



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



COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED **JUNE 30, 2022**



**REGIONAL TRANSPORTATION
COMMISSION OF SOUTHERN NEVADA**

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

**COMPONENT UNIT FINANCIAL
STATEMENTS**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**



Prepared by the Department of Finance

Las Vegas, Nevada

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
JUNE 30, 2022

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**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
JUNE 30, 2022**

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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



Debra March, Chairwoman
Mayor of Henderson



Justin Jones, Vice-Chair
Clark County Commissioner



Mayor Carolyn Goodman
Mayor of Las Vegas



Tick Segerblom
Clark County Commissioner

COUNTY COMMISSIONERS

James B. Gibson, Chairman

Justin Jones, Vice Chairman

Michael Naft

Marilyn Kirkpatrick

Ross Miller

William McCurdy II

Tick Segerblom



Issac Barron
North Las Vegas Councilman



Stavros Anthony
Las Vegas Mayor Pro Tem



George Gault
Mesquite Councilman



Claudia Bridges,
Boulder City Mayor Pro Tem



The background features a solid teal color with several large, overlapping, semi-transparent blue shapes. These shapes include circles and curved rectangular segments, creating a modern, abstract design. The shapes are arranged in a way that they appear to be layered, with some in the foreground and others behind. The overall aesthetic is clean and professional.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the RTC, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 9 to the financial statements, during the year ended June 30, 2022, the RTC adopted new accounting guidance, GASB Statement No. 87, *Leases*. The adoption resulted in recording a lease payable and right-of-use lease asset. There was no impact to net position or fund balance as of July 1, 2021 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RTC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RTC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

(Continued)

Supplementary Information

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the RTC's basic financial statements. The budgetary comparison schedules on pages 85 through 90 for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the RTC as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated October 28, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund. The Actual columns within the budgetary comparison schedules on pages 85 through 90, as listed in the table of contents, for the year ended June 30, 2021 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Actual columns within the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

Indianapolis, Indiana
October 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2022

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, 2022. 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. Right-to-use leased assets are amortized over the life of the related lease. 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 still having a negative impact 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. The impacts of the spread of COVID-19, the actions related thereto at the federal, State and local level, and the adverse effect on economic activity within the County, could continue to impact the RTC's financial operations.

As the whole country tried to resume pre-COVID activities and functions by lifting restrictions and going back to full operations, numerous businesses nationwide struggled getting staff back as other work arrangements became available to the workforce. The staffing shortage, particularly with commodities shipping and delivery, severely impacted the supply chain and caused the prices of fuel, goods and necessities to skyrocket. In February 2022, Russia invaded Ukraine and started a war that has had a severe negative impact on the fuel supply worldwide. Because of this, fuel prices have gone up to over \$5 per gallon and have not returned to pre-war prices since then. The infusion of federal stimulus, the persistence of supply chain disruptions and the effects of the Russia-Ukraine war have caused inflation rates in the country to soar to levels not seen since the 1980s. To mitigate the rising inflation rates, the Federal Reserve has embarked on an aggressive series of rate hikes to raise the cost of borrowing in order to slow demand and lower inflation.

State Response in Fiscal Year 2022. On June 1, 2021, Clark County ended all COVID-19 restrictions. Statewide cases and hospitalizations began to rise later that month, mainly due to vaccine hesitancy and the emergence of the Delta variant. By July 2021, Nevada's infection rate was among the worst in the U.S., reaching its highest level since February. Facemasks were mandated again for indoor settings in counties where the infection rate was high. Clark County saw a particularly high number of cases, due to its population density, low vaccination rates, and tourism industry.

Statewide, cases saw a decline during September 2021. Cases continued their decline in October 2021, following increased vaccination efforts. With more than half of the state vaccinated, the Governor said he did not expect to issue any new pandemic restrictions.

Effect on RTC's Operations. The pandemic has taken its toll on the RTC. As Clark County lifted all restrictions, RTC implemented a service change in August 2021 to bring services back to pre-pandemic levels and add new services to previously unserved and underserved areas. Due to the after-effects of the pandemic causing a serious and persistent supply chain disruption and staffing challenges, the RTC reduced transit services in February 2022 to a Saturday schedule in order to provide better, more reliable service, based on the availability of transit operators, and provided hiring bonuses and retention payments for certain contractor employees to assist the service contractors in hiring and retaining critical staff to maintain the required level of service.

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 2022 with fiscal year 2021, Sales tax revenues increased by 25.4%, Motor Vehicle Fuel Tax (MVFT) revenues increased by 7.5%, Indexed Fuel Tax 1 (IFT 1) revenues decreased by 2.5%, Indexed Fuel Tax 2 (IFT 2) increased by 35%, mainly due to a scheduled rate increase, and transit fares increased by 26.1%. Management believes that federal stimulus programs, coupled with the rising prices of commodities due to the supply chain disruption, have bolstered retail sales in Clark County helping to mitigate the economic strain of the pandemic.

The RTC received a total of \$60.1 million from the Federal Transit Administration under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021 that significantly supported operating the Public Transit System. Of the \$60.1 million, the RTC has recognized the remaining \$1 million of the grant as revenue in the current fiscal year.

The RTC will receive a total of \$131.1 million from the Federal Transit Administration under the American Rescue Plan (ARP) Act of 2021 that will significantly support operating the Public Transit System. Of the \$131.1 million, the RTC has recognized \$116.5 million of the grant as revenue in the current fiscal year.

Expense Impacts to the RTC. To address the after-effect of the COVID-19 pandemic and rising costs due to the supply chain disruption, the RTC worked closely with the service contractors and provided hiring and retention bonuses to operators, mechanics, dispatchers and road supervisors in the Public Transit Fund, to assist in hiring and retaining staff. The RTC also paid a one-time COVID-19 pay of \$1,500 per employee to its work force employed prior to July 1st, 2021, lifted a previously imposed hiring freeze, lifted the 5% concession with the employees' labor union implemented for the majority of fiscal year 2021 and renegotiated with the employee's labor union to reinstate the Cost of Living Adjustment (COLA) and 2.9% merit adjustment, that was initially negotiated at 0% for fiscal year 2022.

Condensed Statements of Net Position
June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current and other assets	\$ 545,628,691	\$ 456,117,630	\$ 465,463,747	\$ 359,268,631	\$ 1,011,092,438	\$ 815,386,261
Net capital assets	12,752,517	12,585,329	444,548,437	410,718,828	457,300,954	423,304,157
Total assets	558,381,208	468,702,959	910,012,184	769,987,459	1,468,393,392	1,238,690,418
Deferred outflows of resources	23,658,850	19,889,309	9,925,142	5,826,819	33,583,992	25,716,128
Total assets and deferred outflows of resources	<u>\$ 582,040,058</u>	<u>\$ 488,592,268</u>	<u>\$ 919,937,326</u>	<u>\$ 775,814,278</u>	<u>\$ 1,501,977,384</u>	<u>\$ 1,264,406,546</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Long-term liabilities	\$ 1,015,727,880	\$ 877,992,463	\$ 52,132,492	\$ 32,074,470	\$ 1,067,860,372	\$ 910,066,933
Other liabilities	71,677,170	71,506,169	31,658,874	34,250,587	103,336,044	105,756,756
Total liabilities	1,087,405,050	949,498,632	83,791,366	66,325,057	1,171,196,416	1,015,823,689
Deferred inflows of resources	21,390,191	5,547,544	15,751,411	5,213,719	37,141,602	10,761,263
Total liabilities and deferred inflows of resources	<u>1,108,795,241</u>	<u>955,046,176</u>	<u>99,542,777</u>	<u>71,538,776</u>	<u>1,208,338,018</u>	<u>1,026,584,952</u>
NET POSITION						
Net investment in capital assets	12,752,517	12,585,329	412,170,182	401,498,990	424,922,699	414,084,319
Restricted	457,267,730	366,129,678	-	-	457,267,730	366,129,678
Unrestricted (deficit)	<u>(996,775,430)</u>	<u>(845,168,915)</u>	<u>408,224,367</u>	<u>302,776,512</u>	<u>(588,551,063)</u>	<u>(542,392,403)</u>
TOTAL NET POSITION	<u>\$ (526,755,183)</u>	<u>\$ (466,453,908)</u>	<u>\$ 820,394,549</u>	<u>\$ 704,275,502</u>	<u>\$ 293,639,366</u>	<u>\$ 237,821,593</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 of 2016 the voters in Clark County approved additional indexing of fuel taxes 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 19.6% increase in current and other assets was mainly due to a net increase in cash of approximately \$91,300,000 as a direct result of an increase in sales tax receivable due to the influx of federal stimulus funding and an increase in cash in custody of the fiscal agent from the proceeds of the issuance of IFT2 bond Series 2022.
- The increase in net capital assets was mainly due to approximately \$980,000 in security upgrades, fire alarm upgrades, IT service desk upgrades, servers for virtual infrastructure, virtual Netscalers and United Parcel Service (UPS) machine refurbishment in the Administration building, with an offset of approximately \$814,000 in depreciation recorded.

- The 19.1% increase in deferred outflows of resources is primarily due to an increase of approximately \$6,070,000 as a direct result of changes in assumptions in accordance with GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions”*, with an offset adjustment of approximately \$2,320,000 to the amortization of deferred outflow of resources related to bond refunding.
- The 15.7% increase in long-term liabilities is due to the issuance of IFT2 bond Series 2022 amounting to \$200,000,000 with a premium of approximately \$10,500,000 and an increase in total OPEB liability of approximately \$840,000 as a direct result of GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*, with an offset due to a decrease in net pension liability of approximately \$12,700,000 as a direct result of GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions”*, regularly scheduled payment of principal for bonds amounting to \$48,750,000 and amortization of premiums of approximately \$12,500,000.
- The 285.6% increase in deferred inflows of resources was mainly due to an increase of deferred inflow of resources related to pensions of approximately \$16,300,000, as a direct result of the net difference between projected and actual investment earnings on pension plan investments, in accordance with GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions”*, with an offset of approximately \$450,000 to the deferred inflow of resources related to other postemployment benefits, as a direct result of GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than 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 increased by approximately \$91,100,000 mainly due to the issuance of IFT2 bond Series 2022 amounting to \$200,000,000 with a premium of approximately \$10,500,000.
- 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 2022 with an offset of scheduled principal payments as discussed above under long-term liabilities.

Business-Type Activities

In June of 2021 the Governmental Accounting Standards Board (GASB) put into effect, GASB Statement No. 87, *“Leases”*. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The RTC implemented GASB Statement No. 87, *“Leases”*, by recognizing a lease liability and a related right-to-use asset, on July 1, 2021, for the one lease that the RTC was a party to.

- The 29.6% increase in current and other assets was primarily due to a net increase in cash of approximately \$98,400,000 as a direct result of reimbursement from the federal government related to the CRRSA Act and ARP Act and an increase in sales tax receivable due to the influx of federal stimulus funding. In fiscal year 2022, RTC received approximately \$93,700,000 in cash reimbursement and recorded a receivable of approximately \$23,900,000 from the CRRSA Act and ARP Act funds.

- The 8.2% increase in net capital assets was mainly due to approximately \$54,800,000 in CNG detection systems, CNG infrastructure, enterprise asset management system, bus wash construction, security upgrades, fire alarm upgrades, purchase of thirty four revenue service double deck buses, software and mobile application for paratransit customers, multi-format ticket validators, and hydrogen fueling infrastructure at the various transit facilities, and an increase of approximately \$27,300,000 due to the recognition of right-to-use leased land from the implementation of GASB Statement No. 87, "*Leases*", with an offset of \$47,200,000 in depreciation and \$1,027,000 amortization recorded.
- The 70.3% increase in deferred outflows of resources is primarily due to an increase of approximately \$4,080,000 as a direct result of changes in assumptions in accordance with GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*".
- The 62.5% increase in long-term liabilities is mainly due to the recognition of lease liability and related accrued interest of approximately \$27,300,000 and \$509,000 respectively, as a direct result of implementing GASB Statement No. 87, "*Leases*", an increase in total OPEB liability of approximately \$560,000 as a direct result of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" and an increase in compensated absences of approximately \$220,000, with an offset due to a decrease in net pension liability of approximately \$8,500,000 in accordance with GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*".
- The 7.6% decrease in other liabilities is primarily due to a decrease in accounts payable of approximately \$2,100,000, as a significant amount of transit-related expenditures were paid prior to closing the fiscal year.
- The 202.1% increase in deferred inflows of resources was mainly due to an increase of deferred inflow of resources related to pensions of approximately \$10,900,000, as a direct result of the net difference between projected and actual investment earnings on pension plan investments, in accordance with GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*", with an offset of approximately \$410,000 to the deferred inflow of resources related to other postemployment benefits, 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.

