



# VENTURA COUNTY TRANSPORTATION COMMISSION

Transforming Transportation in Ventura County

## SERVING:

Camarillo, Fillmore, Moorpark  
Ojai, Oxnard, Port Hueneme  
San Buenaventura, Santa Paula  
Simi Valley, Thousand Oaks and  
the County of Ventura



Comprehensive Annual  
Financial Report

Fiscal Year Ended  
June 30, 2017  
Ventura County, CA

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**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Ventura County, California



*The Ventura County Transportation Commission's (VCTC) mission is to improve mobility within the County and increase funding to meet transportation needs. To fulfill that mission, the VCTC establishes transportation policies and priorities ensuring an equitable allocation of federal, state and local funds for highway, transit, rail, aviation, bicycle and other transportation projects.*

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2017**

**Submitted by:  
Sally DeGeorge, Finance Director**

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**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2017

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Comprehensive Annual Financial Report  
Year Ended June 30, 2017

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## **INTRODUCTORY SECTION**

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VENTURA COUNTY TRANSPORTATION COMMISSION

October 27, 2017

To the Ventura County Transportation Commission  
and Citizens of the County of Ventura:

### **Letter of Transmittal**

State law requires that the Ventura County Transportation Commission (VCTC or Commission) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Ventura County Transportation Commission for the Fiscal Year ended June 30, 2017.

The CAFR provides a detailed accounting of the Commission's assets, liabilities, revenues and expenditures. The Commission's CAFR is presented in three sections: the introductory section, the financial section and the statistical section.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon the Commission's comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Pun Group, LLP has issued opinions that the financial statements for the year ended June 30, 2017 for the Ventura County Transportation Commission are presented fairly, in all material respects. The independent auditor's reports are located at the front of the financial section of this report.

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

## Profile of the Government

The Ventura County Transportation Commission (VCTC) was created by Senate Bill 1880 (Davis), Chapter 1136 of the Public Utilities Code in September of 1988 (effective January 1, 1989) as the successor agency to the Ventura County Association of Governments (VCAG) assuming all the assets and liabilities of that body. In 2004, the Commission was reorganized under Assembly Bill 2784, expanding the Commission to its current configuration of a seventeen-member board composed of five Ventura County Supervisors, ten City Council members and two Citizen Appointees (one representing the cities and one representing the county). In addition to the above membership, the Governor appoints an Ex-Officio member to the Commission, usually the Caltrans District #7 Director.

The Commission's mission is to improve mobility within the County and increase funding to meet transportation needs. To fulfill that mission, the Commission establishes transportation policies and priorities, ensuring an equitable allocation of federal, state and local funds for highway, transit, rail, aviation, bicycle and other transportation projects.



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

The Commission is responsible for the Service Authority for Freeway Emergencies (SAFE) program which provides callbox service to motorists. This service is funded through a \$1 surcharge on vehicle registrations. The Commission is financially accountable for SAFE, a legally separate entity which is blended within the Commission's financial statements.

The Commission has many regional roles within Ventura County. The Ventura County Transportation Commission is designated to administer and act as the Airport Land Use Commission (ALUC), the Consolidated Transportation Service Authority (CTSA), the Sales Tax Authority, the Local Transportation Authority and the Congestion Management Agency (CMA). Furthermore, to invite regional participation in defining the Commission's policies and priorities, the Commission staffs a number of standing regional committees and has the option of creating special purpose committees as the need arises. Currently the Commission has five standing committees which are: the Citizens Transportation Advisory Committee/Social Services Transportation Advisory Council (CTAC/SSTAC), the Transportation Technical Advisory Committee (TTAC), the Transit Operators Advisory Committee (Transcom), the Manager's Policy Advisory Committee (MPAC), and the Santa Paula Branch Line Advisory Committee (SPBLAC).

The Commission is required to adopt a budget prior to the beginning of each fiscal year. The annual budget serves as a foundation for the Commission's financial planning and control regarding staffing, operations and capital plans. After the budget is adopted, staff has the on-going responsibility to monitor actual revenues and expenditures of the budget. A budget report comparing actual revenues and expenditures to the budgeted amounts is presented to the Commission as part of the monthly agenda. Management has the discretion to transfer budgeted amounts that do not result in an increase in the overall budget. Amendments that result in an increase to the total expenditures would require Commission approval and would be taken to the Commission in a formal agenda item.

## **Local Economy**

The last few years the economy has slowly improved both nationally and locally. Similar to last year, gains in the stock market and housing market lead the indicators of national economic growth. Unemployment continues to decline and in some areas reaching pre-recession unemployment rates but job growth remains slow with wages flat. The Consumer confidence index for September 2017, at 119.8, has jumped from 103.5, for the same period last year. Consumer confidence has remained strong over the year. Consumers assessment of current conditions remain favorable with expectations that the economy will continue to expand in the months ahead according to the monthly Consumer Confidence Board's survey.

The stock market continues in an eight year volatile bull market. The Dow Jones Industrial Average (DJIA) continued to upwardly bounce to over 22,000+ points since last September. Daily swings of 100+ points continue to be accepted as normal as the world economy continues to influence our domestic economy. The stock market has been climbing since its low in April of 2009 as shown in Chart 1, *Dow Jones Industrial Average Ten Year History*. Market analysts continue to send mixed messages as the long period of stock market growth continues in a weak economy. Although this run has been longer than the "average" bull market, many economists do not expect a major slowdown through 2017.

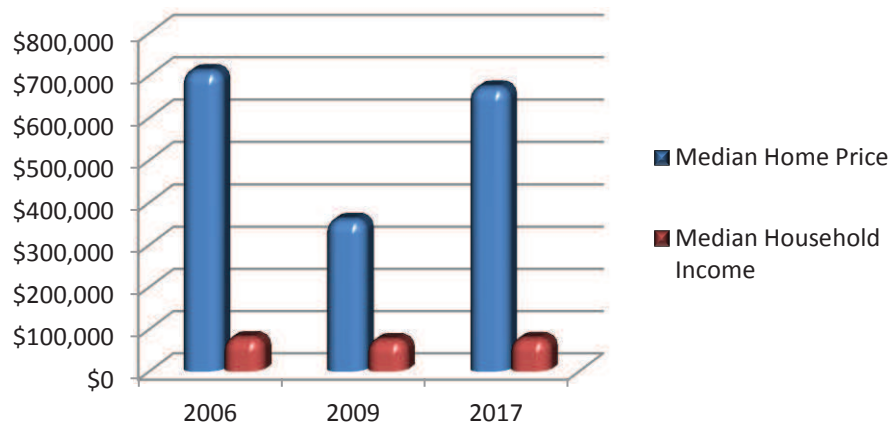
**Chart 1 - Dow Jones Industrial Average Ten Year History**



Housing prices and number of units sold continue to rise in many areas of the United States. Locally in Ventura County the market prices are slightly below pre-recession levels with prices continue to trend upward. According to the California Association of Realtors, sales of single family residence in the Ventura County home prices rose 5.1% from last year with the median price in the County at \$640,000 in August 2017. Median time on the market for homes sold in March was approximately 46 days. Foreclosure filings are up slightly from last year with foreclosure rates in August 2017 at 1 foreclosure for every 1,680 housing units compared to 1 in every 1,378 the previous year.

Housing costs remain high compared to household income (see Chart 2, *Median Home Price to Median Household Income*.) As housing prices continue to rise faster than incomes, the affordability index (percentage of households that can afford to purchase the median priced home) continues to decline. In Ventura the affordability index at the beginning of 2017 was 31% compared to 55% in 2009. This imbalance of housing costs to income continues to force young families to look outside Ventura County to raise their families resulting in a loss of sales tax revenue and property tax revenue that pay for government services and allow for improvements within the County.

**Chart 2 – Median Home Price to Median Household Income**

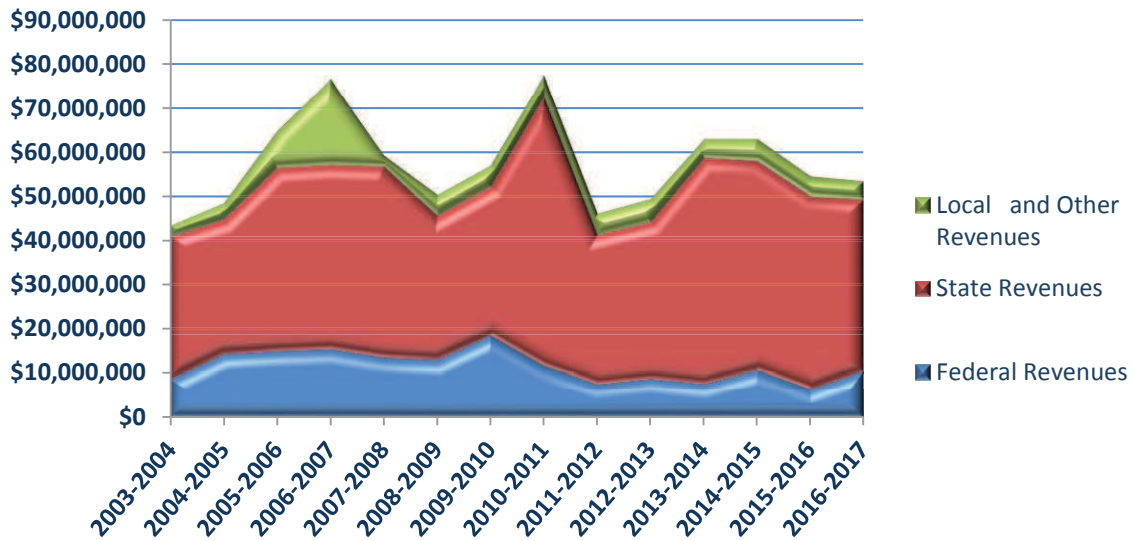


Although unemployment is down, wages remain flat and many workers are still underemployed. In August 2017, California’s unemployment rate was 5.4%, the same as last year at this time. Similar to the State, Ventura County’s unemployment rate for August was 5.3%, down from 5.6% at the same time last year. Although unemployment remains low, the concern remains that some reductions in unemployment are due to discouraged worker’s giving up completely and leaving the workforce and/or taking lower skilled/lower paying jobs.

