



REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA

# COMPONENT UNIT FINANCIAL STATEMENTS

JUNE 30, 2020

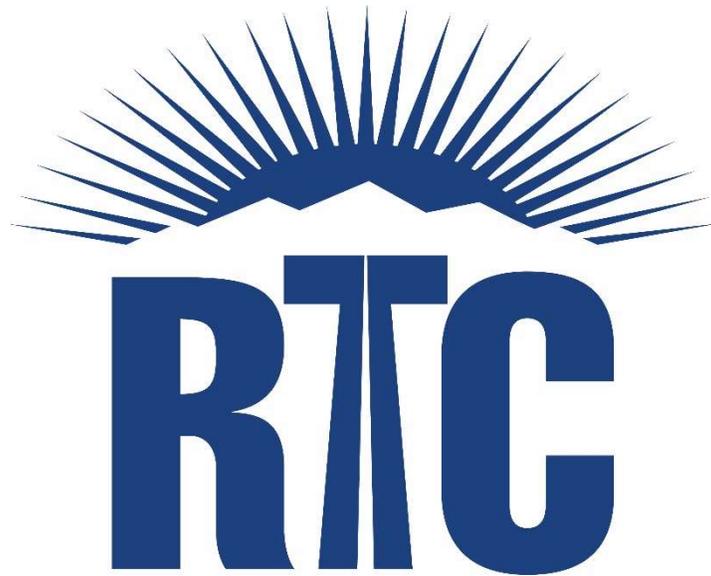


**REGIONAL TRANSPORTATION  
COMMISSION OF SOUTHERN NEVADA**

**A COMPONENT UNIT OF CLARK  
COUNTY, NEVADA**

**COMPONENT UNIT FINANCIAL  
STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**



Prepared by the Department of Finance

Las Vegas, Nevada

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
JUNE 30, 2020**

**Table of Contents**

	<u>Page No.</u>
Officials	1
Financial Section:	
Independent Auditor's Report	2 - 4
Management's Discussion and Analysis	5 - 20
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	21 - 22
Statement of Activities	23
Fund Financial Statements:	
Governmental Funds – Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position	25
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	27
Proprietary Fund – Statement of Net Position	28 - 29
Proprietary Fund – Statement of Revenues, Expenses and Changes in Net Position	30
Proprietary Fund – Statement of Cash Flows	31
Notes to Financial Statements	32 - 72
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios	73
Schedule of Employer Contributions	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Regional Transportation Commission Fund	75
Regional Transportation Fund	76
Schedule of Proportionate Share of the Net Pension Liability	77
Schedule of Defined Benefit Plan Contributions	78
Notes to Required Supplementary Information	79 - 80

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
JUNE 30, 2020**

**Table of Contents (continued)**

	<u>Page No.</u>
Other Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
RTC Bonds Fund	81
RTC Reserve Fund	82
Highway Improvement Acquisition Fund	83
RTC Highway Improvement Fund	84
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Public Transit Fund	85
Schedule of Cash Flows – Budget and Actual – Public Transit Fund	86
Schedule of Motor Vehicle Fuel Taxes and Indexed Fuel Taxes	87
Schedule of Sales Tax Collections	88



**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA**

**RTC BOARD  
OF COMMISSIONERS**

**CHIEF EXECUTIVE  
OFFICER**



*MJ Maynard, Chief Executive Officer  
Regional Transportation Commission  
of Southern Nevada*



*Larry Brown, Chairman  
Clark County  
Commissioner*



*Debra March, Vice Chairwoman  
Mayor of Henderson*



*Carolyn Goodman  
Mayor of Las Vegas*



*James Gibson  
Clark County Commissioner*

**COUNTY  
COMMISSIONERS**

*Marilyn Kirkpatrick, Chairman  
Lawrence Weekly, Vice Chairman*

*Michael Naft*

*Larry Brown*

*Tick Segerblom*

*Justin Jones*

*James B. Gibson*



*Isaac Barron  
North Las Vegas Councilman*



*Stavros Anthony  
Las Vegas Mayor Pro Tem*



*George Gault  
Mesquite Councilman*



*Kiernan McManus  
Mayor of Boulder City*



SAFE PLACE

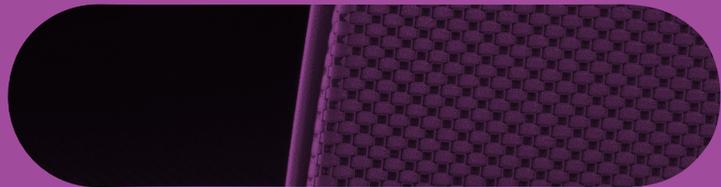
WATCH YOUR'S  
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CAUTION

NO ONE



# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Regional Transportation Commission of Southern Nevada  
Las Vegas, Nevada

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Regional Transportation Commission of Southern Nevada (RTC), a component unit of Clark County, Nevada, as of and for the year ended June 30, 2020, 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.

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(Continued)

## **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, and each major fund of the RTC, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, schedule of changes in total OPEB liability and related ratios, schedule of employer contributions, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of defined benefit plan contributions and related notes on pages 73 through 80 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 accompanying other supplementary information, such as the officials schedule, budgetary comparison information, schedule of motor vehicle fuel taxes and indexed fuel taxes, and schedule of sales tax collections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2020 budgetary comparison information on pages 81 through 86 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statements or to the 2020 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 2020 budgetary comparison information is fairly stated, in all material respects, in relation to the 2020 basic financial statements as a whole.

We have previously audited, in accordance with auditing standard generally accepted in the United States of America, the basic financial statements of the RTC as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated November 1, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund of the RTC. The 2019 Actual columns within the budgetary comparison schedules on pages 81 through 86 (referred to collectively as "Prior Year Comparative Information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements as of and for the year ended June 30, 2019 ("2019 basic financial statements"). The Prior Year Comparative Information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statements or to the 2019 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 Prior Year Comparative Information is fairly stated, in all material respects, in relation to the 2019 basic financial statements as a whole.

The officials schedule, schedule of motor vehicle fuel taxes and indexed fuel taxes and schedule of sales tax collections, as listed in the table of contents, 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.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020 on our consideration of the 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 the effectiveness of the RTC's 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 the RTC's internal control over financial reporting and compliance.



Crowe LLP

Costa Mesa, California  
October 30, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**  
**June 30, 2020**

The Management's Discussion and Analysis (MD&A) of the Regional Transportation Commission of Southern Nevada's (RTC) financial performance provides an introduction and overview to the financial statements of the RTC for the fiscal year ended June 30, 2020. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements and accompanying notes in this report.

**FINANCIAL STATEMENTS**

The RTC's financial statements are prepared in accordance with accounting principles generally accepted in the United States as promulgated by the Governmental Accounting Standards Board (GASB). The RTC is structured with several governmental funds for administration, debt service, street and highway construction, and one proprietary fund for public transit operations. In the proprietary fund and government-wide financial statements, revenues are recognized when earned, not when received and expenses are recognized when incurred, not when paid. Capital assets, except land and construction in progress, are depreciated over their estimated useful lives. A portion of net position is restricted for debt service and for street and highway projects. See the financial statement notes for a summary of the RTC's significant accounting policies. The following is a brief discussion of the structure of the basic financial statements:

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the RTC's finances. These statements are structured around the primary government. They are further divided into governmental activities and business-type activities. Governmental activities are those generally supported through taxes and intergovernmental revenues, while business-type activities are those for which a fee is charged for goods or services received, and can be subsidized with taxes.

The statement of net position presents information on all of the RTC's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as net position. Net position is segregated into three components: net investment in capital assets, restricted, and unrestricted net position.

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

## Fund Financial Statements

Fund financial statements provide detailed information about the RTC's funds. The RTC has two categories of funds.

**Governmental Funds** – Funds that are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. To provide a better understanding of the relationship between the governmental fund financial statements and government-wide financial statements, reconciliations are provided detailing the differences between the two financial statements' balances and results.

**Proprietary Funds** – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows are reported for proprietary funds. The RTC has one type of proprietary fund, an enterprise fund. Enterprise funds are used to report an activity where fees are charged to external users. The RTC's sole enterprise fund, the Public Transit Fund, is used to account for transit operations.

## **FINANCIAL HIGHLIGHTS**

The governmental activities of the RTC consist of two highway improvement funds, two debt service funds, and two funds utilized to account for administration of the RTC and distribution of a portion of the sales and excise tax revenue. The RTC funds a portion of street and highway projects for Clark County, the City of Las Vegas, City of Henderson, City of North Las Vegas, City of Boulder City, City of Mesquite, Bunkerville, Indian Springs, Laughlin, Moapa, Moapa Valley, Mt. Charleston, and Searchlight, (collectively referred to as the Jurisdictions) through a nine cent motor vehicle fuel tax, an indexed fuel tax, and a portion of the sales and excise tax revenue allocated to the RTC Highway Improvement Fund. The business-type activities consist solely of the RTC Public Transit System, accounted for in an enterprise fund. The continued construction of streets and highways, public transit facilities, and the acquisition of public transit equipment accounts for the majority of the changes in the balances reported in the statement of net position.

**General.** The spread of the novel strain of coronavirus called COVID-19 ("COVID-19") is having significant negative impacts throughout the world, including within the State of Nevada and Clark County. To date there have been numerous cases and deaths from COVID-19 in the State, including the County. The County's economy is heavily dependent on tourism and gaming and the impacts of the spread of COVID-19 and federal, State and local actions related thereto and its adverse effect on the level of economic activity within the County could continue to impact the RTC's financial operations.

**State Response.** On March 12, 2020, the Governor of the State (the “Governor”) issued an emergency declaration (the “Declaration”) pursuant to State law in response to the outbreak of COVID-19 to, among other actions, activate the State Emergency Operations Center in an effort to provide a more centralized response to the outbreak, and suspend the standard procurement process for the State to allow for a more expedited process to purchase, as necessary, emergency food supplies, services and equipment by the Administrator of the State Purchasing Division. On March 17, 2020, and in several directives that followed in March and April, the Governor directed that (i) all businesses other than essential businesses and services (which essential businesses and services include pharmacies, grocery stores, drug and convenience stores, banks and financial institutions, hardware stores, and gas stations, and fire, police, transit, and health care services) remain closed; and (ii) citizens should avoid all social gatherings and maintain social distancing for non-family members (collectively, the “Stay Home Directive”). On March 17, 2020, the Governor announced that all gaming machines, devices, tables, games, and any equipment related to gaming activity will be temporarily shut down. The implementation of the Declaration led to the closure of most resorts and casinos during the third week of March 2020 as well as a severe decline in economic activity within the County.

On April 30, 2020, the Governor released a phased plan known as the “Nevada United: Roadmap to Recovery” to re-open the businesses and public facilities throughout the State, and on August 3, 2020 released its “Road to Recovery: Moving to a New Normal,” a new long-term mitigation strategy for the State of Nevada, which focuses on both statewide and county criteria. The current plans are subject to further revision by the Governor as circumstances warrant. Additional Directives may be issued in the future. Additional closures of public offices or businesses and/or other restrictions to promote social distancing could be imposed. The RTC can make no predictions as to the extent or duration of current closures or the possibility of future similar closures.

As of May 29, 2020, the Governor’s guidance was that the State had reached the second phase of the reopening plan, which allows for a broader opening of commerce/retail, services, and public life under strict social distancing measures, hygiene, and occupancy controls. Certain casinos and resorts within the County resumed limited operations on June 4, 2020, with measures in place to encourage social distancing and sanitizing of common areas. While many businesses and public facilities have reopened, some restrictions remain in place.

During the third phase, there is expected to be an easing on public and mass gatherings and non-essential travel. The Governor’s plan provides that a transition from the second to third phase will be based on an evaluation of whether the State’s response to COVID-19 has stabilized businesses, public life and the public healthcare system. The third phase is expected to last until there is a robust system to provide point-of-care testing, tracing, isolation and quarantine, an availability of therapeutics or alternatively, the successful development of vaccination.

The fourth and final phase is expected to provide for a return to normalcy. The Governor’s plan provides that the ability to enter into the fourth phase will depend on the success of meeting the goals of the third phase. The current reopening plan is subject to further revision by the Governor as circumstances warrant.

**Effect on RTC’s Operations.** The pandemic has taken its toll on the RTC. In order to limit the spread of COVID-19, the Governor of the State of Nevada ordered a statewide closure of all schools and non-essential businesses beginning March 18, 2020. Since then a number of directives have been issued by the Governor, allowing for a measured reopening approach. As a result of these mitigation measures, the southern Nevada economy has been strained.

**Revenue Impacts to the RTC.** Sales tax, fuel tax and transit fee revenues constitute the RTC's primary sources of revenue. In comparing fiscal year 2020 with fiscal year 2019, Sales tax declined by 4.2%, Motor Vehicle Fuel Tax (MVFT) revenues declined by 8.5%, Indexed Fuel Tax 1 (IFT 1) declined by 8.9%, Indexed Fuel Tax 2 (IFT 2) increased by 20.3% and transit fares declined by 20.2%.

The RTC will receive a total of \$112 million from the Federal Transit Administration under the Coronavirus Aid, Relief, and Economic Security (CARES) Act that will significantly support in operating the Public Transit System. Of the \$112 million, the RTC has recognized \$48.7 million of the grant as revenue in the current fiscal year.

**Expense Impacts to the RTC.** To address the impact of COVID-19, RTC reduced operating expenses and cut or delayed capital projects in the Public Transit Fund. The RTC also laid off or furloughed about 15% of its work force, implemented a hiring freeze, reduced management pay by 3.5% to 5%, and negotiated a 0% Cost of Living Adjustment (COLA) and a 5% concession with the employees' labor union.

Condensed Statements of Net Position  
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current and other assets	\$ 444,340,471	\$ 434,892,458	\$ 196,190,668	\$ 186,445,753	\$ 640,531,139	\$ 621,338,211
Net capital assets	13,369,970	13,924,563	423,356,301	429,943,437	436,726,271	443,868,000
Total assets	457,710,441	448,817,021	619,546,969	616,389,190	1,077,257,410	1,065,206,211
Deferred outflows of resources	19,650,750	21,143,812	5,650,174	5,080,479	25,300,924	26,224,291
Total assets and deferred outflows of resources	<u>\$ 477,361,191</u>	<u>\$ 469,960,833</u>	<u>\$ 625,197,143</u>	<u>\$ 621,469,669</u>	<u>\$ 1,102,558,334</u>	<u>\$ 1,091,430,502</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>						
Long-term liabilities	\$ 849,692,140	\$ 836,830,204	\$ 29,275,347	\$ 27,633,269	\$ 878,967,487	\$ 864,463,473
Other liabilities	81,309,375	54,198,275	21,275,332	23,510,967	102,584,707	77,709,242
Total liabilities	931,001,515	891,028,479	50,550,679	51,144,236	981,552,194	942,172,715
Deferred inflows of resources	6,807,265	8,026,065	6,158,910	5,969,033	12,966,175	13,995,098
Total liabilities and deferred inflows of resources	<u>937,808,780</u>	<u>899,054,544</u>	<u>56,709,589</u>	<u>57,113,269</u>	<u>994,518,369</u>	<u>956,167,813</u>
<b>NET POSITION</b>						
Net investment in capital assets	13,369,970	13,924,563	415,382,916	426,036,632	428,752,886	439,961,195
Restricted	347,563,564	370,534,315	-	-	347,563,564	370,534,315
Unrestricted (deficit)	(821,381,123)	(813,552,588)	153,104,638	138,319,768	(668,276,485)	(675,232,820)
TOTAL NET POSITION	<u>\$ (460,447,589)</u>	<u>\$ (429,093,710)</u>	<u>\$ 568,487,554</u>	<u>\$ 564,356,400</u>	<u>\$ 108,039,965</u>	<u>\$ 135,262,690</u>

### **Governmental Activities**

In June of 2013, the Nevada State Legislature passed Assembly Bill No. 413 authorizing Clark County to impose additional taxes on fuels, gasoline, diesel, compressed natural gas, and liquefied petroleum gas, for motor vehicles referred to as Indexed Fuel Tax. Under Indexed Fuel Tax, fuel taxes are increased annually by the ten-year rolling average of the Producer Price Index for non-residential construction not to exceed 7.8%. On September 3, 2013, the Clark County Commission adopted Ordinance No. 4126, which imposed the IFT 1 commencing on January 1, 2014 and further increases were calculated and imposed on July 1, 2014, July 1, 2015, and July 1, 2016 to a maximum 10 cents per gallon of additional fuel tax. The RTC receives 8.8 cents and Clark County receives 1.2 cents of the 10 cents.

In November, 2016 the voters in Clark County approved additional indexing of fuel taxes (IFT 2) that became effective July 1, 2017 and terminates after 2026 unless a proposal to continue the indexing is approved by a majority of voters in Clark County at the November 3, 2026 general election. On March 21, 2017, the Clark County Commission adopted Ordinance No. 4466, which continued the Indexed Fuel Taxes (IFT 2) commencing on July 1, 2017. In addition to the 7.8% limit on annual fuel tax rate increases, the Clark County Commission imposed an additional annual limit of 4 cents per gallon on fuel sold.

- The 4% decrease in net capital assets was mainly due to the depreciation recorded of approximately \$805,000 with an offset of approximately \$251,000 due to Administration building improvement and purchase of four non-revenue vehicles.
- The 7% decrease in deferred outflows of resources is primarily due to the amortization of deferred outflow of resources related to bond refundings of approximately \$2,000,000 with an offset adjustment of approximately \$450,000 to the deferred outflow of resources related to other post-employment benefits in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In fiscal year 2019, the RTC refunded bonds for MVFT Series 2011, MVFT Series 2015, MVFT Series 2016B and Sales Tax Series 2016.