Condensed Statements of Activities
For the years ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
PROGRAM REVENUES						
Charges for services	\$ -	\$ -	\$ 60,455,576	\$ 60,972,947	\$ 60,455,576	\$ 60,972,947
Operating grants and contributions	4,256,462	3,751,837	117,748,425	124,483,262	122,004,887	128,235,099
Capital grants and contributions	176,028	22,519,807	18,763,965	40,270,528	18,939,993	62,790,335
GENERAL REVENUES						
Motor vehicle fuel tax	193,596,448	182,185,592	-	-	193,596,448	182,185,592
Jet-aviation fuel tax	-	2,747,757	-	-	-	2,747,757
Sales and excise tax	72,300,109	57,644,108	216,900,326	172,932,325	289,200,435	230,576,433
Interest income (loss)	(8,479,961)	(1,755,759)	(12,487,023)	2,707,677	(20,966,984)	951,918
Other	3,971,341	5,058,663	227,196	115,589	4,198,537	5,174,252
	<u>265,820,427</u>	<u>272,152,005</u>	<u>401,608,465</u>	<u>401,482,328</u>	<u>667,428,892</u>	<u>673,634,333</u>
EXPENSES						
Public works	315,678,602	268,798,783	-	-	315,678,602	268,798,783
Interest on long-term debt	22,681,089	21,239,420	-	-	22,681,089	21,239,420
Public transit	-	-	273,251,429	253,814,501	273,251,429	253,814,501
	<u>338,359,691</u>	<u>290,038,203</u>	<u>273,251,429</u>	<u>253,814,501</u>	<u>611,611,120</u>	<u>543,852,704</u>
Changes in net position before transfers	(72,539,264)	(17,886,198)	128,357,036	147,667,827	55,817,772	129,781,629
Net transfers	<u>12,237,989</u>	<u>11,879,879</u>	<u>(12,237,989)</u>	<u>(11,879,879)</u>	<u>-</u>	<u>-</u>
Change in net position	(60,301,275)	(6,006,319)	116,119,047	135,787,948	55,817,772	129,781,629
Net position - beginning	<u>(466,453,908)</u>	<u>(460,447,589)</u>	<u>704,275,502</u>	<u>568,487,554</u>	<u>237,821,594</u>	<u>108,039,965</u>
Net position - ending	<u>\$ (526,755,183)</u>	<u>\$ (466,453,908)</u>	<u>\$ 820,394,549</u>	<u>\$ 704,275,502</u>	<u>\$ 293,639,366</u>	<u>\$ 237,821,594</u>

Fluctuations in revenues and expenses for fiscal year 2022 compared to fiscal year 2021 are explained below.

Governmental Activities

- During fiscal year 2022, UPWP grant reimbursement increased approximately \$720,000 from more ongoing studies.
- The significant decrease in capital grants and contributions were primarily due to the final reimbursement of \$22,509,807 to the RTC for the I-11 project, received from NDOT in fiscal year 2021. 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. The Boulder City Bypass project was officially opened in August 2018.

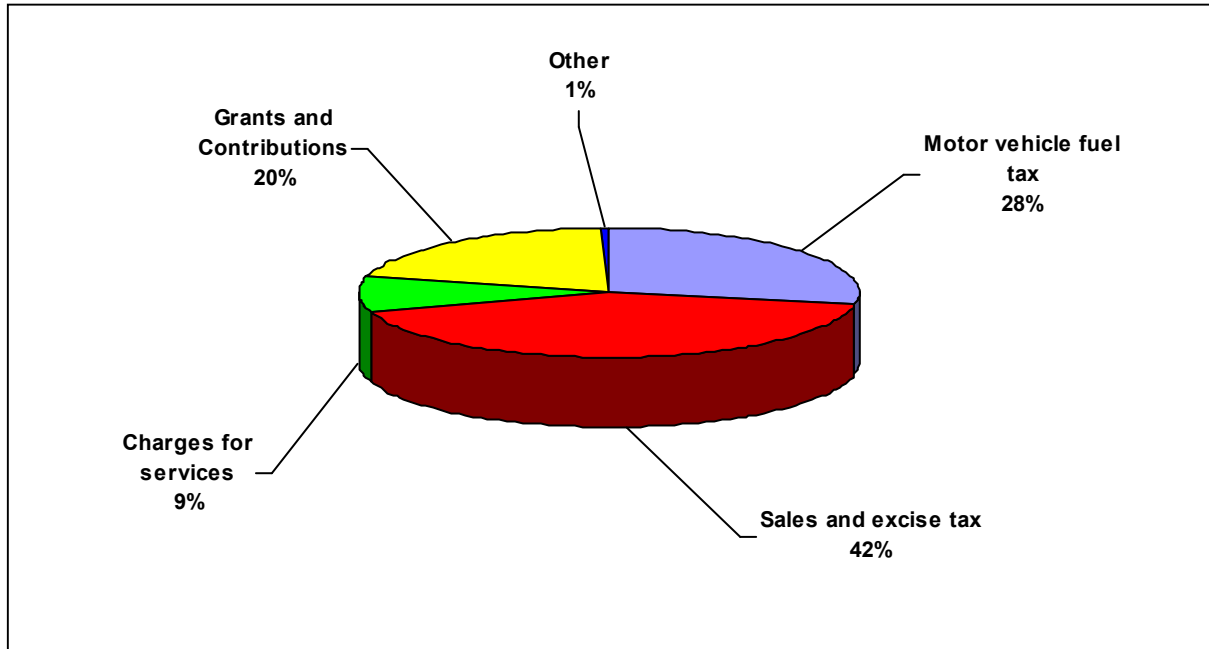
- Motor vehicle fuel tax revenue increased mainly due to approximately \$8,700,000 from the scheduled rate increase of Indexed Fuel Tax 2 (IFT2) from 0.025 cents per gallon in fiscal year 2021 to 0.030 cents per gallon in fiscal year 2022, combined with increased fuel consumption from local residents and tourists alike in the first seven months of the fiscal year, as businesses and tourist destinations have slowly opened up and pandemic-related restrictions have been lifted and as evidenced by the hotel/motel occupancy rate in Las Vegas, discussed in the economic factors and future budgets section. In the remaining months of fiscal year 2022, the Russia-Ukraine war severely impacted fuel supply, causing fuel costs to soar to over \$5 per gallon. This drastic fuel cost increase has slowed down fuel consumption, as travel is not a basic necessity for consumers. Another contributor to the increase is approximately \$2,700,000 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.
- In fiscal year 2021, the Federal Aviation Administration determined that jet-aviation fuel tax revenue is not statutorily allowed to be used for public transit agencies, thus the RTC ceased to receive this revenue in fiscal year 2022.
- Sales and excise tax revenue significantly increased by 25.4% mainly due to the rising costs of commodities and basic necessities brought about by the supply chain disruption, and the impact of federal stimulus funds paid to individuals, small businesses, corporations and local and state government.
- 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 decrease in other income was mainly due to the fiscal year 2021 final collection of the Build America Bonds rebate of approximately \$1,650,000 as the Sales and Excise Tax Revenue Bonds, Series 2010C (Taxable Direct Pay Build America Bonds) of approximately \$140,560,000 were refunded with an offset of approximately \$970,000 for traffic management software and maintenance reimbursement from a new inter-local agreement with NDOT.
- Spending on public works increased by 17.4% primarily due to the RTC and the member jurisdictions increasing their efforts to improve and build roadways by redirecting all projects, if eligible, to use available indexed fuel tax and motor vehicle fuel tax revenues, bond proceeds and cash balances.
- The increase in interest on long-term debt was mainly attributable to interest payments on IFT2 bond Series 2021 that was issued in fiscal year 2021.
- The 3% increase in net transfers was mainly attributable to management increasing funds needed to cover general fund expenses.

Business-Type Activities

- Charges for services include transit fees paid for rides on the public transit system and advertising on the buses and bus shelters. Charges for services slightly decreased in fiscal year 2022. The decrease was primarily due to the one-time, prior year, IRS CNG excise tax rebates of approximately \$13,400,000 collected in fiscal year 2021, with an offset of approximately \$11,800,000 increase of transit fare revenues from the entire system. As businesses and tourist destinations opened up at full capacity, more sporting events and conventions have been hosted by Las Vegas during the fiscal year 2022, equating to more transit riders even though RTC is still running on a Saturday schedule. Other increases noted were \$200,000 from vehicle advertising and \$640,000 from a new revenue funding source in the form of renewable natural gas rebates.
- 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 2022 is primarily due to grant award and reimbursement for 20 fixed route compressed natural gas (CNG) buses and 10 CNG paratransit buses versus grant award and reimbursement for 30 fixed route CNG buses and 33 CNG paratransit buses in fiscal year 2021.
- As mentioned under Governmental Activities, Sales and excise tax significantly increased by 25.4% mainly due to rising costs of commodities and basic necessities, and the impact of the federal stimulus funds.
- Interest income decreased as explained under Governmental Activities.
- Public transit expenses increased approximately \$19,400,000 primarily due the effects of the pandemic leading to the disruption of the supply chain, resulting in the following: fixed route service hours were increased by 84,689 hours compared to the prior year, which included an August 2021 service change to bring service hours to pre-pandemic levels. However, due to driver shortages, service hours were brought back to a Saturday schedule in February 2022. The average fixed route rate per service hour increased by \$2.63 for a net increase in the cost of providing fixed route service of approximately \$10,300,000. Both the Core paratransit service provider and Senior Transportation service provider have experienced increased demand for service resulting in approximately a \$6,500,000 increase or 87,234 service hour increase. In an effort to assist the service contractors in hiring and retaining critical staff, the RTC Board approved the first half of hiring and retention bonuses of approximately \$1,400,000. In fiscal year 2022, RTC received approximately \$2,500,000 in IRS CNG excise tax rebates that help offset the cost of CNG paid to Southwest Gas.

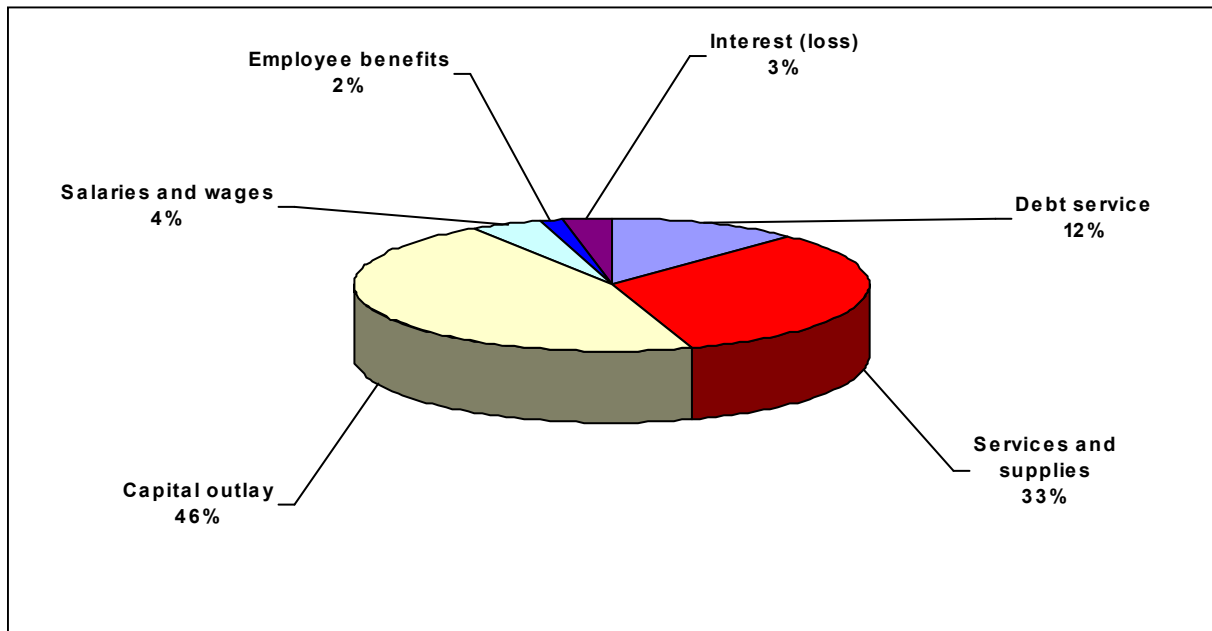
REVENUES

The following chart shows the components of revenues for the fiscal year ended June 30, 2022:



EXPENDITURES

The following chart shows the components of expenditures for the fiscal year ended June 30, 2022:



CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2022, the RTC expended \$323,100,124 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	\$265,559,769
RTC Transit equipment, buildings, land, and improvements	57,540,355

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 14, 2022, 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, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Revenue bonds	\$ 834,166,369	\$ 210,494,672	\$ 61,258,491	\$ 983,402,550

Bonds payable at June 30, 2022, are comprised of the following individual issues:

	Original Amount	Interest Rate	Balance June 30, 2022
Highway Improvement and Refunding Revenue Bonds			
Motor Vehicle Fuel Tax Revenue:			
Series 2011	118,105,000	4.00-5.00%	\$ 27,835,000
Series 2016	107,350,000	5.00%	50,520,000
Series 2016B	43,495,000	5.00%	43,495,000
Series 2020C	91,590,000	5.00%	91,590,000
Indexed Fuel Tax Revenue:			
Series 2014A	100,000,000	3.00-5.00%	75,095,000
Series 2015	85,000,000	5.00%	71,070,000
Series 2017	150,000,000	4.00-5.00%	130,345,000
Series 2019	60,000,000	5.00%	51,845,000
Series 2021	100,000,000	2.00-5.00%	100,000,000
Series 2021	200,000,000	3.00-5.00%	200,000,000
Sales and Excise Tax Revenue:			
Series 2016	36,405,000	5.00%	30,520,000
Plus unamortized premium			111,087,550
Total			<u>\$ 983,402,550</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, RTC and County share of 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 2022.