Predictably, with property values rising and unemployment declining, local, state and federal governments that are dependent on revenues generated by property, income and sales taxes are seeing a small amount of revenue relief. However, despite several years of revenue growth, government budgets are still feeling the effects of the recession because the growth was not substantial enough to restore the steep revenue declines.

VCTC is entirely reliant on State and Federal funds. Even a small cut to state and/or federal funds will have a large impact on the services and projects VCTC provides to the County’s residents. Federal funds comprise 19.8 percent of the funds received with the majority of the funds requiring a State or local match. If the State and/or local funds are unavailable or not eligible to be used on specific projects, VCTC may be unable to utilize Federal funds that might be available and those funds might be lost. Chart 3, *Federal, State and Local Revenues 2003/2004 – 2016/2017*, reflects the historical funding mix VCTC receives.

**Chart 3 - Federal, State and Local Revenues 2003/2004 – 2016/2017**

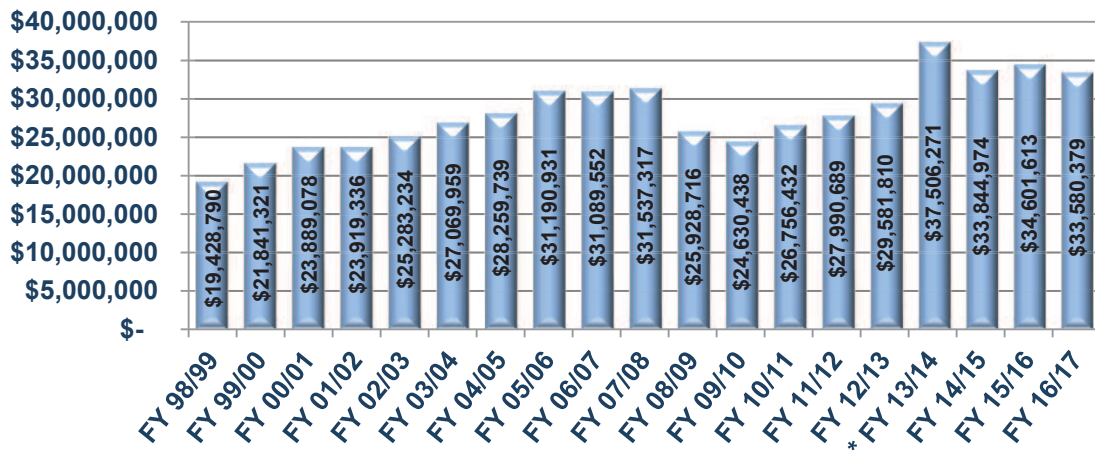


Revenues have flattened out over the last couple of years. At the same time, State and local government entities are struggling to meet the demand for normal services as costs continue to rise faster than revenues, and VCTC finds itself in a similar position. This year VCTC received 62.7 percent of its revenue from the statewide one-quarter cent Local Transportation Fund (LTF) sales tax. VCTC passed through the majority, 88.8 percent, of the LTF funds to local agencies. With the passage of SB 716, SB 203, SB 508 and AB 664

a larger portion of these funds are used for transit. A small portion will still be used for bicycle and pedestrian projects and cities with a population under 100,000 receiving TDA allocations can use these funds for streets and roads purposes after transit needs are met. VCTC uses the majority of its portion of the LTF funds for passenger rail with additional funds used for planning and administrative purposes.

The County enjoyed growing LTF receipts for many years (see Chart 4, *Local Transportation Fund Revenues 1998/1999 – 2016/2017*). However, with the downturn of the economy in the late 2000's, LTF revenues declined and bottomed out in Fiscal Year 2009/2010. LTF revenues have returned to previous levels but growth has flattened while local governments continue to struggle with increasing demands.

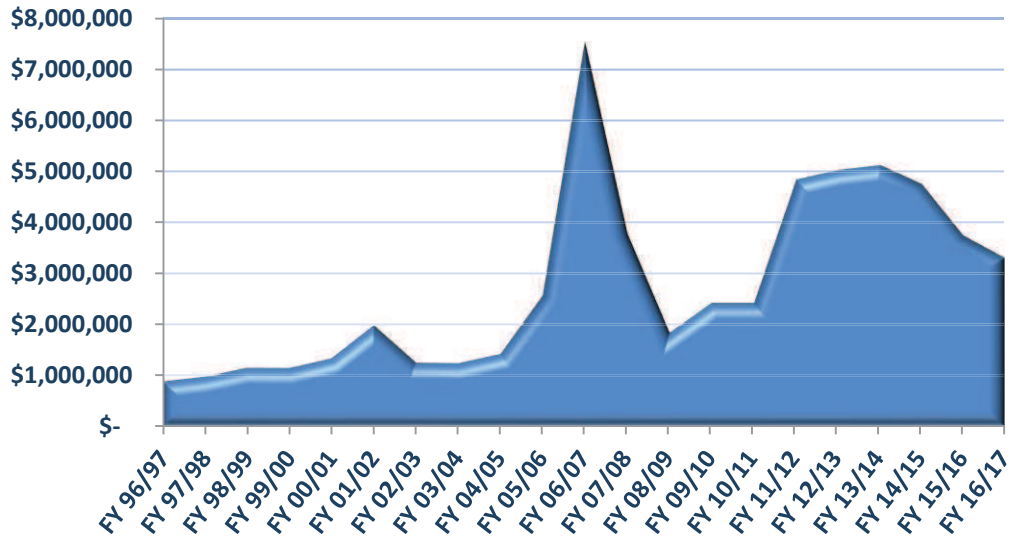
**Chart 4 - Local Transportation Fund Revenues 1998/1999 – 2016/2017**



\*Fiscal Year 2013/2014 included one-time payment for settlement

In prior years when the State's revenues fell short, the State Transit Assistance (STA) funds were raided but this has now been legislatively addressed and the funds now flow to the Regional Transportation Planning Agencies. However, the STA revenues have been declining due to the reduction in the price-based portion of the diesel fuel tax as diesel prices remain low and consumption is offset by more efficient vehicles and/or vehicles that use alternative fuels (See Chart 5, *State Transit Assistance Revenues 1996/1997 – 2016/2017*). Fortunately, with the passage of Senate Bill 1 (Beal), STA revenues will increase in Fiscal Year 2018/2019. STA revenues are 6.1 percent of the budget and are used to fund VCTC Intercity Bus Service, Metrolink Commuter rail services within the County, LOSSAN, the Santa Paula Branch Line, The VCTC Building and other transit projects.

**Chart 5 - State Transit Assistance Revenues 1996/1997 – 2016/2017**



The federal budget and transportation programs have been highly unstable and difficult to forecast over the past several years. Congress passed multiple short-term extensions of the previous Transportation Act continuing to make transportation funding unpredictable. In December 2015, President Obama signed the five year Fixing America’s Surface Transportation (FAST) Act. The FAST Act is the first law enacted in over ten years that provides long-term funding certainty for surface transportation, meaning States and local governments can move forward with critical transportation projects bringing some stability back to local governments. Unfortunately, the FAST Act is actually a slight reduction in revenues after adjusting for inflation.

VCTC, like most government agencies, must continue to provide services to the County’s residents in the face of growing demand and decreasing revenues. The transportation system that enables mobility in Ventura County is beginning to show the strain of many years of under-funding. Highways once free flowing are now congested, pot holes are an all too familiar sight on city streets and bus and rail services are struggling just to maintain current schedules and fares.

While maintenance costs are increasing significantly, State and Federal funding for transportation is diminishing and typically requires a commitment (sometimes dollar for dollar) for a local investment before funds are allocated. Absent local funding, these federal and state funds will go to other counties that can provide the local match. All this contributes to a transportation system which cannot meet our current or future needs. Local investment in our transportation system enables Ventura County to compete for federal and state funds and brings the tax dollars back to the County.

VCTC continues to aggressively seek new revenues to support the County’s transportation needs. Innovative strategic plans need to be developed now. These plans need to recognize the issues of an aging population that will place increased demands on transit and paratransit service and a diminishing revenue streams from taxes while also educating the public on the significance of transportation in the County’s overall economic health.

## Long-term Financial Planning

The November 8, 2016 ballot included Measure AA, a countywide transportation sales tax measure placed on the ballot by VCTC that would have been Ventura County's first transportation sales tax measure. The measure would have raised \$70 million a year for 30 years that would have been invested in congestion relief projects on the 101 and 118, repaired and maintained local city and county roads, and built projects to move freight safely and efficiently through Ventura County. The measure would have funded improvements to sidewalks, bicycle lanes and trails, and kept bus fares affordable for students, seniors, and veterans. It had an environmental component that would have funded projects to clean storm water runoff from our roads before that polluted water ended up in our ground water or on our beaches. Finally, Ventura County would have been able to compete for federal and state transportation grant funds because the region would have had the critical local match that is almost always required. Ventura County voters supported the measure with a "yes" vote of 58%, a full 16% points higher than the last attempt in 2004. Yet, it was still not enough to get the 66.7% super-majority required for the measure to pass.