- The increase in long-term liabilities is primarily due to the issuance of IFT 2 bond Series 2019 amounting to \$60,000,000 with a premium of approximately \$11,100,000, an increase in net pension liability of approximately \$1,000,000 as a direct result of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and an increase in total OPEB liability of approximately \$1,000,000 as a direct result of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* with an offset on regularly scheduled payment of principal for bonds amounting to \$50,975,000 and amortization of premiums and discount of approximately \$9,400,000.
- The 50% increase in other liabilities was primarily due to an increase of approximately \$28,000,000 in accounts payable related to streets and highways construction activity toward the end of the fiscal year 2020. There were more projects awarded and started in fiscal year 2020 as the RTC encouraged public works directors to design and build more fuel tax revenue related projects.
- The 15% decrease in deferred inflows of resources was primarily due to a delay from the federal government in releasing the Build America Bonds (BAB) rebate resulting in a decrease of approximately \$1,660,000 in unearned revenue and a reduction to the deferred inflows related to other postemployment benefits of approximately \$440,000 as a direct result of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* with an offset of approximately \$880,000 to the deferred inflow of resources related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- Restricted net position is mostly comprised of net resources for the Jurisdictions' street and highway projects and debt service. Available resources for the Jurisdictions' street and highway projects decreased by approximately \$23,000,000 mainly due increased expenditures of approximately \$71,600,00 related to construction projects and increased transfers of approximately \$19,600,000 with an offset due to the receipt of bond proceeds of approximately \$65,700,000 from the issuance of Fuel Tax Indexing Bond Series 2019.
- The RTC reimburses the Jurisdictions for approved expenditures on street and highway projects, and the Jurisdictions retain and maintain the improved assets. The RTC's borrowing to help fund jurisdictional street and highway improvement projects contributes to the accumulated deficit in the RTC governmental funds as the resulting debt is retained and serviced by the RTC. The increase in the unrestricted deficit is due to the issuance of Fuel Tax Indexing Bond Series 2019 with an offset of scheduled principal payments as discussed above under long-term liabilities.

### **Business-Type Activities**

- Current and other assets increased primarily due to an increase receivable from the federal government related to the CARES Act with an offset in lower sales tax receivable due to the COVID-19 pandemic. In fiscal year 2020, RTC received approximately \$18,400,000 in cash reimbursement and recorded a receivable of approximately \$40,300,000 from the CARES Act funds.
- The increase in deferred outflows of resources is primarily due to an adjustment of approximately \$430,000 to the deferred outflow of resources related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and an adjustment of approximately \$140,000 in deferred outflows related to other postemployment benefits as a direct result of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

- Long-term liabilities increased due to an adjustment in the other postemployment benefits of approximately \$675,000 as a direct result of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, an adjustment of approximately \$722,000 to the net pension liability in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and an increase in compensated absences of approximately \$245,000.
- The decrease in other liabilities is primarily due to a decrease in accounts payable of approximately \$2,300,000, which is mainly due to payments made during the year to the State for Medicaid reimbursement related to the first quarter and second quarter. Starting in fiscal year 2020, the RTC was able to bill the State quarterly for Medicaid reimbursement as compared to annual reimbursements in previous years.
- The increase in deferred inflows of resources was primarily due to an adjustment to deferred inflows related to pension of approximately \$610,000 in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* with an offset to the recording of deferred inflows related to other postemployment benefits of approximately \$421,000 as a direct result of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- The net position amounts fluctuated in relation to current and other assets and capital assets as described previously.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>PROGRAM REVENUES</b>						
Charges for services	\$ -	\$ -	\$ 64,535,635	\$ 80,629,302	\$ 64,535,635	\$ 80,629,302
Operating grants and contributions	3,528,604	2,712,344	48,771,941	1,398,878	52,300,545	4,111,222
Capital grants and contributions	15,646,277	37,066,367	13,643,296	59,469,622	29,289,573	96,535,989
<b>GENERAL REVENUES</b>						
Motor vehicle fuel tax	168,732,321	180,531,947	-	-	168,732,321	180,531,947
Jet-aviation fuel tax	3,224,947	3,992,788	-	-	3,224,947	3,992,788
Sales and excise tax	53,127,502	55,460,145	159,382,503	166,380,438	212,510,005	221,840,583
Interest income	14,296,257	16,250,096	4,824,965	4,793,495	19,121,222	21,043,591
Gain on extinguishment of debt	-	686,732	-	-	-	686,732
Other	6,126,036	5,700,597	169,146	222,455	6,295,182	5,923,052
	<u>264,681,944</u>	<u>302,401,016</u>	<u>291,327,486</u>	<u>312,894,190</u>	<u>556,009,430</u>	<u>615,295,206</u>
<b>EXPENSES</b>						
Public works	282,364,899	208,134,066	-	-	282,364,899	208,134,066
Interest on long-term debt	28,570,924	33,267,532	-	-	28,570,924	33,267,532
Public transit	-	-	272,296,332	282,372,340	272,296,332	282,372,340
	<u>310,935,823</u>	<u>241,401,598</u>	<u>272,296,332</u>	<u>282,372,340</u>	<u>583,232,155</u>	<u>523,773,938</u>
Changes in net position before transfers	(46,253,879)	60,999,418	19,031,154	30,521,850	(27,222,725)	91,521,268
Net transfers	14,900,000	11,150,000	(14,900,000)	(11,150,000)	-	-
Change in net position	(31,353,879)	72,149,418	4,131,154	19,371,850	(27,222,725)	91,521,268
Net position - beginning	<u>(429,093,710)</u>	<u>(501,243,128)</u>	<u>564,356,400</u>	<u>544,984,550</u>	<u>135,262,690</u>	<u>43,741,422</u>
Net position - ending	<u>\$ (460,447,589)</u>	<u>\$ (429,093,710)</u>	<u>\$ 568,487,554</u>	<u>\$ 564,356,400</u>	<u>\$ 108,039,965</u>	<u>\$ 135,262,690</u>

Fluctuations in revenues and expenses for fiscal year 2020 compared to fiscal year 2019 are explained below.

### Governmental Activities

- During fiscal year 2020, RTC transferred the Club Ride Program to the general fund resulting in an increase in operating grant revenue amounting to approximately \$1,276,000 with an offset of approximately \$446,000 from decreased UPWP reimbursement.
- RTC and Nevada Department of Transportation (NDOT) entered into an inter-local “Advanced Construction” agreement where RTC has the construction performed in advance of NDOT reimbursements. This agreement was entered into for the construction of the Boulder City Bypass/I-11 project. NDOT agreed to reimburse the RTC for 95% of I-11 expenditures up to approximately \$233,506,000 with federal Surface Transportation Program (STP) funds over an eight-year period that began in 2014. The reimbursement is limited to the amount of STP funds NDOT has received from the Federal Highway Administration and that are available to pay out. In fiscal year 2020, NDOT reimbursed \$15,491,618 to the RTC for the I-11 project and \$37,000,000 in fiscal year 2019. Both years’ reimbursement was limited by the amount NDOT had available for payment. The Boulder City Bypass project was officially opened in August 2018.
- Motor vehicle fuel tax revenue decreased mainly due to the impact of the COVID-19 pandemic that directly resulted in an 8.4% decrease in the gallons of motor vehicle fuel sold in Clark County.
- Jet-aviation fuel tax revenue decreased by 19% mainly due to the COVID-19 pandemic.
- Sales and excise tax revenue decreased by 4.2% mainly due to the COVID-19 pandemic.

- The decrease in interest income was mainly due to GASB 31 adjustments by the Clark County Treasurer. In compliance with GASB 31 and in accordance with RTC accounting policies summarized in the accompanying notes, the RTC accounts for market fluctuations in the interest income accounts.
- The increase in other income was due to an additional cost reimbursement of approximately \$330,000 received by the RTC for the Freeway Arterial System of Transportation (FAST) services from NDOT and bike share revenue amounting to approximately \$416,000 with an offset of approximately \$340,000 due to reduction in Build America Bonds rebate.
- Spending on public works increased by 35.7% primarily due to the RTC and the members jurisdictions increasing their efforts to improve and build roadways with available indexed fuel tax and motor vehicle fuel tax revenues, bond proceeds and cash balances.
- The decrease in interest on long-term debt was mainly attributable to redemption of Improvement and Refunding Bonds, Series 2007 of approximately \$64,700,000 and defeasance of Improvement Bonds, Series 2010A of approximately \$32,600,000 in fiscal year 2019.
- The 34% increase in net transfers was mainly attributable to additional funds needed to cover general fund expenses.

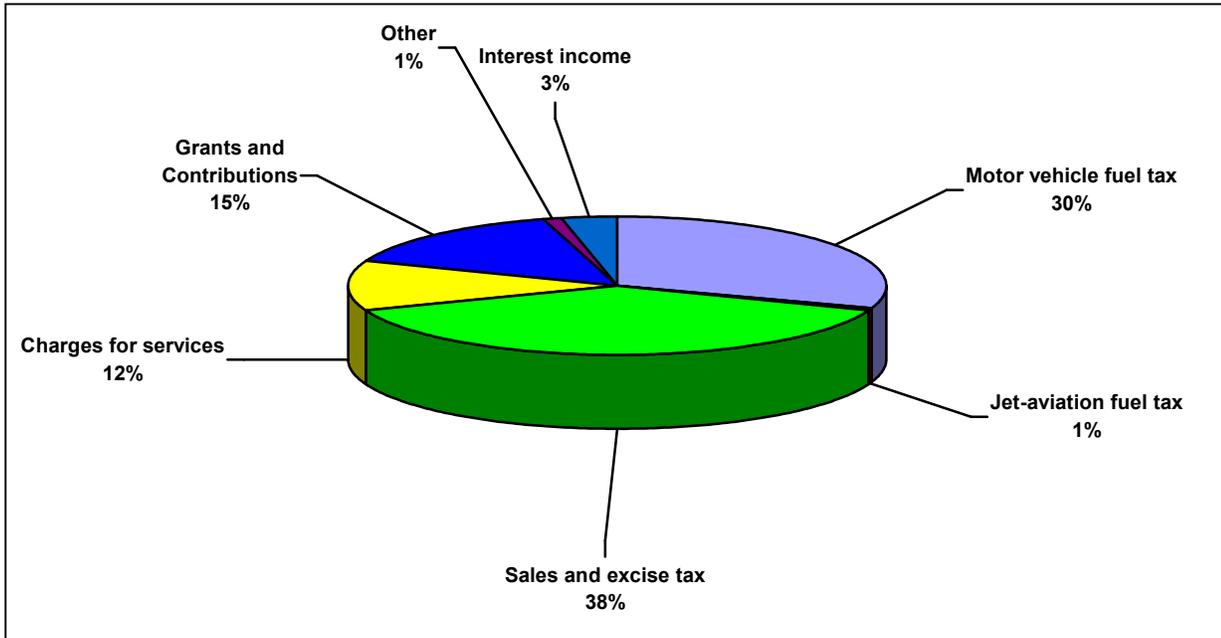
#### Business-Type Activities

- Charges for services decreased approximately \$16,000,000 for fiscal year 2020. Charges for services include transit fees paid for rides on the public transit system and advertising on the buses and bus shelters. Due to the COVID-19 pandemic as stated in the financial highlights section, the RTC experienced a decrease in transit fare revenue of approximately \$15,400,000 for the entire system in fiscal year 2020. When the pandemic started, RTC proactively implemented rear door boarding with limited capacity and limited opportunity to pay fares onboard on all fixed route vehicles to protect all operators and passengers. In addition, RTC implemented several safety protocols as mandated by the Center for Disease Control and Southern Nevada Health District. On June 7, 2020, RTC resumed front door boarding on all fixed route vehicles with limited capacity after installing enhanced safety enclosures for the operators.
- Capital grants revenue for business-type activities fluctuates annually based on the volume of capital procurements and the timing of grant awards. The decrease in capital grants in fiscal year 2020 is primarily due to grant award and reimbursement for 10 fixed route compressed natural gas (CNG) buses and 13 CNG paratransit buses versus grant award and reimbursement for 76 fixed route CNG buses and 125 CNG paratransit buses in fiscal year 2019.
- As mentioned under Governmental Activities, Sales and excise tax decreased by 4.2% mainly due to the COVID-19 pandemic.
- Interest income decreased as explained under Governmental Activities.

- Public transit expenses decreased approximately \$10,000,000 primarily due the COVID-19 pandemic that resulted to the following: fixed route service hours were reduced by 75,058 hours compared to the prior year, which included several service reductions, the fixed route rate per service hour increased by 2.9%, for a total decrease in the cost of providing fixed route service of approximately \$1,800,000. Other paratransit service providers have experienced reduced demand for service resulting in approximately \$1,100,000 decrease in reimbursement. With the reduced service, RTC was able to save on fuel cost of approximately \$1,000,000. Depreciation expense increased by approximately \$1,300,000 mainly due to the increase in the number of newer fixed route and paratransit buses with higher cost. Starting in fiscal year 2020, approximately \$1,300,000 in Club Ride expenditures were recorded in the general fund instead of the Transit Fund. In fiscal year 2019, RTC incurred one-time HVAC replacement expenses on all streetcar vehicles amounting to \$6,000,000. One-time start-up costs were incurred in fiscal year 2020 in transitioning the paratransit service and security services to a new provider amounting to approximately \$1,100,000 and \$800,000 respectively.

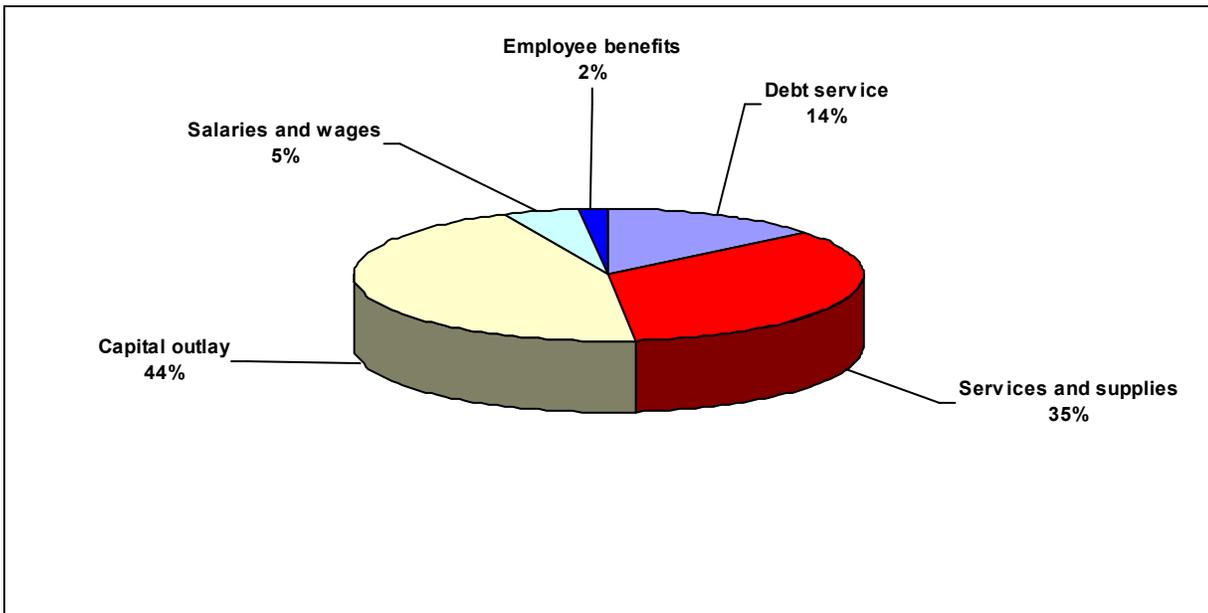
## REVENUES

The following chart shows the components of revenues for the fiscal year ended June 30, 2020:



## EXPENDITURES

The following chart shows the components of expenditures for the fiscal year ended June 30, 2020:



## **CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES**

During fiscal year 2020, the RTC expended \$284,918,730 on street and highway improvement projects for the Jurisdictions, RTC Transit capital asset projects, such as vehicle procurements and facilities construction and RTC equipment. The following identifies the street and highway capital improvement expenditures to the Jurisdictions and RTC capital expenditures:

Street and highway capital improvement	\$235,530,761
RTC Transit equipment, buildings, land, and improvements	49,137,469
RTC equipment, buildings and improvements	250,500

All RTC capital asset acquisitions and improvements exceeding \$5,000 are capitalized at cost. Acquisitions are funded from a variety of sources, including federal grants, state grants, debt issuance and local funds. Expenditures for the funding of street and highway capital improvement projects are not reported as assets on the RTC's financial statements, but are reported as capital outlay for others, and are required to be recorded as assets on the financial statements of the Jurisdictions that own and are responsible for maintenance and repair of the assets. Additional information on the RTC's capital assets and commitments can be found within the notes to the financial statements.

## LONG-TERM DEBT ADMINISTRATION

A comprehensive debt management policy is an important foundation of sound financial management. This policy sets forth the parameters for issuing debt, managing outstanding debt, defining RTC responsibilities, delineating the purposes for which debt may be issued, defining debt objectives, identifying the type and amount of permissible debt, defining the method of sale that may be used, and defining other structural features. The policy also includes a debt capacity analysis.

On July 9, 2020, an updated Debt Management Policy was adopted by the RTC. Nevada Revised Statutes 350.013 requires the Debt Management Policy be updated on an annual basis and transmitted to the State of Nevada, Department of Taxation and the Clark County Debt Management Commission.

