	\$ 7,367	\$ 7,146	\$ 4,323	\$ 5,028	\$ 5,882	\$ 5,919	\$ 6,737	\$ 6,987	\$ 7,454
Restricted	115,138	142,133	170,601	189,812	203,703	259,684	131,269	186,450	27,150	8,089
Unrestricted	<u>(424,725)</u>	<u>(422,778)</u>	<u>(433,608)</u>	<u>(438,024)</u>	<u>(433,877)</u>	<u>(439,896)</u>	<u>(262,933)</u>	<u>(267,138)</u>	<u>(54,255)</u>	<u>6,286</u>
Total governmental activities ¹	<u>\$ (303,297)</u>	<u>\$ (273,278)</u>	<u>\$ (255,861)</u>	<u>\$ (243,889)</u>	<u>\$ (225,146)</u>	<u>\$ (174,330)</u>	<u>\$ (125,745)</u>	<u>\$ (73,951)</u>	<u>\$ (20,118)</u>	<u>\$ 21,829</u>
Business-type activities										
Invested in capital assets	\$ 89,135	\$ 79,533	\$ 73,696	\$ 74,505	\$ 78,598	\$ 79,595	\$ 78,095	\$ 78,039	\$ 67,062	\$ 58,021
Unrestricted	<u>14,020</u>	<u>19,225</u>	<u>17,539</u>	<u>16,178</u>	<u>15,053</u>	<u>15,817</u>	<u>17,703</u>	<u>20,271</u>	<u>14,264</u>	<u>13,199</u>
Total business-type activities	<u>\$ 103,155</u>	<u>\$ 98,757</u>	<u>\$ 91,235</u>	<u>\$ 90,683</u>	<u>\$ 93,651</u>	<u>\$ 95,412</u>	<u>\$ 95,798</u>	<u>\$ 98,310</u>	<u>\$ 81,326</u>	<u>\$ 71,220</u>
Primary government										
Invested in capital assets	\$ 95,425	\$ 86,900	\$ 80,842	\$ 78,828	\$ 83,626	\$ 85,477	\$ 84,014	\$ 84,776	\$ 74,049	\$ 65,475
Restricted	115,138	142,133	170,601	189,812	203,703	259,684	131,269	186,450	27,150	8,089
Unrestricted	<u>(410,705)</u>	<u>(403,553)</u>	<u>(416,069)</u>	<u>(421,846)</u>	<u>(418,824)</u>	<u>(424,079)</u>	<u>(245,230)</u>	<u>(246,867)</u>	<u>(39,991)</u>	<u>19,485</u>
Total primary government	<u>\$ (200,142)</u>	<u>\$ (174,521)</u>	<u>\$ (164,626)</u>	<u>\$ (153,206)</u>	<u>\$ (131,495)</u>	<u>\$ (78,918)</u>	<u>\$ (29,947)</u>	<u>\$ 24,359</u>	<u>\$ 61,208</u>	<u>\$ 93,049</u>

¹ See Note O for explanation of negative balances.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN NET POSITIONS

Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program revenues										
Governmental activities										
Charges for services										
Streets and highways	\$ 3,787	\$ 2,482	\$ 274	\$ 194	\$ 619	\$ 713	\$ 1,792	\$ 13,265	\$ 3,762	\$ 15,286
Transportation services	426	414	639	651	636	693	682	686	680	621
Regional Road Impact Fees	5,550	4,492	2,690	3,979	-	-	-	-	-	-
Operating grants and contributions	30,324	30,525	18,184	17,826	18,251	8,145	2,848	1,657	1,913	1,873
Capital grants and contributions	745	228	3,462	25	7	1,563	6,792	5,171	3,495	2,029
Total governmental activities	<u>40,832</u>	<u>38,140</u>	<u>25,249</u>	<u>22,675</u>	<u>19,513</u>	<u>11,114</u>	<u>12,114</u>	<u>20,779</u>	<u>9,850</u>	<u>19,809</u>
Business-type activities										
Charges for services										
Passenger fares	5,615	5,717	5,909	5,978	6,176	5,959	5,917	5,738	6,025	7,013
Bus advertising	264	190	181	206	216	277	347	422	436	424
Rental income	435	458	455	421	460	460	434	437	463	478
Miscellaneous	-	-	-	-	-	-	-	-	105	-
Operating grants and contributions	4,088	4,826	3,618	3,404	3,499	3,989	3,483	9,814	7,476	3,120
Capital grants and contributions	7,848	9,882	3,813	980	4,147	5,463	4,580	15,279	10,809	10,505
Total business-type activities	<u>18,250</u>	<u>21,073</u>	<u>13,976</u>	<u>10,989</u>	<u>14,498</u>	<u>16,148</u>	<u>14,761</u>	<u>31,690</u>	<u>25,314</u>	<u>21,540</u>
Total program revenues	<u>\$ 59,082</u>	<u>\$ 59,213</u>	<u>\$ 39,225</u>	<u>\$ 33,664</u>	<u>\$ 34,011</u>	<u>\$ 27,262</u>	<u>\$ 26,875</u>	<u>\$ 52,469</u>	<u>\$ 35,164</u>	<u>\$ 41,349</u>
Expenses										
Governmental activities										
Streets and highways	\$ 118,730	\$ 101,901	\$ 83,266	\$ 67,542	\$ 106,986	\$ 91,016	\$ 85,851	\$ 89,240	\$ 64,868	\$ 48,422
Transportation services	10,348	9,279	8,136	7,403	7,372	7,387	6,894	7,344	7,998	8,340
Regional Road Impact Fees	5,154	6,515	3,036	2,067	-	-	-	-	-	-
Metropolitan planning	2,226	2,519	3,221	2,707	3,759	2,803	3,452	2,122	2,100	2,276
Interest and fiscal charges	19,284	19,586	19,867	20,134	20,351	14,066	12,584	10,493	5,320	24
Total governmental activities	<u>155,743</u>	<u>139,802</u>	<u>117,526</u>	<u>99,853</u>	<u>138,468</u>	<u>115,272</u>	<u>108,781</u>	<u>109,199</u>	<u>80,286</u>	<u>59,062</u>
Business-type activities										
Public transportation	31,465	31,251	30,307	30,202	30,411	30,110	29,761	30,639	29,520	31,949
Total expenses	<u>\$ 187,208</u>	<u>\$ 171,053</u>	<u>\$ 147,833</u>	<u>\$ 130,055</u>	<u>\$ 168,879</u>	<u>\$ 145,382</u>	<u>\$ 138,542</u>	<u>\$ 139,838</u>	<u>\$ 109,806</u>	<u>\$ 91,011</u>
Net expenses										
Governmental activities	\$ (114,911)	\$ (101,661)	\$ (92,277)	\$ (77,178)	\$ (118,955)	\$ (104,158)	\$ (96,667)	\$ (88,420)	\$ (70,436)	\$ (39,253)
Business-type activities	<u>(13,215)</u>	<u>(10,178)</u>	<u>(16,331)</u>	<u>(19,213)</u>	<u>(15,913)</u>	<u>(13,962)</u>	<u>(15,000)</u>	<u>1,051</u>	<u>(4,206)</u>	<u>(10,409)</u>
Total net expense	<u>\$ (128,125)</u>	<u>\$ (111,839)</u>	<u>\$ (108,608)</u>	<u>\$ (96,391)</u>	<u>\$ (134,868)</u>	<u>\$ (118,120)</u>	<u>\$ (111,667)</u>	<u>\$ (87,369)</u>	<u>\$ (74,642)</u>	<u>\$ (49,662)</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN NET POSITION - CONTINUED

**Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net position										
Governmental activities										
Motor vehicle fuel tax	\$ 81,180	\$ 75,058	\$ 68,015	\$ 58,934	\$ 49,575	\$ 41,828	\$ 35,319	\$ 29,385	\$ 21,835	\$ 19,177
Public transportation tax	9,806	8,989	9,932	8,414	8,786	8,459	7,726	4,250	1,170	3,521
Regional Road Impact fees	-	-	-	-	8,165	8,598	-	-	-	-
Unrestricted investment earnings	465	235	1,971	779	909	207	1,085	556	631	591
Miscellaneous revenue	162	(260)	193	12	246	3	55	150	59	140
Gain (loss) on disposal of capital assets	8	4	9	-	2	10	-	-	5	2
Transfers	300	218	184	188	308	(561)	338	246	4,193	6,173
Total governmental activities	<u>91,922</u>	<u>84,244</u>	<u>80,304</u>	<u>68,327</u>	<u>67,991</u>	<u>58,544</u>	<u>44,523</u>	<u>34,587</u>	<u>27,893</u>	<u>29,604</u>
Business-type activities										
Public transportation tax	21,278	17,837	16,661	16,270	14,231	12,927	12,472	15,182	17,851	17,604
Investment earnings	65	34	304	134	172	35	321	71	191	347
Miscellaneous revenue	30	43	114	18	44	15	30	923	-	35
Gain (loss) on disposal of capital assets	-	6	(12)	10	14	38	3	2	462	2,335
Transfers	(300)	(218)	(184)	(188)	(308)	561	(338)	(246)	(4,193)	(6,173)
Total business-type activities	<u>21,074</u>	<u>17,701</u>	<u>16,883</u>	<u>16,244</u>	<u>14,153</u>	<u>13,576</u>	<u>12,488</u>	<u>15,932</u>	<u>14,311</u>	<u>14,148</u>
Total primary government	<u>\$ 112,996</u>	<u>\$ 101,945</u>	<u>\$ 97,187</u>	<u>\$ 84,571</u>	<u>\$ 82,144</u>	<u>\$ 72,120</u>	<u>\$ 57,011</u>	<u>\$ 50,519</u>	<u>\$ 42,204</u>	<u>\$ 43,752</u>
Change in net position										
Governmental activities	\$ (22,989)	\$ (17,417)	\$ (11,973)	\$ (8,851)	\$ (50,964)	\$ (45,614)	\$ (52,144)	\$ (53,833)	\$ (42,543)	\$ (9,649)
Business-type activities	7,859	7,523	552	(2,969)	(1,760)	(386)	(2,512)	16,983	10,106	3,739
Total primary government	<u>\$ (15,130)</u>	<u>\$ (9,894)</u>	<u>\$ (11,421)</u>	<u>\$ (11,820)</u>	<u>\$ (52,724)</u>	<u>\$ (46,000)</u>	<u>\$ (54,656)</u>	<u>\$ (36,850)</u>	<u>\$ (32,437)</u>	<u>\$ (5,910)</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

FUND BALANCES OF GOVERNMENTAL FUNDS

**Last ten fiscal years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)**

	2018²	2017²	2016²	2015²	2014²	2013²	2012²	2011²	2010¹	2009
General fund										
Nonspendable	\$ 304	\$ 271	\$ 221	\$ 170	\$ 192	\$ 182	\$ 201	\$ 146	\$ -	\$ -
Restricted	58,704	88,510	112,912	136,930	153,058	215,711	93,225	149,515	-	-
Reserved	-	-	-	-	-	-	-	-	126,092	8,570
Total general fund	\$ 59,008	\$ 88,782	\$ 113,133	\$ 137,100	\$ 153,250	\$ 215,893	\$ 93,426	\$ 149,661	\$ 126,092	\$ 8,570
All other governmental funds										
Nonspendable	\$ 374	\$ 384	\$ 133	\$ 124	\$ 199	\$ 157	\$ 219	\$ 135	\$ -	\$ -
Restricted	56,434	53,622	57,689	52,882	50,645	43,973	38,044	42,680	-	-
Assigned	1,543	2,234	381	2,914	2,360	1,074	535	-	-	-
Unassigned	-	-	(541)	-	-	-	(274)	(277)	-	-
Reserved	-	-	-	-	-	-	-	-	6,397	8,179
Unreserved	-	-	-	-	-	-	-	-	-	725
Total all other governmental funds	\$ 58,350	\$ 56,241	\$ 57,662	\$ 55,920	\$ 53,204	\$ 45,204	\$ 38,524	\$ 42,538	\$ 6,397	\$ 8,904

¹ The increase in reserved fund balance in the general fund was due to the issuance of the Series 2009, Series 2010, and Series 2013 Bonds to be used to finance the costs of constructing and maintaining certain streets and highways in the County. See Note I & J.