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.

	2022	2021	2020	2019	2018
Ridership - fixed route	40,953,167	35,005,016	56,009,390	64,406,024	63,779,330
% increase (decrease)	17.0%	(37.5%)	(13.0%)	1.0%	(0.3%)
Ridership - paratransit	1,413,265	1,011,265	1,371,428	1,647,714	1,641,083
% increase (decrease)	39.8%	(26.3%)	(16.8%)	0.4%	5.5%

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

BUDGET

In May 2021, the RTC Board of Commissioners approved the budget for fiscal year 2022. The RTC team worked with local financial experts Hobbs, Ong and Associates and Applied Analysis to come up with the budgeted revenue estimates.

In August 2021, the RTC Board of Commissioners approved budget augmentations for The Regional Transportation Commission Fund (1) amounting to \$1,146,814 and for The Public Transit Fund (50) amounting to \$782,941 for additional salaries and wages and employee benefits associated with the amendment of the FY2022 collective bargaining agreement.

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 supply chain disruption caused by the COVID-19 pandemic. The RTC’s planned procurement for operating and capital costs were delayed due to parts and supplies being unavailable.

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 Environment and Sustainability – Division of Air Quality (CCDOAQ) at 8% of the sales tax approved by voters in 2002. Sales tax revenue increased by 25.4% from the original budget, which is mainly attributable to federal stimulus funds and rising costs of commodities contributing to the higher revenues. 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 increased due to the increase 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. As a result, the loss recorded in the interest income accounts was approximately \$2,770,000 in fiscal year 2022 due to market fluctuations.

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. The loss recorded in the interest income accounts was approximately \$1,500,000 in fiscal year 2022 due to market fluctuations. During the fiscal year, the reserve fund increased by approximately \$11,000,000 mainly due to additional reserves from the issuance of the Fuel Tax Indexing Bond Series 2022.

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 2022, MVFT revenue increased by 3.7% from the original budget and IFT came in over budget by 4.7%, due to the impacts of the supply chain disruption, federal stimulus funds and rising fuel costs that directly impact the fuel tax revenues. The RTC received approximately \$2,700,000 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 decrease in interest income was mainly due to GASB 31 adjustments by the Clark County Treasurer. The increase spending on roadway projects was a direct result of working with the jurisdictions to award more projects in fiscal year 2022.

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 Clark County Department of Environment and Sustainability – Division of Air Quality. Capital outlay and intergovernmental capital grants were under budget due to the jurisdictions spending more on roadway projects using fuel tax indexing funds. Transfers in were over the original budget primarily due to a higher than budgeted sales tax revenue which is a direct result of the impact of federal stimulus funds and rising costs of commodities and basic necessities increasing the related sales tax revenues.

The Public Transit Fund (50) is an enterprise fund that contains all financial activity for all aspects of the RTC Transit System. The supply chain disruption, coupled with rising inflation rates brought on as after-effects of the COVID-19 pandemic has caused several revenue and operational impacts to the RTC. System-wide transit fare revenue increased by approximately \$11,800,000, \$360,000 of which were from reimbursement for Medicaid rides. Services and supplies expenses were under budget by approximately \$28,500,000 primarily due delays in supplies and services procurement brought about by the supply chain disruptions. Sales tax revenue was higher by 25.4% from the original budget mainly due rising costs of commodities and basic necessities, causing sales tax revenues to also go up, coupled with federal stimulus funds. Federal and state grants revenue fluctuates annually based on the volume of capital procurements and the timing of grant awards. In fiscal year 2022, RTC the expected capital outlay expenses were delayed by the shortage of parts and supplies which resulted in reduced grant reimbursement by approximately \$76,100,000. Additionally, the RTC grants team focused all efforts in getting the CRRSA Act funds and ARP Act funds drawn down in fiscal year 2022 resulting in grant revenue of approximately \$117,500,000. The decrease 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.

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, 2022, Clark County has issued all revenue bonds on behalf of the RTC. The bond rating at June 30, 2022, for the Clark County, Nevada Highway Revenue (Indexed Fuel Tax and Subordinate Motor Vehicle Fuel Tax) 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 August 2022 was 4.4%, which was significantly down from 7.7% in August 2021. The hotel/motel occupancy rate for the Las Vegas metropolitan area for August 2022 year-to-date was 77.4% which was significantly up from August 2021 year-to-date of 62%. These indicators reflect the return to nearly pre-pandemic levels of local and tourist activities contributing to the Las Vegas economy. Please see financial highlights section for detailed discussion on the effects of federal stimulus funding, supply chain challenges, rising fuel costs and rising inflation on the local economy.

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 2023 budget.

In the event fiscal year 2023 revenues fall below current estimates, the RTC may offset the revenue shortfall with the use of additional unrestricted reserves, implement cost containment measures, issue revenue bonds or a combination of these three measures.

Future Impacts. The degree of impact from 1) the after-effects of the COVID-19 pandemic; 2) persistent supply chain disruptions; and 3) rapidly increasing inflation rates, to the RTC's financial operations is difficult to predict due to several factors. These factors include 1) the constant 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 an additional rapid escalation of cases, if any; 2) the future availability of goods and commodities due to the disruption of the supply chain; and 3) the federal government's future strategies to control rising inflation rates. The RTC also cannot predict tourism and visitor patterns given the rising costs of travel, which may be reduced if prices of commodities and basic necessities continue to go up, since potential visitors may delay or cancel travel to focus their current resources on basic necessities.

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.



BASIC FINANCIAL STATEMENTS



REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS:			
Cash and investments:			
In custody of the County Treasurer			
Unrestricted	\$ 5,998,619	\$ 361,203,089	\$ 367,201,708
Restricted	220,583,327	-	220,583,327
Cash in bank			
Unrestricted	2,067,587	11,444,617	13,512,204
Restricted	17,962,048	-	17,962,048
Cash on hand	500	14,700	15,200
In custody of the fiscal agent	228,941,107	-	228,941,107
Accounts receivable, net	2,813,613	37,302,132	40,115,745
Interest receivable	402,426	640,066	1,042,492
Internal balances	3,059,497	(3,059,497)	-
Due from other governmental units	63,665,447	57,856,955	121,522,402
Prepaid expenses	134,520	61,685	196,205
Capital assets, not being depreciated	708,537	69,675,200	70,383,737
Capital assets, net of accumulated depreciation/amortization	12,043,980	374,873,237	386,917,217
Total assets	<u>558,381,208</u>	<u>910,012,184</u>	<u>1,468,393,392</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	12,241,413	8,395,438	20,636,851
Loss on bond refunding	9,796,597	-	9,796,597
Deferred outflows related to other post employment benefits	1,620,840	1,529,704	3,150,544
Total deferred outflows of resources	<u>23,658,850</u>	<u>9,925,142</u>	<u>33,583,992</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 582,040,058</u>	<u>\$ 919,937,326</u>	<u>\$ 1,501,977,384</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, 2022

	Governmental Activities	Business-type Activities	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES:			
Accounts payable	\$ 55,071,525	\$ 31,222,540	\$ 86,294,065
Accrued payroll	424,884	323,762	748,646
Accrued interest	16,079,776	-	16,079,776
Other current liabilities	100,985	112,572	213,557
Long-term liabilities:			
Portion due or payable within one year:			
Bonds and notes payable	53,925,000	-	53,925,000
Compensated absences	1,463,729	1,053,784	2,517,513
Portion due or payable after one year:			
Bonds and notes payable	929,477,550	-	929,477,550
Accrued lease interest	-	508,998	508,998
Lease liability	-	27,305,719	27,305,719
Compensated absences	2,073,548	1,193,923	3,267,471
Total OPEB liability	9,883,264	9,014,405	18,897,669
Net pension liability	18,904,789	13,055,663	31,960,452
Total liabilities	<u>1,087,405,050</u>	<u>83,791,366</u>	<u>1,171,196,416</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	17,875,534	12,060,559	29,936,093
Deferred inflows related to other post employment benefits	3,514,657	3,690,852	7,205,509
Total deferred inflows of resources	<u>21,390,191</u>	<u>15,751,411</u>	<u>37,141,602</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,108,795,241</u>	<u>99,542,777</u>	<u>1,208,338,018</u>
NET POSITION			
Net investment in capital assets	12,752,517	412,170,182	424,922,699
Restricted for:			
Capital projects and intergovernmental capital grants	316,827,871	-	316,827,871
Debt service	140,439,859	-	140,439,859
Unrestricted (deficit)	<u>(996,775,430)</u>	<u>408,224,367</u>	<u>(588,551,063)</u>
TOTAL NET POSITION	<u>\$ (526,755,183)</u>	<u>\$ 820,394,549</u>	<u>\$ 293,639,366</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 FISCAL YEAR ENDED JUNE 30, 2022

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
GOVERNMENTAL ACTIVITIES:							
Public works	\$ 315,678,602		\$ 4,256,462	\$ 176,028	\$ (311,246,112)		\$ (311,246,112)
Interest on long-term debt	22,681,089		-	-	(22,681,089)		(22,681,089)
TOTAL GOVERNMENTAL ACTIVITIES	338,359,691		4,256,462	176,028	(333,927,201)		(333,927,201)
BUSINESS-TYPE ACTIVITIES:							
Public transit	273,251,429	\$ 60,455,576	117,748,425	18,763,965		\$ (76,283,463)	(76,283,463)
Total	\$ 611,611,120	\$ 60,455,576	\$ 122,004,887	\$ 18,939,993	(333,927,201)	(76,283,463)	(410,210,664)
General Revenues:							
Fuel taxes					193,596,448	-	193,596,448
Sales and excise tax					72,300,109	216,900,326	289,200,435
Interest income (loss)					(8,479,961)	(12,487,023)	(20,966,984)
Other					3,971,341	227,196	4,198,537
Transfers					12,237,989	(12,237,989)	-
Total general revenues and transfers					273,625,926	192,402,510	466,028,436
Changes in net position					(60,301,275)	116,119,047	55,817,772
Net position - beginning					(466,453,908)	704,275,502	237,821,594
Net position - ending					\$ (526,755,183)	\$ 820,394,549	\$ 293,639,366

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, 2022**

	Special Revenue Fund		Debt Service Funds		Capital Project Funds		Total Governmental Funds
	General Fund						
	Regional Transportation Commission	Regional Transportation	RTC Bonds	RTC Reserve	Highway Improvement Acquisition	RTC Highway Improvement	
ASSETS							
Cash and investments:							
In custody of the County Treasurer							
Unrestricted	\$ 5,998,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,998,619
Restricted	-	963,978	67,705,732	42,914,540	26,016,012	82,983,065	220,583,327
Cash in bank							
Unrestricted	2,067,587	-	-	-	-	-	2,067,587
Restricted	-	46,430	-	-	8,343,385	9,572,233	17,962,048
Cash on hand	500	-	-	-	-	-	500
In custody of the fiscal agent	-	-	-	52,744,308	176,196,799	-	228,941,107
Accounts receivable, net	2,806,275	-	-	-	7,338	-	2,813,613
Interest receivable	10,654	1,712	120,250	76,220	46,206	147,384	402,426
Due from other funds	7,411,552	-	-	-	4,778,896	18,462,468	30,652,916
Due from other governmental units	720,607	19,285,652	-	-	43,659,188	-	63,665,447
Prepaid expenses	9,520	-	-	-	125,000	-	134,520
TOTAL ASSETS	\$ 19,025,314	\$ 20,297,772	\$ 67,825,982	\$ 95,735,068	\$ 259,172,824	\$ 111,165,150	\$ 573,222,110
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 1,815,653	\$ 3,085,704	\$ -	\$ -	\$ 48,392,553	\$ 1,777,615	\$ 55,071,525
Accrued payroll	424,884	-	-	-	-	-	424,884
Due to other funds	-	16,199,948	7,041,416	-	4,352,055	-	27,593,419
Other liabilities	100,985	-	-	-	-	-	100,985
Total liabilities	2,341,522	19,285,652	7,041,416	-	52,744,608	1,777,615	83,190,813
DEFERRED INFLOWS OF RESOURCES:							
Deferred revenue	1,078,766	-	-	-	-	-	1,078,766
Total deferred inflows of resources	1,078,766	-	-	-	-	-	1,078,766
Total liabilities and deferred inflows of resources	3,420,288	19,285,652	7,041,416	-	52,744,608	1,777,615	84,269,579
FUND BALANCES:							
Nonspendable fund balance	9,520	-	-	-	125,000	-	134,520
Restricted fund balance	-	1,012,120	60,784,566	95,735,068	206,303,216	109,387,535	473,222,505
Unassigned fund balance	15,595,506	-	-	-	-	-	15,595,506
Total fund balances	15,605,026	1,012,120	60,784,566	95,735,068	206,428,216	109,387,535	488,952,531
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,025,314	\$ 20,297,772	\$ 67,825,982	\$ 95,735,068	\$ 259,172,824	\$ 111,165,150	\$ 573,222,110