The following is a summary of bond transactions and balances for the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
Revenue bonds	\$ 798,551,561	\$ 71,095,305	\$ 60,393,300	\$ 809,253,566

Bonds payable at June 30, 2020, are comprised of the following individual issues:

	Original Amount	Interest Rate	Balance June 30, 2020
<b>Highway Improvement and Refunding Revenue Bonds</b>			
Motor Vehicle Fuel Tax Revenue:			
Series 2011	118,105,000	4.00-5.00%	\$ 53,085,000
Series 2016	107,350,000	5.00%	80,320,000
Series 2016B	43,495,000	5.00%	43,495,000
Indexed Fuel Tax Revenue:			
Series 2014A	100,000,000	3.00-5.00%	82,985,000
Series 2015	85,000,000	5.00%	77,050,000
Series 2017	150,000,000	4.00-5.00%	140,625,000
Series 2019	60,000,000	5.00%	60,000,000
Sales and Excise Tax Revenue:			
Series 2010B	94,835,000	3.00-5.00%	11,395,000
Series 2010C	140,560,000	5.10-6.15%	140,560,000
Series 2016	36,405,000	5.00%	36,405,000
Plus unamortized premium			83,352,509
Less unamortized discount			(18,943)
Total			<u>\$ 809,253,566</u>

Issuing highway improvement bonds allows the RTC to fund the construction of street and highway projects for the benefit of the Jurisdictions in a more expeditious manner than funding these projects on a "pay as you go" basis from available tax revenue. Funding street and highway projects with debt also spreads the payment for the assets over the useful life of the assets, and does not burden current tax payers with the full cost of assets that will serve the public and future tax payers for many years. Clark County has issued all outstanding bonds for the RTC in the County's name. Repayment of the highway improvement bonds is pledged by twelve cents of motor vehicle fuel tax per gallon of fuel sold within Clark County, all Indexed Fuel Taxes collected in Clark County, and 0.25% sales and excise tax collected in Clark County.

The RTC debt management policy stipulates that the debt service coverage ratio must be greater than or equal to 150%, which is calculated by dividing net pledged revenue by the maximum annual debt service, with which we believe that the RTC is in compliance. See note 7 to the financial statements for the calculations of the debt service coverage ratio for fiscal year 2020.

## PUBLIC TRANSIT STATISTICS

The RTC coordinates transportation programs and services to provide for a safe, accessible, and efficient regional transportation network that enhances the quality of life for Southern Nevada's residents and visitors. As part of this mission, the RTC operates a fixed route bus service and a paratransit service in Southern Nevada. The Americans with Disabilities Act of 1990 requires all fixed route bus service operators to provide a comparable paratransit service for the elderly and disabled.

	2020	2019	2018	2017	2016
Ridership - fixed route	56,009,390	64,406,024	63,779,330	63,961,848	65,685,973
% increase (decrease)	(13.0%)	1.0%	(0.3%)	(2.6%)	2.5%
Ridership - paratransit	1,371,428	1,647,714	1,641,083	1,556,126	1,565,611
% increase (decrease)	(16.8%)	0.4%	5.5%	(0.6%)	4.8%

The COVID-19 pandemic has significantly affected the service level and ridership. See financial highlights section for more detailed discussion.

## BUDGET

The Regional Transportation Commission Fund (1) is the general operating fund of the RTC. Federal and state grant revenue and total expenditures for this fund were under budget primarily due to the COVID-19 pandemic. RTC reduced operating and capital costs based on projected revenue losses.

The Regional Transportation Fund (2) is a special revenue fund for the purpose of accounting for half of the additional sales tax approved by voters in 2002. The services and supplies for this fund consist of statutory amounts paid to the Clark County Department of Air Quality (CCDOAQ) at 8% of the sales tax approved by voters in 2002. Due to the COVID-19 pandemic, sales tax revenue declined by 5.5% from the original budget. Transfers out of this fund are sent to the general fund (1) and the highway improvement fund (6) and are directly related to the amount of sales tax revenue, and therefore transfers declined due to the decrease in sales tax revenue.

The RTC Bonds Fund (3) is utilized to account for the accumulation and payment of semi-annual debt service payments. In compliance with GASB 31, investments are adjusted to fair value in this circumstance, and in accordance with RTC accounting policies summarized in the accompanying notes, the RTC accounts for market fluctuations in the interest income accounts. For fiscal year 2020, interest income was approximately \$2,300,000.

The RTC Reserve Fund (4) is utilized to account for the debt service reserve funds required by all Clark County debt issued for the RTC. In compliance with GASB 31, investments are adjusted to fair value in this circumstance, and in accordance with RTC accounting policies summarized in the accompanying notes, the RTC accounts for market fluctuations in the interest income accounts. During the fiscal year, the reserve fund increased by \$5,427,000 to account for required reserves related to the \$60,000,000 of Series 2019 Indexed Fuel Tax revenue bonds.

The Highway Improvement Acquisition Fund (5) is a special revenue fund used to account for the nine cent Clark County MVFT revenue and Indexed Fuel Tax (IFT) revenue. In fiscal year 2020, NDOT reimbursed \$15,491,618 to the RTC for the I-11 project which was 50% under budget. NDOT reimbursement was limited by the amount of available STP funding. Due to the COVID-19 pandemic, MVFT revenue declined by 8.6% from the original budget and IFT came in under budget by 7.4%. The RTC received approximately \$2,200,000 in refunds not taken by distributors of special fuel subject to the IFT. The maximum amount of IFT for special fuels that is subject to refund is 20% per NRS 373.083,1(c). The Department of Motor Vehicles withholds the 20% throughout the year, and if the refunds are not applied for and given to the distributors, they are remitted to the RTC. The increase in interest income was mainly due to GASB 31 adjustments by the Clark County Treasurer. In compliance with GASB 31, investments are adjusted to fair value in this circumstance, and in accordance with RTC accounting policies summarized in the accompanying notes, the RTC accounts for market fluctuations in the interest income accounts. Capital outlay and intergovernmental capital grants were over budget due to the jurisdictions spending more on roadway projects. The increase spending on roadway projects was a direct result of working with the jurisdictions to award more projects in fiscal year 2020. The unbudgeted issuance of new money bonds also caused transfers out for debt service to come in over budget.

The Highway Improvement Fund (6) is a special revenue fund used to account for half of the additional sales tax approved by voters in 2001 after transfers to fund 1 for FAST AMS operations and payments to CCDOAQ. The increase in interest income was mainly due to GASB 31 adjustments by the Clark County Treasurer. Capital outlay and intergovernmental capital grants were over budget due to the jurisdictions spending more on roadway projects than planned for in the budget. Transfers in were under the original budget primarily due to lower than budgeted sales tax revenue which is a direct result of the impact of the COVID-19 pandemic on the economy.

The Public Transit Fund (50) is an enterprise fund that contains all financial activity for all aspects of the RTC Transit System. The COVID-19 pandemic has caused several revenue and operational impacts to the RTC. System-wide transit fare revenue declined approximately \$15,400,000. The RTC also recorded a decrease in reimbursement for Medicaid rides of approximately \$1,000,000. Services and supplies expenses were under budget by approximately \$15,500,000 primarily due operational cuts. Sales tax revenue declined by 5.5% from the original budget. Federal and state grants revenue fluctuates annually based on the volume of capital procurements and the timing of grant awards. In fiscal year 2020, RTC reduced capital outlay expenses by approximately \$27,000,000 that resulted in reduced grant reimbursement. Additionally, the RTC grants team focused all efforts in getting the CARES Act funds awarded and executed in fiscal year 2020 resulting in grant revenue of approximately \$48,700,000. The increase in interest income was mainly due to GASB 31 adjustments by the Clark County Treasurer. In compliance with GASB 31, investments are adjusted to fair value in this circumstance, and in accordance with RTC accounting policies summarized in the accompanying notes, the RTC accounts for market fluctuations in the interest income accounts.

In June 2020, the RTC Board of Commissioners approved budget augmentations for The Highway Improvement Fund (6) amounting to \$16,000,000 for additional capital outlay expenses.

Management continues its effort to manage resources in order to enhance efficiency in providing transit services and fund streets and highways projects.

## CREDIT RATINGS

Through June 30, 2020, Clark County has issued all revenue bonds on behalf of the RTC. The bond rating at June 30, 2020, for the Clark County, Nevada Highway Revenue (Motor Vehicle Fuel Tax) Improvement and Refunding Bonds from Moody's Investors Service, Inc. was Aa3, and the rating from Standard & Poor's Rating Service was AA-. The bond rating at June 30, 2020, for the Clark County, Nevada Highway Revenue Bonds (Indexed Fuel Tax and Subordinate Motor Vehicle Fuel Tax) from Moody's Investors Service, Inc. was Aa3, and the rating from Standard & Poor's Rating Service was AA-. The bond rating at June 30, 2020, for the Clark County, Nevada Sales and Excise Tax Revenue (Street and Highway Projects) Refunding Bonds from Moody's Investors Service, Inc. was Aa3, and the rating from Standard & Poor's Rating Service was AA-.

## ECONOMIC FACTORS AND FUTURE BUDGETS

In preparing revenue forecasts and future budgets the RTC mainly monitors sales tax and fuel tax revenues. In addition to tax revenues, local economic indicators are monitored. These economic indicators are considered in preparing revenue forecasts and future budgets for tax revenue and transit fare revenue. The unemployment rate for Clark County, Nevada in July 2020 was 16.4%, which was significantly up from 4.7% in July a year ago. The hotel/motel occupancy rate for the Las Vegas metropolitan area for July 2020 year-to-date was 42.8% which was significantly down from July 2019 year-to-date of 89.6%. These indicators reflect the significant impact of the COVID-19 pandemic on the local economy. Please see financial highlights section for detailed discussion on COVID-19 impacts.

To address the projected fiscal year 2021 budget deficit, the RTC reduced budgeted operating expenses in the Public Transit Fund by approximately \$30 million and cut or delayed \$10 million in budgeted capital projects in the Public Transit Fund. The RTC maintains healthy cash reserves in the fuel tax and sales tax streets and highways programs, and did not reduce expenditures for road construction in these programs in the fiscal year 2021 budget.

In the event fiscal year 2021 revenues fall below current estimates, the RTC may offset the revenue shortfall with the use of additional unrestricted reserves, expanding cost containment measures, or a combination of both.

**Future Impacts.** The degree of impact from COVID-19 to the RTC's financial operations is difficult to predict due to the evolving nature of the COVID-19 transmission, including uncertainties relating to the duration of the outbreak and what additional actions may be taken by governmental authorities to contain or mitigate its current impact or to respond to a second rapid escalation of cases, if any. The RTC also cannot predict the timeframe for tourism and visitors to casinos to return to the levels prior to the onset of the COVID-19 pandemic.

On October 21, 2020, the Clark County Commission sold approximately \$91,600,000 in tax-exempt highway revenue bonds on behalf of the Regional Transportation Commission. The bond proceeds will be used to refund approximately \$140,500,000 in sales and excise tax revenue bonds.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the RTC's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to Marc Traasdahl, Chief Financial Officer, Regional Transportation Commission of Southern Nevada, 600 South Grand Central Parkway, Suite 350, Las Vegas, NV 89106-4512 or by e-mail to [Traasdahlm@rtcsonv.com](mailto:Traasdahlm@rtcsonv.com).



# BASIC FINANCIAL STATEMENTS



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**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
ASSETS:			
Cash and investments:			
In custody of the County Treasurer			
Unrestricted	\$ 5,618,415	\$ 119,476,488	\$ 125,094,903
Restricted	302,202,347	-	302,202,347
Cash in bank			
Unrestricted	1,859,337	1,583,229	3,442,566
Restricted	17,677,941	-	17,677,941
Cash on hand	500	14,700	15,200
In custody of the fiscal agent	51,819,074	-	51,819,074
Accounts receivable, net	18,891,119	41,467,215	60,358,334
Interest receivable	1,091,497	422,010	1,513,507
Internal balances	2,483,333	(2,483,333)	-
Due from other governmental units	42,562,388	35,314,893	77,877,281
Prepaid expenses	134,520	395,466	529,986
Capital assets, not being depreciated	700,008	50,792,037	51,492,045
Capital assets, net of accumulated depreciation	12,669,962	372,564,264	385,234,226
Total assets	<u>457,710,441</u>	<u>619,546,969</u>	<u>1,077,257,410</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	7,437,247	5,139,291	12,576,538
Loss on bond refunding	11,683,280	-	11,683,280
Deferred outflows related to other post employment benefits	530,223	510,883	1,041,106
Total deferred outflows of resources	<u>19,650,750</u>	<u>5,650,174</u>	<u>25,300,924</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 477,361,191</u>	<u>\$ 625,197,143</u>	<u>\$ 1,102,558,334</u>

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
LIABILITIES:			
Accounts payable	\$ 62,814,015	\$ 20,516,981	\$ 83,330,996
Accrued payroll	966,006	614,531	1,580,537
Accrued interest	17,260,070	-	17,260,070
Other current liabilities	269,284	143,820	413,104
Long-term liabilities:			
Portion due or payable within one year:			
Bonds and notes payable	55,885,000	-	55,885,000
Compensated absences	1,250,522	786,448	2,036,970
Portion due or payable after one year:			
Bonds and notes payable	753,368,566	-	753,368,566
Compensated absences	1,832,814	1,059,300	2,892,114
Total OPEB liability	6,823,068	6,537,161	13,360,229
Net pension liability	30,532,170	20,892,438	51,424,608
Total liabilities	<u>931,001,515</u>	<u>50,550,679</u>	<u>981,552,194</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	2,398,720	1,642,747	4,041,467
Deferred inflows related to other post employment benefits	4,408,545	4,516,163	8,924,708
Total deferred inflows of resources	<u>6,807,265</u>	<u>6,158,910</u>	<u>12,966,175</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>937,808,780</u>	<u>56,709,589</u>	<u>994,518,369</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,369,970	415,382,916	428,752,886
Restricted for:			
Capital projects and intergovernmental capital grants	195,692,058	-	195,692,058
Debt service	151,871,506	-	151,871,506
Unrestricted (deficit)	<u>(821,381,123)</u>	<u>153,104,638</u>	<u>(668,276,485)</u>
TOTAL NET POSITION	<u>\$ (460,447,589)</u>	<u>\$ 568,487,554</u>	<u>\$ 108,039,965</u>

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
Public works	\$ 282,364,899		\$ 3,528,604	\$ 15,646,277	\$ (263,190,018)		\$ (263,190,018)
Interest on long-term debt	28,570,924		-	-	(28,570,924)		(28,570,924)
TOTAL GOVERNMENTAL ACTIVITIES	310,935,823		3,528,604	15,646,277	(291,760,942)		(291,760,942)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Public transit	272,296,332	\$ 64,535,635	48,771,941	13,643,296		\$ (145,345,460)	(145,345,460)
Total	\$ 583,232,155	\$ 64,535,635	\$ 52,300,545	\$ 29,289,573	(291,760,942)	(145,345,460)	(437,106,402)
General Revenues:							
Fuel taxes					171,957,268	-	171,957,268
Sales and excise tax					53,127,502	159,382,503	212,510,005
Interest income					14,296,257	4,824,965	19,121,222
Other					6,126,036	169,146	6,295,182
Transfers					14,900,000	(14,900,000)	-
Total general revenues and transfers					260,407,063	149,476,614	409,883,677
Changes in net position					(31,353,879)	4,131,154	(27,222,725)
Net position - beginning					(429,093,710)	564,356,400	135,262,690
Net position - ending					\$ (460,447,589)	\$ 568,487,554	\$ 108,039,965

See accompanying notes to financial statements.

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund		Special Revenue Fund		Debt Service Funds		Capital Project Funds		Total Governmental Funds					
	Regional Transportation Commission		Regional Transportation		RTC Bonds		RTC Highway Improvement							
<b>ASSETS</b>														
Cash and investments:														
In custody of the County Treasurer														
Unrestricted	\$	5,618,415	\$	-	\$	-	\$	-	\$	5,618,415				
Restricted		-		873,885		77,120,664		46,793,867		124,717,283				
Cash in bank										52,696,648				
Unrestricted		1,859,337		-		-		-		-				
Restricted		-		100,860		-		-		13,815,369				
Cash on hand		500		-		-		-		3,761,712				
In custody of the fiscal agent		-		-		-		51,819,074		-				
Accounts receivable, net		3,399,028		-		-		-		15,491,618				
Interest receivable		18,217		14,526		273,462		165,925		442,233				
Due from other funds		6,409,610		-		-		-		4,778,896				
Due from other governmental units		29,488		10,869,122		-		-		31,357,701				
Prepaid expenses		9,520		-		-		-		125,000				
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>17,344,115</b>	<b>\$</b>	<b>11,858,393</b>	<b>\$</b>	<b>77,394,126</b>	<b>\$</b>	<b>98,778,866</b>	<b>\$</b>	<b>190,728,100</b>				
										<b>\$</b>	<b>66,891,683</b>			
											<b>\$</b>	<b>462,995,283</b>		
<b>LIABILITIES AND FUND BALANCES</b>														
<b>LIABILITIES:</b>														
Accounts payable	\$	1,801,234	\$	1,739,059	\$	-	\$	-	\$	49,518,208	\$	9,755,514	\$	62,814,015
Accrued payroll		966,006		-		-		-		-		-		966,006
Due to other funds		-		9,130,063		7,041,416		-		2,483,333		-		18,654,812
Other liabilities		98,615		-		-		-		170,669		-		269,284
Total liabilities		2,865,855		10,869,122		7,041,416		-		52,172,210		9,755,514		82,704,117
<b>FUND BALANCES:</b>														
Nonspendable fund balance		9,520		-		-		-		125,000		-		134,520
Restricted fund balance		-		989,271		70,352,710		98,778,866		138,430,890		57,136,169		365,687,906
Unassigned fund balance		14,468,740		-		-		-		-		-		14,468,740
Total fund balances		14,478,260		989,271		70,352,710		98,778,866		138,555,890		57,136,169		380,291,166
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>17,344,115</b>	<b>\$</b>	<b>11,858,393</b>	<b>\$</b>	<b>77,394,126</b>	<b>\$</b>	<b>98,778,866</b>	<b>\$</b>	<b>190,728,100</b>	<b>\$</b>	<b>66,891,683</b>	<b>\$</b>	<b>462,995,283</b>

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

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

**Fund balance - governmental funds** \$ 380,291,166

Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in the fund financial statements, but are reported in the statement of net position.