² RTC has chosen to present fund balances prospectively in accordance with the implementation of GASB No. 54.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last ten fiscal years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Motor vehicle fuel tax	\$ 81,180	\$ 75,058	\$ 68,015	\$ 58,934	\$ 49,575	\$ 41,828	\$ 35,319	\$ 29,385	\$ 21,835	\$ 19,177
Public transportation tax	9,806	8,989	9,932	8,414	8,786	8,459	7,726	4,250	1,170	3,521
Impact fees	5,550	4,492	2,690	3,979	8,165	8,598	596	11,226	1,076	13,368
Passenger fares	426	413	639	651	636	693	683	686	680	616
Investment income	465	235	1,971	779	909	207	1,085	556	631	591
Reimbursements	3,605	2,467	233	161	644	716	1,168	2,162	2,856	2,277
Rental income	-	-	-	-	-	-	-	-	-	27
Planning, operating and capital grants	34,534	28,970	19,928	18,711	17,919	12,125	5,866	5,118	5,123	3,696
Miscellaneous income	237	(160)	340	253	531	213	263	380	362	-
Total revenues	135,803	120,465	103,748	91,882	87,165	72,839	52,706	53,763	33,733	43,273
Expenditures										
Streets and highways	124,837	107,873	85,286	69,386	106,872	90,760	85,533	89,024	64,521	49,700
Transportation services	9,032	7,817	7,158	6,700	6,526	6,247	5,945	6,358	6,712	6,376
Metropolitan planning	2,226	2,402	3,167	2,649	3,672	2,725	3,357	2,043	2,032	941
Capital outlay	242	1,663	3,841	43	9	1,898	124	711	814	126
Debt service										
Principal	7,603	6,604	6,309	6,096	5,997	5,788	5,438	-	2,000	-
Interest	19,790	20,059	20,362	20,584	19,156	12,497	13,223	7,662	2,458	24
Debt service fees & fiscal charges	45	42	42	46	34	36	22	886	2,504	-
Total expenditures	163,776	146,459	126,165	105,504	142,266	119,951	113,642	106,684	81,041	57,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,973)	(25,994)	(22,417)	(13,622)	(55,101)	(47,112)	(60,936)	(52,921)	(47,308)	(13,894)
Other financing sources (uses)										
Transfers in	300	217	184	188	308	225	338	246	4,193	6,173
Debt issuance ¹	-	-	-	-	-	165,000	-	90,000	179,567	2,000
Line of credit	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	11,023	-	340	162	-
Bond discount	-	-	-	-	-	-	-	-	(155)	-
Sale of capital assets	8	4	9	-	2	10	-	-	5	2
Total other financing sources (uses)	308	221	193	188	310	176,258	338	90,586	183,772	8,175
NET CHANGE IN FUND BALANCES	\$ (27,664)	\$ (25,773)	\$ (22,224)	\$ (13,434)	\$ (54,791)	\$ 129,146	\$ (60,598)	\$ 37,665	\$ 136,464	\$ (5,719)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	16.8%	18.4%	21.8%	25.3%	17.7%	15.5%	16.5%	8.1%	8.7%	0.0%

¹ Proceeds from the issuance of debt are detailed in Note I & J.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last ten fiscal years
(Modified accrual basis of accounting)

Fiscal Year	Motor Vehicle Fuel Tax	Regional Road Impact Fee Credits ¹	Regional Road Impact Fees	Public Transportation Tax	Total
2018	\$ 81,179,894	\$ 714,512	\$ 4,835,052	\$ 9,805,973	\$ 96,535,431
2017	75,058,070	452,098	4,039,431	8,989,017	88,538,616
2016	68,015,031	-	2,690,468	9,932,269	80,637,768
2015	58,934,179	953,787	3,025,633	8,414,074	71,327,673
2014	49,574,968	6,790,650	1,374,381	8,786,166	66,526,165
2013	41,827,886	7,470,788	1,126,781	8,459,319	58,884,774
2012	35,318,650	346,025	249,938	7,726,463	43,641,076
2011	29,385,293	10,730,150	496,279	4,250,000	44,861,722
2010	21,834,666	625,828	450,167	1,170,088	24,080,749
2009	19,176,895	12,076,652	1,291,729	3,520,844	36,066,120
<u>Change</u>					
2009-2018	323.3%	-94.1%	274.3%	178.5%	167.7%

¹ Regional Road Impact Fee Credits are non-cash revenue

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REVENUES BY SOURCE, PROPRIETARY FUNDS

Last ten fiscal years
(Accrual basis of accounting)

Fiscal Year	Public Transportation Tax	Passenger Fares ¹	Federal Operating Government Grant	Bus Advertising	Investment Income	Miscellaneous ⁶	Total
2018	\$ 21,278,436	\$ 5,614,832	\$ 4,088,110	\$ 264,091	\$ 65,488	\$ 465,798	\$ 31,776,755
2017	17,836,832	5,716,864	4,825,788	190,455	33,843	505,727	29,109,509
2016	16,661,346	5,908,612	3,618,038	181,404	303,719	556,570	27,229,689
2015	16,270,368	5,977,902	3,403,457	206,391	134,063	448,611	26,440,792
2014	14,230,831	6,175,971	3,498,641	216,345	172,261	517,092	24,811,141
2013	12,926,595	5,959,133	3,989,322	277,131	35,051	512,661	23,699,893
2012	12,472,313	5,916,656	3,482,964	347,714	320,859	466,834	23,007,340
2011	15,182,174	5,738,460	9,814,365	422,428	70,699	1,361,740 ⁵	32,589,866
2010	17,851,440	6,024,823	7,476,152	435,904	191,250	1,030,407 ⁴	33,009,976
2009	17,604,218	7,012,490	3,119,847	424,318	346,585	2,848,304 ³	31,355,762
Change							
2009-2018	20.9%	-19.9%	31.0%	-37.8%	-81.1%	-83.6%	1.3%

¹ Passenger single ride adult fare increased:

- from \$0.30 to \$0.60 in August 1993
- from \$0.60 to \$1.00 in August 1995
- from \$1.00 to \$1.25 in November 2000
- from \$1.25 to \$1.50 in February 2003
- from \$1.50 to \$1.65 in August 2005
- from \$1.65 to \$1.70 in August 2006
- from \$1.70 to \$1.75 in August 2007
- from \$1.75 to \$2.00 in May 2008

Effective 7/1/2014, RTC RIDE and RTC RAPID prepaid passes were reduced by 7%. RTC INTERCITY fare was increased by 25%.

RTC Sierra Spirit implemented a 25-cent regular fare and 10-cent reduced fare. RTC ACCESS on RTC RIDE 10-ride pass was reduced from \$5 to \$4.

² Includes one time cash out of membership interest in EIG Mutual Holding Co., \$1,815,720.

³ Includes Citicenter gain on sale of \$2,463,637. The Citicenter transit station was sold to the City of Reno Redevelopment Agency on 8/6/2008.

⁴ Includes FTA residual value of \$426,604 on the Citicenter property sold to the City of Reno. The residual value was applied towards the 4th Street Station construction.

⁵ Includes NV Energy Incentive Program & Sure Bet Program rebate of \$815,340 for Solar, Lighting, and HVAC ARRA grant projects.