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, 2022**

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

Fund balance - governmental funds \$ 488,952,531

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	\$ 29,978,866	
Less accumulated depreciation	<u>(17,226,349)</u>	12,752,517

Deferred inflow of resources are reported in the funds related to revenues that were not available soon enough after year-end to pay current year's expenditures

Deferred revenue		1,078,766
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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	(872,315,000)	
Unamortized issuance premiums	(111,087,550)	
Loss on bond refunding	9,796,597	
Deferred outflows of resources - pension	12,241,413	
Deferred outflows of resources - other post employment benefit	1,620,840	
Accrued interest payable	(16,079,776)	
Compensated absences	(3,537,277)	
Total OPEB liability	(9,883,264)	
Net pension liability	(18,904,789)	
Deferred inflows of resources - pension	(17,875,534)	
Deferred inflows of resources - other post employment benefit	<u>(3,514,657)</u>	<u>(1,029,538,997)</u>

Total net position - governmental activities		\$ <u>(526,755,183)</u>
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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 FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Funds</u>		<u>Capital Project Funds</u>		<u>Total Governmental Funds</u>
	<u>Regional Transportation Commission</u>	<u>Regional Transportation</u>	<u>RTC Bonds</u>	<u>RTC Reserve</u>	<u>Highway Improvement Acquisition</u>	<u>RTC Highway Improvement</u>	
REVENUES							
Intergovernmental revenue:							
Federal and state grants	\$ 3,353,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,353,724
Fuel taxes	-	-	-	-	193,596,448	-	193,596,448
Sales and excise tax	-	72,300,109	-	-	-	-	72,300,109
Interest	(244,237)	32,271	(2,778,471)	(1,470,263)	(1,055,033)	(2,964,228)	(8,479,961)
Other	3,504,645	-	-	-	-	466,696	3,971,341
Total revenues	<u>6,614,132</u>	<u>72,332,380</u>	<u>(2,778,471)</u>	<u>(1,470,263)</u>	<u>192,541,415</u>	<u>(2,497,532)</u>	<u>264,741,661</u>
EXPENDITURES							
Current:							
Salaries and wages	18,119,139	-	-	-	-	-	18,119,139
Employee benefits	7,296,166	-	-	-	-	-	7,296,166
Services and supplies	11,761,028	11,568,018	2,700	-	276,879	464,396	24,073,021
Debt service:							
Principal	-	-	48,750,000	-	-	-	48,750,000
Interest	-	-	32,867,726	-	-	-	32,867,726
Bond issuance costs	-	-	-	-	1,566,288	-	1,566,288
Capital outlay	980,917	-	-	-	261,916,991	3,642,778	266,540,686
Total expenditures	<u>38,157,250</u>	<u>11,568,018</u>	<u>81,620,426</u>	<u>-</u>	<u>263,760,158</u>	<u>4,107,174</u>	<u>399,213,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,543,118)</u>	<u>60,764,362</u>	<u>(84,398,897)</u>	<u>(1,470,263)</u>	<u>(71,218,743)</u>	<u>(6,604,706)</u>	<u>(134,471,365)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	29,646,210	-	84,919,200	-	25,000,000	60,732,091	200,297,501
Transfers out	-	(60,732,091)	-	-	(97,988,986)	(29,338,435)	(188,059,512)
Revenue bond issued	-	-	-	12,489,136	187,510,864	-	200,000,000
Premium on bond issued	-	-	-	-	10,494,672	-	10,494,672
Total other financing sources (uses)	<u>29,646,210</u>	<u>(60,732,091)</u>	<u>84,919,200</u>	<u>12,489,136</u>	<u>125,016,550</u>	<u>31,393,656</u>	<u>222,732,661</u>
CHANGES IN FUND BALANCES	<u>(1,896,908)</u>	<u>32,271</u>	<u>520,303</u>	<u>11,018,873</u>	<u>53,797,807</u>	<u>24,788,950</u>	<u>88,261,296</u>
Fund balances - beginning	<u>17,501,934</u>	<u>979,849</u>	<u>60,264,263</u>	<u>84,716,195</u>	<u>152,630,409</u>	<u>84,598,585</u>	<u>400,691,235</u>
Fund balances - ending	<u>\$ 15,605,026</u>	<u>\$ 1,012,120</u>	<u>\$ 60,784,566</u>	<u>\$ 95,735,068</u>	<u>\$ 206,428,216</u>	<u>\$ 109,387,535</u>	<u>\$ 488,952,531</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 FISCAL YEAR ENDED JUNE 30, 2022**

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

Changes in fund balances - governmental funds \$ 88,261,296

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	\$ 266,540,686	
Less capital outlay to others	<u>(265,559,769)</u>	
Capital asset additions	980,917	
Less current year depreciation	<u>(813,729)</u>	167,188

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in deferred revenue	1,078,766
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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	(200,000,000)	
Premium on revenue bond issued	(10,494,672)	
Principal payments	48,750,000	
Amortization of loss on bond refunding	(2,321,853)	
Amortization of bond premiums	<u>12,508,491</u>	(151,558,034)

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 compensated absences	(361,181)	
Change in net pension liability and deferred inflows and outflows of resources related to pension	2,475,736	
Change in total OPEB liability and deferred inflows and outflows of resources related to OPEB	<u>(365,046)</u>	<u>1,749,509</u>

Change in net position - governmental activities	\$ <u>(60,301,275)</u>
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REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Public Transit
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets:	
Cash and cash equivalents:	
In custody of the County Treasurer	\$ 361,203,089
Cash in bank	11,444,617
Cash on hand	14,700
Accounts receivable	37,302,132
Interest receivable	640,066
Due from other governmental units	57,856,955
Prepaid expenses	61,685
Total current assets	468,523,244
Non-current assets:	
Capital assets:	
Land and construction in progress	69,675,200
Buildings and improvements	247,976,662
Equipment	452,265,382
Accumulated depreciation	(351,647,352)
Right-to-use leased land	27,305,719
Accumulated amortization	(1,027,174)
Total non-current assets	444,548,437
Total assets	913,071,681
Deferred outflows of resources	
Deferred outflows related to pensions	8,395,438
Deferred outflows related to other post employment benefits	1,529,704
Total deferred outflows of resources	9,925,142
Total assets and deferred outflows of resources	\$ 922,996,823

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, 2022

	Public Transit
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities:	
Accounts payable	\$ 31,222,540
Accrued payroll	323,762
Compensated absences	1,053,784
Due to other funds	3,059,497
Other current liabilities	112,572
Total current liabilities	35,772,155
Non-current liabilities:	
Accrued lease interest	508,998
Lease liability	27,305,719
Compensated absences	1,193,923
Total OPEB liability	9,014,405
Net pension liability	13,055,663
Total non-current liabilities	51,078,708
Total liabilities	86,850,863
Deferred inflows of resources	
Deferred inflows related to pensions	12,060,559
Deferred inflows related to other post employment benefits	3,690,852
Total deferred inflows of resources	15,751,411
Total liabilities and deferred inflows of resources	102,602,274
NET POSITION	
Net investment in capital assets	412,170,182
Unrestricted	408,224,367
Total net position	\$ 820,394,549

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 FISCAL YEAR ENDED JUNE 30, 2022**

	Public Transit
OPERATING REVENUES	
Charges for services:	
Transit fees	\$ 57,248,037
Transit advertising	2,160,423
Other	1,047,116
Total operating revenues	60,455,576
OPERATING EXPENSES	
Salaries and wages	12,663,082
Employee benefits	3,680,267
Services and supplies	206,155,204
Depreciation and amortization	48,270,559
Total operating expenses	270,769,112
Operating loss	(210,313,536)
NON-OPERATING REVENUES (EXPENSES)	
Intergovernmental revenue:	
Sales and excise tax	216,900,326
Interest income (loss)	(12,487,023)
Other federal and state grants and contributions	221,728
FTA CRRSAA and ARP grant revenues	117,526,697
Lease-related interest expense	(2,482,317)
Gain on sale of capital assets	227,196
Total non-operating revenues	319,906,607
Income before capital contributions and transfers	109,593,071
CAPITAL CONTRIBUTIONS AND TRANSFERS:	
Federal and state grants and contributions	18,763,965
Transfers out	(12,237,989)
Total capital contributions and transfers	6,525,976
CHANGE IN NET POSITION	116,119,047
Net position - beginning	704,275,502
Net position - ending	\$ 820,394,549

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 FISCAL YEAR ENDED JUNE 30, 2022

	Public Transit
Cash flows from operating activities:	
Cash received from customers	\$ 57,524,616
Cash paid for employees and benefits	(18,091,761)
Cash paid for services and supplies	(201,497,781)
Other operating receipts	1,047,116
Net cash used in operating activities	(161,017,810)
Cash flows from non-capital financing activities:	
Cash provided by sales and excise tax	210,000,643
Federal and state grants	114,601,741
Payments to other funds	(12,148,462)
Net cash provided by non-capital financing activities	312,453,922
Cash flows from capital and related financing activities:	
Acquisition, construction, or improvements of capital assets	(58,941,752)
Proceeds from sale of capital assets	227,196
Federal and state grants	20,291,016
Interest paid on lease liability	(1,973,319)
Net cash used by capital and related financing activities	(40,396,859)
Cash flows from investing activities:	
Interest received	3,736,048
Acquisition of investments	(16,335,473)
Net cash used by investing activities	(12,599,425)
Increase in cash and cash equivalents	98,439,828
Cash and cash equivalents - beginning of year	274,222,578
Cash and cash equivalents - end of year	\$ 372,662,406
Reconciliation of operating loss to net cash flows used in operating activities:	
Operating loss	\$ (210,313,536)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	48,270,559
Decrease in accounts receivable	588,111
Decrease in prepaid expenses	198,792
Increase in accounts payable	2,001,249
Decrease in accrued payroll	(431,086)
Decrease in other current liabilities	(14,573)
Increase in compensated absences	217,087
Net increase in total OPEB liability and related deferred inflows and deferred outflows	129,187
Net decrease in net pension liability and related deferred inflows and deferred outflows	(1,663,600)
Net cash used in operating activities	\$ (161,017,810)
Non-cash investing, capital and related financing activities:	
Capital assets purchased included in accounts payable and retention payable	\$ 5,072,536
Change in fair market value of investments	\$ (13,525,640)

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 FISCAL YEAR ENDED JUNE 30, 2022**

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 for 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 consists 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 FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

The Reporting Entity (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 have 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 FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (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, lease, compensated absences, pension, and other post employment benefits expenditures are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the RTC the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

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

Governmental Fund Financial Statements (continued)

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.

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, depreciation on capital assets and amortization of leased 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.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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. 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, 2022, a significant portion of the RTC's cash and cash equivalents were deposited in the custody of the County Treasurer, 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 expenses/expenditures when incurred.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, furniture, and right-to-use leased land, 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 (except for intangible right-to-use lease assets, the measurement of which is discussed on page 37). 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.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

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

Capital Assets (continued)

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.

Capital assets are depreciated, or amortized for right-to-use lease assets, 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
Right-to-use leased land	26

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

Leases

The RTC is a lessee for a lease of land. The RTC recognized a lease liability and an intangible right-to-use lease land (lease asset) in the government-wide financial statements and proprietary fund financial statements. The RTC recognizes lease liabilities based on the determination criteria set by GASB Statement No. 87, "Leases".

At the commencement of a lease, the RTC initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgements related to leases include how the RTC determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The RTC uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the RTC generally uses its estimated incremental borrowing rate as the discount rate for leases.

The RTC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with separately as lease liabilities on the statement of net position.

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(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

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

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 Liabilities

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 replaced the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended.

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.

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(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

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

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 Regional 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 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.

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.

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(CONTINUED)**

NOTE 1 – Summary of Significant Accounting Policies (continued)

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

Net Position (continued)

Unrestricted/(deficit) consist of any portion of net position not already classified as either net investment in capital assets or 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.

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(CONTINUED)**

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 not sooner than the third Thursday in May, and not later than the last day of 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, 2022, the RTC had no funds or functions with expenditures in excess of appropriations.

New Accounting Pronouncement Implemented

In fiscal year 2022, the RTC implemented GASB Statement No. 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The RTC recognized the lease liability and the corresponding right-to-use leased land at \$27,305,719 on July 1, 2021, the beginning of the implementation period. The lease liability and related right-to-use leased land were calculated using the present value of the future lease payments at the implicit rate of 9.0127%. The implementation had no impact to the beginning net position.