Capital assets	\$ 28,997,949	
Less accumulated depreciation	<u>(15,627,979)</u>	13,369,970

Long-term liabilities, including bonds and loans payable, are not due and payable in the current period; and therefore, are not reported in the fund financial statements.

Bonds and notes payable	(725,920,000)	
Unamortized issuance premiums	(83,352,509)	
Unamortized issuance discounts	18,943	
Loss on bond refunding	11,683,280	
Deferred outflows of resources - pension	7,437,247	
Deferred outflows of resources - other post employment benefit	530,223	
Accrued interest payable	(17,260,070)	
Compensated absences	(3,083,336)	
Total OPEB liability	(6,823,068)	
Net pension liability	(30,532,170)	
Deferred inflows of resources - pension	(2,398,720)	
Deferred inflows of resources - other post employment benefit	<u>(4,408,545)</u>	(854,108,725)

**Total net position - governmental activities** \$ (460,447,589)

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Debt Service Funds		Capital Project Funds		Total Governmental Funds
	Regional Transportation Commission	Regional Transportation	RTC Bonds	RTC Reserve	Highway Improvement Acquisition	RTC Highway Improvement	
<b>REVENUES</b>							
Intergovernmental revenue:							
Federal and state grants	\$ 3,683,263	\$ -	\$ -	\$ -	\$ 15,491,618	\$ -	\$ 19,174,881
Fuel taxes	-	-	-	-	168,732,321	3,224,947	171,957,268
Sales and excise tax	-	53,127,502	-	-	-	-	53,127,502
Interest	188,121	224,658	2,333,962	4,213,725	5,298,210	2,037,581	14,296,257
Other	2,867,933	-	2,993,932	-	-	264,171	6,126,036
Total revenues	<u>6,739,317</u>	<u>53,352,160</u>	<u>5,327,894</u>	<u>4,213,725</u>	<u>189,522,149</u>	<u>5,526,699</u>	<u>264,681,944</u>
<b>EXPENDITURES</b>							
Current:							
Salaries and wages	17,004,681	-	-	-	-	-	17,004,681
Employee benefits	6,879,593	-	-	-	-	-	6,879,593
Services and supplies	11,428,816	8,500,400	3,062	-	72,440	5,050	20,009,768
Debt service:							
Principal	-	-	50,975,000	-	-	-	50,975,000
Interest	-	-	35,840,201	-	-	-	35,840,201
Bond issuance costs	-	-	-	-	332,966	-	332,966
Capital outlay	250,500	-	-	-	197,966,311	37,313,950	235,530,761
Total expenditures	<u>35,563,590</u>	<u>8,500,400</u>	<u>86,818,263</u>	<u>-</u>	<u>198,371,717</u>	<u>37,319,000</u>	<u>366,572,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,824,273)</u>	<u>44,851,760</u>	<u>(81,490,369)</u>	<u>4,213,725</u>	<u>(8,849,568)</u>	<u>(31,792,301)</u>	<u>(101,891,026)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	35,571,773	-	90,470,398	-	-	38,855,329	164,897,500
Transfers out	-	(44,627,102)	-	-	(77,529,942)	(27,840,456)	(149,997,500)
Revenue bond issued	-	-	-	5,427,200	54,572,800	-	60,000,000
Premium on bond issued	-	-	-	-	11,095,305	-	11,095,305
Total other financing sources (uses)	<u>35,571,773</u>	<u>(44,627,102)</u>	<u>90,470,398</u>	<u>5,427,200</u>	<u>(11,861,837)</u>	<u>11,014,873</u>	<u>85,995,305</u>
<b>CHANGES IN FUND BALANCES</b>	<u>6,747,500</u>	<u>224,658</u>	<u>8,980,029</u>	<u>9,640,925</u>	<u>(20,711,405)</u>	<u>(20,777,428)</u>	<u>(15,895,721)</u>
Fund balances - beginning	<u>7,730,760</u>	<u>764,613</u>	<u>61,372,681</u>	<u>89,137,941</u>	<u>159,267,295</u>	<u>77,913,597</u>	<u>396,186,887</u>
Fund balances - ending	<u>\$ 14,478,260</u>	<u>\$ 989,271</u>	<u>\$ 70,352,710</u>	<u>\$ 98,778,866</u>	<u>\$ 138,555,890</u>	<u>\$ 57,136,169</u>	<u>\$ 380,291,166</u>

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**Changes in fund balances - governmental funds** \$ (15,895,721)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast such outlays are allocated over the assets' estimated useful lives as depreciation expense for the period in the statement of activities.

Capital outlay	\$ 235,530,761	
Less capital outlay to others	<u>(235,280,261)</u>	
Capital asset additions	250,500	
Less current year depreciation	<u>(805,093)</u>	(554,593)

The issuance of long-term debt (e.g. bonds and notes) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized over the life of the related debt in the statement of activities.

Revenue bond issued	(60,000,000)	
Premium on revenue bond issued	(11,095,305)	
Principal payments	50,975,000	
Amortization of loss on bond refunding	(2,046,151)	
Amortization of bond premiums	9,420,104	
Amortization of bond discounts	<u>(1,804)</u>	(12,748,156)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental fund financial statements.

Change in accrued interest payable	(102,872)	
Change in compensated absences	(113,145)	
Change in net pension liability and deferred inflows and outflows of resources related to pension	(1,729,251)	
Change in total OPEB liability and deferred inflows and outflows of resources related to OPEB	<u>(210,141)</u>	<u>(2,155,409)</u>

**Change in net position - governmental activities** \$ (31,353,879)

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2020**

	Public Transit
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
Current assets:	
Cash and cash equivalents:	
In custody of the County Treasurer	\$ 119,476,488
Cash in bank	1,583,229
Cash on hand	14,700
Accounts receivable	41,467,215
Interest receivable	422,010
Due from other governmental units	35,314,893
Prepaid expenses	395,466
Total current assets	198,674,001
Non-current assets:	
Capital assets:	
Land and construction in progress	50,792,037
Buildings and improvements	236,683,445
Equipment	470,888,846
Accumulated depreciation	(335,008,027)
Total non-current assets	423,356,301
Total assets	622,030,302
Deferred outflows of resources	
Deferred outflows related to pensions	5,139,291
Deferred outflows related to other post employment benefits	510,883
Total deferred outflows of resources	5,650,174
Total assets and deferred outflows of resources	\$ 627,680,476

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2020**

	Public Transit
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
Current liabilities:	
Accounts payable	\$ 20,516,981
Accrued payroll	614,531
Compensated absences	786,448
Due to other funds	2,483,333
Other current liabilities	143,820
Total current liabilities	24,545,113
Non-current liabilities:	
Compensated absences	1,059,300
Total OPEB liability	6,537,161
Net pension liability	20,892,438
Total non-current liabilities	28,488,899
Total liabilities	53,034,012
Deferred inflows of resources	
Deferred inflows related to pensions	1,642,747
Deferred inflows related to other post employment benefit	4,516,163
Total deferred inflows of resources	6,158,910
Total liabilities and deferred inflows of resources	59,192,922
<b>NET POSITION</b>	
Net investment in capital assets	415,382,916
Unrestricted	153,104,638
Total net position	\$ 568,487,554

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	Public Transit
<b>OPERATING REVENUES</b>	
Charges for services:	
Transit fees	\$ 60,942,045
Transit advertising	3,050,000
Other	543,590
Total operating revenues	64,535,635
<b>OPERATING EXPENSES</b>	
Salaries and wages	11,900,404
Employee benefits	6,082,969
Services and supplies	198,940,480
Depreciation	55,372,479
Total operating expenses	272,296,332
Operating loss	(207,760,697)
<b>NON-OPERATING REVENUES</b>	
Intergovernmental revenue:	
Sales and excise tax	159,382,503
Interest income	4,824,965
Federal and state grants and contributions	100,500
FTA CARES Act grant	48,671,441
Gain on sale of capital assets	169,146
Total non-operating revenues	213,148,555
Income before capital contributions and transfers	5,387,858
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>	
Federal and state grants and contributions	13,643,296
Transfers out	(14,900,000)
Total capital contributions and transfers	(1,256,704)
<b>CHANGE IN NET POSITION</b>	4,131,154
Net position - beginning	564,356,400
Net position - ending	\$ 568,487,554

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Public Transit
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 73,059,142
Cash paid for employees and benefits	(16,655,199)
Cash paid for services and supplies	(209,167,580)
Other operating receipts	543,590
Net cash used in operating activities	(152,220,047)
<b>Cash flows from non-capital financing activities:</b>	
Cash provided by sales and excise tax	170,090,577
Federal and state grants	18,919,341
Transfers to other funds	(12,804,167)
Net cash provided by non-capital financing activities	176,205,751
<b>Cash flows from capital and related financing activities:</b>	
Acquisition, construction, or improvements of capital assets	(40,811,959)
Proceeds from sale of capital assets	169,146
Federal and state grants	11,642,989
Net cash used in capital and related financing activities	(28,999,824)
<b>Cash flows from investing activities:</b>	
Interest received	5,059,785
Increase in cash and cash equivalents	45,665
Cash and cash equivalents - beginning of year	121,028,752
Cash and cash equivalents - end of year	\$ 121,074,417
<b>Reconciliation of operating loss to net cash flows used in operating activities:</b>	
Operating loss	\$ (207,760,697)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	55,372,479
Decrease in accounts receivable	9,072,052
Decrease in prepaid expenses	42,878
Decrease in accounts payable	(10,269,980)
Increase in accrued payroll	65,914
Decrease in other current liabilities	(4,954)
Increase in compensated absences	244,680
Net increase in total OPEB liability and related deferred inflows and deferred outflows	(175,681)
Net increase in net pension liability and related deferred inflows and deferred outflows	1,193,262
Net cash used in operating activities	\$ (152,220,047)
<b>Non-cash investing, capital and related financing activities:</b>	
Capital assets purchased included in accounts payable and retention payable	\$ 7,973,385

See accompanying notes to financial statements.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies**

The Reporting Entity

In accordance with Nevada Revised Statutes (NRS) 373, ordinance 226 was adopted by the Clark County Board of Commissioners on June 7, 1965, creating the Regional Streets and Highway Commission. On December 4, 1979, its name was changed to the Regional Transportation Commission. On September 21, 2000, the name was changed to the Regional Transportation Commission of Southern Nevada (the “RTC”). The RTC is governed by an 8 member Board of Commissioners (the “Board”), comprised of elected officials, as follows:

1. Two representatives appointed from the Clark County Board of Commissioners
2. Two representatives appointed from the governing board of the City of Las Vegas
3. One representative appointed from each of the governing boards of the Cities of Boulder City, Henderson, North Las Vegas and Mesquite

When initially adopted, the creating ordinance provided for a one cent per gallon tax on motor vehicle fuel sold (gasoline) in Clark County (the “County”). On September 1, 1969, the tax was increased to two cents per gallon and remained in effect until April 1, 1983, at which time the tax was increased to four cents per gallon and remained at that rate until January 1, 1992. On November 6, 1990, Clark County voters approved an advisory ballot question increasing the motor vehicle fuel tax levy along with five other taxes. In 1991, the State of Nevada Legislature responded to this voter mandate and passed Senate Bill 112 in March 1991. On April 16, 1991, the County passed an ordinance increasing the tax on motor vehicle fuel. The effective dates and tax rates per gallon this tax were: January 1, 1992, five cents; January 1, 1993, seven cents; January 1, 1994, eight cents, and January 1, 1995, nine cents.

In June of 2013, the Nevada State Legislature passed Assembly Bill No. 413, authorizing Clark County to impose additional taxes on fuels (gasoline, diesel, compressed natural gas, and liquefied petroleum gas) for motor vehicles referred to as Indexed Fuel Tax (IFT 1). Under IFT 1, Motor Vehicle Fuel Taxes are increased annually by the ten year average of a Producer Price Index (PPI) for nonresidential construction not to exceed 7.8%. The IFT 1 consist of index based excise taxes imposed on the rates of 12 existing base fuel taxes, seven of which are imposed by the State, four of which are imposed by the United States, and one of which is imposed by the County. Some of the taxes imposed by the State are for the benefit of the County. On September 3, 2013, the Clark County Commission adopted Ordinance No. 4126, which imposed the IFT 1 commencing on January 1, 2014 and further increases were calculated and imposed on July 1, 2014, July 1, 2015, and July 1, 2016 to a maximum 10 cent per gallon additional fuel tax (8.8 cents paid to the RTC and 1.2 cents paid to Clark County). As of July 1, 2016, the 10 cents per gallon tax rate was attained and will remain in effect until all outstanding bonds that have a lien against this revenue have been paid.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

On November 8, 2016 the voters in Clark County, Nevada approved additional indexing of fuel taxes that became effective July 1, 2017 and terminates after 2026 unless a proposal to continue indexing is approved by a majority of the registered voters of the County at the November 3, 2026 general election. As a result of the additional indexing the rates imposed on fuel taxes, as adjusted to account for prior indexing, will be further increased in each year for inflation based on PPI for nonresidential construction not to exceed 7.8% or 4 cents per gallon. On March 21, 2017, the Clark County Commission adopted Ordinance No. 4466, which continued the Indexed Fuel Taxes (IFT 2) commencing on July 1, 2017, and placed the additional annual limit on increases to 4 cents per gallon. Revenue from additional indexing of State based fuel taxes generated in Clark County is required to be sent to the State Highway Fund and must be spent on roadway projects in Clark County.

In accordance with NRS 377A, an ordinance was adopted by the County on April 16, 1991, levying a one quarter of one percent sales tax for public mass transit.

In November 2002, Clark County voters approved an advisory ballot question providing for a variety of new taxes to fund public transit, transportation infrastructure, air quality and traffic management. The 2003 Nevada Legislature passed enabling legislation allowing the County to increase aviation fuel tax, sales tax, and residential development tax for these purposes. These tax increases were enacted by the Board of County Commissioners on July 1, 2003, with the tax increases taking effect on October 1, 2003.

The RTC is a discretely presented component unit of the Clark County, Nevada financial reporting entity because the County issues debt on behalf of the RTC. The accounting policies of the RTC conform to accounting principles generally accepted in the United States as applicable to governmental entities.

**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 activities of the RTC. The effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental activities, are reported separately from business-type activities that rely to a significant extent on user fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are 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 included among program revenues are reported as general revenues.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Separate financial statements are provided for governmental and proprietary funds. All governmental funds are considered to be major funds and they are reported in separate columns in the governmental fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the RTC considers revenues to be available if they are collected within 90 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service, compensated absences and other post employment benefits expenditures are recorded only when payment is due.

Fuel taxes, sales and excise taxes, interest revenue, and charges for services associated with the current fiscal year are considered subject to accrual and have been recognized as revenues in the current year.

The RTC reports the following major governmental funds:

***Regional Transportation Commission Fund (1)*** – this is the general operating fund of the RTC. It is used to account for all resources and cost of operations traditionally associated with governments, which are not required to be accounted for in other funds.

***Regional Transportation Fund (2)*** – this fund serves as a pass-through account for revenues received from the November 2002, voter-approved Question 10 tax, which are used to pay for transportation infrastructure enhancements.

***RTC Bonds Fund (3)*** – this fund is used to account for the payment of principal and interest, and the cost of operations associated with the debt service for the RTC's outstanding debt.

***RTC Reserve Fund (4)*** – this fund is used to accumulate a continuing reserve only to be used to prevent deficiencies in the payment of principal and interest associated with the RTC's outstanding debt.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

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

**Highway Improvement Acquisition Fund (5)** – this fund is used to account for the funding of construction of roads and streets paid for from motor vehicle fuel taxes, indexed fuel taxes and proceeds of revenue bonds.

**RTC Highway Improvement Fund (6)** – this fund is used to account for the funding of construction of roads and streets paid for from the November 2002, Question 10 voter approved Jet-Aviation fuel tax and sales tax increase in 2003 and proceeds of revenue bonds.

The RTC reports the following major proprietary fund:

**Public Transit Fund (50)** – this fund is used to account for the operations of the RTC public transit system.

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.

Proprietary funds distinguish 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the RTC's enterprise fund are charges to customers for public transit and services. Operating expenses for the enterprise fund include the cost of public transit 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/unassigned resources are available for use, it is the RTC's policy to use restricted resources first, then to use unrestricted/unassigned resources as they are needed.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Investments

The majority of cash and investment transactions of the RTC are handled by the County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with County funds. Investments are reported at fair value on the balance sheet and statement of net position. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of investments are part of interest earnings of the individual funds.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Cash and cash equivalents include cash in bank, cash on hand, cash in custody of Clark County Treasurer or fiscal agent, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

At June 30, 2020, a significant portion of the RTC's cash and cash equivalents were deposited in the custody of the County Treasurer or a fiscal agent, in a manner similar to an external investment pool. These amounts are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty; and therefore, they are deemed to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding or transfers to be recorded upon receipt of revenue at the end of the fiscal year are reported to as due to/from other funds.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements and are reported as expenditures in the governmental fund financial statements when incurred.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, and furniture, 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition cost on the date of donation.

The costs of normal maintenance and repairs that do not significantly add to the functionality of the asset or materially extend the asset life are not capitalized.

Major outlays for capital assets and improvements that are part of a construction project are capitalized and depreciated once the projects are placed in service. Prior to that time, they are reported as construction in progress.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and improvements	7 - 50
Equipment	5 - 12
Transit vehicles and equipment	5 - 12

For federally funded assets, the RTC follows the federal guidelines for depreciation.

Compensated Absences

It is the RTC's policy to permit employees to accumulate earned, but unused vacation and sick leave benefits. Such benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of accrued benefits for employees that resign or retire prior to year end, but are paid for these benefits subsequent to year end.

Long-Term Obligations

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 type statements of net position. Bond premiums, discounts, and deferred refunding charges are amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

In the governmental fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized 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 whereas 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.

Other Postemployment Benefits (OPEB)

Effective July 1, 2017, the RTC implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Pensions

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

Deferred outflows and inflows of resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

Fund Balance

Governmental funds for the RTC report nonspendable fund balance, restricted fund balance and unassigned fund balance.