⁶ Includes rental income and gain on sale of assets.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**PRINCIPAL REGIONAL ROAD IMPACT FEE CREDIT RECIPIENTS¹
YEARS 2018 AND 2009**

Last ten fiscal years

Certificate Holders	2018			2009		
	Value of Waivers Issued ³	Rank	% of Total Value	Value of Credits Issued ²	Rank	% of Total Value
North Valleys Commerce, Center	\$ 278,266	1	41.9%	\$ -	-	0.0%
Logicenter 395 Phase II	272,994	2	41.1%	-	-	0.0%
Pebble Creek II, Inc.	31,376	3	4.7%	-	-	0.0%
Woodland Village Phase 17	27,454	4	4.1%	-	-	0.0%
TL Mount Rose Estates LP	26,193	5	3.9%	-	-	0.0%
Ryder Shadow LLC	11,774	6	1.8%	-	-	0.0%
Fletcher 2009 Trust, William	4,366	7	0.7%	-	-	0.0%
Wagner, David & Melanie A	4,366	8	0.7%	-	-	0.0%
Sumner, Corrine	3,922	9	0.6%	-	-	0.0%
Rock Hound Investments	3,922	10	0.6%	-	-	0.0%
Centex Homes	-	-	0.0%	5,933,796	1	57.9%
Sparks Legends Development. Inc.	-	-	0.0%	3,394,795	2	33.1%
Kiley Ranch Communities	-	-	0.0%	340,336	3	3.3%
Trammel Crow Construction	-	-	0.0%	296,009	4	2.9%
NN Development Corp & Lewis Land Co. of NV	-	-	0.0%	139,075	5	1.4%
Sparks Galleria Investors	-	-	0.0%	87,303	6	0.9%
RRW Stonebrook, LLC	-	-	0.0%	64,310	7	0.6%
Total Ten Largest Credit Recipients	\$ 664,633		100.0%	\$ 10,255,624		100.0%
Total Impact Fee Credits Issued	\$ 664,633		100.0%	\$ 10,255,624		100.0%

¹ Any person, except a unit of government, who constructs all or part of a capital improvement included in the Regional CIP or offers a dedication of land may apply for a Regional Road Impact Fee Credit/Waiver. RRIF Credits measured in Vehicle Miles Traveled (VMT) were issued prior to 3/2/2015. RRIF Waivers, replaced the RRIF Credit program in 2015, and are measured in dollars. The RTC RRIF Administrator determines which capital improvements and/or right-of-way dedications are eligible for Credits/Waivers. RRIF Credits and Waivers are managed in an online RRIF Automation account.

² RRIF Credits may be used by the original Developer of Record to pay up to 100% of the impact fees owed within the Benefit District where they were earned. RRIF Credits transferred to a 3rd Party can be used to pay up to 100% of impact fees owed within the Development of Record where they were earned and up to 50% of the impact fees owed outside the Development of Record, but within the Benefit District. RRIF Credits may not be used outside the Benefit District where the RRIF Credits were earned. Unused RRIF Credits expire twenty years from the date of approval of the Capital Contribution Front Ending Agreement (CCFEA). In 2017, a one-time offer to extend the expiration date for an additional 10 years was given to existing credit holders.

³ RRIF Waivers may be used by the original Developer of Record to pay up to 100% of the impact fees owed within the Development of Record and do not expire. RRIF Waivers transferred to a 3rd Party can be used to pay up to 100% of the impact fees owed within the Development of Record where they were earned. RRIF Waivers may not be used outside the Development of Record. The impact fees owed using RRIF Waivers are based on the fee schedule in effect at the time of the RRIF Offset Agreement for the land uses identified in the agreement. Impact fees owed for any changes to the original land use will be assessed at the current impact fee rate.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

VEHICLE MILES TRAVELED (VMT) UNITS¹

Last ten fiscal years

	2018	2017	2016³	2015	2014	2013	2012	2011	2010	2009
Total VMT units issued in Reno ²	2,135	1,546	-	6,885	21,440	27,454	500	42,931	-	50,833
Total VMT units issued outside Reno	-	-	-	-	17,984	27,018	1,047	34,808	4,875	28,136
Total VMT units	<u>2,135</u>	<u>1,546</u>	<u>-</u>	<u>6,885</u>	<u>39,424</u>	<u>54,472</u>	<u>1,547</u>	<u>77,739</u>	<u>4,875</u>	<u>78,969</u>

¹ Any person, except a unit of government, who constructs all or part of a capital improvement included in the Regional CIP or offers a dedication of land may apply for a Regional Road Impact Fee Credit/Waiver. RRIF Credits measured in Vehicle Miles Travelled (VMT) were issued prior to 3/2/2015. RRIF Waivers, replaced the RRIF Credit program in 2015, and are measured in dollars. The RTC RRIF Administrator determines which capital improvements and/or right-of-way dedications are eligible for Credits/Waivers. RRIF Credits and Waivers are managed in an online RRIF Automation account.

² Prior to 2014, impact fees were slightly lower in the City of Reno. Impact Fees were discounted to account for additional payments made by new development within the City of Reno to pay for outstanding debt on Reno's 1985 and 1989 bond issues which were used for road capital improvements and improvements on existing roadways. The City of Sparks and Washoe County had no outstanding debt for road improvements. Beginning 2014, the bonds were paid off.

³ Beginning 2016, VMTs shown represent the RRIF Waivers issued. RRIF Waivers are issued in dollars and are converted to Vehicle Miles Traveled (VMTs) based on the impact fee rate in effect as of the date of the RRIF Offset Agreement.

⁴ RRIF Waivers measured in dollars were converted into Vehicle Miles Traveled (VMTs) using the impact fee rate in effect as of the date of the RRIF Offset Agreement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

DIRECT AND OVERLAPPING TAX RATES

Last ten fiscal years

Fiscal Year	RTC Direct Sales Tax Rate ¹	Washoe County Sales Tax Rate	RTC Direct Vehicle Fuel Tax Rate ²	Annual RTC Direct Vehicle Fuel Tax Index Incr. ³	Washoe County Vehicle Fuel Tax Rate	Annual Washoe County Vehicle Fuel Tax Index Incr. ³	RTC Direct Impact Fee in Reno Rate ⁴	RTC Direct Impact Fee Outside Reno Rate	RTC Direct Impact Fee in North Area Rate ⁵	RTC Direct Impact Fee in South Area Rate ⁵
2018	0.375%	7.725%	\$ 0.3684	\$ 0.0155	\$ 0.4842	\$ 0.0179	N/A	N/A	\$262.69/VMT	\$297.58/VMT
2017	0.375%	7.725%	0.3529	0.0239	0.4663	0.0277	N/A	N/A	262.69/VMT	297.58/VMT
2016	0.375%	7.725%	0.3289	0.0348	0.4386	0.0403	N/A	N/A	258.20/VMT	292.50/VMT
2015	0.375%	7.725%	0.2942	0.0378	0.3983	0.0438	N/A	N/A	253.39/VMT	287.05/VMT
2014	0.375%	7.725%	0.2564	0.0366	0.3546	0.0423	\$216/VMT	\$227/VMT		
2013	0.375%	7.725%	0.2198	0.0323	0.3123	0.0374	216/VMT	227/VMT		
2012	0.375%	7.725%	0.1875	0.0264	0.2749	0.0305	216/VMT	227/VMT		
2011	0.375%	7.725%	0.1611	0.0261	0.2443	0.0302	216/VMT	227/VMT		
2010	0.375%	7.725%	0.1350	0.0294	0.2141	0.0339	216/VMT	227/VMT		
2009	0.375%	7.375%	0.1056	0.0029	0.1801	0.0049	185/VMT	198/VMT		