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(CONTINUED)**

NOTE 2 – Stewardship, Compliance and Accountability (continued)

New Accounting Prououncements to be Implemented in Future Years

In December 2020, GASB issued Statement No. 91, “*Conduit Debt Obligations*”. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Adoption of this statement had no effect on the RTC’s net position or changes therein.

In March 2020, GASB issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May 2020, GASB issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In April 2022, GASB issued Statement No. 99, “*Omnibus 2022*”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues the have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows: (1) the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statements 53 and 63 are effective upon issuance; (2) the requirement related to leases, PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and (3) the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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(CONTINUED)**

NOTE 2 – Stewardship, Compliance and Accountability (continued)

New Accounting Prououncements to be Implemented in Future Years (continued)

In June 2022, GASB issued Statement No. 100, “*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 101, “*Compensated Absences*”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not yet completed its assessment of these statements, and therefore, the effect of adopting these statements, if any, is not subject to estimation at this time.

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(CONTINUED)**

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, 2022, cash and investments are summarized as follows:

Clark County Investment Pool	\$ 587,785,035
Cash and Investments with fiscal agent	228,941,107
Cash in bank	31,474,252
Cash on hand	<u>15,200</u>
 Total cash and investments	 <u><u>\$ 848,215,594</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.

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(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, 2022, Cash and Investments with fiscal agent are comprised of \$11,770 in cash and \$228,929,337 in investments. The \$228,929,337 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>
Debt Securities:			
U.S. Treasuries	\$ 101,107,338	\$ 88,144,098	\$ 12,963,240
U.S. Agencies	85,181,967	77,831,399	7,350,568
Money Market Funds	42,640,032	42,640,032	-
	<u>\$ 228,929,337</u>	<u>\$ 208,615,529</u>	<u>\$ 20,313,808</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 3 – Cash and Investments (continued)

Fair Value Measurements

In accordance with GASB 72, investments 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.

As of June 30, 2022, Cash and Investments with fiscal agent are comprised of \$11,770 in cash and \$228,929,337 in investments. The \$228,929,337 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>
Debt Securities:			
U.S. Treasuries	\$ 101,107,338	\$ 101,107,338	\$ -
U.S. Agencies	85,181,967	75,333,124	9,848,843
Money Market Funds	42,640,032	42,640,032	-
	<u>\$ 228,929,337</u>	<u>\$ 219,080,494</u>	<u>\$ 9,848,843</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, 2022, the RTC had no investment securities exposed to custodial credit risk.

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.

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 3 – Cash and Investments (continued)

Credit Risk (continued)

As of June 30, 2022, Cash and Investments with fiscal agent are comprised of \$11,770 in cash and \$228,929,337 in investments. The \$228,929,337 of RTC investment with fiscal agent were categorized by credit quality rating as follows:

Investment Type	Fair Value	Quality Ratings by Moody's Investors Service	
		Aaa	P-1
Debt Securities:			
U.S. Treasuries	\$ 101,107,338	\$ 81,236,338	\$ 19,871,000
U.S. Agencies	85,181,967	9,848,843	75,333,124
Money Market Funds	42,640,032	42,640,032	-
	<u>\$ 228,929,337</u>	<u>\$ 133,725,213</u>	<u>\$ 95,204,124</u>

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, 2022, the following investments exceeded five percent of investments with fiscal agent:

Federal Home Loan Banks Discount Notes	27.40%
Freddie Mac Discount Notes	8.71%

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 (loss) in the funds reflects this positive or negative fair value adjustment.

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 4 – Accounts Receivable and Due from Other Governmental Units

Accounts receivable and due from other governmental units as of June 30, 2022, were as follows:

	Governmental Activities			Total	Business-type Activities
	General Fund	Special Revenue Fund	Capital Project Funds		
	Regional Transportation Commission	Regional Transportation	Highway Improvement Acquisition		
	Regional Transportation Commission	Regional Transportation	Highway Improvement Acquisition		
Accounts receivable	\$ 2,806,275	\$ -	\$ 443,718	\$ 3,249,993	\$ 37,302,132
Less allowance for uncollectible receivables	-	-	(436,380)	(436,380)	-
Accounts receivable, net	<u>\$ 2,806,275</u>	<u>\$ -</u>	<u>\$ 7,338</u>	<u>\$ 2,813,613</u>	<u>\$ 37,302,132</u>
 Due from other governmental units	 <u>\$ 720,607</u>	 <u>\$ 19,285,652</u>	 <u>\$ 43,659,188</u>	 <u>\$ 63,665,447</u>	 <u>\$ 57,856,955</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
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(CONTINUED)**

NOTE 5 – Capital Assets

Capital asset activity for the year ended June 30, 2022, consisted of the following:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 698,830	\$ 1,024,148	\$ 1,014,441	\$ 708,537
Capital assets being depreciated:				
Buildings	18,891,976	-	-	18,891,976
Equipment	9,407,143	971,210	-	10,378,353
Total capital assets being depreciated	<u>28,299,119</u>	<u>971,210</u>	<u>-</u>	<u>29,270,329</u>
Less accumulated depreciation for:				
Buildings	7,925,107	328,527	-	8,253,634
Equipment	8,487,513	485,202	-	8,972,715
Total accumulated depreciation	<u>16,412,620</u>	<u>813,729</u>	<u>-</u>	<u>17,226,349</u>
Total capital assets being depreciated, net	<u>11,886,499</u>	<u>157,481</u>	<u>-</u>	<u>12,043,980</u>
Governmental activities capital assets, net	<u>\$ 12,585,329</u>	<u>\$ 1,181,629</u>	<u>\$ 1,014,441</u>	<u>\$ 12,752,517</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 32,440,386	\$ -	\$ -	\$ 32,440,386
Construction in progress	24,137,015	56,559,438	43,461,639	37,234,814
Total capital assets not being depreciated	<u>56,577,401</u>	<u>56,559,438</u>	<u>43,461,639</u>	<u>69,675,200</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	244,424,131	3,552,531	-	247,976,662
Transit vehicles and equipment	446,528,106	38,144,119	32,406,843	452,265,382
Right-to-use leased land*	27,305,719	-	-	27,305,719
Total capital assets being depreciated/amortized	<u>718,257,956</u>	<u>41,696,650</u>	<u>32,406,843</u>	<u>727,547,763</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	95,318,021	8,162,962	-	103,480,983
Transit vehicles and equipment	241,492,789	39,080,423	32,406,843	248,166,369
Right-to-use leased land	-	1,027,174	-	1,027,174
Total accumulated depreciation/amortization	<u>336,810,810</u>	<u>48,270,559</u>	<u>32,406,843</u>	<u>352,674,526</u>
Total capital assets being depreciated/amortized, net	<u>381,447,146</u>	<u>(6,573,909)</u>	<u>-</u>	<u>374,873,237</u>
Business-type activities capital assets, net	<u>\$ 438,024,547</u>	<u>\$ 49,985,529</u>	<u>\$ 43,461,639</u>	<u>\$ 444,548,437</u>
	<u>Governmental activities</u>			<u>Business-type activities</u>
FY 2022 depreciation and amortization expense	<u>\$813,729</u>			<u>\$48,270,559</u>

*Beginning balance of \$27,305,719 is due to the adoption of the provisions of GASB Statement No. 87, "Leases".

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NOTE 6 – Interfund Balances and Transfers

Interfund balances as of June 30, 2022, consisted of the following:

Receivable Fund	Payable Fund				Total
	Regional Transportation	RTC Bonds	Highway Improvement Acquisition	Public Transit	
Regional Transportation Commission	\$ -	\$ -	\$ 4,352,055	\$ 3,059,497	\$ 7,411,552
Highway Improvement Acquisition	-	4,778,896	-	-	4,778,896
RTC Highway Improvement	16,199,948	2,262,520	-	-	18,462,468
Totals	\$ 16,199,948	\$ 7,041,416	\$ 4,352,055	\$ 3,059,497	\$ 30,652,916

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, 2022, consisted of the following:

Transfers Out	Transfers In				Total
	Regional Transportation Commission	RTC Bonds	Highway Improvement Acquisition	RTC Highway Improvement	
Regional Transportation	\$ -	\$ -	\$ -	\$ 60,732,091	\$ 60,732,091
Highway Improvement Acquisition	17,408,221	80,580,765	-	-	97,988,986
RTC Highway Improvement	-	4,338,435	25,000,000	-	29,338,435
Public Transit	12,237,989	-	-	-	12,237,989
Total	\$ 29,646,210	\$ 84,919,200	\$ 25,000,000	\$ 60,732,091	\$ 200,297,501

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.

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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, 2022, were as follows:

	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>Balance June 30, 2022</u>
Motor vehicle fuel tax bonds:				
Series 2011	118,105,000	July 1, 2023	4.00-5.00%	\$ 27,835,000
Series 2016	107,350,000	July 1, 2024	5.00%	50,520,000
Series 2016B	43,495,000	July 1, 2028	5.00%	43,495,000
Series 2020C	91,590,000	July 1, 2030	5.00%	91,590,000
Fuel tax indexing bonds:				
Series 2014A	100,000,000	July 1, 2034	3.00-5.00%	75,095,000
Series 2015	85,000,000	July 1, 2035	5.00%	71,070,000
Series 2017	150,000,000	July 1, 2037	4.00-5.00%	130,345,000
Series 2019	60,000,000	July 1, 2029	5.00%	51,845,000
Series 2021	100,000,000	July 1, 2041	2.00-5.00%	100,000,000
Series 2022	200,000,000	July 1, 2042	3.00-5.00%	200,000,000
Sales and excise tax bonds:				
Series 2016	36,405,000	July 1, 2029	5.00%	<u>30,520,000</u>
Total highway improvement revenue and refunding bonds				<u>\$ 872,315,000</u>

At June 30, 2022, the debt service requirements to maturity were as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 53,925,000	\$ 36,333,340	\$ 90,258,340
2024	57,085,000	36,648,825	93,733,825
2025	50,560,000	33,959,800	84,519,800
2026	49,505,000	31,458,175	80,963,175
2027	51,720,000	28,927,550	80,647,550
2028-2032	268,015,000	102,615,955	370,630,955
2033-2037	196,150,000	47,202,175	243,352,175
2038-2042	122,075,000	12,418,275	134,493,275
2043	<u>23,280,000</u>	<u>349,200</u>	<u>23,629,200</u>
Total debt service requirements	<u>\$ 872,315,000</u>	<u>\$ 329,913,295</u>	<u>\$ 1,202,228,295</u>

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(CONTINUED)**

NOTE 7 – Long-Term Debt (continued)

Revenue and Refunding Bonds (continued)

On May 10, 2022, Clark County on behalf of the RTC issued \$200,000,000 in tax exempt highway revenue bonds, Series 2022. The revenue bonds had a premium of \$10,494,672. Principal payments will begin in July 2024. All debt service payments will be funded with Indexed Fuel Tax revenue. The bond proceeds will be used to fund Streets and Highways construction and improvement projects.

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, 2022, were as follows:

Pledged revenues (net of administrative expenditures):	
County share motor vehicle fuel tax (\$.03)	\$ 21,593,141
RTC share motor vehicle fuel tax (\$.09)	73,139,951
	94,733,092
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan	(750,897)
Net pledged revenues	\$ 93,982,195

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(CONTINUED)**

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, 2022, were as follows:

Pledged revenues (net of administrative expenditures):		
County share Indexed Fuel Taxes		\$ 13,107,275
RTC share Indexed Fuel Taxes		120,456,497
Subordinate Motor Vehicle Fuel Tax Revenue		
Net pledge Motor Vehicle Fuel Tax Revenue	\$ 93,982,195	
Principal and interest payment	<u>(40,360,567)</u>	<u>53,621,628</u>
		187,185,400
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan		<u>(1,236,675)</u>
Net pledged revenues		<u><u>\$ 185,948,725</u></u>

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

The net pledged revenues related to sales and excise tax for the year ended June 30, 2022, were as follows:

Pledged revenues:		
Sales and excise tax		<u>\$ 144,600,217</u>
Total net pledged revenues		<u><u>\$ 144,600,217</u></u>

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(CONTINUED)**

NOTE 7 – Long-Term Debt (continued)

Pledged Revenues (continued)

The debt coverage ratios for net pledged revenues for the year ended June 30, 2022, were as follows:

	<u>Motor Vehicle Fuel Tax</u>	<u>Indexed Fuel Tax</u>	<u>Sales and Excise Tax</u>
Net pledged revenues	\$ 93,982,195	\$ 185,948,725	\$ 144,600,217
Total principal and interest payment based on Maximum Annual Debt Service	<u>39,536,875</u>	<u>51,198,800</u>	<u>4,638,875</u>
Debt coverage ratio	<u>2.38</u>	<u>3.63</u>	<u>31.17</u>
Required debt coverage ratio	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Principal	\$ 213,440,000	\$ 628,355,000	\$ 30,520,000
Interest	<u>45,947,750</u>	<u>277,453,545</u>	<u>6,512,000</u>
Total Remaining Principal and Interest	<u>\$ 259,387,750</u>	<u>\$ 905,808,545</u>	<u>\$ 37,032,000</u>