So, VCTC will continue to rely entirely on federal and state revenue sources to fund transportation projects and services. At the federal level, Congress passed, in December 2015, a five year authorization, known as Fixing America's Surface Transportation Act (or FAST Act) which authorizes federal transportation spending through September 30, 2020. However, remaining "unfixed" is the sustainability of the Highway Trust Fund (HTF) as an \$80 billion infusion from the federal general fund provides the necessary funding for the FAST Act. Since 2008, the United States Treasury has bailed-out the federal highway trust fund to the tune of \$145 billion. The Mass Transit (MT) Account, a sub-account of the federal HTF, also continues to limp along in much the same way. The MT is the federal funding source for transit services in Ventura County including VCTC Intercity Service, Metrolink and other public transit services within the County.

The Commission receives funding predominately from three State revenue sources of which two are primarily for public transit purposes and a third for freeway improvement projects. Local Transportation Funds, or LTF, comes from statewide quarter cent sales tax on retail sales and partially funds VCTC Administration and Planning, Metrolink operations, bicycle and pedestrian improvements, bus transit services, and local streets and roads projects. Legislation passed in 2011, coupled with voter approval of Proposition 22 has created a reasonably reliable State Transit Assistance (STA) program that will permit the Commission to use this source of revenue for both public transit operations and capital purchases which will be devoted to ensuring the continuation of regional and intercity public transit service such as VCTC Intercity service and Metrolink.

In early 2015, Governor Brown called a Special Session of the Legislature to address transportation funding, especially road repair. Although no action was taken during the 2015/2016 Session, at the start of the 2017/2018 Legislative Session, transportation funding bills were reintroduced in both houses of the Legislature as well as a proposal from Governor Jerry Brown. After weeks of negotiations, the Governor and Legislative leadership announced an agreement on a transportation funding package, and Senate Bill (SB) 1 (Beall) was amended to include the provisions of the agreement and took on the title of the *Road Repair and Accountability Act*. SB 1 was passed by a two-thirds vote of both houses in April 2017. It permanently increases fuel taxes and vehicle registration charges to provide an estimated \$5.2 billion of new revenues annually for transportation. The principle of "fix it first" is fundamental to SB 1. Ventura County local governments will receive nearly



\$26 million annually to fix streets, roads and bridges. There are also several other funding programs that will support Ventura County transportation needs including capital and operating funds for bus transit and Metrolink commuter rail and competitive grant program for bicycle and pedestrian projects.

Additional State funds come to the Commission as part of the State Transportation Improvement Program (STIP) which is used primarily for major freeway projects. While STIP funds do not flow through the Commission budget, the Commission is responsible for programming these funds to priority projects. Due primarily to a drop in fuel prices in the last several years and a projection of on-going relatively low fuel prices, the California Transportation Commission adopted a Fund Estimate that cut \$754 million from the current STIP, meaning that the regional agencies had to de-program one-third of the previously-committed program.

VCTC's share of the \$754 million shortfall was \$12.4 million, but since VCTC had earlier decided to use its Surface Transportation Program funds to advance \$17 million for preliminary engineering and environmental document preparation, VCTC did not have to make any cuts. However, the loss of \$12.4 million from VCTC's STIP share will further delay the ability to fund construction of the planned highway improvements. Unfortunately, this was the one program where SB 1 did not provide much funding. Over ten years these funds are estimated to add \$1.1 billion to the STIP statewide, of which VCTC's county share would be \$18 million. While these new funds are certainly welcomed, it is important to note that the approval of the last 5-year STIP required the removal of \$750 million worth of projects which will not be fully offset by the new \$1.1 billion over the next 10 years.

## **Major Initiatives**

During the upcoming year VCTC will continue to consider projects for funding as money becomes available through various programs including calls for projects anticipated to occur for FTA Section 5310 Seniors and Individuals with Disabilities funds, the Jobs Access and Reverse Commute (JARC) portion of the Section 5307 program, and for Congestion Mitigation and Air Quality (CMAQ) funds authorized under the federal Fixing America's Surface Transportation (FAST) Act. VCTC will remain involved in the process to select projects for upcoming cycles of the state's Active Transportation Program which will receive a large funding infusion from the Road Repair and Accountability Act of 2017 (Senate Bill 1). VCTC will be engaged in the process development for project selection in the new competitive funding categories created by Senate Bill 1, and will work with local jurisdictions to prepare the biennial submittal to the Southern California Association of Governments for the 2018 Federal Transportation Improvement Program. Staff will also continue to monitor and facilitate the delivery of many smaller projects funded from various state and federal sources.

The Commission has approved using Surface Transportation Program (STP) funds to expedite the project development work, and eventual implementation, for the priority Route 101 and Route 118 freeway improvements. As part of this new initiative, VCTC will for the first time be assuming direct involvement in managing the state highway project development work, in this case for the Route 101 project. A significant amount of VCTC staff effort will also be required for the Route 118 project even though Caltrans will remain the project lead. During the upcoming year, the primary emphasis will be on starting the work for the two projects' preliminary engineering and environmental documents.

VCTC Regional Transportation Planning efforts will continue in working with all local jurisdictions, our neighboring counties and the Southern California Association of Governments (SCAG), but the primary focus for Fiscal Year 2017/2018 will be building tools and programs to provide solid analytical resources.

Last updated in 2007, the Ventura County Traffic Model (VCTM) reflected the prerecession economic conditions and is now outdated as a reliable predictor of regional traffic. An update and expansion of model functionality will be completed during Fiscal Year 2017/2018. The VCTM will contain a 2012 base year model as well as a 2040 forecast year with the ability to analyze peak period traffic, the impacts of changes in transit services, and increases in Vehicle Miles Traveled (VMT) as a result of land use changes. This model will be the most robust model VCTC has developed and will also serve to inform the County of Ventura General Plan update currently underway.

Related to the modeling effort, Ventura County's Congestion Management Plan (CMP) will be updated in Fiscal Year 2017/2018. The CMP has not been updated since 2009 and is in need of substantial revision to reflect current policies and project priorities. Additionally, digital count data now exists that meets the highway performance monitoring criteria and will allow staff and the local jurisdictions to monitor their roadways in real time as opposed to traffic counts taken once every other year.

Staff will continue regional transit planning activities and coordination with other transit providers in the county. Traditional planning activities in this task include managing the Unmet Transit Needs process, staffing the Transcom committee, engagement with all Ventura County public transit operators and continued implementation of the five-year short range transit plan.

New federal regulations now require transit operators to implement transit asset management and safety management plans, which will be prepared this fiscal year. Staff will continue working with various county transit providers to conduct a feasibility study for a regional transit fare system. The feasibility study is intended to develop options and recommendations for a regional transit fare system. It will also inform operators on the cost-effectiveness of new technology investments such as mobile ticketing or smartcard fare media. Finally, staff will prepare a three year update to the Title VI and Public Information Plan as required by the Federal Transit Administration.

VCTC was one of the first transit providers in the United States to implement real-time arrival information at bus stops. This service has been provided by the same vendor for a period of over fifteen years. During the coming fiscal year, VCTC will be engaged in a formal request for proposals process to replace and update the system. The system currently operates across the County, on over one hundred and thirty vehicles and at over forty bus stop locations. The data is streamed live to passengers at stops, on the web and to smart-phones. The replacement system is anticipated to utilize similar technology and extend the reach of the County's transit arrival information to third-party app developers and to major clearing houses of transit data, such as Google Transit. Similarly, the recent advancements in technology provide VCTC and county operators greater on-time performance monitoring, as well as, the reporting capability to assist with not just daily operations and service planning, but also mandated State and Federal reporting requirements. Utilizing a mix of a CMAQ grant and FTA section 5307 funds, the replacement project is anticipated to be completed this fiscal year, following system installation and acceptance-testing, with final "go-live" to take place by Summer 2018.

## Planning for the Future

For the last several years, there has been a common refrain of frustration brought about by inactivity at all levels of government to make tough decisions about raising revenues to invest in transportation. This year there is an exception to that “doom and gloom” news. SB 1, the *Road Repair and Accountability Act*, provides \$5.2 billion of new revenues annually and invests those funds primarily in shoring up the state highway system, repairing city and county roads and bridges and some additional funding for public transit. Ventura County local governments will receive significant annual long term funding for fixing streets, roads and bridges. Additionally, there are several other funding programs that will support Ventura County transportation needs including capital and operating funds for bus transit and Metrolink commuter rail. SB 1 includes a freight movement program that may provide partial funding for the \$70 million Rice Avenue Bridge over the Union Pacific Railroad tracks in Oxnard, assuming of course that we can identify a local match that the freight movement program will require, an issue VCTC struggles with regularly due to not having a transportation sales tax measure.

SB 1 provides funding for critically needed investments in California’s and Ventura County’s transportation system, but it does not solve all of our long range transportation challenges. SB 1 addresses the “aging pains” of California’s transportation system but does little to address the “growing pains.”

Ventura County residents are spending more and more time every day sitting in freeway gridlock on the 101, 118, and 23 as they endure their daily commute. The trend is expected to get worse as the time we sit in bumper to bumper traffic is projected to increase by 50% over the next 10-15 years. In other words on a typical weekday afternoon the 101 is stop and go for about 2 hours, so in the future we will be sitting in bumper to bumper traffic for 3 hours every afternoon. Unfortunately, major freeway project funding did not make it into the final SB 1 package, thus, leaving Ventura County with the question of “where does the money come from to improve our freeways to facilitate a healthy Ventura County economy and keep our residents from being stuck in traffic every day?”