¹ The RTC's sales tax rate may only be changed with the approval of the Board of County Commissioners and enacted State legislation. Effective November 1, 1982, the Board of County Commissioners imposed a sales tax of 1/4 cent for mass transit or the construction of public roads. Effective July 1, 2003, the Board of County Commissioners imposed an additional 1/8 cent sales tax.

² The RTC's motor vehicle fuel tax rate may only be changed with the approval of the Board of County Commissioners and enacted State legislation. In 1965, a \$0.01 per gallon fuel tax was levied for the purpose of constructing and improving the street and highway transportation facilities within Washoe County. In 1971, it was increased to \$0.02 per gallon and in 1982 to \$0.04 per gallon. In April of 1994, a temporary additional \$0.05 per gallon was approved then made permanent in September of 1995. Reference note 3 below. Annual rates reflect year-to-year cumulative indexing.

³ Effective October 1, 2003, the Board of County Commissioners approved fuel tax indexing which imposed additional new taxes on motor vehicle fuel. On the first day of each fiscal year, motor vehicle fuel tax was increased by (i) the lesser of 4.5 percent or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years. At the November 2008 election, County voters approved RTC5 and the State Legislature enacted the bill which revised the indexing provisions for the 9-cent motor vehicle fuel tax. The county was thereby authorized to impose additional taxes on motor vehicle fuel and special fuels for the benefit of the Commission, and provided for annual increases in such taxes to be calculated using a formula based on (i) the lesser of 7.8% or (ii) a rolling 10-year average of the changes in the Producer Price Index for Street and Highway Construction. The PPI adjustments were imposed on the CPI adjusted rate of 10.5621 cents per gallon. The PPI adjusted rate went into effect with April 2010 fuel tax collections. Rates shown reflect the annual change in the index.

⁴ The imposition of an impact fees for the construction of new roads and to make capacity improvements is established by State legislation. RTC impact fee rates may only be changed with the approval of ordinances adopted by all participating local governments. The 2003 passage of WC-2 allowed for the indexing of impact fee and NRS 278B.225 was established to allow automatic inflationary adjustments to the fees. Rates shown are based on a single-family detached home.

⁵ Effective March 2, 2015 the 5th edition of the Regional Road Impact Fee System General Administrative Manual (GAM) was adopted. Service areas were modified to North and South as shown in Exhibit B. Impact fee rates shown are based on Exhibit H of the GAM.

Source: Nevada Department of Taxation and Regional Transportation Commission

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities										
Revenue bonds	\$ 390,732	\$ 398,335	\$ 404,939	\$ 411,248	\$ 417,344	\$ 423,341	\$ 264,129	\$ 269,567	\$ 179,567	\$ -
Line of credit	-	-	-	-	-	-	-	-	-	2,000
Less Deferred amounts										
Bond Premium	9,180	9,558	9,937	10,316	10,694	11,137	308	425	153	-
Bond Discount	(25)	(41)	(56)	(72)	(88)	(103)	(119)	(135)	(151)	-
Total primary government	<u>\$ 399,887</u>	<u>\$ 407,852</u>	<u>\$ 414,820</u>	<u>\$ 421,492</u>	<u>\$ 427,950</u>	<u>\$ 434,375</u>	<u>\$ 264,318</u>	<u>\$ 269,857</u>	<u>\$ 179,569</u>	<u>\$ 2,000</u>
Percentage of personal income	<u>1.7733%</u>	<u>1.9179%</u>	<u>2.0571%</u>	<u>2.2094%</u>	<u>2.2724%</u>	<u>2.2131%</u>	<u>1.4157%</u>	<u>1.4876%</u>	<u>1.0314%</u>	<u>0.0116%</u>
Per capita	<u>\$ 0.86</u>	<u>\$ 0.89</u>	<u>\$ 0.92</u>	<u>\$ 0.95</u>	<u>\$ 0.98</u>	<u>\$ 1.00</u>	<u>\$ 0.61</u>	<u>\$ 0.63</u>	<u>\$ 0.43</u>	<u>\$ -</u>

Details regarding the RTC's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics on page 116 for personal income and population data.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**COMPUTATION OF GENERAL OBLIGATION
DIRECT AND OVERLAPPING DEBT**

**As of June 30, 2018
(amounts expressed in thousands)**

Name of Governmental Unit	Debt Outstanding	Presently Self-Supporting Debt	Percent Applicable to Washoe County ¹	Applicable Net Debt
Direct ²				
Regional Transportation Commission				
Revenue bonds	\$ 390,732	\$ 390,732	0%	\$ 390,732
Total Direct Debt	<u>390,732</u>	<u>390,732</u>		<u>390,732</u>
Overlapping				
Washoe County School District	709,722	-	100%	709,722
Reno-Sparks Convention & Visitors Authority	103,587	103,587	100%	-
City of Reno	41,780	-	100%	41,780
City of Reno supported by specific revenue	357,096	357,096	100%	-
City of Reno - Special Assessment bonds ³	10,916	10,916	100%	-
City of Sparks - Sewer and Utility bonds	37,567	37,567	100%	-
Incline Village General Improvement District	6,967	6,967	100%	-
State of Nevada	1,358,070	296,840	14.09%	154,833
Total Overlapping Debt	<u>2,625,705</u>	<u>812,973</u>		<u>906,335</u>
 Total Direct and Overlapping debt	 <u>\$ 3,016,437</u>	 <u>\$ 1,203,705</u>		 <u>\$ 1,297,067</u>

¹ Based on FY 2017-18 assessed valuation in the respective jurisdiction.

² Includes all governmental debt activities and amounts are net of related discounts, premiums and deferred refunding charges.

³ Revenue bonds are not general obligation, but are special limited obligation of the County payable solely from the pledged revenue.