Nonspendable fund balance is for assets that never will be converted to cash. All RTC nonspendable fund balance pertains to prepaid expenses.

Restricted fund balance is legally restricted by outside parties or enabling legislation for a specific purpose. Restricted fund balance for the RTC Transportation fund is restricted for transportation infrastructure. Restricted fund balances for the RTC Bonds fund and the RTC Reserve fund are restricted for servicing the RTC's debt. Restricted fund balances for the Highway Improvement Acquisition fund and the RTC Highway Improvement fund are restricted for the funding of street construction.

Unassigned fund balance in the Regional Transportation Commission fund and Highway Improvement Acquisition fund is the excess of nonspendable fund balance.

When both restricted resources and other resources (*i.e.*, committed, assigned and unassigned) can be used for the same purposes, it is the RTC's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the RTC's policy to use committed resources first, assigned second, and unassigned last.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation and capital-related borrowings.

Restricted for capital projects and intergovernmental capital grants has constraints placed on use by external parties such as creditors, grants, laws or regulations.

Restricted for debt service has constraints placed on use by external parties such as creditors, laws or regulations.

Unrestricted/(deficit) consist of any portion of net position not already classified as either net investment in capital assets or net position-restricted. It also consists of borrowings used to finance capital outlay to others.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 2 – Stewardship, Compliance and Accountability**

The RTC adopts annual budgets for the general fund and all special revenue, debt service, and capital project funds. All budgets are adopted on a basis consistent with applicable accounting principles generally accepted in the United States and used by the RTC for financial reporting.

The RTC uses the following procedures to establish, modify, and control the budgetary data presented in the financial statements:

- a. Prior to April 15, the RTC submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The tentative budget as submitted contains the proposed expenditures and means of funding and financing them.
- b. The Nevada State Department of Taxation notifies the RTC of its acceptance of the tentative budget.
- c. Public hearings are conducted on the third Thursday in May.
- d. After all the changes have been noted and hearings closed, the RTC Board of Commissioners adopts the final budget on or before June 1.
- e. The NRS require budget controls to be exercised at the function level. The Chief Executive Officer or designee is authorized to transfer budgeted amounts within functions or funds, but the RTC Board of Commissioners must approve any transfers between funds or increases to a fund's original appropriated level.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal RTC Board of Commissioners action.
- g. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

**Compliance with Nevada Revised Statutes**

Per NRS 354.626, the RTC is required to report and explain expenditures that exceeded budgeted appropriations at the legal level for each of its funds. For the fiscal year ended June 30, 2020, the RTC had funds or functions with expenditures in excess of appropriations. These funds are the Highway Improvement Acquisition Fund (5) amounting to approximately \$21,000,000 and the RTC Highway Improvement Fund (6) amounting to approximately \$1,300,000. Additionally per NRS 354.626, these two funds are exempt from the provisions under Long-term cooperative agreements as authorized by chapter 277 of NRS.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

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**NOTE 3 – Cash and Investments**

The majority of all cash and investments of RTC are included in the investment pool of the County Treasurer or are in the custody of a fiscal agent. As of June 30, 2020, cash and investments are summarized as follows:

Clark County Investment Pool	\$ 427,297,250
Cash and Investments with fiscal agent	51,819,074
Cash in bank	21,120,507
Cash on hand	<u>15,200</u>
 Total cash and investments	 <u><u>\$ 500,252,031</u></u>

The RTC's cash and cash equivalents on deposit with financial institutions, including cash and cash equivalents in the custody of the County Treasurer or a fiscal agent, are often in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of current economic conditions including, but not limited to, weakness in the commercial and investment banking systems. The extent of a future loss, if any, to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution; however, is not subject to estimation at this time.

According to the NRS, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. The County's deposits are fully covered by federal depository insurance or securities collateralized in the State of Nevada Collateral Pool. Securities used as such collateral must total 102 percent of the deposits with each financial institution.

The NRS specifically requires collateral for demand deposits and specifies that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except the NRS permits a longer term and includes securities issued by municipalities within Nevada. The County's, and therefore, the RTC's deposits are fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The County monitors the Nevada Collateral Pool to ensure full collateralization.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 3 – Cash and Investments (continued)**

When investing monies, the County is required to be in conformance with NRS and written policies adopted by the Board of County Commissioners designating allowable investments and the safeguarding of those investments. The County invests monies both by individual fund and through a pooling of monies. The pooled monies, referred to as the investment pool, are theoretically invested as a combination of monies from each fund belonging to the pool. In this manner, the County Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balances of the funds for the month in which the investment matures. Cash and investments in the custody of the County Treasurer comprise the investment pool. Securities purchased by the County are delivered against payments and held in a custodial safekeeping account with the trust department of a bank designated by the County.

Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the RTC. Instead, the RTC owns a proportionate share of each investment, based on the RTC's participation percentage in the investment pool.

**Interest Rate Risk**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.

As of June 30, 2020, Cash and Investments with fiscal agent are comprised of \$12,374 in cash and \$51,806,700 in investments. The \$51,806,700 of RTC investments with fiscal agent are categorized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		
		<u>Less Than 1</u>	<u>1 to 3</u>	<u>3 to 5</u>
Debt Securities:				
U.S. Treasuries	\$ 7,215,572	\$ 7,215,572	\$ -	\$ -
U.S. Agencies	28,490,009	10,064,190	10,436,483	7,989,336
Money Market Funds	16,101,119	16,101,119	-	-
	<u>\$ 51,806,700</u>	<u>\$ 33,380,881</u>	<u>\$ 10,436,483</u>	<u>\$ 7,989,336</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 3 – Cash and Investments (continued)**

**Fair Value Measurements**

In accordance with GASB 72, investments and derivative instruments are valued at fair value. Securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities or offer same day liquidity at a price of par. Securities classified at Level 2 of the fair value hierarchy are generally valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds. Securities classified at Level 3 of the fair value hierarchy generally are not traded on the open market and include Forward Delivery Agreements, and State and Local Government Series (SLGS) securities which are purchased from the U.S. Department of Treasury through a subscription process, but can be redeemed through the Bureau of Fiscal Service by a redemption request.

As of June 30, 2020, Cash and Investments with fiscal agent are comprised of \$12,374 in cash and \$51,806,700 in investments. The \$51,806,700 of RTC investments with fiscal agent are measured at fair value as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Debt Securities:				
U.S. Treasuries	\$ 7,215,572	\$ 7,215,572	\$ -	\$ -
U.S. Agencies	28,490,009	-	28,490,009	-
Money Market Funds	16,101,119	16,101,119	-	-
	<u>\$ 51,806,700</u>	<u>\$ 23,316,691</u>	<u>\$ 28,490,009</u>	<u>\$ -</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the RTC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the RTC had no investment securities exposed to custodial credit risk.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 3 – Cash and Investments (continued)**

**Credit Risk**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality is evaluated by one of the independent bond rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

As of June 30, 2020, Cash and Investments with fiscal agent are comprised of \$12,374 in cash and \$51,806,700 in investments. The \$51,806,700 of RTC investment with fiscal agent were categorized by credit quality rating as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings by Moody's Investors Service</u>			
		<u>Aaa</u>	<u>A</u>	<u>P-1</u>	<u>Unrated</u>
Debt Securities:					
U.S. Treasuries	\$ 7,215,572	\$ 2,220,702	\$ -	\$ 4,994,870	\$ -
U.S. Agencies <sup>(1)</sup>	28,490,009	18,390,219	-	-	10,099,790
Money Market Funds	16,101,119	16,101,119	-	-	-
	<u>\$ 51,806,700</u>	<u>\$ 36,712,040</u>	<u>\$ -</u>	<u>\$ 4,994,870</u>	<u>\$ 10,099,790</u>

<sup>(1)</sup> Unrated U.S. federal agency securities are Farmer Mac securities not rated by either Moody's or Standard & Poor's.

**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 County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than five percent of the investment pool. GASB Statement No. 40 requires disclosure of all investments in any one issuer that represent five percent or more of total investments. At June 30, 2020, the following investments exceeded five percent of investments with fiscal agent:

Federal Farm Credit Banks (FFCB)	15.13%
Federal Home Loan Banks (FHLB)	15.42%
Federal Agricultural Mortgage Corporation (FAMC)	19.49%

**GASB 31**

GASB Statement No. 31 requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair value. Interest revenue is increased or decreased in relation to this adjustment of unrealized gain or loss. Net interest income in the funds reflects this positive or negative fair value adjustment.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 4 – Accounts Receivable and Due from Other Governmental Units**

Accounts receivable and due from other governmental units as of June 30, 2020, were as follows:

	<u>Governmental Activities</u>						
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Funds</u>			<u>Total</u>	<u>Business-type Activities</u>
	<u>Regional Transportation Commission</u>	<u>Regional Transportation</u>	<u>Highway Improvement Acquisition</u>	<u>RTC Highway Improvement</u>			
	-	-	(436,380)	-			
<u>\$ 3,399,028</u>	<u>\$ -</u>	<u>\$ 15,491,618</u>	<u>\$ 473</u>	<u>\$ 18,891,119</u>			
Accounts receivable	\$ 3,399,028	\$ -	\$ 15,927,998	\$ 473	\$ 19,327,499	\$ 41,467,215	
Less allowance for uncollectible receivables	-	-	(436,380)	-	(436,380)	-	
Accounts receivables, net	<u>\$ 3,399,028</u>	<u>\$ -</u>	<u>\$ 15,491,618</u>	<u>\$ 473</u>	<u>\$ 18,891,119</u>	<u>\$ 41,467,215</u>	
 Due from other governmental units	 <u>\$ 29,488</u>	 <u>\$ 10,869,122</u>	 <u>\$ 31,357,701</u>	 <u>\$ 306,077</u>	 <u>\$ 42,562,388</u>	 <u>\$ 35,314,893</u>	

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

**NOTE 5 – Capital Assets**

Capital asset activity for the year ended June 30, 2020, consisted of the following:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,817,518	\$ 1,269,194	\$ 2,386,704	\$ 700,008
Capital assets being depreciated:				
Buildings	18,722,303	168,495	-	18,890,798
Equipment	8,286,005	1,199,515	78,377	9,407,143
Total capital assets being depreciated	27,008,308	1,368,010	78,377	28,297,941
Less accumulated depreciation for:				
Buildings	7,272,489	324,091	-	7,596,580
Equipment	7,628,774	481,002	78,377	8,031,399
Total accumulated depreciation	14,901,263	805,093	78,377	15,627,979
Total capital assets being depreciated, net	12,107,045	562,917	-	12,669,962
Governmental activities capital assets, net	<u>\$ 13,924,563</u>	<u>\$ 1,832,111</u>	<u>\$ 2,386,704</u>	<u>\$ 13,369,970</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 32,440,386	\$ -	\$ -	\$ 32,440,386
Construction in progress	8,577,180	49,137,469	39,362,998	18,351,651
Total capital assets not being depreciated	41,017,566	49,137,469	39,362,998	50,792,037
Capital assets being depreciated:				
Buildings and improvements	230,119,931	6,563,514	-	236,683,445
Transit vehicles and equipment	473,190,218	32,447,358	34,748,730	470,888,846
Total capital assets being depreciated	703,310,149	39,010,872	34,748,730	707,572,291
Less accumulated depreciation for:				
Buildings and improvements	79,860,163	7,554,169	-	87,414,332
Transit vehicles and equipment	234,524,115	47,818,310	34,748,730	247,593,695
Total accumulated depreciation	314,384,278	55,372,479	34,748,730	335,008,027
Total capital assets being depreciated, net	388,925,871	(16,361,607)	-	372,564,264
Business-type activities capital assets, net	<u>\$ 429,943,437</u>	<u>\$ 32,775,862</u>	<u>\$ 39,362,998</u>	<u>\$ 423,356,301</u>
	<u>Governmental activities</u>	<u>Business-type activities</u>		
FY 2020 depreciation expense	<u>\$805,093</u>	<u>\$55,372,479</u>		

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 6 – Interfund Balances and Transfers**

Interfund balances as of June 30, 2020, consisted of the following:

Receivable Fund	Payable Fund				Total
	Regional Transportation	RTC Bonds	RTC Highway Improvement Acquisition	Public Transit	
Regional Transportation Commission	\$ 1,442,944	\$ -	\$ 2,483,333	\$ 2,483,333	\$ 6,409,610
RTC Highway Improvement Acquisition	-	4,778,896	-	-	4,778,896
RTC Highway Improvement	7,687,119	2,262,520	-	-	9,949,639
<b>Totals</b>	<b>\$ 9,130,063</b>	<b>\$ 7,041,416</b>	<b>\$ 2,483,333</b>	<b>\$ 2,483,333</b>	<b>\$ 21,138,145</b>

These balances result from the time lag between the dates that: (1) revenue is recognized, (2) receipt from the other fund, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfers Out	Transfers In			Total
	Regional Transportation Commission	RTC Bonds	RTC Highway Improvement	
Regional Transportation	\$ 5,771,773	\$ -	\$ 38,855,329	\$ 44,627,102
RTC Highway Improvement Acquisition	14,900,000	62,629,942	-	77,529,942
RTC Highway Improvement	-	27,840,456	-	27,840,456
Public Transit	14,900,000	-	-	14,900,000
<b>Total</b>	<b>\$ 35,571,773</b>	<b>\$ 90,470,398</b>	<b>\$ 38,855,329</b>	<b>\$ 164,897,500</b>

Transfers are used to: (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund to provide adequate cash when debt service payments become due.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 7 – Long-Term Debt**

Revenue and Refunding Bonds

Clark County on behalf of the RTC issues revenue bonds, refunding bonds and pledges revenue derived from fuel tax and the sales and excise tax to pay debt service. Highway Improvement Revenue and Refunding bonds outstanding at June 30, 2020, were as follows:

	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>Balance June 30, 2020</u>
Motor vehicle fuel tax bonds:				
Series 2011	118,105,000	July 1, 2023	4.00-5.00%	\$ 53,085,000
Series 2016	107,350,000	July 1, 2024	5.00%	80,320,000
Series 2016B	43,495,000	July 1, 2028	5.00%	43,495,000
Fuel tax indexing bonds:				
Series 2014A	100,000,000	July 1, 2034	3.00-5.00%	82,985,000
Series 2015	85,000,000	July 1, 2035	5.00%	77,050,000
Series 2017	150,000,000	July 1, 2037	4.00-5.00%	140,625,000
Series 2019	60,000,000	July 1, 2029	5.00%	60,000,000
Sales and excise tax bonds:				
Series 2010B	94,835,000	July 1, 2020	3.00-5.00%	11,395,000
Series 2010C	140,560,000	July 1, 2030	5.10-6.15%	140,560,000
Series 2016	36,405,000	July 1, 2029	5.00%	36,405,000
Total highway improvement revenue and refunding bonds				<u>\$ 725,920,000</u>

At June 30, 2020, the debt service requirements to maturity were as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 55,885,000	\$ 35,917,268	\$ 91,802,268
2022	60,625,000	32,998,580	93,623,580
2023	63,475,000	29,882,973	93,357,973
2024	66,450,000	26,597,978	93,047,978
2025	58,575,000	23,403,098	81,978,098
2026-2030	251,655,000	78,222,083	329,877,083
2031-2035	122,445,000	25,960,018	148,405,018
2036-2038	46,810,000	2,861,000	49,671,000
Total debt service requirements	<u>\$ 725,920,000</u>	<u>\$ 255,842,998</u>	<u>\$ 981,762,998</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 7 – Long-Term Debt (continued)**

Arbitrage Rebate and Debt Covenant Requirements

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the County for the RTC. Under this Act, an amount may be required to be rebated to the United States Treasury (called “arbitrage”) for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date and as of the most recent such date the RTC’s management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

Long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels, debt service coverage ratios and maintenance of a debt reserve account, for which management believes the RTC, is in compliance.

Pledged Revenues

Motor vehicle fuel tax revenue bonds issued for RTC purposes are collateralized by a maximum of twelve cents per gallon of motor vehicle fuel tax and all Indexed Fuel Tax levied by the County, except that portion required to be allocated as direct distributions for those political subdivisions not included in the “Las Vegas Valley Area Major Street and Highway Plan.”

The collateralized twelve cents includes the County’s share of three cents per gallon tax levied by the State pursuant to NRS 365.180 and 365.190 and accounted for in other County funds, and the County’s share of the Indexed Fuel Taxes.

The net pledged revenues related to motor vehicle fuel taxes for the year ended June 30, 2020, were as follows:

Pledged revenues (net of administrative expenditures):	
County share motor vehicle fuel tax (\$.03)	\$ 19,938,598
RTC share motor vehicle fuel tax (\$.09)	68,443,992
	88,382,590
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan	(1,914,675)
Net pledged revenues	\$ 86,467,915

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 7 – Long-Term Debt (continued)**

Pledged Revenues (continued)

Indexed Fuel Tax includes taxes calculated and imposed on motor vehicle fuel tax, and special fuels taxes that consist of taxes on diesel fuel, taxes on compressed natural gas, and taxes on liquefied petroleum gas.

The net pledged revenues related to indexed fuel taxes for the year ended June 30, 2020, were as follows:

Pledged revenues (net of administrative expenditures):

County share Indexed Fuel Taxes	\$ 10,499,913	
RTC share Indexed Fuel Taxes		100,288,329
Subordinate Motor Vehicle Fuel Tax Revenue		
Net pledge Motor Vehicle Fuel Tax Revenue	\$ 86,467,915	
Principal and interest payment	<u>(35,074,750)</u>	<u>51,393,165</u>
		162,181,407
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan		<u>(2,742,653)</u>
Net pledged revenues		<u><u>\$ 159,438,754</u></u>

Sales and excise tax revenue bonds issued for RTC purposes are collateralized by 1/4% sales and excise tax and a 1 cent jet aviation fuel tax in Clark County.