With limited resources, the Commission must focus on specific areas of operation. The following is a listing of the programs and projects that the Commission concentrates on to serve the residents and business community of Ventura County:

### Transit and Specialized Transportation Program

- Fare Collection and APC System
- Senior and Disabled Transportation Services
- Transit Grant Administration
- Transit Stop Enhancements
- Valley Express
- VCTC Intercity Bus

### Highway Program

- Callbox System
- Highway Project Management
- SpeedInfo

#### Rail Program

- LOSSAN – Coast Rail Coordinating Council
- Metrolink Commuter Rail
- Santa Paula Branch Line

#### Commuter Assistance Program

- Regional Transit Information Center
- Rideshare and Employer Services

#### Planning and Programming Program

- Airport Land Use Commission
- Freight Movement
- Regional Transit Planning
- Regional Transportation Planning
- Transportation Development Act
- Transportation Improvement Program and Monitoring

#### General Government Program

- Community Outreach and Marketing
- Management and Administration
- State and Federal Governmental Relations
- VCTC Office Building

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ventura County Transportation Commission for its comprehensive annual financial report for the Fiscal Year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

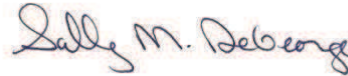
The management and finance staff are proud of the commitment to open, accountable, and transparent financial reporting and this is the eighth consecutive year that the Commission has received this prestigious award, which recognizes conformance with the highest standards for preparation of State and local government financial reports. This effort would not have been possible without the collaborative and collective effort of Commission staff and the independent auditors. The undersigned are grateful to all involved for their time, efforts and support to provide informative information.

Finally, without the leadership and support of the Commission, these changes would not be possible. There may be no more dynamic a time in transportation and transportation funding than what we will experience over the next several years. VCTC must continue to test our limits of creativity and resourcefulness as we endeavor to ensure a sustainable transportation future in such challenging times.

Very truly yours,



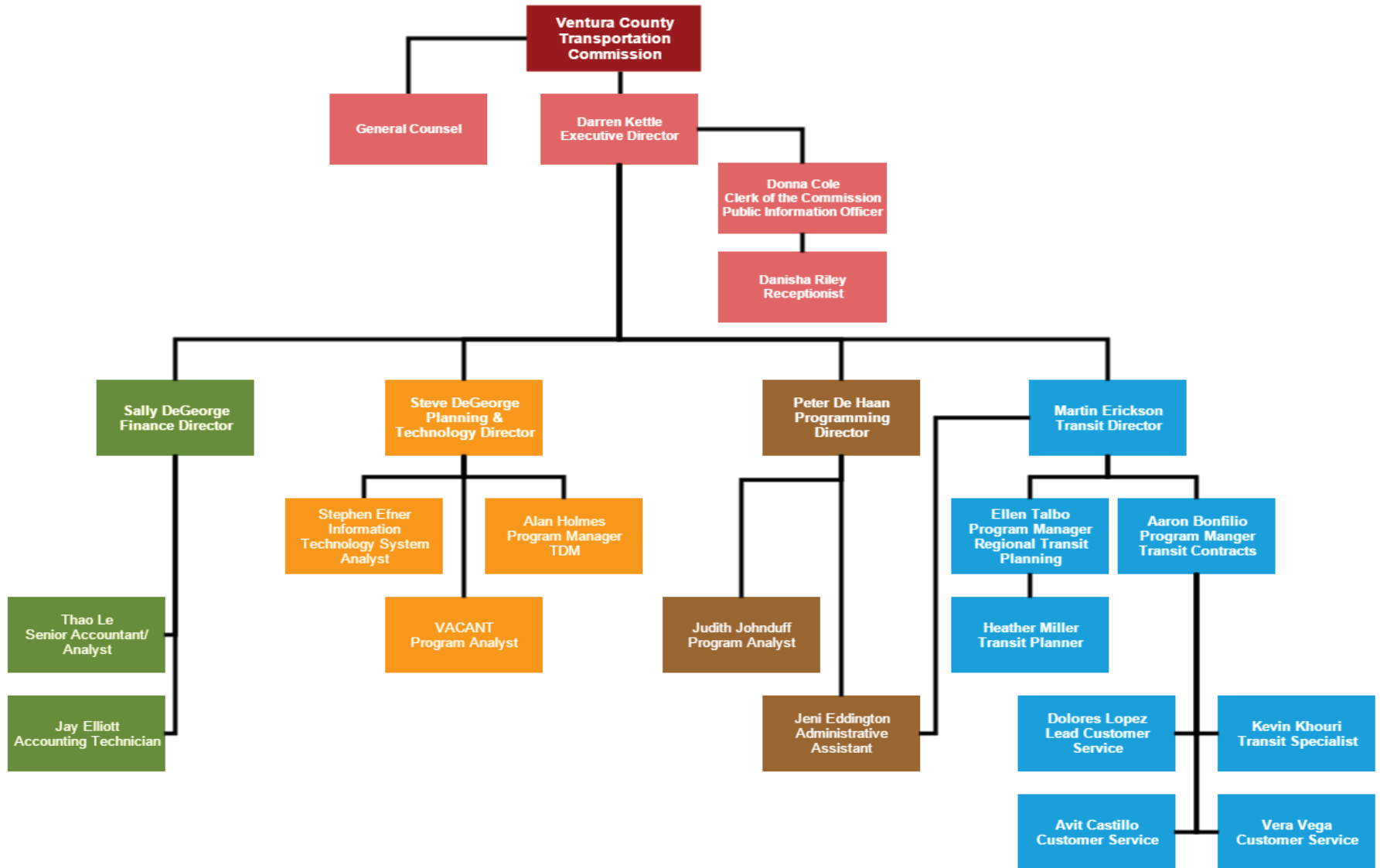
DARREN M. KETTLE  
Executive Director



SALLY M. DEGEORGE  
Finance Director

# ORGANIZATIONAL CHART

## Fiscal Year 2016/2017



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
**LIST OF PRINCIPAL OFFICIALS**  
(As of June 30, 2017)

**Board of Commissioners:**

Bryan MacDonald	City of Oxnard, Chair
Linda Parks	County of Ventura, Vice-Chair
Neal Andrews	City of Ventura
Steve Bennett	County of Ventura
Will Berg	City of Port Hueneme
Claudia Bill-de la Peña	City of Thousand Oaks
Peter Foy	County of Ventura, Past-Chair
Ginger Gherardi	City of Santa Paula
Randy Haney	City of Ojai
Brian Humphrey	Citizen Representative (Cities)
Mike Judge	City of Simi Valley
Kelly Long	County of Ventura
Jan McDonald	City of Camarillo
Manuel Minjares	City of Fillmore
Ken Simons	City of Moorpark, Chair
Jim White	Citizen Representative (County)
John Zaragoza	County of Ventura
Carrie Bowen	Caltrans (Ex-Officio)

**Executive Management:**

Darren Kettle	Executive Director
Sally DeGeorge	Finance Director
Steve DeGeorge	Planning and Technology Director
Peter De Haan	Programming Director
Martin Erickson	Transit Director



Government Finance Officers Association

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for Excellence  
in Financial  
Reporting**

Presented to

**Ventura County  
Transportation Commission  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Ventura County Transportation Commission  
Ventura, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Ventura County Transportation Commission ("Commission") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Commission, as of June 30, 2017, 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.

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**Other Matters**

*Prior Year Comparative Information*

We have previously audited the Commission's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of governmental activities and each major fund in our report dated November 4, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, Schedule of Funding Progress for Other Postemployment Benefits, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 7 to 22 and 71 to 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Santa Ana, California  
October 27, 2017



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Ventura County Transportation Commission  
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Ventura County Transportation Commission ("Commission"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 27, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Peris Group, LLP*

Santa Ana, California  
October 27, 2017

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

As management of the Ventura County Transportation Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the Fiscal Year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages i through xiii and the audited financial statements, which begin on page 25.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$78,805,480 (net position). The net position consisted of net investment in capital assets of \$58,523,211, restricted net position of \$21,680,879 and unrestricted net position (deficit) of \$(1,398,610).
- The unrestricted net position (deficit) results from the recording of the net pension liability and related deferrals (previously off balance sheet and discussed in the notes to the financial statement). The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly, the Commission does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.
- The Commission's total net position decreased by \$3,888,223 during Fiscal Year 2016/2017. The decrease is primarily due to a decrease in restricted funds due to consumption of prepaid items, utilization of rail funds, lower Local Transportation Funds and State Transit Assistance revenues, a decrease in net capital assets due to depreciation and pension adjustments.
- Total capital assets, net of depreciation, were \$58,523,211 at June 30, 2017 representing an -1.0 percent decrease or \$592,992. This decrease in capital assets is primarily due to depreciation of assets.
- At the close of the current fiscal year, the Commission's governmental funds reported combined fund balances of \$22,020,963 a decrease of \$3,270,831 largely due to the consumption of prepaid items and utilization of rail funds held within the General Fund balance as well as lower Local Transportation Funds and State Transit Assistance revenues. Approximately 1.3 percent of the fund balance, or \$291,854, is available for spending at the government's discretion (unassigned fund balance).
- After reviewing Commissions accounting and financial reporting including its measurement focus and basis of accounting and researching industry practice, Governmental Accounting Standards Board (GASB) 34, and other related pronouncements, the Commission established two new proprietary funds: VCTC Intercity and Valley Express. At the close of the current fiscal year, the Commission's proprietary funds reported combined fund balances of \$9,285,378 primarily consisting of transit capital assets.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Overview of Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements consist of three components: Government-wide Financial Statements, Fund Financial Statements, and Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

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

The Statement of Net Position presents information on all of the Commission's assets and liabilities using the accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (eg. earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by sales taxes and intergovernmental revenues (governmental activities). The governmental activities of the Commission include disbursements to cities, the County, transit operators, commuter rail and rail projects, planning and programming projects, highway projects, professional services and general government.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental Activities – All of the Commission's core responsibilities and regional responsibilities are considered governmental activities. These activities are included in the general fund and three special revenue funds (Local Transportation Fund, State Transit Assistance Fund, and Service Authority for Freeway Emergencies Fund).
- Proprietary Activities/Business-type Activities – The fees the Commission charges to customers are intended to provide significant support to cover all or majority of the costs of certain services it provides. The Commission operates two transit bus services reported as business-type activities.