⁴ Special assessment bonds are not general obligations of Washoe County, or of the Cities of Reno and Sparks. If however, the special assessments collected, with all other available resources were insufficient to meet debt service requirements on these bonds, the respective bond ordinances require that the deficiency be made up with the governments' general funds.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

PLEGGED REVENUE BOND COVERAGE AND LIMITATIONS

Last ten fiscal years

Debt Service			Motor Vehicle Fuel Tax ¹			Public Transportation Tax ³	Limitations ⁴	Bond Coverage ⁵			
Fiscal Year	Principal	Interest	Total Debt Service	RTC 9¢ + Index ²	Washoe County 5.35¢ + 1¢	Total Net Pledged Fuel Tax Revenues	Total Net Pledged Public Transportation Tax Revenues	Revenues in Excess of Debt Service	Bond Coverage Actual	Bond Coverage Required	Excess Coverage
2018	\$ 7,603,000	\$ 19,789,748	\$ 27,392,748	\$ 81,179,894	N/A	\$ 81,179,894	\$ 10,211,947	\$ 63,999,093	296%	125%	171%
2017	6,604,000	20,058,757	26,662,757	75,058,070	N/A	75,058,070	9,378,033	57,773,346	282%	125%	157%
2016	6,309,000	20,362,279	26,671,279	68,015,031	N/A	68,015,031	8,864,538	50,208,290	255%	125%	130%
2015	6,096,000	20,584,244	26,680,244	58,934,179	N/A	58,934,179	8,228,147	40,482,082	221%	125%	96%
2014	5,997,000	19,156,381	25,153,381	49,574,968	N/A	49,574,968	7,672,332	32,093,919	197%	125%	72%
2013	5,788,000	12,496,721	18,284,721	41,827,886	N/A	41,827,886	7,128,638	30,671,803	229%	125%	104%
2012	5,438,000	13,222,764	18,660,764	35,318,650	N/A	35,318,650	6,732,925	23,390,811	189%	125%	64%
2011	-	7,661,705	7,661,705	29,385,293	N/A	29,385,293	6,477,392	28,200,980	368%	125%	243%
2010	-	2,415,291	2,415,291	20,775,496	N/A	20,775,496	N/A	18,360,205	860%	125%	735%
2009	N/A	N/A	N/A	18,165,095	11,341,246	29,506,341	N/A	29,506,341	N/A	N/A	N/A

- ¹ The amounts of these taxes have increased over the years. In 1977, the rates were 2¢ and 1½¢. In 1982, these were raised to 4¢ and 1½¢. In 1983, they were increased again to the level of 4¢ and 3¢. In 1986 the 3¢ motor vehicle fuel tax previously distributed to the RTC for bond covenant provisions was distributed by the State of Nevada directly to Washoe County and the Cities of Reno and Sparks, as provided for in Chapter 365 of the Nevada Revised Statutes. The 3¢ rate was increased to 4.28¢ in 1988 and 5.35¢ in 1989. In April 1994, the 4¢ was raised to 9¢. In 1983, the 1¢ rate was implemented for Washoe County roads.
- ² The bond covenant provisions of the 2009 and 2010 Series A,B,C,D,E and F revenue bonds identify as net pledged revenues motor vehicle fuel taxes consisting of the 9¢ per gallon motor vehicle fuel tax together with prior annual increases to that base rate calculated as the lesser of: (i) 4.5% increase or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years. Pursuant to a ballot measure in November 2008 and subsequent enactment of Chapter 501 at the State Legislature, additional taxes were imposed on motor vehicle fuel and special fuels for the benefit of the RTC which provided for annual increases using a formula based on the lesser of (i) 7.8% or (ii) a rolling 10-year average of the changes in the Producer Price Index for Street and Highway Construction. The PPI rate went into effect January 1, 2010 and is adjusted on July 1, annually.
- ³ The bond covenant provisions of the 2010 Series H revenue bonds identify as net pledged revenues sales taxes imposed at a rate of one-eighth of one percent (.0125%) and income derived from any additional Sales Tax imposed by the County should the RTC Board choose to include the additional tax in pledged revenues. The RTC Board may elect to include additional taxes in pledged revenues for the remaining term of the 2010H bonds by adoption of a resolution or ordinance to include such tax.
- ⁴ The following limitations on bond coverage are calculated in these columns:
 - a. Nevada Revised Statutes 373.130 states that revenues from vehicle fuel tax must be adequate to meet the payment of outstanding debt as it becomes due.
 - b. Washoe County Bond Ordinance requires that the net pledged revenues derived in any twelve consecutive months of the last eighteen months of Fiscal Year immediately preceding the date of the issuance of such additional Parity Securities shall have been at least sufficient to pay an amount equal to 125% of the combined maximum annual principal and interest requirements of the outstanding bonds and any other outstanding parity securities of the County and the parity securities proposed to be issued (excluding any reserves therefor).
- ⁵ The Actual Bond Coverage and Excess Coverage are calculated as follows:
 - a. Bond Coverage – Actual is equal to the Total Net Pledged Fuel Tax Revenues divided by Total Debt Service.
 - b. Excess Coverage is equal to the difference between Bond Coverage – Actual and Bond Coverage – Required.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last ten fiscal years
(Dollars Expressed in Thousands)

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Median Age³	Total Labor Force⁴	Unemployment Rate⁴ (Percent)	Construction Activity - Total Value⁵	Number of New Family Units⁵
2018	467,417	\$ 22,549,907	48	37.9	239,119	4.2%	\$ 345,710	481
2017	459,142	21,265,239	48	37.5	223,409	4.0%	301,127	378
2016	451,248	20,164,911	51	37.5	213,923	6.4%	231,742	320
2015	444,008	19,077,494	48	37.4	213,773	6.4%	246,628	255
2014	436,647	18,832,669	48	37.6	206,624	7.2%	203,086	120
2013	433,731 ⁶	19,627,834 ⁶	45 ⁶	37.6	219,550	9.8%	126,468	74
2012	429,908 ⁶	18,656,484	45 ⁶	37.0	222,532	12.3%	95,876	83
2011	424,912 ⁶	18,121,519	43	37.2	225,481	13.2%	67,721	55
2010	422,029 ⁶	17,409,987	41	37.0	221,954	13.6%	55,952	36
2009	417,722	17,286,483	41	36.4	224,089	11.6%	85,657	103

Sources:

¹ Annual population for years 2007 and prior: Nevada Workforce Informer, Data Analysis 2010 US Census-Nevada
For years 2009 - 2013: Governor Certified Population of Nevada's Counties, Cities and Towns 2000 to 2013
2014: Washoe County Community Development, with projected growth rate applied to the 2010 US Census
FY 2015 - FY 2018: Nevada State Demographer's Office-NV Small Business Development Center