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(CONTINUED)**

NOTE 8 - Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue and refunding bonds	\$ 721,065,000	\$ 200,000,000	\$ 48,750,000	\$ 872,315,000	\$ 53,925,000
Unamortized issuance premium	113,101,369	10,494,672	12,508,491	111,087,550	-
Total bonds payable	<u>834,166,369</u>	<u>210,494,672</u>	<u>61,258,491</u>	<u>983,402,550</u>	<u>53,925,000</u>
Compensated absences	3,176,098	1,824,908	1,463,729	3,537,277	1,463,729
Total OPEB liability	9,047,249	9,883,264	9,047,249	9,883,264	-
Net pension liability	<u>31,602,747</u>	<u>2,418,964</u>	<u>15,116,922</u>	<u>18,904,789</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 877,992,463</u>	<u>\$ 224,621,808</u>	<u>\$ 86,886,391</u>	<u>\$ 1,015,727,880</u>	<u>\$ 55,388,729</u>
Business-type activities:					
Accrued lease interest	\$ -	\$ 508,998	\$ -	\$ 508,998	\$ -
Lease liability	27,305,719	-	-	27,305,719	-
Compensated absences	2,030,620	1,270,871	1,053,784	2,247,707	1,053,784
Total OPEB liability	8,455,651	9,014,405	8,455,651	9,014,405	-
Net pension liability	<u>21,588,199</u>	<u>1,625,450</u>	<u>10,157,986</u>	<u>13,055,663</u>	<u>-</u>
Business-type activities Long-term liabilities	<u>\$ 59,380,189</u>	<u>\$ 12,419,724</u>	<u>\$ 19,667,421</u>	<u>\$ 52,132,492</u>	<u>\$ 1,053,784</u>

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NOTE 9 – Leases – GASB 87

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 to lease land. Commencement date for the lease was January 5, 2008. The base lease payment 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 finance 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 lease payment. 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, 2022, a \$2,002,481 letter of credit was issued and unused.

The RTC was party to one lease. At June 30, 2022, total lease payments were \$1,973,319, which represents partial payment of the \$2,482,317 lease interest expense. The remaining \$508,998 was recorded as accrued interest.

The following is a schedule of future minimum lease payments for the lease as of June 30, 2022:

Year ending June 30:	Principal	Interest	Total
2023	\$ -	\$ 2,062,556	\$ 2,062,556
2024	-	2,154,469	2,154,469
2025	-	2,219,104	2,219,104
2026	-	2,285,677	2,285,677
2027	-	2,354,247	2,354,247
2028-2032	-	13,214,166	13,214,166
2033-2037	-	15,765,020	15,765,020
2038-2042	7,870,101	10,938,188	18,808,289
2043-2047	17,028,608	5,410,421	22,439,029
2048	2,407,010	65,016	2,472,026
	<hr/>	<hr/>	<hr/>
Total future minimum lease payments	\$ 27,305,719	\$ 56,468,864	\$ 83,774,583
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As of June 30, 2022, the related right-to-use leased land is valued at \$27,305,719, with an accumulated amortization of \$1,027,174.

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NOTE 10 - Net Position and Fund Balances

Net Position

At June 30, 2022, the RTC's government-wide statement of net position 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 \$140,439,859. This amount is made up of restricted funds exclusively for debt service of \$156,519,635 less accrued interest payable of \$16,079,776.

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, 2022:

	Balance July 1, 2021	Current Year Increases	Current Year Decreases	Balance June 30, 2022
City of Boulder City	\$ 135,676	\$ -	\$ (135,676)	\$ -
Bunkerville	352,656	68,249	-	420,905
Indian Springs	236,285	27,307	-	263,592
Laughlin	6,805,150	1,116,460	-	7,921,610
City of Mesquite	4,587,929	-	(4,587,929)	-
Moapa Town	2,049,704	151,680	-	2,201,384
Moapa Valley	(2,693,874)	432,954	(1,475,000)	(3,735,920)
Mt. Charleston	1,068,754	109,034	(100,000)	1,077,788
Searchlight	178,324	81,888	-	260,212
Total	\$ 12,720,604	\$ 1,987,572	\$ (6,298,605)	\$ 8,409,571

Beginning this fiscal year, City of Boulder City and City of Mesquite were newly included in the population valuation formula program with the other County jurisdictions, thus their direct distribution balances were eliminated.

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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.

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(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, 2022	
	Employer	Employee
Contribution rates	14.875%	14.875%
Contractually required contribution - statutorily determined	\$ 4,044,414	\$ 3,807,687

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, 2021, are used as the basis for determining each employer's proportionate share of the collective pension amounts.

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(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, 2021:

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

* As of June 30, 2021, PERS' long-term inflation assumption was 2.50%

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, 2021.

The following is the percentage of the RTC to the Total Plan and any changes from the previous measurement date to June 30, 2021:

	Net Pension Liability as of June 30, 2020	Net Pension Liability as of June 30, 2021	Change from previous measurement date
RTC	\$ 53,190,946	\$ 31,960,452	\$ (21,230,494)
Total Plan	\$ 13,928,336,726	\$ 9,119,297,102	\$ (4,809,039,624)
RTC's % to the Total Plan	0.38189%	0.35047%	-0.03142%

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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 Annual Comprehensive Financial Report, available on the System’s website.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the RTC as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the RTC’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1- percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	\$ 63,632,133	\$ 31,960,452	\$ 5,833,813

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(CONTINUED)**

NOTE 11 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2021, 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	2.50%
Investment Rate of Return	7.25%
Productivity pay increase	0.50%
Projected salary increases	4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation
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 ⁽¹⁾ , 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.

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

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(CONTINUED)**

NOTE 11 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions (continued)

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

Actuarial assumptions, excluding inflation rate and investment rate of return (discount rate), used in the June 30, 2021 valuation did not change from the actuarial assumptions used in the June 30, 2020 valuation.

The inflation rate used to measure the total pension liability was 2.50% as of June 30, 2021 and 2.75% as of June 30, 2020. The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021 and 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. Based on that assumption, the pension plan's fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments for current plan members. 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, 2021. 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, 2022, the total employer pension expense is \$150,534. At June 30, 2021, 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	\$ 3,540,247	\$ 224,927
Changes of assumptions	10,611,421	-
Net difference between projected and actual earnings on investments	-	26,078,710
Changes in proportion and differences between actual contributions and proportionate share of contributions	2,440,769	3,632,456
Contributions subsequent to the measurement date	4,044,414	-
	\$ 20,636,851	\$ 29,936,093

Average expected remaining service lives

6.14 years

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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, 2023. Deferred outflows/(inflows) of resources related to pension will be recognized as follows:

Reporting period ended June 30:

2023	\$ (3,221,652)
2024	(3,542,919)
2025	(3,986,451)
2026	(4,523,235)
2027	1,695,588
Thereafter	235,013
	<u>\$ (13,343,656)</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 Annual Comprehensive Financial Report (ACFR) available on the System's website: 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.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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. On January 1, 2022, the RTC in conjunction with Clark County and other component units, switched to an exclusive provider organization plan (EPO) from the health maintenance organization (HMO) plan. The EPO has the same characteristics and benefits as the HMO.

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 either 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

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

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, 2020 rolled forward to 2021, OPEB plan membership consisted of the following:

	<u>PEBP</u>	<u>RHPP</u>	<u>TOTAL ALL PLANS</u>
Retired members currently receiving benefits	21	39	60
Married spouses of retired members currently receiving benefits	-	14	14
Active members	-	334	334
Total	21	387	408

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.

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

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

Actuarial assumptions and methods

The Total OPEB Liability (TOL) as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, rolled forward to 2021. 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, 2021 measurement:

Reporting Date	June 30, 2022
Valuation Date & Census Data	Valuation date as of June 30, 2020 rolled forward to 2021, based on the census provided by the County as of June 30, 2020.
Discount Rate	2.21% per annum (BOY) 2.16% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO index</i>
Salary Increase Rate	3.0% per annum
Marriage Rate	30% of future retirees are assumed married with a spouse at retirement, eligible for plan benefits. This is based on the current retiree population.
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 13.9 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	Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2020, applied on a gender-specific basis for general and safety personnel.

Changes in health care cost trend rate assumptions include select pre-Medicare medical and prescription benefits from 7% as of June 30, 2020 to 6.75% as of June 20, 2021 and select Medicare benefits from 6% as of June 30, 2020 to 5.75% as of June 30, 2021.

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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	6.75%	4.00%
	Medicare Benefits	5.75%	4.00%
	Administrative Fees	4.00%	4.00%
	Dental	4.00%	4.00%

Changes in the Total OPEB liability

	<u>PEBP</u>	<u>RHPP</u>	<u>Total</u>
Total OPEB liability			
Service cost	\$ -	\$ 946,338	\$ 946,338
Interest	34,786	371,605	406,391
Changes of assumptions	8,940	154,152	163,092
Benefit payments	<u>(57,867)</u>	<u>(63,185)</u>	<u>(121,052)</u>
Net change in total OPEB liability	(14,141)	1,408,910	1,394,769
Total OPEB liability, beginning	<u>1,602,954</u>	<u>15,899,946</u>	<u>17,502,900</u>
Total OPEB liability, ending	<u>\$ 1,588,813</u>	<u>\$ 17,308,856</u>	<u>\$ 18,897,669</u>

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, 2021, calculated using the municipal bond rate of 2.16%, as well as what the RTC's TOL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16% municipal bond rate) or 1- percentage-point higher (3.16% municipal bond rate) than the current rate:

	<u>1% Decrease (1.16%)</u>	<u>Current (2.16%)</u>	<u>1% Increase (3.16%)</u>
PEBP	\$ 1,827,000	\$ 1,588,813	\$ 1,395,000
RHPP	20,973,000	17,308,856	14,455,000
Total OPEB liability	<u>\$ 22,800,000</u>	<u>\$ 18,897,669</u>	<u>\$ 15,850,000</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

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, 2021, 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	\$ 1,404,000	\$ 1,588,813	\$ 1,810,000
RHPP	14,448,000	17,308,856	20,946,000
Total OPEB liability	<u>\$ 15,852,000</u>	<u>\$ 18,897,669</u>	<u>\$ 22,756,000</u>

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

For the year ended June 30, 2022, RTC recognized OPEB expense of \$749,534. At June 30, 2022, 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	\$ 912,013	\$ 4,994,772
Changes in assumptions	1,983,230	2,210,737
Benefits paid after the measurement date	255,301	-
Total	<u>\$ 3,150,544</u>	<u>\$ 7,205,509</u>

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, 2023. 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:

2023	\$ (612,135)
2024	(612,135)
2025	(612,135)
2026	(612,135)
2027	(586,349)
Thereafter	<u>(1,275,377)</u>
Total	<u>\$ (4,310,266)</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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.

The RTC maintains insurance policies for Workers' Compensation, Commercial Property, Commercial General Liability, Commercial Auto Liability, Cyber Liability, Excess Liability, Employment Practices Liability, Employed Lawyers, Public Officials Directors and Officers coverage and Employee Benefits Liability.

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 RTC entered into an interlocal agreement with the County for the provision of employee health insurance benefits.

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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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 \$5,000,000 limits for Bodily Injury/Property Damage (Each Occurrence) and Personal and Advertising Injury, \$5,000,000 limit for Products/Completed Operations Aggregate, and \$5,000,000 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 \$5,000,000 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 \$5,000,000 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 Lesser of Actual Cash Value or Repair cost. A \$2,500 deductible applies. Claims are reported by the RTC to the Third Party Administrator (TPA).

Commercial auto insurance for the RTC's revenue service vehicles is covered by the contractors operating and maintaining transit services.

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 \$50,000 deductible.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 13 - Risk Management (continued)

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.

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 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 for \$596,880,850.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
LAST TEN YEARS⁽¹⁾**

Changes in the Total OPEB liability

	PEBP ⁽²⁾				
	FY2018	FY2019	FY2020	FY2021	FY2022
Total OPEB liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	37,523	48,382	43,206	40,293	34,786
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	27,873	(99)	-	190,532	-
Changes of assumptions	(107,325)	(61,506)	61,411	255,955	8,940
Benefit payments	<u>(85,082)</u>	<u>(66,783)</u>	<u>(69,525)</u>	<u>(70,112)</u>	<u>(57,867)</u>
Net change in OPEB liability	(127,011)	(80,006)	35,092	416,668	(14,141)
Total OPEB liability, beginning	<u>1,358,211</u>	<u>1,231,200</u>	<u>1,151,194</u>	<u>1,186,286</u>	<u>1,602,954</u>
Total OPEB liability, ending	<u>\$ 1,231,200</u>	<u>\$ 1,151,194</u>	<u>\$ 1,186,286</u>	<u>\$ 1,602,954</u>	<u>\$ 1,588,813</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of covered-employee payroll ⁽³⁾	N/A	N/A	N/A	N/A	N/A

⁽¹⁾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.