The government-wide financial statements include financial information only for the Commission and its blended component unit. The government-wide financial statements can be found on pages 25 and 26 of this report.



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has governmental and proprietary funds but no fiduciary funds.

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

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

The Commission maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the related statement of revenues, expenditures and changes in fund balances for the Commission's major governmental funds comprised of the General Fund, Local Transportation Fund (LTF), State Transit Assistance fund (STA), and Service Authority for Freeway Emergencies (SAFE) fund.

Proprietary Funds are used to account for activities that receive significant support from fees and charges for services. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Commission has two enterprise funds (VCTC Intercity and Valley Express) but no internal service funds.

The Commission adopted a comprehensive annual budget for all funds on June 3, 2016. Budgetary comparison schedules have been provided for the General Fund, the Local Transportation Fund, the State Transit Assistance fund, the Service Authority for Freeway Emergencies fund, the VCTC Intercity fund and the Valley Express fund as supplementary information to demonstrate compliance with these budgets. The governmental fund financial statements, including the reconciliation between the fund financial statements and the governmental financial statements, can be found on pages 28 through 31 of this report. The proprietary fund financial statements can be found on pages 33 through 35.

Notes to the Basic Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found on pages 36 through 67 of this report.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Other Information**

In addition to the Basic Financial Statements and accompanying Notes is two types of supplementary reports. The Required Supplementary Information provides the Commission's budgetary results for the General Fund and major Special Revenue Funds with appropriated budgets and its progress in funding its obligation to provide Pension and Other Post-Employment Benefits (OPEB) to its employees and can be found on 71 through 78 of this report. The Supplementary Information provides the Commission's budgetary results for the VCTC Intercity and Valley Express proprietary funds and can be found on pages 81 and 83.

**Government-wide Financial Analysis**

Statement of Net Position:

As previously noted, net position may serve over time as a useful indicator of the Commission's financial position. At June 30, 2017, the Commission's assets exceed liabilities by \$78,805,480, a \$3,888,223 decrease from June 30, 2016 primarily due to consumption of prepaid items, utilization of rail funds, lower Local Transportation Funds and State Transit Assistance revenues, a decrease in net capital assets due to depreciation and pension adjustments. The analysis below focuses on the net position and changes in net position of the Commission's governmental activities.

The following table represents condensed financial data related to net position for the Fiscal Years ended June 30, 2017 and 2016:

**Ventura County Transportation Commission**  
**Statement of Net Position**  
**As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current and other assets	\$ 28,351,895	\$ 30,098,722	\$ 1,174,038	\$ -	\$ 29,525,933	\$ 30,098,722
Capital assets not being depreciated	26,236,267	26,153,437	-	-	26,236,267	26,153,437
Capital assets, net of accumulated depreciation	<u>22,913,819</u>	<u>32,962,766</u>	<u>9,373,125</u>	<u>-</u>	<u>32,286,944</u>	<u>32,962,766</u>
<b>Total assets</b>	<b><u>77,501,981</u></b>	<b><u>89,214,925</u></b>	<b><u>10,547,163</u></b>	<b><u>-</u></b>	<b><u>88,049,144</u></b>	<b><u>89,214,925</u></b>
<b>Deferred outflows of resources</b>	<b><u>464,019</u></b>	<b><u>163,074</u></b>	<b><u>24,661</u></b>	<b><u>-</u></b>	<b><u>488,680</u></b>	<b><u>163,074</u></b>
<b>Liabilities:</b>						
Current and other liabilities	6,422,869	4,906,928	1,182,101	-	7,604,970	4,906,928
Long-term liabilities	<u>1,689,703</u>	<u>1,203,724</u>	<u>86,630</u>	<u>-</u>	<u>1,776,333</u>	<u>1,203,724</u>
<b>Total liabilities</b>	<b><u>8,112,572</u></b>	<b><u>6,110,652</u></b>	<b><u>1,268,731</u></b>	<b><u>-</u></b>	<b><u>9,381,303</u></b>	<b><u>6,110,652</u></b>
<b>Deferred inflows of resources</b>	<b><u>333,326</u></b>	<b><u>573,644</u></b>	<b><u>17,715</u></b>	<b><u>-</u></b>	<b><u>351,041</u></b>	<b><u>573,644</u></b>
<b>Net position:</b>						
Net investment in capital assets	49,150,086	59,116,203	9,373,125	-	58,523,211	59,116,203
Restricted	21,680,879	24,807,391	-	-	21,680,879	24,807,391
Unrestricted (deficit)	<u>(1,310,863)</u>	<u>(1,229,891)</u>	<u>(87,747)</u>	<u>-</u>	<u>(1,398,610)</u>	<u>(1,229,891)</u>
<b>Total net position</b>	<b><u>\$ 69,520,102</u></b>	<b><u>\$ 82,693,703</u></b>	<b><u>\$ 9,285,378</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 78,805,480</u></b>	<b><u>\$ 82,693,703</u></b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2017

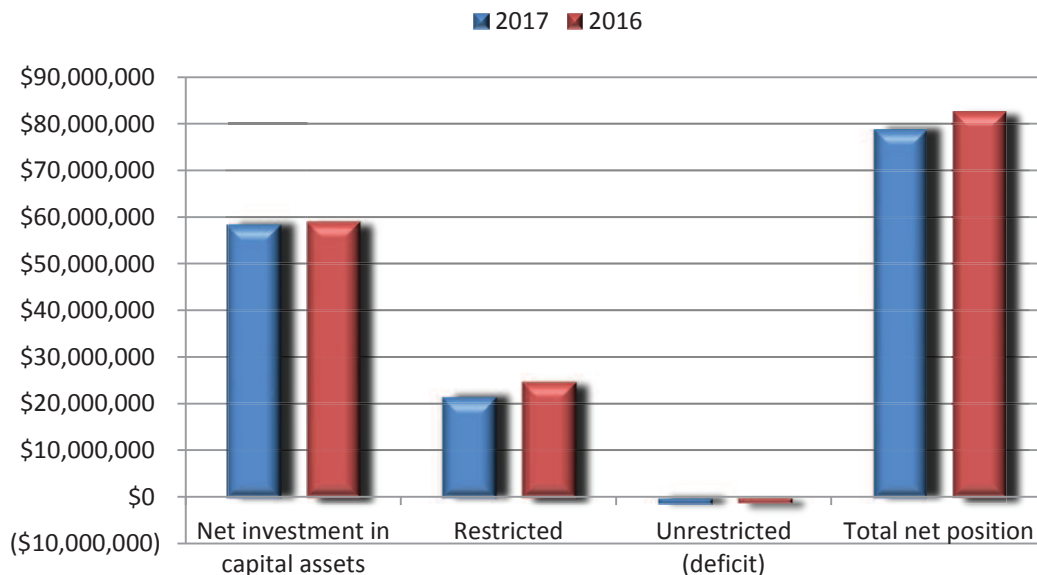
**Government-wide Financial Analysis, continued**

Approximately 74 percent, or \$58,523,211, of the Commission's net position is investments in capital assets (eg. land and improvements, rail stations, buses, office furniture and equipment, etc.) less any related debt used to acquire those assets that is still outstanding, if applicable. At this time, the Commission has no debt related to capital assets. The Commission uses these assets to provide commuter rail, highway, and transit and transportation assistance to the residents and business community of Ventura County. Capital assets decreased approximately 1.0 percent or \$592,992 in Fiscal Year 2016/2017. The change in capital assets is primarily due to depreciation of assets and is discussed in greater detail in Note 3 of the Notes to the Basic Financial Statements.

A significant portion of the Commission's net position, \$21,680,879, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities decreased by 12.6 percent in Fiscal Year 2016/2017. This decrease of \$3,126,512 was largely due to lower Local Transportation Funds and State Transit Assistance revenues and use of funds for transit and rail needs.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. At June 30, 2017, the unrestricted net position from governmental activities decreased by \$168,719 to a deficit of \$1,398,610 largely due to the net pension liability. The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly the Commission does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.