² For FY 2012 and prior: U.S. Department of Commerce, Bureau of Economic Analysis (BEA)
For FY 2013 - FY 2014: Washoe County Community Development Demographic Information
FY 2014 - FY 2018: BEA 2012 Estimate with Compound Annual Growth Rate applied

³ For FY 2001 - FY 2007: Nevada State Demographer
For FY 2008: Demographics USA
For FY 2009 - FY 2013: Center for Regional Studies, University of Nevada, Reno
For FY 2014 - FY 2018: Trend applied to U.S. Census Bureau 2008-2012 American Community Survey 5-Year Estimates

⁴ Total represents the average labor force during the fiscal year. Nevada State Department of Employment, Training and Rehabilitation (DETR)

⁵ Washoe County Building and Safety Department

⁶ Prior fiscal year information has been restated to reflect actual amounts rather than estimates

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

PRINCIPAL EMPLOYERS

Current year and ten years ago

Employer	December, 2017			December, 2008		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
Washoe County School District	7,750	1	3.31%	8,750	1	4.17%
University of Nevada, Reno	4,750	2	2.03%	4,750	2	2.26%
Renown Medical Center ²	3,250	3	1.39%	2,250	5	1.07%
Washoe County	2,750	4	1.17%	3,250	3	1.55%
Peppermill Hotel Casino-Reno	2,250	5	0.96%	2,250	6	1.07%
Grand Sierra Resort & Casino ³	2,250	6	0.96%	-	-	-
Silver Legacy Resort Casino	2,250	7	0.96%	1,750	7	0.83%
Atlantis Casino Resort	1,750	8	0.75%	1,750	9	0.83%
International Game Technology PLC	1,750	9	0.75%	2,750	4	1.31%
St. Marys	1,750	10	0.75%	1,750	10	0.83%
City of Reno	-	-	-	1,750	8	0.83%
Total Washoe County Covered Employment	234,378			219,501		

¹ Nevada Revised Statutes Chapter 612 stipulates that actual employment for individual employers may not be published. The Nevada Department of Employment Training and Rehabilitation publishes employee counts in ranges of 500. The number of employees are estimated using the midpoint.

² In 2007, Washoe Medical Center became Renown Medical Center.

³ Reno Hilton is now the Grand Sierra Resort & Casino

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES BY DEPARTMENT

Last ten fiscal years

Department	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Executive	4.00	4.00	4.00	2.00	2.00	2.00	6.50	7.50	8.50	8.50
Administrative services	6.75	6.75	6.75	7.25	6.50	7.50	10.50	12.00	14.50	14.50
Marketing/Communications ³	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00	8.00	8.00
Finance	13.00	13.00	13.00	13.00	14.00	12.00	16.00	15.00	16.00	16.00
Engineering/Facilities maintenance ²	17.00	17.00	17.00	17.00	17.00	17.00	20.00	28.00	31.25	31.25
Metropolitan Planning Organization	12.50	12.50	12.50	12.50	15.00	12.00	9.00	9.00	10.50	10.50
Public transportation and Operations ¹	24.50	24.38	24.88	21.88	15.50	20.50	24.50	15.50	15.50	15.50
Total Budgeted Employees ⁴	<u>77.75</u>	<u>77.63</u>	<u>78.13</u>	<u>73.63</u>	<u>70.00</u>	<u>71.00</u>	<u>92.50</u>	<u>93.00</u>	<u>104.25</u>	<u>104.25</u>
Total Actual Employees ⁵	<u>65.60</u>	<u>64.48</u>	<u>65.00</u>	<u>65.75</u>	<u>59.25</u>	<u>64.00</u>	<u>66.50</u>	<u>73.75</u>	<u>84.25</u>	<u>94.25</u>

¹ In FY2012, Public Transportation department became known as Public Transportation and Operations department.

² In FY 2012, Facilities Maintenance moved from Engineering to Public Transportation and Operations department.

³ In FY 2012, Marketing department was dissolved. Staff moved to Planning and Public Transportation and Operations department.

⁴ Source: RTC Finance Department Budget documents.

⁵ Source: Payroll FTE count as of June 30th.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

RIDE OPERATING STATISTICS

Last ten fiscal years

Fiscal Year	Fleet Size ¹	Revenue Miles	Revenue Hours	Passengers	Full Time Equivalent Employees (FTE)			Total FTE's
					Bus Operators	Maintenance Personnel	Other	
2018	75	2,825,116	247,779	7,396,590	136.6	28.0	19.0	183.6
2017	69	2,875,232	253,097	7,416,158	141.0	27.0	19.0	187.0
2016	72	2,887,039	252,943	7,715,419	164.0	38.0	20.0	222.0
2015	81	2,888,968	252,515	8,140,908	160.0	29.0	19.0	208.0
2014	82	2,871,913	251,899	8,165,335	160.0	31.0	18.5	209.5
2013	82	2,817,697	249,569	8,050,950	168.0	29.0	18.5	215.5
2012	82	2,851,407	252,827	7,973,480	153.5	25.0	19.0	197.5
2011	92	2,878,008	251,861	7,688,345	160.0	35.0	20.5	215.5
2010	79	2,931,074	246,285	7,474,905	170.0	35.0	21.5	226.5
2009	78	3,236,164	263,704	8,449,134	169.5	31.0	24.0	224.5

¹ Includes Peak, Spares, and Contingency.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

ACCESS OPERATING STATISTICS

Last ten fiscal years

<u>Fiscal Year</u>	<u>Fleet Size¹</u>	<u>Revenue Miles</u>	<u>Revenue Hours</u>	<u>Passengers</u>	<u>Van Operators</u>	<u>Full Time Equivalent Employees (FTE)</u>		
						<u>Maintenance Personnel</u>	<u>Operations Personnel</u>	<u>Total FTE's</u>
2018	45	1,593,665	101,872	251,461	57.5	5.0	19.0	81.5
2017	54	1,376,682	85,025	231,438	40.5	4.0	14.5	59.0
2016	63	1,383,323	83,112	224,812	47.5	3.0	17.0	67.5
2015	50	1,362,329	82,869	227,060	50.0	3.0	13.0	66.0
2014	50	1,378,237	84,165	239,457	43.0	5.0	12.0	60.0
2013	50	1,341,109	82,637	232,776	42.0	5.0	12.0	59.0
2012	45	1,281,359	81,119	222,593	42.0	5.0	12.0	59.0
2011	45	1,220,072	80,185	213,804	45.5	5.0	14.0	64.5
2010	45	1,262,611	79,611	221,609	42.0	4.0	13.0	59.0
2009	50	1,415,581	90,074	238,142	45.5	4.0	15.0	64.5