The net pledged revenues related to sales and excise tax and jet aviation fuel tax for the year ended June 30, 2020, were as follows:

Pledged revenues:		
Sales and excise tax	\$ 106,255,002	
Jet aviation fuel tax		<u>3,224,947</u>
Total net pledged revenues		<u><u>\$ 109,479,949</u></u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 7 – Long-Term Debt (continued)**

Pledged Revenues (continued)

The debt coverage ratios for net pledged revenues for the year ended June 30, 2020, were as follows:

	Motor Vehicle Fuel Tax	Indexed Fuel Tax	Sales and Excise Tax and Jet Aviation Fuel Tax
Net pledged revenues	\$ 86,467,915	\$ 159,438,754	\$ 109,479,949
Total principal and interest payment based on Maximum Annual Debt Service	35,028,625	34,369,550	24,371,468
Debt coverage ratio	2.47	4.64	4.49
Required debt coverage ratio	1.50	1.50	1.50

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 8 - Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
Revenue and refunding bonds	\$ 716,895,000	\$ 60,000,000	\$ 50,975,000	\$ 725,920,000	\$ 55,885,000
Unamortized issuance premium	81,677,308	11,095,305	9,420,104	83,352,509	-
Unamortized issuance discount	(20,747)	-	(1,804)	(18,943)	-
Total bonds payable	<u>798,551,561</u>	<u>71,095,305</u>	<u>60,393,300</u>	<u>809,253,566</u>	<u>55,885,000</u>
Compensated absences	2,970,191	1,363,667	1,250,522	3,083,336	1,250,522
Total OPEB liability	5,724,979	6,823,068	5,724,979	6,823,068	-
Net pension liability	<u>29,583,473</u>	<u>3,014,525</u>	<u>2,065,828</u>	<u>30,532,170</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 836,830,204</u>	<u>\$ 82,296,565</u>	<u>\$ 69,434,629</u>	<u>\$ 849,692,140</u>	<u>\$ 57,135,522</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 1,601,067	1,031,129	786,448	\$ 1,845,748	\$ 786,448
Total OPEB liability	5,862,105	6,537,161	5,862,105	6,537,161	-
Net pension liability	<u>20,170,097</u>	<u>2,080,159</u>	<u>1,357,818</u>	<u>20,892,438</u>	<u>-</u>
Business-type activities Long-term liabilities	<u>\$ 27,633,269</u>	<u>\$ 9,648,449</u>	<u>\$ 8,006,371</u>	<u>\$ 29,275,347</u>	<u>\$ 786,448</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 9 - Operating Lease Commitments**

The RTC was party to one operating lease at June 30, 2020, as follows:

<u>Lessor</u>	<u>FY20 Average Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
LiveWork, LLC	<u>\$ 155,004</u>	January 5, 2008	January 4, 2048

Total rent expense for fiscal year 2020 was \$1,860,042. The following is a schedule of future minimum lease payments for the operating lease as of June 30, 2020:

Year ending June 30:		
	2021	\$ 1,915,844
	2022	1,973,319
	2023	2,062,556
	2024	2,154,470
	2025	2,219,104
	2026-2030	12,318,478
	2031-2035	14,696,429
	2036-2040	17,533,418
	2041-2045	20,918,058
	2046-2048	<u>11,872,069</u>
Total future minimum lease payments		<u>\$ 87,663,745</u>

The RTC entered into a 40-year land lease with LiveWork, LLC on April 2, 2007, as amended by First Amendment of Lease dated September 17, 2007. The base rent is \$1,250,000 per annum with a 3% annual escalation beginning in January 2009, and an additional 3% escalation in the 5th, 10th, 15th, 20th, 30th, and 35th years. This operating lease is cancelable if funds become unavailable. As a condition of the lease agreement, the RTC provided the lessor with a \$5,000,000 letter of credit as a security deposit. The security deposit shall be reduced by an amount equal to \$1,250,000 until the balance reaches the base security amount. Base security amount shall mean an amount equal to 1 year's then base rent. The reduction starts on the first day of the lease year immediately following the lease year in which the RTC commences operation of the terminal and on the first day of each subsequent lease year until the security deposit reaches the base security amount. As of June 30, 2020, a \$1,887,531 letter of credit was issued and unused.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 10 - Net Position and Fund Balances**

Net Position

At June 30, 2020, the RTC's government-wide statement of net position accumulated deficit is mainly attributable to borrowings to fund jurisdictional street and highway improvement projects. The resultant debt is retained and serviced by the RTC while the improved assets are owned and maintained by the Jurisdictions. Net position restricted for debt service totaled \$151,871,506. This amount is made up of restricted funds exclusively for debt service of \$169,131,576 less accrued interest payable of \$17,260,070.

Fund Balances

Included in the amounts restricted for capital projects and intergovernmental capital grants on the Governmental Funds Balance Sheet are direct distributions representing that portion of the County motor vehicle fuel tax and Indexed Fuel Tax required to be allocated for use by those political entities not included wholly or in part in the "Las Vegas Valley Area Major Street and Highway Plan." The allocation to these entities is made based on the ratio of their assessed valuation to the total County assessed valuation.

The following is a schedule of changes in the reserve for direct distributions in the Highway Improvement Acquisition Fund (5) for the year ended June 30, 2020:

	Balance July 1, 2019	Current Year Increases	Current Year Decreases	Balance June 30, 2020
City of Boulder City	\$ 4,380,047	\$ 2,614,186	\$ (4,000,000)	\$ 2,994,233
Bunkerville	222,899	87,069	-	309,968
Indian Springs	179,588	34,759	-	214,347
Laughlin	4,689,038	1,414,449	-	6,103,487
City of Mesquite	6,748,134	2,395,853	(2,625,000)	6,518,987
Moapa Town	1,762,456	196,551	-	1,959,007
Moapa Valley	1,578,824	550,361	(600,000)	1,529,185
Mt. Charleston	862,483	138,678	-	1,001,161
Searchlight	277,096	103,820	-	380,916
<b>Total</b>	<b>\$ 20,700,565</b>	<b>\$ 7,535,726</b>	<b>\$ (7,225,000)</b>	<b>\$ 21,011,291</b>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 11 - Defined Benefit Pension Plan**

*Plan Description*

RTC employees are covered by the State of Nevada Public Employees' Retirement System (the "System"). The System was established on July 1, 1948, by the State Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in the System, which is a cost-sharing multiple-employer defined benefit plan.

The RTC does not exercise any control over the System. Nevada Revised Statute 286.110 states that: "Respective participating public employers are not liable for any obligation of the System."

Benefits provided

Benefits, as required by the NRS, are determined by the number of years of accredited service at the 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, and July 1, 2015. Benefit payments to which participants may be entitled under the System include pension, disability, and survivor benefits. Benefits may only be amended through legislation.

Monthly benefit allowances for regular members are computed at 2.5% for service credits earned prior to July 1, 2001, and 2.67% for service credits earned after July 1, 2001, of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement up to a maximum of 90% of the average compensation for employees who entered the system prior to July 1, 1985, and 75% for those entering after that date. The System 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 the employee's life and various optional monthly payments to a named beneficiary after the employee's death. Employees are eligible for retirement benefits at age 65 with 5 years of service, at age 60 with 10 years of service and at any age with 30 years of service. Post-retirement increases are provided by authority of NRS 286.575-579

The 2009 Legislature made changes to the System. The benefit allowances for members enrolled on or after January 1, 2010, are computed at 2.5% for service credits of average compensation (36 consecutive months of highest compensation, however; salary subject to 10% cap if it has increased more than 10% from the prior year) for each accredited year of service prior to retirement up to a maximum of 75% of the average compensation. Early retirement benefit reduction based on years, months and days increased from 4% to 6% for each full year. Employees are eligible for retirement benefits at age 65 with 5 years of service, at age 62 with 10 years of service and at any age with 30 years of service.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 11 - Defined Benefit Pension Plan (continued)**

Benefits provided (continued)

The 2015 Legislature made additional changes to the System. A member who has an effective date of membership on or after July 1, 2015, is eligible to retire at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service, at age 55 if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service. For a regular member who has an effective date of membership on or after July 1, 2015, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.25% for each year of service earned. A regular member who has an effective date of membership on or after July 1, 2015, is entitled to a benefit of not more than 75% of the member's average compensation with the member's eligibility for service credit ceasing at 33 1/3 years of service.

Contributions

Contribution rates are established by NRS 286.410, which provides for yearly increases until such time as the actuarially determined unfunded liability of the System is reduced to zero. The RTC is obligated to contribute all amounts due under the System. The contribution rate for eligible employees and the RTC's required contributions are as follows:

	FISCAL YEAR ENDING JUNE 30, 2020	
	Employer	Employee
Contribution rates	14.625%	14.625%
Contractually required contribution - statutorily determined	\$ 3,692,362	\$ 3,764,752

Basis of accounting

Employers participating in the System's cost sharing multiple-employer defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

The underlying financial information used to prepare the pension allocation schedules is based on the System's financial statements. The System's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

Contributions for employer pay dates that fall within the System's fiscal year ending June 30, 2019, are used as the basis for determining each employer's proportionate share of the collective pension amounts.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 11 - Defined Benefit Pension Plan (continued)**

*Investment Policy*

The System's policies which determine the investment portfolio target asset allocation are established by the 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, 2019:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private Markets	12%	6.65%

\* As of June 30, 2019, PERS' long-term inflation assumption was 2.75%

*Pension Liability*

Net Pension Liability

The employer allocation percentage of the net pension liability was based on the employer contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their employer contributions relative to the total combined employer contributions for all employers for the period ended June 30, 2019.

The following is the percentage of the RTC to the Total Plan and any changes from the previous measurement date to June 30, 2019:

	Net Pension Liability as of June 30, 2018	Net Pension Liability as of June 30, 2019	Change from previous measurement date
RTC	\$ 49,753,570	\$ 51,424,608	\$ 1,671,038
Total Plan	\$ 13,637,741,889	\$ 13,635,963,390	\$ (1,778,499)
RTC's % to the Total Plan	0.36482%	0.37712%	0.01230%

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 11 - Defined Benefit Pension Plan (continued)**

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the System’s Comprehensive Annual Financial Report, available on the System’s website.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the System as of June 30, 2019, calculated using the discount rate of 7.50%, as well as what the System’s 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%)
Net Pension Liability	\$ 79,623,755	\$ 51,424,608	\$ 27,982,747

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 11 - Defined Benefit Pension Plan (continued)**

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2019, 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	7.50%
Productivity pay increase	0.50%
Projected salary increases	4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Other assumptions funding actuarial valuation	Same as those used in the June 30, 2019
Actual mortality assumption used:	
<i>Healthy:</i>	Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50 <sup>(1)</sup> , mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.
<i>Disabled:</i>	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.
<i>Pre-Retirement:</i>	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

<sup>(1)</sup> The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 11 - Defined Benefit Pension Plan (continued)**

Actuarial Assumptions (continued)

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

Actuarial assumptions as of the prior measurement date, June 30, 2018, were as follows:

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Other assumptions funding actuarial valuation	Same as those used in the June 30, 2018
Actual mortality assumption used:	
<i>Healthy:</i>	Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50 <sup>(1)</sup> , mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.
<i>Disabled:</i>	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.
<i>Pre-Retirement:</i>	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

<sup>(1)</sup> The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 11 - Defined Benefit Pension Plan (continued)**

Actuarial Assumptions (continued)

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019 and June 30, 2018. 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, 2019, 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, 2019. There were no changes to the plan between the measurement date of the net pension liability and the employer's reporting date that are expected to have a significant effect on the net pension liability.

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

As of June 30, 2020, the total employer pension expense is \$6,821,678. At June 30, 2019, the measurement date, the 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	\$ 1,928,364	\$ 1,483,278
Changes of assumptions	2,092,769	-
Net difference between projected and actual earnings on investments	-	2,558,189
Changes in proportion and differences between actual contributions and proportionate share of contributions	4,863,043	-
Contributions subsequent to the measurement date	3,692,362	-
	<b>\$ 12,576,538</b>	<b>\$ 4,041,467</b>

Average expected remaining service lives

6.18 years

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 11 - Defined Benefit Pension Plan (continued)**

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (continued)

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Deferred outflows/(inflows) of resources related to pension will be recognized as follows:

Reporting period ended June 30:

2021	\$ 401,895
2022	1,049,479
2023	987,119
2024	1,064,470
2025	1,360,079
Thereafter	(20,333)
	<u>\$ 4,842,709</u>

Additional Information

The total pension liability is calculated by the System's actuary. The plan's fiduciary net position is reported in the System's financial statements and the net pension liability is disclosed in the System's notes to the financial statements. 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 (CAFR) available on the System's website: [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications. An annual report containing financial statements and required information may be obtained by writing to State of Nevada Public Employees' Retirement System, 693 W. Nye Lane, Carson City, Nevada 89703-1599, or by calling (775) 687-4200.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 12 - Other Post-Employment Benefits (OPEB)**

Plan description

The RTC participates in Clark County's Retiree Health Program Plan (RHPP), a non-trust, single-employer defined benefit postemployment healthcare plan, as well as the State of Nevada's Public Employee Benefit Plan (PEBP), a non-trust, agent multiple-employer defined benefit postemployment healthcare plan.

In accordance with NRS, retirees of RTC may continue insurance through existing plans of insurance, if enrolled as an active employee at the time of retirement. Retirees are offered medical, dental, prescription drugs, and life insurance benefits for themselves and their dependents. Retirees may choose RHPP between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and a health maintenance organization (HMO) plan.

PEBP is administered by a nine member governing board. PEBP provides medical, prescription, dental and vision benefits to retirees. Eligibility and subsidy requirements are governed by NRS and can only be established or amended through legislation. In 2008, NRS was amended. As a result of this amendment, the number of retirees for whom the RTC is obligated to provide PEBP postemployment benefits is limited to eligible employees who retired from RTC service prior to September 1, 2008. PEBP is a closed plan, and therefore, no current employees are covered by the Plan.

RHPP benefit provisions are established and amended through negotiations between Clark County and the SEIU employee union. The RTC has an interlocal agreement with Clark County which allows Clark County to negotiate with the SEIU on RTC's behalf for RHPP benefits.

There are no assets accumulated in a trust to pay related benefits to both RHPP and PEBP.

The RHPP is included in the financial statements of Clark County as an internal service fund (the Self-Funded Group Insurance fund). The RHPP is not administered as a qualifying trust or equivalent arrangement. The RHPP and PEBP reports may be obtained by writing or calling the plans at the following addresses or numbers:

Clark County, Nevada  
PO Box 551210  
500 S. Grand Central Parkway  
Las Vegas, NV 89155-1210  
(702) 455-3895

Public Employee Benefit Plan  
901 South Stewart Street, Suite 1001  
Carson City, NV 89701  
(800) 326-5496

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 12 - Other Post-Employment Benefits (OPEB) (continued)**

Funding Policy

Retirees in the RHPP receive no direct subsidy from the RTC. Under State law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the RTC.

The RTC is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who are enrolled in this plan. The subsidy is set by the State Legislature.

Benefits Provided

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer.

RHPP provides medical, dental, prescription drug, and life insurance coverage to eligible active and retired employees and beneficiaries. Benefit provisions are established and amended through negotiations between the respective unions and the Health District.

Plan membership\*

At July 1, 2018, OPEB plan membership consisted of the following:

	<u>PEBP</u>	<u>RHPP</u>	<u>TOTAL ALL PLANS</u>
Retired members currently receiving benefits	22	35	57
Married spouses of retired members currently receiving benefits	-	7	7
Active members	-	313	313
Total	<u>22</u>	<u>355</u>	<u>377</u>

As of November 1, 2008, PEBP was closed to any new participants.

\* All participating Clark County employer entities reflected in the PEBP and RHPP OPEB Valuation Report.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 12 - Other Post-Employment Benefits (OPEB) (continued)**

Actuarial assumptions and methods

The Total OPEB Liability (TOL) as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to the measurement date.