⁽²⁾PEBP is a closed plan; and therefore, no current employees are covered by the PEBP.

⁽³⁾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 (UNAUDITED)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
LAST TEN YEARS⁽¹⁾**

Changes in the Total OPEB liability

	RHPP				
	FY2018	FY2019	FY2020	FY2021	FY2022
Total OPEB liability					
Service Cost	\$ 1,548,246	\$ 1,507,770	\$ 642,438	\$ 768,438	\$ 946,338
Interest	534,440	653,038	426,942	452,737	371,605
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(82,457)	(6,975,593)	-	1,065,293	-
Changes of assumptions	(2,389,821)	(1,445,416)	761,168	1,453,626	154,152
Benefit payments	<u>(60,628)</u>	<u>(74,873)</u>	<u>(92,495)</u>	<u>(14,091)</u>	<u>(63,185)</u>
Net change in OPEB liability	(450,220)	(6,335,074)	1,738,053	3,726,003	1,408,910
Total OPEB liability, beginning	<u>17,221,184</u>	<u>16,770,964</u>	<u>10,435,890</u>	<u>12,173,943</u>	<u>15,899,946</u>
Total OPEB liability, ending	<u>\$ 16,770,964</u>	<u>\$ 10,435,890</u>	<u>\$ 12,173,943</u>	<u>\$ 15,899,946</u>	<u>\$ 17,308,856</u>
Covered-employee payroll	24,154,050	25,829,219	25,682,156	27,467,067	28,905,085
Total OPEB Liability as a percentage of covered-employee payroll ⁽³⁾	69.43%	40.40%	47.40%	57.89%	59.88%

⁽¹⁾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.

⁽²⁾PEBP is a closed plan; and therefore, no current employees are covered by the PEBP.

⁽³⁾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 (UNAUDITED)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
LAST TEN YEARS⁽¹⁾**

Changes in the Total OPEB liability (continued)

	TOTAL				
	FY2018	FY2019	FY2020	FY2021	FY2022
Total OPEB liability					
Service Cost	\$ 1,548,246	\$ 1,507,770	\$ 642,438	\$ 768,438	\$ 946,338
Interest	571,963	701,420	470,148	493,030	406,391
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(54,584)	(6,975,692)	-	1,255,825	-
Changes of assumptions	(2,497,146)	(1,506,922)	822,579	1,709,581	163,092
Benefit payments	<u>(145,710)</u>	<u>(141,656)</u>	<u>(162,020)</u>	<u>(84,203)</u>	<u>(121,052)</u>
Net change in OPEB liability	(577,231)	(6,415,080)	1,773,145	4,142,671	1,394,769
Total OPEB liability, beginning	<u>18,579,395</u>	<u>18,002,164</u>	<u>11,587,084</u>	<u>13,360,229</u>	<u>17,502,900</u>
Total OPEB liability, ending	<u>\$ 18,002,164</u>	<u>\$ 11,587,084</u>	<u>\$ 13,360,229</u>	<u>\$ 17,502,900</u>	<u>\$ 18,897,669</u>
Covered-employee payroll	24,154,050	25,829,219	25,682,156	27,467,067	28,905,085
Total OPEB Liability as a percentage of covered-employee payroll ⁽³⁾	74.53%	44.86%	52.02%	63.72%	65.38%

⁽¹⁾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.

⁽²⁾PEBP is a closed plan; and therefore, no current employees are covered by the PEBP.

⁽³⁾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 (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
LAST TEN YEARS ⁽¹⁾**

	PEBP				
	FY2018	FY2019	FY2020	FY2021	FY2022
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contributions	<u>60,753</u>	<u>69,525</u>	<u>61,610</u>	<u>57,867</u>	<u>71,063</u>
Contribution deficiency (excess)	<u>\$ (60,753)</u>	<u>\$ (69,525)</u>	<u>\$ (61,610)</u>	<u>\$ (57,867)</u>	<u>\$ (71,063)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of covered-employee payroll ⁽²⁾	N/A	N/A	N/A	N/A	N/A
	RHPP				
	FY2018	FY2019	FY2020	FY2021	FY2022
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contributions	<u>145,977</u>	<u>92,495</u>	<u>273,486</u>	<u>63,185</u>	<u>184,238</u>
Contribution deficiency (excess)	<u>\$ (145,977)</u>	<u>\$ (92,495)</u>	<u>\$ (273,486)</u>	<u>\$ (63,185)</u>	<u>\$ (184,238)</u>
Covered-employee payroll	\$ 25,829,219	\$ 25,682,156	\$ 27,467,067	\$ 28,905,085	\$ 26,373,601
Total OPEB Liability as a percentage of covered-employee payroll ⁽²⁾	0.57%	0.36%	1.00%	0.22%	0.70%

⁽¹⁾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.

⁽²⁾Covered-employee payroll represents the employees that are provided with OPEB through the OPEB plan.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
LAST TEN YEARS⁽¹⁾**

Employee Contributions (continued)

	TOTAL				
	FY2018	FY2019	FY2020	FY2021	FY2022
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contributions	<u>206,730</u>	<u>162,020</u>	<u>335,096</u>	<u>121,052</u>	<u>255,301</u>
Contribution deficiency (excess)	<u><u>\$ (206,730)</u></u>	<u><u>\$ (162,020)</u></u>	<u><u>\$ (335,096)</u></u>	<u><u>\$ (121,052)</u></u>	<u><u>\$ (255,301)</u></u>
Covered-employee payroll	\$ 25,829,219	\$ 25,682,156	\$ 27,467,067	\$ 28,905,085	\$ 26,373,601
Total OPEB Liability as a percentage of covered-employee payroll ⁽²⁾	0.80%	0.63%	1.22%	0.42%	0.97%

⁽¹⁾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.

⁽²⁾Covered-employee payroll represents the employees that are provided with OPEB through the OPEB plan.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
REGIONAL TRANSPORTATION COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)**

	2022				2021
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES					
Intergovernmental revenue:					
Federal and state grants	\$ 7,049,009	\$ 7,049,009	\$ 3,353,724	\$ (3,695,285)	\$ 3,892,615
Interest	-	-	(244,237)	(244,237)	61,210
Other	2,813,046	2,813,046	3,504,645	691,599	2,624,225
Total revenues	<u>9,862,055</u>	<u>9,862,055</u>	<u>6,614,132</u>	<u>(3,247,923)</u>	<u>6,578,050</u>
EXPENDITURES					
Current:					
Salaries and wages	17,593,590	18,506,406	18,119,139	387,267	15,987,312
Employee benefits	7,893,463	8,127,461	7,296,166	831,295	6,621,443
Services and supplies	16,086,773	16,086,773	11,761,028	4,325,745	9,725,022
Capital outlay	1,265,661	2,000,001	980,917	1,019,084	-
Total expenditures	<u>42,839,487</u>	<u>44,720,641</u>	<u>38,157,250</u>	<u>6,563,391</u>	<u>32,333,777</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(32,977,432)	(34,858,586)	(31,543,118)	3,315,468	(25,755,727)
OTHER FINANCING SOURCES					
Transfers in	29,646,210	31,527,364	29,646,210	1,881,154	28,779,401
CHANGES IN FUND BALANCE	(3,331,222)	(3,331,222)	(1,896,908)	5,196,622	3,023,674
Fund balance - beginning	16,471,448	16,471,448	17,501,934	1,030,486	14,478,260
Fund balance - ending	<u>\$ 13,140,226</u>	<u>\$ 13,140,226</u>	<u>\$ 15,605,026</u>	<u>\$ 6,227,108</u>	<u>\$ 17,501,934</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
REGIONAL TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)**

	2022				2021
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES					
Intergovernmental revenue:					
Sales and excise tax	\$ 57,657,322	\$ 76,500,000	\$ 72,300,109	\$ (4,199,891)	\$ 57,644,108
Interest	-	-	32,271	32,271	(9,453)
Total revenues	<u>57,657,322</u>	<u>76,500,000</u>	<u>72,332,380</u>	<u>(4,167,620)</u>	<u>57,634,655</u>
EXPENDITURES					
Current:					
Services and supplies	9,225,172	12,240,000	11,568,018	671,982	9,223,056
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	48,432,150	64,260,000	60,764,362	(3,495,638)	48,411,599
OTHER FINANCING (USES)					
Transfers out	(48,432,150)	(64,260,000)	(60,732,091)	3,527,909	(48,421,021)
CHANGES IN FUND BALANCE	-	-	32,271	32,271	(9,422)
Fund balance - beginning	989,271	989,271	979,849	(9,422)	989,271
Fund balance - ending	<u>\$ 989,271</u>	<u>\$ 989,271</u>	<u>\$ 1,012,120</u>	<u>\$ 22,849</u>	<u>\$ 979,849</u>

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS⁽¹⁾**

	<u>2015⁽²⁾</u>	<u>2016⁽²⁾</u>	<u>2017⁽²⁾</u>	<u>2018⁽²⁾</u>
Proportion of the net pension liability	0.30%	0.32%	0.34%	0.35%
Proportionate share of the net pension liability	\$ 31,745,509	\$ 36,390,157	\$ 45,585,275	\$ 46,940,485
Covered Payroll	\$ 17,820,279	\$ 19,031,511	\$ 20,196,986	\$ 21,701,021
Proportionate share of the net pension liability as a percentage of the covered payroll	178%	191%	226%	216%
Plan's fiduciary net position	\$ 33,575,081,157	\$ 34,610,720,184	\$ 35,002,028,906	\$ 38,686,253,408
Plan fiduciary net position as a percentage of the total pension liability	76.30%	75.10%	72.20%	74.40%

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

⁽²⁾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
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS⁽¹⁾**

Net Pension Liability (continued)

	<u>2019⁽²⁾</u>	<u>2020⁽²⁾</u>	<u>2021⁽²⁾</u>	<u>2022⁽²⁾</u>
Proportion of the net pension liability	0.36%	0.38%	0.38%	0.35%
Proportionate share of the net pension liability	\$ 49,753,570	\$ 51,424,608	\$ 53,190,946	\$ 31,960,452
Covered Payroll	\$ 23,042,664	\$ 24,454,614	\$ 25,246,920	\$ 23,403,733
Proportionate share of the net pension liability as a percentage of the covered payroll	216%	210%	211%	137%
Plan's fiduciary net position	\$ 41,431,686,852	\$ 44,284,252,583	\$ 46,735,117,356	\$ 58,458,484,355
Plan fiduciary net position as a percentage of the total pension liability	75.24%	76.46%	77.04%	86.51%

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

⁽²⁾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
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF DEFINED BENEFIT PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS ⁽¹⁾**

Fiscal 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%
2021	\$ 3,422,796	\$ 3,422,796	\$ -	\$ 23,403,733	14.625%
2022	\$ 4,044,414	\$ 4,044,414	\$ -	\$ 27,189,338	14.875%

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

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - Postemployment Benefits Other Than Pensions

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

Changes of Assumptions for PEBP and RHPP Plans

The increase in the total liability from June 30, 2021 to June 30, 2022 is primarily due to changes in significant assumptions. Select pre-Medicare trend rate decreased from 7.00% as of June 30, 2020 to 6.75% as of June 30, 2021. Select post-Medicare trend rate decreased from 6.00% as of June 30, 2020 to 5.75% as of June 30, 2021. The assumed discount rate decreased from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

The increase in the total liability from June 30, 2020 to June 30, 2021 is primarily due to the decrease in the assumed discount rate from 3.5% as of June 30, 2019 to 2.21% as of June 30, 2020. Select pre-Medicare medical and Rx benefits trend rate increased from 6.50% as of June 30, 2019 to 7.00% as of June 30, 2020. Select Medicare benefits trend rate increased from 5.75% as of June 30, 2019 to 6.00% as of June 30, 2020.

The increase in the total 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. Select pre-Medicare medical and Rx benefits trend rate decreased from 7.00% as of June 30, 2018 to 6.50% as of June 30, 2019. Select Medicare benefits trend rate decreased from 6.00% as of June 30, 2018 to 5.75% as of June 30, 2019.

The decrease in the total 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.

The decrease in the total liability from June 30, 2017 to June 30, 2018 is primarily due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

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.

**REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA
A COMPONENT UNIT OF CLARK COUNTY, NEVADA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 2 - Budgetary Information (continued)

- 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.
- 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 40 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.

Significant changes in assumption include the decrease in assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021. Select pre-Medicare trend rate decreased from 7.00% as of June 30, 2020 to 6.75% as of June 30, 2021. Select post-Medicare trend rate decreased from 6.00% as of June 30, 2020 to 5.75% as of June 30, 2021.

The background features several overlapping, semi-transparent blue shapes in various shades, including circles and curved rectangular forms, creating a modern, abstract design.