**Net Position  
 As of June 30, 2017 and 2016**



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Government-wide Financial Analysis, continued**

Statement of Activities:

Net position can be a useful indicator of the Commission's financial position over time. The Commission's total program and general revenues were \$53,519,311, while the total costs of all programs were \$57,407,534. Total revenues decreased by 1.7 percent and the total costs of all programs increased by 0.8 percent for a decrease in net position of \$3,888,223. The following is a summary of the financial data related to the Statement of Activities for the Fiscal Years ended June 30, 2017 and 2016:

**Ventura County Transportation Commission**  
**Statement of Activities**  
**As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 355,580	\$ 1,681,929	\$ 2,634,588	\$ -	\$ 2,990,168	\$ 1,681,929
Operating grants and contributions	7,350,668	10,703,637	6,170,768	-	13,521,436	10,703,637
Capital grants and contributions	-	3,612,756	-	-	-	3,612,756
<b>General revenues:</b>						
Transportation development act sales taxes	36,885,745	38,344,885	-	-	36,885,745	38,344,885
Investment earnings	120,592	117,858	582	-	121,174	117,858
Other miscellaneous revenue	788	5,595	-	-	788	5,595
<b>Transfers</b>	(3,218,347)	-	3,218,347	-	-	-
<b>Contributed Capital, net</b>	(8,976,706)	-	8,976,706	-	-	-
<b>Total revenues</b>	<b>32,518,320</b>	<b>54,466,660</b>	<b>21,000,991</b>	<b>-</b>	<b>53,519,311</b>	<b>54,466,660</b>
<b>Expenses:</b>						
Commuter assistance	61,354	16,872	-	-	61,354	16,872
General government	3,526,219	3,722,332	-	-	3,526,219	3,722,332
Highways	561,319	961,504	-	-	561,319	961,504
Planning and programming	4,446,225	4,565,821	-	-	4,446,225	4,565,821
Rail	6,594,505	5,221,916	-	-	6,594,505	5,221,916
Transit and transportation	30,502,299	42,455,672	11,715,613	-	42,217,912	42,455,672
<b>Total expenses</b>	<b>45,691,921</b>	<b>56,944,117</b>	<b>11,715,613</b>	<b>-</b>	<b>57,407,534</b>	<b>56,944,117</b>
Change in net position	(13,173,601)	(2,477,457)	9,285,378	-	(3,888,223)	(2,477,457)
Net position at beginning of year	82,693,703	85,171,160	-	-	82,693,703	85,171,160
<b>Net position at end of year</b>	<b>\$ 69,520,102</b>	<b>\$ 82,693,703</b>	<b>\$ 9,285,378</b>	<b>\$ -</b>	<b>\$ 78,805,480</b>	<b>\$ 82,693,703</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2017

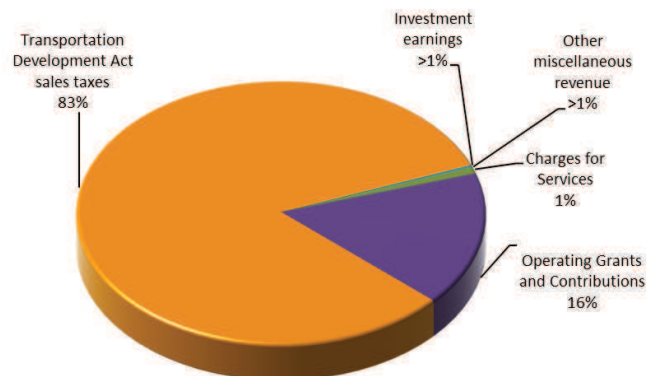
**Government-wide Financial Analysis, continued**

Statement of Activities – Governmental Funds:

The Commission's governmental program and general revenues were \$32,518,320, while the total costs of all programs were \$45,691,921. Total revenues decreased by 40.3 percent and the total costs of all programs decreased by 19.8 percent for a decrease in net position of \$13,173,601. Key elements are as follows:

- Charges for services were \$355,580. The decrease of \$1,326,349 is largely due to fares for the bus services being transferred out of the general fund into the business-type funds.
- Operating and capital grants and contributions were \$7,350,668. The decrease of \$6,965,725 is largely due operating and capital grant revenue associated with the bus services being transferred out of the general fund into the business-type funds and approximately \$1 million less in pass-through funding to local transit agencies which is a normal fluctuation.
- The total Transportation Development Act sales tax receipts for LTF and STA decreased by \$1,459,140. The decrease is largely due to a decrease in sales tax revenue for the Local Transportation Fund and sales tax revenues on diesel fuel tax for the State Transit Assistance fund.
- Investment earnings increased by \$2,734 due to higher account balances.
- Other miscellaneous revenues decreased by \$4,807 due to normal fluctuations.
- Transfers out of the governmental funds into the business-type fund consisted of \$3,218,347 in STA funds into the VCTC Intercity business-type fund.
- Net capital contributions of \$8,976,706 were transferred out of the general fund into the VCTC Intercity business-type fund consisted of \$9,047,241 in partially depreciated transit assets offset by \$79,535 in pension liability.

**Governmental Revenue Activities  
 As of June 30, 2017**



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2017

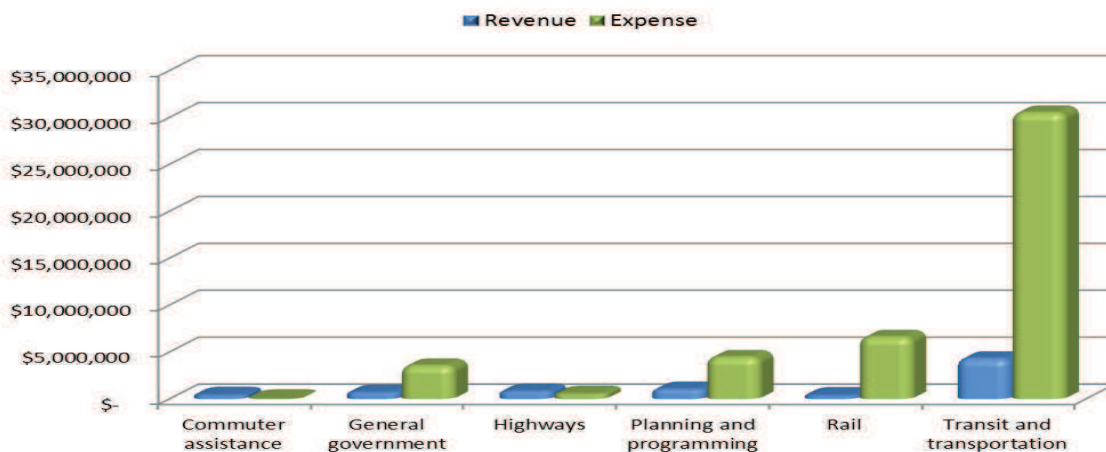
**Government-wide Financial Analysis, continued**

Statement of Activities – Governmental Funds, continued:

- Commuter Assistance activities increased by \$44,482 largely due to staffing costs returning to full capacity.
- General Government activities decreased by \$196,113 largely due to staffing cost associated with the bus services being transferred out of the general fund into the business-type funds.
- Highway activities decreased by \$400,185 largely due to the completion of the callbox 3G network.
- Planning and Programming activities decreased by \$119,596 largely due to the completion of consultant activities associated with the Regional Wayfinding project and the TDA triennial audit.
- Rail activities increased by \$1,372,589. Although the capital improvements for Metrolink were down, the costs for the Santa Paula Branch Line increased due to a settlement (see Note 4) of past track maintenance and repair costs that had been on-going for several years.
- Transit expenses decreased by \$11,953,373. The decrease was largely due to costs associated with the bus services being transferred out of the general fund into the business-type funds discussed in the proprietary fund section and almost \$1 million less in pass-through funding to local transit agencies. The pass-through funding to local agencies is a normal fluctuation based on reimbursement of projects.

The following graph depicts program revenues and expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2017.

**Governmental Activities Revenue and Expenses by Program  
 As of June 30, 2017**



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

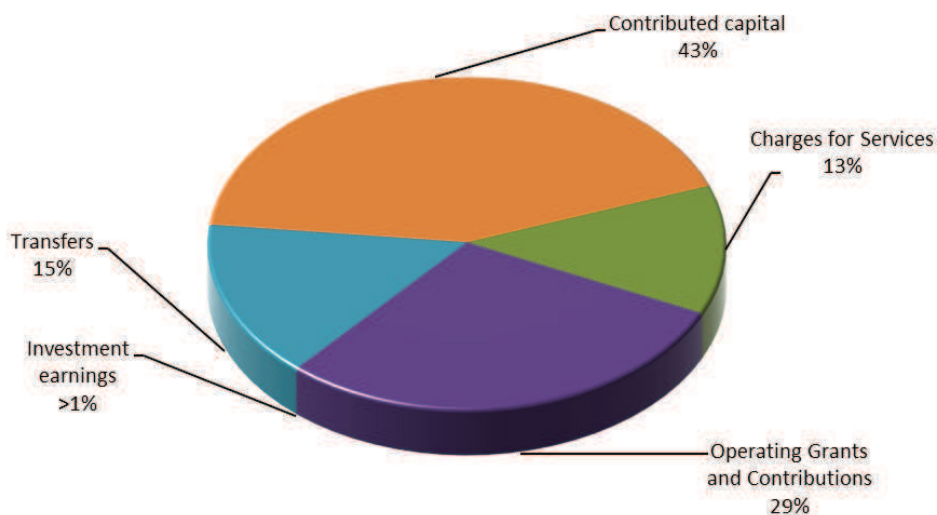
**Government-wide Financial Analysis, continued**

Statement of Activities - Proprietary Activities:

The Commission established two new proprietary funds in Fiscal Year 2016/2017 which were previously included within the general fund. The VCTC Intercity and Valley Express funds provide transit services for Ventura County residents. The program, general revenues, transfers and contributions were \$21,000,991, while the total costs of all programs were \$11,715,613. The ending net position for the year was \$9,285,378. Key elements are as follows:

- Charges for services were \$2,634,588. These revenues for transportation services consist of on-board bus fares, pass revenues fares and route guarantees provided by outside agencies.
- Operating and capital grant and contribution revenues were \$6,170,768. These funds were largely federal, state and local transportation funds
- Investment earnings were \$582.
- Transfers into the VCTC Intercity fund consisted of \$3,218,347 from the STA fund.
- Net capital contributions of \$8,976,706 were transferred into the VCTC Intercity fund from the general fund consisted of \$9,047,241 in partially depreciated transit assets offset by \$79,535 in pension liability.