In particular, the following assumptions were applied to all periods included in the June 30, 2019 measurement:

Reporting Date	June 30, 2020
Valuation Date & Census Data	Valuation date as of June 30, 2018 based on the census provided by the County as of June 30, 2018.
Discount Rate	3.87% per annum (BOY) 3.5% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO Index</i>
Salary Increase Rate	3.0% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Marriage Rate	20% of future female retirees and 50% of future male retirees are assumed married with a spouse at retirement, eligible for plan benefits.
Spouse Age	Male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All future retirees are assumed to be eligible for Medicare at age 65, unless specified in the census data provided by the County. Indicators were provided for retirees not eligible for Medicare.
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Amortization Method	<i>Experience/Assumptions</i> gains and losses are amortized over a closed period of 13.8 average remaining service to expected retirement age of active and inactive plan members (who have no future service).  <i>Investment</i> gains and losses are amortized over a closed period of 5 years starting the current fiscal year.
Mortality Rates	RP-2014 generational table, back-projected to 2006, then scaled using MP-2018, applied on a gender-specific basis.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 12 - Other Post-Employment Benefits (OPEB) (continued)**

Actuarial assumptions and methods (continued)

Health Care Cost Trend Rate	The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study, and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.		
	<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
	Pre-Medicare Medical and Rx Benefits	6.5%	4.5%
	Medicare Benefits	5.5%	4.5%
	Administrative Fees	4.5%	4.5%
	Dental	4.0%	4.0%

Changes in the Total OPEB liability

	<u>PEBP</u>	<u>RHPP</u>	<u>Total</u>
Total OPEB liability			
Service cost	\$ -	\$ 642,438	\$ 642,438
Interest	43,206	426,942	470,148
Changes of assumptions	61,411	761,168	822,579
Benefit payments	(69,525)	(92,495)	(162,020)
Net change in total OPEB liability	<u>35,092</u>	<u>1,738,053</u>	<u>1,773,145</u>
Total OPEB liability, beginning	1,151,194	10,435,890	11,587,084
Total OPEB liability, ending	<u>\$ 1,186,286</u>	<u>\$ 12,173,943</u>	<u>\$ 13,360,229</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 12 - Other Post-Employment Benefits (OPEB) (continued)**

Sensitivity of the Total OPEB Liability to changes in the discount rate

The following presents the Total OPEB Liability (TOL) of the RTC as of June 30, 2019, calculated using the municipal bond rate of 3.5%, as well as what the RTC's TOL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5% municipal bond rate) or 1- percentage-point higher (4.5% municipal bond rate) than the current rate:

	1% Decrease (2.5%)	Current (3.5%)	1% Increase (4.5%)
PEBP	\$ 1,358,000	\$ 1,186,286	\$ 1,047,000
RHPP	14,781,000	12,173,943	10,155,000
Total OPEB liability	<u>\$ 16,139,000</u>	<u>\$ 13,360,229</u>	<u>\$ 11,202,000</u>

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rate

The following presents the Total OPEB Liability of the RTC as of June 30, 2019, as well as what the RTC's Total OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease Ultimate	Current Trend Ultimate	1% Increase Ultimate
PEBP	\$ 1,051,000	\$ 1,186,286	\$ 1,348,000
RHPP	9,906,000	12,173,943	15,207,000
Total OPEB liability	<u>\$ 10,957,000</u>	<u>\$ 13,360,229</u>	<u>\$ 16,555,000</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

**NOTE 12 - Other Post-Employment Benefits (OPEB) (continued)**

OPEB Expense and Deferred Outflows/Inflows of Resources related to OPEB

For the year ended June 30, 2020, RTC recognized OPEB expense of \$369,555. At June 30, 2020, RTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,022,275
Changes in assumptions	706,011	2,902,433
Benefits paid after the measurement date	335,095	-
Total	\$ 1,041,106	\$ 8,924,708

Deferred outflows of resources resulting from benefits paid subsequent to the measurement date will be recognized as a reduction to the total OPEB liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the OPEB expense as follows:

Year ended June:	
2021	\$ (804,442)
2022	(804,442)
2023	(804,442)
2024	(804,442)
2025	(804,442)
Thereafter	(4,196,487)
Total	\$ (8,218,697)

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 13 - Risk Management**

The RTC's operating activities are comprised primarily of providing both public transit services and transportation-planning services in southern Nevada; and therefore, realization of the RTC's receivables and its future operations could be affected by an adverse change in the economic conditions in the area.

In the ordinary course of its operations, claims are filed against the RTC. It is the opinion of management that these claims will not have a material adverse effect on the RTC's financial position, results of operation, or cash flows.

The RTC does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

The RTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Effective January 1, 2010, the RTC acquired its own insurance for Commercial Property, Workers' Compensation, Commercial Auto Liability, Excess Liability, Employee Benefits Liability, and Employment Practices Liability. On December 7, 2015, Employed Lawyers Insurance was added. On July 1, 2016 the RTC added Cyber Liability Insurance. On July 1, 2017, Public Officials Directors and Officers coverage was added.

Prior to January 1, 2010, an interlocal agreement with the County, the RTC was solely responsible to pay all claims costs which come within its retained limit as set forth in the agreement. Under the insurance policies with various insurance carriers, the RTC is only responsible to pay the deductibles and co-insurance amounts stipulated in the policies.

The interlocal agreement with the County for the provision of employee health insurance has not been terminated.

**Workers' Compensation**

The RTC has placed insurance coverage with a licensed and rated carrier which includes Coverage A – Workers' Compensation Benefits with Statutory Limits and Coverage B Employer's Liability – Bodily Injury Each Accident \$1,000,000, Bodily Injury by Disease (Policy Limit) \$1,000,000, and Bodily Injury by Disease (Each Employee) \$1,000,000. No deductible applies to this coverage. Claims are reported by the RTC directly to the insurance carrier.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 13 - Risk Management (continued)**

Commercial Property

The RTC has placed insurance coverage with a licensed and rated carrier for all RTC facilities. Building, Business Personal Property/Contents, and Equipment (including Mechanical Breakdown) are insured for Replacement Cost on a Blanket basis not to exceed \$275,000,000 with a \$100,000 retention. Builder's Risk/Course of Construction policies are purchased by the RTC for any project constructed on RTC property with limits and deductible levels varying by project size and type. (For projects not constructed on RTC property, the General Contractor or Construction Manager is responsible for placement of Builder's Risk/Course of Construction policies). Claims are reported to the RTC's insurance carrier by the RTC's insurance broker.

Commercial General Liability

The RTC has placed insurance coverage with a licensed and rated carrier which includes \$6,000,000 limits for Bodily Injury/Property Damage (Each Occurrence) and Personal and Advertising Injury, \$6,000,000 limit for Products/Completed Operations Aggregate, and \$6,000,000 limit for General Aggregate. A \$100,000 Self Insured Retention applies. Employee Benefits Liability is also included on a Claims Made Basis (which is common for this type of insurance) with the limit included in the General Liability limit. A \$100,000 Self Insured Retention applies. Claims are reported by the RTC to the Third Party Administrator (TPA).

Commercial Auto Liability

The RTC has placed insurance coverage with a licensed and rated carrier which includes \$6,000,000 limits for Owned Automobile Bodily Injury and Property Damage and \$500,000 Uninsured/Underinsured Motorist. Comprehensive and Collision Physical Damage Coverage is maintained on most vehicles but is not maintained on older vehicles with low value. Also included is Hired and Non Owned Auto Liability with limits of \$6,000,000 for Bodily Injury and Property Damage. A \$100,000 Self Insured Retention applies. Hired Auto Physical Damage coverage is also in place based on the Lessor of Actual Cash Value or Repair cost. A \$2,500 deductible applies. Claims are reported by the RTC to the Third Party Administrator (TPA).

Cyber Liability

The RTC has placed insurance coverage with a non-admitted and rated insurance carrier, which includes a \$2,000,000 aggregate for most modules of coverage with a \$25,000 deductible.

Excess Liability

The RTC has placed insurance coverage with a licensed and rated carrier which includes \$5,000,000 in limits for Combined Bodily Injury and Property Damage Each Occurrence and General Aggregate. The Excess Liability policy provides additional liability limits over and above the Commercial General Liability, Auto Liability, Employers Liability and Employee Benefit Liability. Claims are reported to the RTC's insurance carrier by the RTC's insurance broker.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 13 - Risk Management (continued)**

Employment Practices Liability

The RTC has placed insurance coverage with a licensed and rated insurance carrier, which includes \$2,000,000 in coverage for each claim and in the Aggregate. A \$100,000 retention/deductible applies for each claim. Coverage is written on a Claims Made basis (which is common for this type of insurance). Claims are reported to the RTC's insurance carrier by the RTC's insurance broker.

Employed Lawyers

The RTC has placed insurance coverage with a licensed and rated insurance carrier, which includes \$1,000,000 in coverage for each claim and in the Aggregate. A \$0 retention/deductible applies for Insurance Clause (A) and a \$5,000 retention/deductible applies for Insuring Clause (B). Coverage is written on a Claims Made basis (which is common for this type of insurance). Claims are reported to the RTC's insurance carrier by the RTC's insurance broker.

Public Officials Directors and Officers Liability

The RTC has placed insurance coverage with a licensed and rated carrier, which includes \$2,000,000 for each claim and in the Aggregate. A \$0 retention/deductible applies for Insuring Clause (A) and a \$50,000 retention/deductible applies for Insuring Clause (B) and Insuring Clause (C). Coverage is written on a Claims Made basis (which is common for this type of insurance). Claims are reported to the RTC's insurance carrier by the RTC's insurance broker.

Over the past three years, no settlements have exceeded any of the above insurance coverages.

**NOTE 14 - Commitments**

Construction commitments include roadway projects with various local entities of \$462,188,219.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 15 – COVID-19**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. The spread COVID-19 is having significant negative impacts throughout the world, including within the State of Nevada and Clark County. To date there have been numerous cases and deaths from COVID-19 in the State, including the County. The County's economy is heavily dependent on tourism and gaming and the impacts of the spread of COVID-19 and federal, State and local actions related thereto and its adverse effect on the level of economic activity within the County could continue to impact the RTC's financial operations.

Sales tax, fuel tax and transit fee revenues constitute the RTC's primary sources of revenue. In comparing fiscal year 2020 with fiscal year 2019, Sales tax declined by 4.2%, Motor Vehicle Fuel Tax (MVFT) revenues declined by 8.5%, Indexed Fuel Tax 1 (IFT 1) declined by 8.9%, Indexed Fuel Tax 2 (IFT 2) increased by 20.3% and transit fares declined by 20.2%. The RTC was awarded a total of \$112 million from the Federal Transit Administration under the Coronavirus Aid, Relief, and Economic Security (CARES) Act that will significantly support in operating the Public Transit System.

To address the impact of COVID-19, RTC reduced operating expenses and cut or delayed capital projects in the Public Transit Fund. The RTC also laid off or furloughed about 15% of its work force, implemented a hiring freeze, reduced management pay by 3.5% to 5%, and negotiated a 0% Cost of Living Adjustment (COLA) and a 5% concession with the employees labor union.

The degree of impact from COVID-19 to the RTC's financial operations is difficult to predict due to the evolving nature of the COVID-19 transmission, including uncertainties relating to the duration of the outbreak and what additional actions may be taken by governmental authorities to contain or mitigate its current impact or to respond to a second rapid escalation of cases, if any. The RTC also cannot predict the timeframe for tourism and visitors to casinos to return to the levels prior to the onset of the COVID-19 pandemic. The ultimate financial impact and duration cannot be estimated at this time.

**NOTE 16 – Subsequent Events**

On October 21, 2020, the Clark County Commission sold approximately \$91.6 million in tax exempt highway revenue bonds, Series 2020C, on behalf of the Regional Transportation Commission. The closing date was October 29, 2020. The term of the highway revenue bonds is ten years. Principal payments will begin in July 2025. All debt service payments will be funded with Motor Vehicle Fuel Tax revenue. The bonds proceeds, together with other legally available funds, will be used to advance refund all outstanding Sales and Excise Tax Revenue Improvement Bonds, Series 2010C and to pay the costs of issuing the 2020C Bonds.



# REQUIRED SUPPLEMENTARY INFORMATION



**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
LAST TEN YEARS**

Changes in the Total OPEB liability

	PEBP**			RHPP			TOTAL		
	FY2018*	FY2019	FY2020	FY2018*	FY2019	FY2020	FY2018*	FY2019	FY2020
Total OPEB liability									
Service Cost	\$ -	\$ -	\$ -	\$ 1,548,246	\$ 1,507,770	\$ 642,438	\$ 1,548,246	\$ 1,507,770	\$ 642,438
Interest	37,523	48,382	43,206	534,440	653,038	426,942	571,963	701,420	470,148
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	27,873	(99)	-	(82,457)	(6,975,593)	-	(54,584)	(6,975,692)	-
Changes of assumptions	(107,325)	(61,506)	61,411	(2,389,821)	(1,445,416)	761,168	(2,497,146)	(1,506,922)	822,579
Benefit payments	(85,082)	(66,783)	(69,525)	(60,628)	(74,873)	(92,495)	(145,710)	(141,656)	(162,020)
Net change in OPEB liability	(127,011)	(80,006)	35,092	(450,220)	(6,335,074)	1,738,053	(577,231)	(6,415,080)	1,773,145
Total OPEB liability, beginning	1,358,211	1,231,200	1,151,194	17,221,184	16,770,964	10,435,890	18,579,395	18,002,164	11,587,084
Total OPEB liability, ending	<u>\$ 1,231,200</u>	<u>\$ 1,151,194</u>	<u>\$ 1,186,286</u>	<u>\$ 16,770,964</u>	<u>\$ 10,435,890</u>	<u>\$ 12,173,943</u>	<u>\$ 18,002,164</u>	<u>\$ 11,587,084</u>	<u>\$ 13,360,229</u>
Covered-employee payroll	N/A	N/A	N/A	24,154,050	25,829,219	25,682,156	24,154,050	25,829,219	25,682,156
Total OPEB Liability as a percentage of covered-employee payroll***	N/A	N/A	N/A	69.43%	40.40%	47.40%	74.53%	44.86%	52.02%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, RTC will only present information for available years.

\*\*PEBP is a closed plan; and therefore, no current employees are covered by the PEBP.

\*\*\*Covered-employee payroll represents the employees that are provided with OPEB through the OPEB plan.

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

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
LAST TEN YEARS

	PEBP			RHPP			TOTAL		
	<u>FY2018*</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2018*</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2018*</u>	<u>FY2019</u>	<u>FY2020</u>
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contributions	<u>60,753</u>	<u>69,525</u>	<u>61,610</u>	<u>145,977</u>	<u>92,495</u>	<u>273,486</u>	<u>206,730</u>	<u>162,020</u>	<u>335,096</u>
Contribution deficiency (excess)	<u>\$ (60,753)</u>	<u>\$ (69,525)</u>	<u>\$ (61,610)</u>	<u>\$ (145,977)</u>	<u>\$ (92,495)</u>	<u>\$ (273,486)</u>	<u>\$ (206,730)</u>	<u>\$ (162,020)</u>	<u>\$ (335,096)</u>
Covered-employee payroll	N/A	N/A	N/A	\$ 25,682,156	\$ 27,467,067	\$ 28,905,085	\$ 25,682,156	\$ 27,467,067	\$ 28,905,085
Total OPEB Liability as a percentage of covered-employee payroll***	N/A	N/A	N/A	0.57%	0.34%	0.95%	0.80%	0.59%	1.16%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, RTC will only present information for available years.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
REGIONAL TRANSPORTATION COMMISSION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>					
Intergovernmental revenue:					
Federal and state grants	\$ 4,355,148	\$ 4,355,148	\$ 3,683,263	\$ (671,885)	\$ 2,778,711
Interest	-	-	188,121	188,121	119,946
Other	2,397,838	2,397,838	2,867,933	470,095	2,107,635
Total revenues	<u>6,752,986</u>	<u>6,752,986</u>	<u>6,739,317</u>	<u>(13,669)</u>	<u>5,006,292</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and wages	18,551,583	18,551,583	17,004,681	1,546,902	16,202,337
Employee benefits	7,675,395	7,675,395	6,879,593	795,802	6,479,408
Services and supplies	14,626,317	14,626,317	11,428,816	3,197,501	11,569,593
Capital outlay	2,476,269	2,476,269	250,500	2,225,769	251,467
Total expenditures	<u>43,329,564</u>	<u>43,329,564</u>	<u>35,563,590</u>	<u>7,765,974</u>	<u>34,502,805</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	35,571,773	35,571,773	35,571,773	-	27,100,830
<b>CHANGES IN FUND BALANCE</b>					
Fund balance - beginning	(1,004,805)	(1,004,805)	6,747,500	7,752,305	(2,395,683)
Fund balance - ending	<u>\$ 8,128,880</u>	<u>\$ 8,128,880</u>	<u>\$ 14,478,260</u>	<u>\$ 6,349,380</u>	<u>\$ 7,730,760</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**REGIONAL TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>					
Intergovernmental revenue:					
Sales and excise tax	\$ 56,198,692	\$ 56,198,692	\$ 53,127,502	\$ (3,071,190)	\$ 55,460,145
Interest	-	-	224,658	224,658	142,872
Total revenues	<u>56,198,692</u>	<u>56,198,692</u>	<u>53,352,160</u>	<u>(2,846,532)</u>	<u>55,603,017</u>
<b>EXPENDITURES</b>					
Current:					
Services and supplies	<u>9,351,462</u>	<u>9,351,462</u>	<u>8,500,400</u>	<u>851,062</u>	<u>8,873,623</u>
<b>OTHER FINANCING (USES)</b>					
Transfers out	<u>(46,847,230)</u>	<u>(46,847,230)</u>	<u>(44,627,102)</u>	<u>2,220,128</u>	<u>(46,586,523)</u>
<b>CHANGES IN FUND BALANCE</b>	-	-	224,658	224,658	142,871
Fund balance - beginning	<u>661,754</u>	<u>661,754</u>	<u>764,613</u>	<u>102,859</u>	<u>621,742</u>
Fund balance - ending	<u>\$ 661,754</u>	<u>\$ 661,754</u>	<u>\$ 989,271</u>	<u>\$ 327,517</u>	<u>\$ 764,613</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS<sup>(1)</sup>**

	<u>2015<sup>(2)</sup></u>	<u>2016<sup>(2)</sup></u>	<u>2017<sup>(2)</sup></u>	<u>2018<sup>(2)</sup></u>	<u>2019<sup>(2)</sup></u>	<u>2020<sup>(2)</sup></u>
Proportion of the net pension liability	0.30%	0.32%	0.34%	0.35%	0.36%	0.38%
Proportionate share of the net pension liability	\$ 31,745,509	\$ 36,390,157	\$ 45,585,275	\$ 46,940,485	\$ 49,753,570	\$ 51,424,608
Covered Payroll	\$ 19,031,511	\$ 20,196,982	\$ 21,646,786	\$ 22,993,635	\$ 24,454,614	\$ 25,829,219
Proportionate share of the net pension liability as a percentage of the covered payroll	167%	180%	211%	204%	203%	199%
Plan's fiduciary net position	\$ 33,575,081,157	\$ 34,610,720,184	\$ 35,002,028,906	\$ 38,686,253,408	\$ 41,431,686,852	\$ 44,284,252,583
Plan fiduciary net position as a percentage of the total pension liability	76.30%	75.10%	72.20%	74.40%	75.24%	76.46%

<sup>(1)</sup>Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

<sup>(2)</sup>The amounts presented for each fiscal year were determined as the year-end that occurred one year prior.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
SCHEDULE OF DEFINED BENEFIT PLAN CONTRIBUTIONS  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

Plan Year Ending June 30	Contractually required contribution (statutorily determined)	Contributions in relation to the statutorily determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of the covered payroll
2015	\$ 2,450,307	\$ 2,450,307	\$ -	\$ 19,031,511	12.875%
2016	\$ 2,827,578	\$ 2,827,578	\$ -	\$ 20,196,986	14.000%
2017	\$ 3,038,143	\$ 3,038,143	\$ -	\$ 21,701,021	14.000%
2018	\$ 3,225,973	\$ 3,225,973	\$ -	\$ 23,042,664	14.000%
2019	\$ 3,423,646	\$ 3,423,646	\$ -	\$ 24,454,614	14.000%
2020	\$ 3,692,362	\$ 3,692,362	\$ -	\$ 25,246,920	14.625%

(1) Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

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**NOTE 1 - Postemployment Benefits Other Than Pensions**

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

**Changes of Assumptions PEBP Plan**

The \$35,092 increase in the liability from June 30, 2019 to June 30, 2020 is primarily due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.5% as of June 30, 2019.