¹ Includes Peak and Spares. Fiscal year 2018 includes 1 van that is scheduled for disposal.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CAPITAL ASSET INFORMATION ¹

As of June 30, 2018

	Year ²	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Facilities</u>											
2050 Villanova Drive, Reno NV 89502	1984	1	1	1	1	1	1	1	1	1	1
600 Sutro Street, Reno NV 89512	1993	1	1	1	1	1	1	1	1	1	1
1105 Terminal Way, Reno NV 89502	2000	1	1	1	1	1	1	1	1	1	1
1421 Victorian Avenue, Sparks NV 89432	2009	1	1	1	1	1	1	1	1	1	1
200 East 4th Street, Reno NV 89501	2011	1	1	1	1	1	1	1	1	-	-
<u>Other assets</u>											
Number of RIDE Passenger Shelters ³		121	117	116	115	113	111	111	105	106	99
Number of RIDE revenue vehicles (fleet) ⁴		75	69	72	81	82	82	81	82	75	78
Number of ACCESS revenue vehicles (fleet) ⁴		45	54	63	50	50	50	45	45	45	50
Number of Maintenance & Operation staff vehicles ⁵		24	24	25	27	27	29	31	32	33	33

¹ More information about capital assets can be found in the notes to the financial statements.

² Fiscal year facility was acquired or construction completed.

³ Shelter information includes only installed shelters and RAPID stations.

⁴ Revenue vehicles include active fleet only. Active fleet consists of Peak, Spares, and Contingency vehicles.

⁵ Staff vehicles include RIDE, ACCESS, and RTC support vehicles.



COMPLIANCE SECTION

**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**

To the Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Commission, Reno, Sparks, and Washoe County, Nevada (RTC) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise RTC's basic financial statements, and have issued our report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RTC's internal control over financial reporting (internal control) to determine the 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 RTC's internal control. Accordingly, we do not express an opinion on the effectiveness of RTC'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RTC'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 determination of financial statement amounts. 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Sacramento, California
November 26, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

Report on Compliance for Each Major Federal Program

We have audited Regional Transportation Commission's, Reno, Sparks and Washoe County, Nevada (RTC's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of RTC's major federal programs for the year ended June 30, 2018. RTC's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance on RTC's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about RTC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance on the major federal program. However, our audit does not provide a legal determination of RTC's compliance.

Opinion on Each Major Federal Program

In our opinion, RTC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of RTC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RTC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, we do not express an opinion on the effectiveness of RTC's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.


Crowe LLP

Sacramento, California
November 26, 2018

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Grant / Agreement Number	Grant Award Amount	Federal Expenditures 2018	Amounts Passed through to Subrecipients
<u>U. S. Department of Transportation</u>					
<u>Federal Transit Administration</u>					
Direct Award					
Federal Transit Cluster					
Federal Transit - Capital Investment Grants	20.500	#NV-04-0020	\$ 917,800	\$ 397,489	\$ -
Federal Transit - Capital Investment Grants	20.500	#NV-2016-015	6,470,000	4,464,002	-
		Total Capital Investment	7,387,800	4,861,491	-
Direct Award					
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0073	5,470,989	143,356	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0074	5,782,863	39,181	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0078	5,775,854	391,727	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-95-0006	23,110,000	1,897,625	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-95-0013	3,800,000	545,813	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2016-006	6,120,979	175,134	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-010	12,248,635	4,100,332	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-012	9,750,000	186,160	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-013	6,375,105	2,025,666	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2018-012	6,619,530	2,525,151	-
		Total Urbanized Area Formula	85,053,955	12,030,145	-
Direct Award					
Federal Transit - Bus & Bus Facilities Formula Grant	20.526	#NV-2016-011	616,642	6,768	-
		Total Bus & Bus Facilities Formula	616,642	6,768	-
		Total Federal Transit Cluster	93,058,397	16,898,404	-
Direct Award					
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	#NV-2016-010	748,280	334,218	334,218
		Total Transit Services Programs Cluster	748,280	334,218	334,218

(continued)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Grant / Agreement Number	Grant Award Amount	Federal Expenditures 2018	Amounts Passed through to Subrecipients
Direct Award					
National Infrastructure Investments					
Surface Transportation Infrastructure - Discretionary Grants for Capital Investments II	20.933	#NV-79-0003	16,000,000	10,919,509	-
Total National Infrastructure Investments			16,000,000	10,919,509	-
Total Federal Transit Administration			109,806,677	28,152,131	334,218
<u>Federal Highway Administration</u>					
Passed through State of Nevada Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction Grant	20.205	#PR325-16-063	855,000	180,691	-
Highway Planning and Construction Grant	20.205	#PR285-17-063	855,000	574,405	-
Highway Planning and Construction Grant	20.205	#P461-07-063	9,568,569	211,757	-
Highway Planning and Construction Grant	20.205	#PR351-12-063	27,354,132	9,439,865	-
Highway Planning and Construction Grant	20.205	#PR332-16-063	950,000	231,486	-
Highway Planning and Construction Grant	20.205	#PR314-14-063	1,282,500	709,791	-
Highway Planning and Construction Grant	20.205	#PR322-16-063	2,228,785	259,932	-
Highway Planning and Construction Grant	20.205	#PR224-17-804	2,699,650	773,918	-
Highway Planning and Construction Grant	20.205	#P448-15-063	940,367	598,849	-
Highway Planning and Construction Grant	20.205	#P292-17-063	100,000	84,139	-
Total Highway Planning and Construction Cluster			46,834,003	13,064,833	-
Total Federal Highway Administration			46,834,003	13,064,833	-
TOTAL EXPENDITURES OF FEDERAL AWARDS:			\$ 156,640,680	\$ 41,216,964	\$ 334,218

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Regional Transportation Commission (RTC) under programs of the federal government for the year ended June 30, 2018. 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 RTC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the RTC.

RTC received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Governmental fund types account for the RTC's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the accrual basis of accounting. The RTC's summary of significant accounting policies is presented in Note A in the RTC's basic financial statements.

The RTC has not elected to use the 10% de minimis cost rate.

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

REGIONAL TRANSPORTATION COMMISSION
 RENO, SPARKS AND WASHOE COUNTY, NEVADA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes ___X___ No

Significant deficiency(ies) identified? _____ Yes ___X___ None reported

Noncompliance material to financial statements noted? _____ Yes ___X___ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes ___X___ No

Significant deficiency(ies) identified? _____ Yes ___X___ None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be Reported in accordance with 2 CFR 200.516(a)? _____ Yes ___X___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500 / 20.507 / 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,236,509

Auditee qualified as low-risk auditee? _____ Yes ___X___ No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.



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