**Business-Type Revenue Activities**  
**As of June 30, 2017**



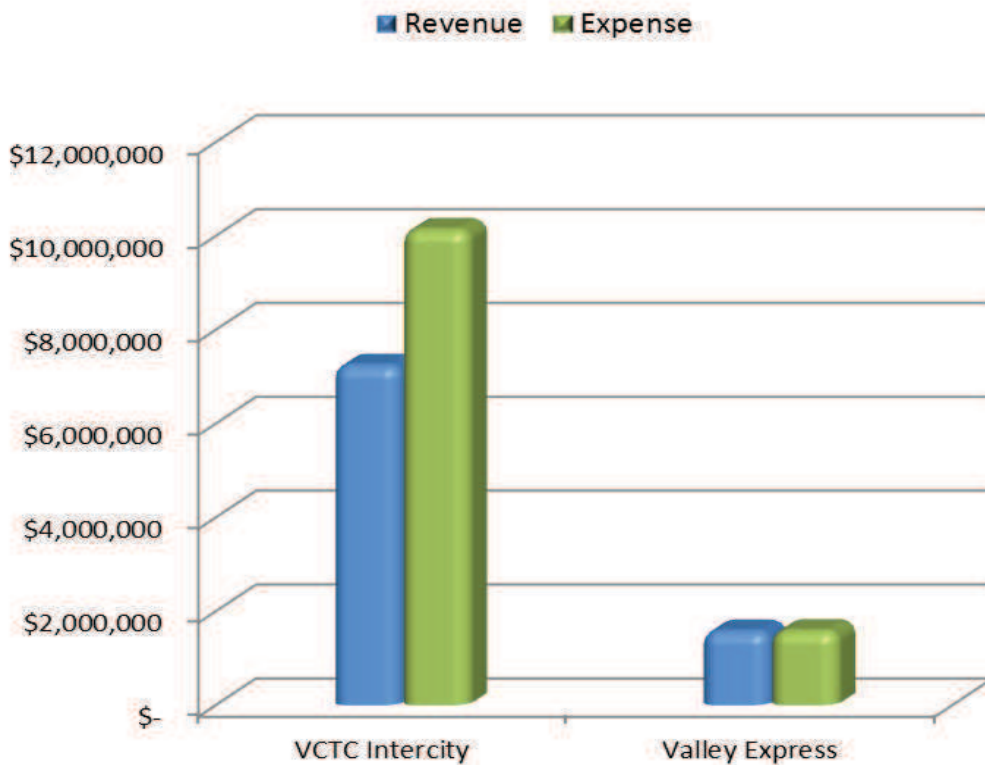
**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Government-wide Financial Analysis, continued**

Statement of Activities - Proprietary Activities, continued:

- VCTC Intercity activities totaled \$10,138,496 for increased operational costs that were negotiated with the bus service provider, depreciation and the purchase of two buses.
- Valley Express activities totaled \$1,577,117 for operations. Costs were lower than the previous year as operational service was adjusted and camera equipment purchase was completed in the prior year.

**Business-type Revenue and Expense Activities by Fund**  
As of June 30, 2017





**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2017

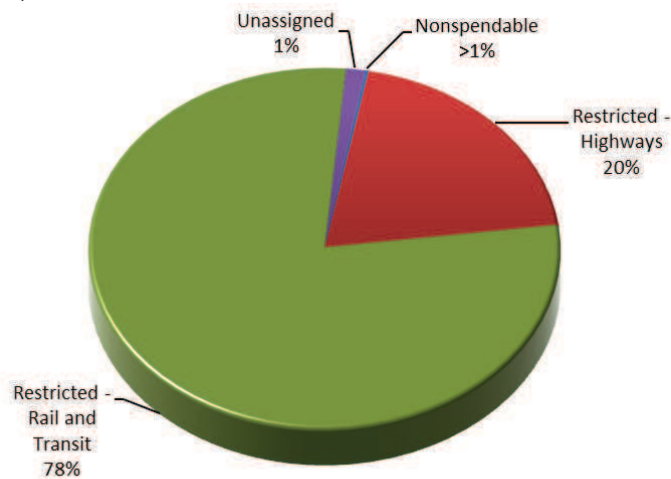
**Fund Financial Statement Analysis**

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds:

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

As of June 30, 2017, the Commission's governmental funds reported combined ending fund balances of \$22,020,963, a decrease of \$3,270,831 from the prior year. This change is due to the consumption of prepaid items, utilization of rail funds held within the General Fund balance as well as lower sales tax revenues for the Local Transportation Fund and State Transit Assistance fund. Of the approximately \$22 million fund balance, 98 percent is restricted for rail, transit and highways projects, 0.2 percent is nonspendable for prepaid items and deposits, while the remaining 1 percent is unassigned in the General Fund and available for spending at the Commission's discretion. The graph below depicts the fund balances as of June 30, 2017.



The following table presents the fund balances for the governmental funds for Fiscal Years 2016/2017 and 2015/2016:

Fund Balance	Fiscal Year 2016/2017	Fiscal Year 2015/2016	% of Change	Change
General Fund	\$ 1,624,056	\$ 2,478,487	-34%	\$ (854,431)
Special Revenue funds:				
Local Transportation Fund	7,651,852	8,108,784	-6%	(456,932)
State Transit Assistance Fund	8,338,130	10,656,447	-22%	(2,318,317)
Service Authority for Freeway Emergency Fund	4,406,925	4,048,076	9%	358,849
<b>Total Fund Balance</b>	<b>\$ 22,020,963</b>	<b>\$ 25,291,794</b>	<b>-13%</b>	<b>\$ (3,270,831)</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Fund Financial Statement Analysis, continued**

Governmental Funds, continued:

Key elements for the Commission's governmental funds at June 30, 2017 were:

- The balance in the General Fund decreased by \$854,431 in Fiscal Year 2016/2017. Of the \$1,624,056 fund balance, \$48,230 is nonspendable for prepaid items and deposits, \$1,283,972 is restricted for rail and transit purposes, and \$291,854 is unassigned. The decrease is largely due to the consumption of prepaid items and utilization of rail funds held within the General Fund balance.
- The Local Transportation Fund balance decreased by \$456,932 due to a decrease in sales tax revenues for decreased consumer spending.
- The State Transit Assistance Fund decreased by \$2,318,317 due a decrease in sales tax revenues for lower collection of diesel fuel sales taxes and increased transfers-out for transit and rail costs due to a settlement for past services (see Note 4).
- The Service Authority for Freeway Emergency Fund increased by \$358,849 due to expenditures being less than revenues.

Proprietary Funds:

The Commission's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning these funds have already been addressed in the discussion of the government-wide financial analysis of business-type activities.

**General Fund Budgetary Highlights**

When the original budget is prepared, the exact carry-in balances of continuing projects are unknown and estimates are made. Amendments are made throughout the year to the budget to correct beginning balances, add new projects and adjust existing projects as needed. Differences between the original budget and the final amended budget for the General Fund resulted in approximately a \$4.5 million increase in appropriations and were largely related to the following changes:

- The General Government budget increased approximately \$224,000 largely due to carried-over consultant costs associated with the new office building and staffing costs associated with carry-over activities with the purchase/construction of the office building.
- The Planning program budget increased approximately \$409,000 largely for carried-over consultant studies associated with the Regional Transportation Planning and Regional Transit Planning budgets for carried-over consultant activities.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**General Fund Budgetary Highlights, continued**

- The Rail program budget increased approximately \$3.8 million largely due to new and carry-over Proposition 1B funds for Metrolink capital pass-through projects as well as settlement costs (see Note 4) for prior track maintenance work.
- The Transit program increased approximately \$58,000 largely due to the carry-over of delayed purchasing of transit stop enhancement equipment.
- Budgeted intergovernmental revenues increased approximately \$1.6 million and “transfers-in” increased approximately \$2.4 million due to the increased expenses noted above and the exchange of transfers instead of revenues. Charges for services increased \$100,000 for reimbursable fees on the Santa Paula Branch Line.