The \$80,006 decrease in the liability from June 30, 2018 to June 30, 2019 is primarily due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, and a change in the salary increase rate assumption from rate range between 4.25% to 13.90%, based on years of service, including inflation to a flat 3% per annum.

**Change of Assumptions RHPP**

The \$1,738,053 increase in the liability from June 30, 2019 to June 30, 2020 is primarily due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.5% as of June 30, 2019 and difference between expected and actual experience.

The \$6,335,074 decrease in the liability from June 30, 2018 to June 30, 2019 is primarily due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, a change in salary increase rate assumption from rate range between 4.25% to 13.90%, based on years of experience, including inflation to a flat 3% per annum and difference between expected and actual experience.

**NOTE 2 - Budgetary Information**

The accompanying required supplementary general fund schedule of revenues, expenditures and changes in fund balances presents the original adopted budget, the final amended budget and actual fund data. The original budget was adopted on a basis consistent with the RTC's financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

The RTC uses the following procedures to establish, modify and control the budgetary data presented in the financial statements:

- a. Prior to April 15, the RTC Chief Executive Officer submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the RTC of its acceptance of the budget.
- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the RTC governing board adopts the budget on or before June 1.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

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NOTE 2 - Budgetary Information (continued)

- e. The RTC's Chief Executive Officer is authorized to transfer budgeted amounts within functions or funds, but any other transfers must be approved by the RTC governing board.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal board action.
- g. Formal budgetary control is employed for all RTC funds.
- h. Statutory regulations require budget control to be exercised at the function level within the Regional Transportation commission fund, which serves as the RTC's general fund. Budget control is exercised at the fund level for all funds.
- i. All unencumbered appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.
- j. Budgets are adopted on a basis consistent with the method used to report on governmental funds, which are prepared in accordance with accounting principles generally accepted in the United States of America.

Additional budgetary information can be found in Note 2 to the RTC's financial statements on page 36 of this report.

NOTE 3 – Changes in Pension Benefits

The 2015 Legislature made additional changes to the System. A member who has an effective date of membership on or after July 1, 2015, is eligible to retire at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service, at age 55 if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service. For a regular member who has an effective date of membership on or after July 1, 2015, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.25 percent for each year of service earned. A regular member who has an effective date of membership on or after July 1, 2015, is entitled to a benefit of not more than 75 percent of the member's average compensation with the member's eligibility for service credit ceasing at 33 1/3 years of service.



**OTHER  
SUPPLEMENTARY  
INFORMATION**





**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
RTC BONDS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 2,333,962	\$ 2,333,962	\$ 2,505,224
IRS Rebate - Build America Bonds	2,957,822	2,957,822	2,993,932	36,110	3,321,894
Total revenues	<u>2,957,822</u>	<u>2,957,822</u>	<u>5,327,894</u>	<u>2,370,072</u>	<u>5,827,118</u>
<b>EXPENDITURES</b>					
Current:					
Services and supplies	10,000	10,000	3,062	6,938	3,250
Debt Service:					
Principal	50,975,000	50,975,000	50,975,000	-	48,705,000
Interest	36,590,366	36,590,366	35,840,201	750,165	41,916,613
Total expenditures	<u>87,575,366</u>	<u>87,575,366</u>	<u>86,818,263</u>	<u>757,103</u>	<u>90,624,863</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	84,592,255	84,592,255	90,470,398	5,878,143	74,598,230
<b>CHANGES IN FUND BALANCE</b>	(25,289)	(25,289)	8,980,029	9,005,318	(10,199,515)
Fund balance - beginning	68,620,825	68,620,825	61,372,681	(7,248,144)	71,572,196
Fund balance - ending	<u>\$ 68,595,536</u>	<u>\$ 68,595,536</u>	<u>\$ 70,352,710</u>	<u>\$ 1,757,174</u>	<u>\$ 61,372,681</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**RTC RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 4,213,725	\$ 4,213,725	\$ 3,805,470
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from revenue bond issued	-	-	5,427,200	5,427,200	-
Payment to redeem bond			-	-	(6,354,000)
Total other financing sources (uses)	-	-	5,427,200	5,427,200	(6,354,000)
<b>CHANGES IN FUND BALANCE</b>	-	-	9,640,925	9,640,925	(2,548,530)
Fund balance - beginning	92,391,799	92,391,799	89,137,941	(3,253,858)	91,686,471
Fund balance - ending	<u>\$ 92,391,799</u>	<u>\$ 92,391,799</u>	<u>\$ 98,778,866</u>	<u>\$ 6,387,067</u>	<u>\$ 89,137,941</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**HIGHWAY IMPROVEMENT ACQUISITION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>					
Intergovernmental revenue:					
Federal and state grants	\$ 30,983,236	\$ 30,983,236	\$ 15,491,618	\$ (15,491,618)	\$ 37,000,000
Motor vehicle fuel taxes	74,906,506	74,906,506	68,443,991	(6,462,515)	74,801,402
Fuel tax indexing	108,274,688	108,274,688	100,288,330	(7,986,358)	105,730,545
Interest	-	-	5,298,210	5,298,210	7,433,853
Total revenues	<u>214,164,430</u>	<u>214,164,430</u>	<u>189,522,149</u>	<u>(24,642,281)</u>	<u>224,965,800</u>
<b>EXPENDITURES</b>					
Current:					
Services and supplies	123,864	123,864	72,440	51,424	179,599
Debt Service:					
Principal	-	-	-	-	90,941,000
Interest	-	-	-	-	1,356,602
Bond issuance costs	-	-	332,966	(332,966)	-
Capital outlay	<u>177,247,195</u>	<u>177,247,195</u>	<u>197,966,311</u>	<u>(20,719,116)</u>	<u>158,261,681</u>
Total expenditures	<u>177,371,059</u>	<u>177,371,059</u>	<u>198,371,717</u>	<u>(21,000,658)</u>	<u>250,738,882</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(72,748,550)	(72,748,550)	(77,529,942)	(4,781,392)	(61,392,388)
Transfers in	-	-	-	-	-
Redeeming Bond	(32,595,000)	(32,595,000)	-	32,595,000	-
Proceeds from revenue bond issued	-	-	54,572,800	54,572,800	-
Premium on bond issued	-	-	11,095,305	11,095,305	-
Total other financing sources (uses)	<u>(105,343,550)</u>	<u>(105,343,550)</u>	<u>(11,861,837)</u>	<u>93,481,713</u>	<u>(61,392,388)</u>
<b>CHANGES IN FUND BALANCE</b>	(68,550,179)	(68,550,179)	(20,711,405)	47,838,774	(87,165,470)
Fund balance - beginning	<u>194,187,871</u>	<u>194,187,871</u>	<u>159,267,295</u>	<u>(34,920,576)</u>	<u>246,432,765</u>
Fund balance - ending	<u>\$ 125,637,692</u>	<u>\$ 125,637,692</u>	<u>\$ 138,555,890</u>	<u>\$ 12,918,198</u>	<u>\$ 159,267,295</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
RTC HIGHWAY IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>					
Fuel taxes	\$ 3,931,488	\$ 3,931,488	\$ 3,224,947	\$ (706,541)	\$ 3,992,788
Interest	-	-	2,037,581	2,037,581	2,242,731
Other	259,248	259,248	264,171	4,923	271,068
Total revenues	<u>4,190,736</u>	<u>4,190,736</u>	<u>5,526,699</u>	<u>1,335,963</u>	<u>6,506,587</u>
<b>EXPENDITURES</b>					
Current:					
Services and supplies	3,693	3,693	5,050	(1,357)	3,500
Debt Service:					
Capital outlay and intergovernmental capital grants	<u>20,000,000</u>	<u>36,000,000</u>	<u>37,313,950</u>	<u>(1,313,950)</u>	<u>5,370,084</u>
Total expenditures	<u>20,003,693</u>	<u>36,003,693</u>	<u>37,319,000</u>	<u>(1,315,307)</u>	<u>5,373,584</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	41,075,457	41,075,457	38,855,329	(2,220,128)	41,785,693
Transfers out	<u>(26,743,705)</u>	<u>(26,743,705)</u>	<u>(27,840,456)</u>	<u>(1,096,751)</u>	<u>(24,355,842)</u>
Total other financing sources (uses)	<u>14,331,752</u>	<u>14,331,752</u>	<u>11,014,873</u>	<u>(3,316,879)</u>	<u>17,429,851</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(1,481,205)</u>	<u>(17,481,205)</u>	<u>(20,777,430)</u>	<u>(3,296,223)</u>	<u>18,562,854</u>
Fund balance - beginning	<u>60,849,835</u>	<u>60,849,835</u>	<u>77,913,597</u>	<u>17,063,762</u>	<u>59,350,743</u>
Fund balance - ending	<u>\$ 59,368,630</u>	<u>\$ 43,368,630</u>	<u>\$ 57,136,169</u>	<u>\$ 13,767,539</u>	<u>\$ 77,913,597</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**PUBLIC TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
<b>OPERATING REVENUES</b>					
Charges for services:					
Transit fees	\$ 77,688,506	\$ 77,688,506	\$ 60,942,045	\$ (16,746,461)	\$ 76,322,200
Transit Advertising	4,000,000	4,000,000	3,050,000	(950,000)	3,900,000
Federal and state grants and contributions	-	-	100,500	100,500	1,398,878
Other	1,000,000	1,000,000	543,590	(456,410)	407,102
Total operating revenues	<u>82,688,506</u>	<u>82,688,506</u>	<u>64,636,135</u>	<u>(18,052,371)</u>	<u>82,028,180</u>
<b>OPERATING EXPENSES</b>					
Salaries and wages	12,177,121	12,177,121	11,900,404	276,717	11,264,730
Employee benefits	6,174,502	6,174,502	6,082,969	91,533	6,800,979
Services and supplies	214,470,457	214,470,457	198,940,480	15,529,977	210,235,694
Depreciation	60,000,000	60,000,000	55,372,479	4,627,521	54,070,937
Total operating expenses	<u>292,822,080</u>	<u>292,822,080</u>	<u>272,296,332</u>	<u>20,525,748</u>	<u>282,372,340</u>
Operating loss	<u>(210,133,574)</u>	<u>(210,133,574)</u>	<u>(207,660,197)</u>	<u>2,473,377</u>	<u>(200,344,160)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenue:					
Sales and excise tax	168,596,075	168,596,075	159,382,503	(9,213,572)	166,380,438
Federal and state grants	58,279,210	58,279,210	13,643,296	(44,635,914)	59,469,622
FTA CARES Act grant	-	-	48,671,441	48,671,441	-
Interest income	-	-	4,824,965	4,824,965	4,793,495
Gain on sale of capital assets	-	-	169,146	169,146	222,455
Total nonoperating revenues	<u>226,875,285</u>	<u>226,875,285</u>	<u>226,691,351</u>	<u>(183,934)</u>	<u>230,866,010</u>
Income before transfers	16,741,711	16,741,711	19,031,154	2,289,443	30,521,850
Transfers out	<u>(14,900,000)</u>	<u>(14,900,000)</u>	<u>(14,900,000)</u>	<u>-</u>	<u>(11,150,000)</u>
<b>CHANGES IN NET POSITION</b>	<u>\$ 1,841,711</u>	<u>\$ 1,841,711</u>	<u>\$ 4,131,154</u>	<u>\$ 2,289,443</u>	<u>\$ 19,371,850</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA**  
**A COMPONENT UNIT OF CLARK COUNTY, NEVADA**  
**PUBLIC TRANSIT FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 81,688,506	\$ 81,688,506	\$ 73,059,142	\$ (8,629,364)	\$ 79,587,099
Cash paid for employees and benefits	(18,351,623)	(18,351,623)	(16,655,199)	1,696,424	(15,748,447)
Cash paid for services and supplies	(214,470,457)	(214,470,457)	(209,167,580)	5,302,877	(225,168,223)
Other operating receipts	1,000,000	1,000,000	543,590	(456,410)	407,102
Net cash used in operating activities	<u>(150,133,574)</u>	<u>(150,133,574)</u>	<u>(152,220,047)</u>	<u>(2,086,473)</u>	<u>(160,922,469)</u>
<b>Cash flows from noncapital financing activities:</b>					
Cash provided by sales and excise tax	168,596,075	168,596,075	170,090,577	1,494,502	150,419,751
Federal and state grants	-	-	18,919,341	18,919,341	1,408,236
Transfers to other funds	(14,900,000)	(14,900,000)	(12,804,167)	2,095,833	(11,150,000)
Net cash provided by non-capital financing activities	<u>153,696,075</u>	<u>153,696,075</u>	<u>176,205,751</u>	<u>22,509,676</u>	<u>140,677,987</u>
<b>Cash flows from capital and related financing activities:</b>					
Federal and state grants	58,279,210	58,279,210	11,642,989	(46,636,221)	59,632,257
Acquisition, construction, or improvement of capital assets	(76,357,546)	(76,357,546)	(40,811,959)	35,545,587	(56,002,753)
Proceeds from the sale of capital assets	-	-	169,146	169,146	222,455
Net cash used in capital and related financing activities	<u>(18,078,336)</u>	<u>(18,078,336)</u>	<u>(28,999,824)</u>	<u>(10,921,488)</u>	<u>3,851,959</u>
<b>Cash flows from investing activities:</b>					
Interest received	-	-	5,059,785	5,059,785	4,519,480
Net change in cash and cash equivalents	<u>(14,515,835)</u>	<u>(14,515,835)</u>	<u>45,665</u>	<u>14,561,500</u>	<u>(11,873,043)</u>
Cash and cash equivalents - beginning of year	120,785,807	120,785,807	121,028,752	242,945	132,901,795
Cash and cash equivalents - end of year	<u>\$ 106,269,972</u>	<u>\$ 106,269,972</u>	<u>\$ 121,074,417</u>	<u>\$ 14,804,445</u>	<u>\$ 121,028,752</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
SCHEDULE OF MOTOR VEHICLE FUEL TAXES AND INDEXED FUEL TAXES  
LAST TEN FISCAL YEARS**

Fiscal Year Ending June 30	Motor Vehicle Fuel Taxes	Indexed Fuel Taxes 1 *	Indexed Fuel Taxes 2 **	Total
2011	\$ 65,409,657	\$ -	\$ -	\$ 65,409,657
2012	\$ 64,868,301	\$ -	\$ -	\$ 64,868,301
2013	\$ 65,339,861	\$ -	\$ -	\$ 65,339,861
2014	\$ 66,194,843	\$ 12,732,079	\$ -	\$ 78,926,922
2015	\$ 68,248,969	\$ 53,320,277	\$ -	\$ 121,569,246
2016	\$ 70,708,934	\$ 80,615,282	\$ -	\$ 151,324,216
2017	\$ 72,691,642	\$ 86,083,024	\$ -	\$ 158,774,666
2018	\$ 74,018,287	\$ 89,575,222	\$ 6,897,622	\$ 170,491,131
2019	\$ 74,801,402	\$ 92,039,435	\$ 13,691,110	\$ 180,531,947
2020	\$ 68,443,992	\$ 83,815,100	\$ 16,473,229	\$ 168,732,321

\* Fiscal year 2014 was the first year of implementation, therefore only seven years are shown.

\*\* Fiscal year 2018 was the first year of implementation, therefore only three years are shown.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
A COMPONENT UNIT OF CLARK COUNTY, NEVADA  
SCHEDULE OF SALES TAX COLLECTIONS  
LAST TEN FISCAL YEARS**

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Fiscal Year Ending June 30	Streets and Highways, Freeway and Arterial System of Transportation, Clark County Department of Air Quality	Transit	Total
2011	\$ 35,444,543	\$ 106,333,631	\$ 141,778,174
2012	\$ 37,606,331	\$ 112,818,994	\$ 150,425,325
2013	\$ 39,752,304	\$ 119,256,912	\$ 159,009,216
2014	\$ 42,574,499	\$ 127,723,497	\$ 170,297,996
2015	\$ 45,517,495	\$ 136,552,487	\$ 182,069,982
2016	\$ 47,231,023	\$ 141,693,070	\$ 188,924,093
2017	\$ 49,522,194	\$ 148,566,583	\$ 198,088,777
2018	\$ 51,712,622	\$ 155,137,865	\$ 206,850,487
2019	\$ 55,460,145	\$ 166,380,438	\$ 221,840,583
2020	\$ 53,127,502	\$ 159,382,503	\$ 212,510,005



RTC Southern Nevada   
@RTCSNV



Thank you @FTA\_DOT @USDOT @SecElaineChao & @KJaneWilliams for your continued support! We just received the 20 boxes of face masks for our transit community, which will be a huge help for our operators, security and customers. #AmericaWorksTogether #CARESAct #COVID19



Thank  
You!

11:31 AM · Jun 10, 2020 · Hootsuite Inc.



Estamos en esto **JUNTOS**  
Según la directiva del gobernador,  
se requiere cubrirse la cara para  
utilizar nuestro servicio.  
Cualquier falta de cumplimiento de una medida  
de RTC, un paradero o incluso una ruta.



Reglas y Guía de  
Comodidad/Instancias

No comer o beber  
You must be in a seat  
(wrist-top ok) (las  
manos y a prueba)



SAFE