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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual	Variance	Actual
REVENUES					
Interest	\$ -	\$ -	\$ (2,778,471)	\$ (2,778,471)	\$ (758,658)
IRS Rebate - Build America Bonds	-	-	-	-	1,339,460
Total revenues	<u>-</u>	<u>-</u>	<u>(2,778,471)</u>	<u>(2,778,471)</u>	<u>580,802</u>
EXPENDITURES					
Current:					
Services and supplies	10,000	10,000	2,700	7,300	2,900
Debt Service:					
Principal	48,750,000	48,750,000	48,750,000	-	55,885,000
Interest	32,867,726	32,867,726	32,867,726	-	31,880,721
Total expenditures	<u>81,627,726</u>	<u>81,627,726</u>	<u>81,620,426</u>	<u>7,300</u>	<u>87,768,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(81,627,726)	(81,627,726)	(84,398,898)	(2,771,171)	(87,187,819)
OTHER FINANCING SOURCES (USES)					
Transfers in	87,808,309	87,808,309	84,919,200	(2,889,109)	84,848,736
Transfers out	-	-	-	-	(1,100,000)
Payment to refund bond	-	-	-	-	(6,649,364)
Total other financing sources	<u>87,808,309</u>	<u>87,808,309</u>	<u>84,919,200</u>	<u>(2,889,109)</u>	<u>77,099,372</u>
CHANGES IN FUND BALANCE	6,180,583	6,180,583	520,303	(5,660,280)	(10,088,447)
Fund balance - beginning	<u>67,501,844</u>	<u>67,501,844</u>	<u>60,264,263</u>	<u>(7,237,581)</u>	<u>70,352,710</u>
Fund balance - ending	<u>\$ 73,682,427</u>	<u>\$ 73,682,427</u>	<u>\$ 60,784,566</u>	<u>\$ (12,897,861)</u>	<u>\$ 60,264,263</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

	2022				2021
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES					
Interest	\$ -	\$ -	\$ (1,470,263)	\$ (1,470,263)	\$ 485,501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	-	-	(1,470,263)	(1,470,263)	485,501
OTHER FINANCING SOURCES (USES)					
Proceeds from revenue bond issued	-	-	12,489,136	12,489,136	4,973,086
Refunding bond issued	-	-	-	-	76,140
Payment to refund bond	-	-	-	-	(19,597,398)
Total other financing sources (uses)	-	-	12,489,136	12,489,136	(14,548,172)
CHANGES IN FUND BALANCE	-	-	11,018,873	11,018,873	(14,062,671)
Fund balance - beginning	73,921,530	73,921,530	84,716,195	10,794,665	98,778,866
Fund balance - ending	<u>\$ 73,921,530</u>	<u>\$ 73,921,530</u>	<u>\$ 95,735,068</u>	<u>\$ 21,813,538</u>	<u>\$ 84,716,195</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

	2022				2021
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES					
Intergovernmental revenue:					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ 22,379,029
Motor vehicle fuel taxes	70,556,591	70,556,591	73,139,951	2,583,360	68,014,551
Fuel tax indexing	115,069,900	115,069,900	120,456,497	5,386,597	114,171,041
Interest	-	-	(1,055,033)	(1,055,033)	(1,770,288)
Other	-	-	-	-	769,896
Total revenues	<u>185,626,491</u>	<u>185,626,491</u>	<u>192,541,415</u>	<u>6,914,924</u>	<u>203,564,229</u>
EXPENDITURES					
Current:					
Services and supplies	130,498	330,498	276,879	53,619	10,838
Debt Service:					
Bond issuance costs	-	1,323,119	1,566,288	(243,169)	1,623,630
Capital outlay	206,116,698	295,000,000	261,916,991	33,083,009	217,997,710
Total expenditures	<u>206,247,196</u>	<u>296,653,617</u>	<u>263,760,158</u>	<u>32,893,459</u>	<u>219,632,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(20,620,705)	(111,027,126)	(71,218,743)	39,808,383	(16,067,949)
OTHER FINANCING SOURCES (USES)					
Transfers in		25,000,000	25,000,000	-	9,528,875
Transfers out	(100,520,530)	(101,461,107)	(97,988,986)	3,472,121	(207,367,000)
Proceeds from revenue bond issued	-	55,278,919	187,510,864	132,231,945	95,026,914
Refunding bond issued	-	-	-	-	91,513,860
Premium on bond issued	-	10,494,672	10,494,672	-	41,439,820
Total other financing sources (uses)	<u>(100,520,530)</u>	<u>(10,687,516)</u>	<u>125,016,550</u>	<u>135,704,066</u>	<u>30,142,469</u>
CHANGES IN FUND BALANCE	(121,141,235)	(121,714,642)	53,797,807	175,512,449	14,074,519
Fund balance - beginning	170,256,202	170,256,202	152,630,409	(17,625,793)	138,555,890
Fund balance - ending	<u>\$ 49,114,967</u>	<u>\$ 48,541,560</u>	<u>\$ 206,428,216</u>	<u>\$ 157,886,656</u>	<u>\$ 152,630,409</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance	Actual
REVENUES					
Interest	\$ -	\$ -	(2,964,228)	(2,964,228)	235,929
Other	264,171	264,171	466,696	202,525	3,072,839
Total revenues	<u>264,171</u>	<u>264,171</u>	<u>(2,497,532)</u>	<u>(2,761,703)</u>	<u>3,308,768</u>
EXPENDITURES					
Current:					
Services and supplies	5,326	455,326	464,396	(9,070)	145,644
Capital outlay	10,000,000	25,377,850	3,642,778	21,735,072	4,352,178
Total expenditures	<u>10,005,326</u>	<u>25,833,176</u>	<u>4,107,174</u>	<u>21,726,002</u>	<u>4,497,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(9,741,155)	(25,569,005)	(6,604,706)	18,964,299	(1,189,054)
OTHER FINANCING SOURCES (USES)					
Transfers in	48,432,150	64,260,000	60,732,091	(3,527,909)	166,480,875
Transfers out	(4,696,000)	(29,696,000)	(29,338,435)	357,565	(20,869,987)
Payment to refund bond	-	-	-	-	(116,959,418)
Total other financing sources (uses)	<u>43,736,150</u>	<u>34,564,000</u>	<u>31,393,656</u>	<u>(3,170,344)</u>	<u>28,651,470</u>
CHANGES IN FUND BALANCE	33,994,995	8,994,995	24,788,950	15,793,955	27,462,416
Fund balance - beginning	<u>87,717,297</u>	<u>87,717,297</u>	<u>84,598,585</u>	<u>(3,118,712)</u>	<u>57,136,169</u>
Fund balance - ending	<u>\$ 121,712,292</u>	<u>\$ 96,712,292</u>	<u>\$ 109,387,535</u>	<u>\$ 12,675,243</u>	<u>\$ 84,598,585</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

	2022				2021
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for services:					
Transit fees	\$ 53,757,218	\$ 53,757,218	\$ 57,248,037	\$ 3,490,819	\$ 45,407,687
Transit Advertising	1,687,500	1,687,500	2,160,423	472,923	1,953,066
Federal and state grants and contributions	-	-	221,728	221,728	100,500
Other	900,000	900,000	1,047,116	147,116	13,612,194
Total operating revenues	<u>56,344,718</u>	<u>56,344,718</u>	<u>60,677,304</u>	<u>4,332,586</u>	<u>61,073,447</u>
OPERATING EXPENSES					
Salaries and wages	12,113,003	12,755,505	12,663,082	92,423	10,386,289
Employee benefits	8,516,154	8,656,593	3,680,267	4,976,326	6,187,024
Services and supplies	217,873,245	217,873,245	206,155,204	11,718,041	181,916,969
Depreciation and amortization	60,000,000	60,000,000	48,270,559	11,729,441	55,324,219
Total operating expenses	<u>298,502,402</u>	<u>299,285,343</u>	<u>270,769,112</u>	<u>28,516,231</u>	<u>253,814,501</u>
Operating loss	<u>(242,157,684)</u>	<u>(242,940,625)</u>	<u>(210,091,808)</u>	<u>32,848,815</u>	<u>(192,741,054)</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue:					
Sales and excise tax	172,971,965	173,339,135	216,900,326	43,561,191	172,932,325
Federal and state grants	94,860,266	94,860,266	18,763,965	(76,096,301)	40,270,528
FTA CRRSAA and ARP grant revenues	-	-	117,526,697	117,526,697	124,382,762
Interest income	-	-	(12,487,023)	(12,487,023)	2,707,677
Lease-related interest (expense)	-	-	(2,482,317)	(2,482,317)	-
Gain on sale of capital assets	-	-	227,196	227,196	115,589
Total nonoperating revenues	<u>267,832,231</u>	<u>268,199,401</u>	<u>338,448,844</u>	<u>70,249,443</u>	<u>340,408,881</u>
Income before transfers	25,674,547	25,258,776	128,357,036	103,098,258	147,667,827
Transfers out	<u>(12,237,989)</u>	<u>(13,178,566)</u>	<u>(12,237,989)</u>	<u>940,577</u>	<u>(11,879,879)</u>
CHANGES IN NET POSITION	<u>\$ 13,436,558</u>	<u>\$ 12,080,210</u>	<u>\$ 116,119,047</u>	<u>\$ 104,038,835</u>	<u>\$ 135,787,948</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance	Actual
Cash flows from operating activities:					
Cash received from customers	\$ 55,444,718	\$ 55,444,718	\$ 57,524,616	\$ 2,079,898	\$ 40,352,390
Cash paid for employees and benefits	(17,911,443)	(17,911,443)	(18,091,761)	(180,318)	(14,755,709)
Cash paid for services and supplies	(217,873,245)	(217,873,245)	(201,497,781)	16,375,464	(165,581,315)
Other operating receipts	900,000	900,000	1,047,116	147,116	13,612,194
Net cash used in operating activities	<u>(179,439,970)</u>	<u>(179,439,970)</u>	<u>(161,017,810)</u>	<u>18,422,160</u>	<u>(126,372,440)</u>
Cash flows from noncapital financing activities:					
Cash provided by sales and excise tax	172,971,965	173,339,135	210,000,643	36,661,508	154,582,417
Federal and state grants	37,718,785	37,718,785	114,601,741	76,882,956	133,917,605
Transfers to other funds	(12,237,989)	(13,178,566)	(12,148,462)	1,030,104	(11,393,243)
Net cash provided by non-capital financing activities	<u>198,452,761</u>	<u>197,879,354</u>	<u>312,453,922</u>	<u>114,574,568</u>	<u>277,106,779</u>
Cash flows from capital and related financing activities:					
Acquisition, construction, or improvement of capital assets	(73,443,251)	(73,443,251)	(58,941,752)	14,501,499	(41,440,295)
Proceeds from the sale of capital assets	-	-	227,196	227,196	115,589
Federal and state grants	57,141,481	57,141,481	20,291,016	(36,850,465)	41,136,505
Interest paid on lease liability	-	-	(1,973,319)	(1,973,319)	-
Net cash provided by (used in) capital and related financing activities	<u>(16,301,770)</u>	<u>(16,301,770)</u>	<u>(40,396,860)</u>	<u>(24,095,090)</u>	<u>(188,201)</u>
Cash flows from investing activities:					
Interest received	-	-	3,736,048	3,736,048	2,602,023
Acquisition of investments	-	-	(16,335,473)	(16,335,473)	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>(12,599,425)</u>	<u>(12,599,425)</u>	<u>2,602,023</u>
Net change in cash and cash equivalents	2,711,021	2,137,614	98,439,827	96,302,213	153,148,161
Cash and cash equivalents - beginning of year	208,522,848	208,522,848	274,222,578	65,699,730	121,074,417
Cash and cash equivalents - end of year	<u>\$ 211,233,869</u>	<u>\$ 210,660,462</u>	<u>\$ 372,662,406</u>	<u>\$ 162,001,943</u>	<u>\$ 274,222,578</u>

The background of the page is a solid dark teal color. It is decorated with several large, overlapping, semi-transparent shapes in various shades of blue, ranging from light sky blue to dark navy blue. These shapes include circles, crescents, and curved rectangular forms, creating a modern, abstract geometric pattern. The shapes are primarily located in the upper half of the page, with some extending towards the bottom.

OTHER INFORMATION



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

Fiscal Year Ending June 30	Motor Vehicle Fuel Taxes	Indexed Fuel Taxes 1 *	Indexed Fuel Taxes 2 **	Total
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
2021	\$ 68,014,551	\$ 89,690,817	\$ 24,480,224	\$ 182,185,592
2022	\$ 73,139,951	\$ 87,494,069	\$ 32,962,428	\$ 193,596,448

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

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

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

Fiscal Year Ending June 30	Streets and Highways, Freeway and Arterial System of Transportation, Clark County Department of Air Quality	Transit	Total
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
2021	\$ 57,644,108	\$ 172,932,325	\$ 230,576,433
2022	\$ 72,300,109	\$ 216,900,326	\$ 289,200,435



**REGIONAL TRANSPORTATION
COMMISSION OF SOUTHERN NEVADA**

*600 S. Grand Central Pkwy. Ste. 350
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