Variances between the General Fund actual expenditures and the final amended budget are briefly summarized in the following table:

General Fund Budgetary Variance	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final Budget	Percentage Variance
<b>Revenues:</b>				
Intergovernmental	\$ 13,588,773	\$ 6,550,035	\$ (7,038,738)	-52%
Charges for services	375,000	355,580	(19,420)	-5%
Investment income	-	2,071	2,071	-
Other revenue	-	161	161	-
<b>Total revenues</b>	<b>13,963,773</b>	<b>6,907,847</b>	<b>(7,055,926)</b>	<b>-51%</b>
<b>Expenditures:</b>				
<b>Current</b>				
General government	7,755,701	3,573,662	4,182,039	54%
Programs	18,885,518	10,964,191	7,921,327	42%
<b>Total expenditures</b>	<b>26,641,219</b>	<b>14,537,853</b>	<b>12,103,366</b>	<b>45%</b>
<b>Other financing sources:</b>				
Transfers in	10,704,237	6,784,575	(3,919,662)	-37%
<b>Total other financing sources</b>	<b>10,704,237</b>	<b>6,784,575</b>	<b>(3,919,662)</b>	<b>-37%</b>
<b>Net change in fund balance</b>	<b>\$ (1,973,209)</b>	<b>\$ (845,431)</b>	<b>\$ 1,127,778</b>	<b>-57%</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**General Fund Budgetary Highlights, continued**

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

- The approximate \$7 million negative variance for intergovernmental revenues occurred because these revenues are on a reimbursement basis and are received as the projects are completed and invoiced to the respective agencies.
- The approximate \$19,000 negative variance for charges for services was primarily due to reimbursement fees for the Santa Paula Branch Line was not needed because work was not performed.
- The approximate \$2,000 positive variance for investment income was due to investment income not being budgeted due to nominal interest rates.
- The \$161 positive variance for other revenue occurred as these revenues vary from year-to-year.
- The approximate \$4.2 million positive variance for general government was largely due to delays in purchase of the new office building but also to expenses being less than budgeted for general operations, professional/consultant services that were not needed as well as unfilled positions.
- The approximately \$7.9 million positive variance for program expenditures was due to several factors:
  - The Commuter expenditures were approximately \$50,000 lower due to lower costs of database administration for rideshare and the purchase of transit information software that was delayed.
  - The Highway expenditures were approximately \$500,000 lower as the consultant services needed for the 101 and 118 highway projects were delayed.
  - The Planning and Programming expenditures were approximately \$1.1 million less than budgeted due to unprogramed bicycle and pedestrian projects and delays in studies and consultant expenditures that were carried-over into the next fiscal year.
  - The Rail program expenditures were approximately \$3.1 million less than budgeted largely due to delays in capital projects Metrolink and lower operation costs for Santa Paula Branch Line.
  - The Transit and Transportation program expenditures were approximately \$3.2 million less than budgeted largely due to the delays of pass-through expenditures.
- Transfers in were approximately \$3.9 million less than budgeted largely because the projects utilizing STA and some LTF fund transfers were carried-over into the next fiscal year.

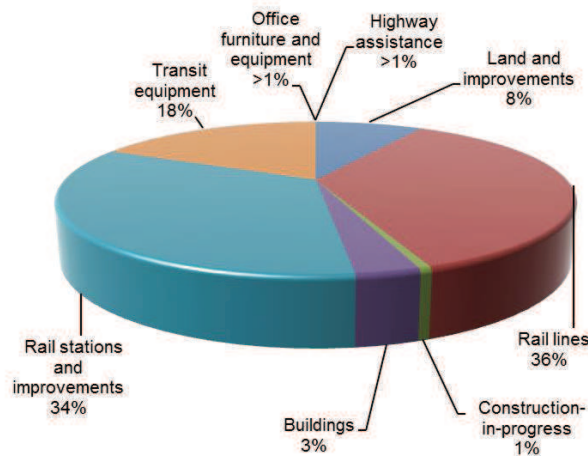
**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2017

**Capital Assets**

As of June 30, 2017, the Commission had \$58,523,211, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets decreased by 1 percent primarily due to depreciation. Below is a comparative summary of the Commission's capital assets net of accumulated depreciation:

Capital Assets, net of accumulated depreciation	Balance as of June 30, 2017	Balance as of June 30, 2016
Land and improvements	\$ 4,964,826	\$ 4,964,826
Rail lines	20,920,307	20,920,307
Construction-in-progress	351,134	268,304
Buildings	1,902,699	1,948,018
Rail stations and improvements	19,937,436	20,466,282
Transit equipment	10,442,054	10,428,913
Highway assistance	2,233	111,332
Office furniture and equipment	2,522	8,221
<b>Total</b>	<b><u>\$58,523,211</u></b>	<b><u>\$59,116,203</u></b>

Below is a graph depicting the capital investments as of June 30, 2017:



Major capital additions and deletions during Fiscal Year 2016/2017 include:

- The addition of 2 buses in the amount of \$1,348,480.
- The deletion of IT transit server in the amount of \$48,600.
- The deletion of office equipment in the amount of \$106,406.

More detailed information about the Commission's capital assets is presented in Note 3, Capital Assets in the Notes to the Basic Financial Statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
Year Ended June 30, 2017

**Economic and Other Factors**

In Fiscal Year 2016/2017 the General Fund unassigned fund balance decreased by \$26,590 to \$291,854. The Local Transportation Fund balance decreased by \$456,932 to \$7,651,852 primarily due to lower than anticipated LTF revenues for decreased consumer spending. The State Transit Assistance Fund balance decreased by \$2,318,317 to \$8,338,130 due to a decrease in revenues for lower diesel fuel sales taxes and increased transit and rail expenditures. The SAFE fund balance increased by \$358,849 to \$4,406,925 as expenditures were lower.

Leading economic indicators remain mixed as the economy continues to slowly grow. Uncertainty remains for both Federal and State funding impacting the projects the Commission is able to undertake and the services it is able to provide to its constituents.

The current economic factors and recent Commission studies guided the preparation of the Commission's Draft Fiscal Year 2017/2018 Budget which was presented in April 2017. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2017/2018 Budget to the Commission which was adopted in June 2017.

The Fiscal Year 2017/2018 balanced budget includes approximately \$60.2 million in revenues which consist of \$15.3 million in federal revenues, \$34.3 million in LTF revenues, \$3.6 million in STA revenues, \$2.9 million in state revenues and \$4.1 million in local and other revenues. Expenditures are expected to be approximately \$20.5 million for transit and transportation, \$1.5 million for highways, \$4.5 million for rail, \$0.7 million for commuter assistance, \$32.3 million for planning and programming, and \$5 million for general government. Within the planning and programs budget is the distribution of Local Transportation Funds for the local jurisdictions for bicycles and pedestrians, transit and local streets and roads budgeted of approximately \$29.8 million.

The Commission will continue to monitor these issues and the effects on its revenue streams. At the same time the Commission will also continue to aggressively work to obtain new revenues to support the transportation needs of the County. Unfortunately, the Commission remains hindered by its inability to compete for funding without a local revenue stream supporting the state and federal funds that would otherwise be available to the Commission.

**Requests for Information**

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be addressed to the Finance Director, Ventura County Transportation Commission, 950 County Square Drive, Suite 207, Ventura, CA 93003.

## **BASIC FINANCIAL STATEMENTS**

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**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Statement of Net Position  
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments (note 2)	\$ 20,260,678	\$ 965,971	\$ 21,226,649
Receivables:			
Accounts	15,359	3,490	18,849
Interest	61,064	8	61,072
Intergovernmental	7,465,557	705,576	8,171,133
Internal balances	501,007	(501,007)	-
Prepaid items and deposits	48,230	-	48,230
<b>Total current assets</b>	<b>28,351,895</b>	<b>1,174,038</b>	<b>29,525,933</b>
<b>Noncurrent assets:</b>			
Capital assets, non-depreciable (note 3)	26,236,267	-	26,236,267
Capital assets, depreciated, net (note 3)	22,913,819	9,373,125	32,286,944
<b>Total noncurrent assets</b>	<b>49,150,086</b>	<b>9,373,125</b>	<b>58,523,211</b>
<b>Total assets</b>	<b>77,501,981</b>	<b>10,547,163</b>	<b>88,049,144</b>
<b>Deferred outflows of resources:</b>			
Differences between expected and actual experience	4,037	215	4,252
Differences between projected and actual investment earnings	257,889	13,706	271,595
Pension employer contributions made after measurement date	202,093	10,740	212,833
<b>Total deferred outflows of resources</b>	<b>464,019</b>	<b>24,661</b>	<b>488,680</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	430,604	733,144	1,163,748
Due to other governmental agencies	558,992	-	558,992
Settlement payment (note 4)	2,148,000	-	2,148,000
Unearned revenue	3,192,936	440,894	3,633,830
Deposits	400	-	400
Non-current liability due within one year (note 5)	91,937	8,063	100,000
<b>Total current liabilities</b>	<b>6,422,869</b>	<b>1,182,101</b>	<b>7,604,970</b>
<b>Non-current liabilities:</b>			
Due beyond one year (note 5)	1,689,703	86,630	1,776,333
<b>Total noncurrent liabilities</b>	<b>1,689,703</b>	<b>86,630</b>	<b>1,776,333</b>
<b>Total liabilities</b>	<b>8,112,572</b>	<b>1,268,731</b>	<b>9,381,303</b>
<b>Deferred inflows of resources:</b>			
Changes in assumptions	49,550	2,633	52,183
Differences between actual and proportionate share of employer's contributions	148,290	7,881	156,171
Change due to differences in proportion	135,486	7,201	142,687
<b>Total deferred inflows of resources</b>	<b>333,326</b>	<b>17,715</b>	<b>351,041</b>
<b>Net position:</b>			
Net investment in capital assets	49,150,086	9,373,125	58,523,211
Restricted for:			
Highways	4,406,925	-	4,406,925
Rail and transit	17,273,954	-	17,273,954
Unrestricted (deficit)	(1,310,863)	(87,747)	(1,398,610)
<b>Total net position</b>	<b>\$ 69,520,102</b>	<b>\$ 9,285,378</b>	<b>\$ 78,805,480</b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Statement of Activities  
Year Ended June 30, 2017

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Primary government:</b>							
<b>Governmental activities:</b>							
Commuter assistance	\$ 61,354	\$ -	\$ 438,299	\$ -	\$ 376,945	\$ -	\$ 376,945
General government	3,526,219	-	703,833	-	(2,822,386)	-	(2,822,386)
Highways	561,319	-	829,804	-	268,485	-	268,485
Planning and programming	4,446,225	500	1,042,754	-	(3,402,971)	-	(3,402,971)
Rail	6,594,505	355,080	43,750	-	(6,195,675)	-	(6,195,675)
Transit and transportation	30,502,299	-	4,292,228	-	(26,210,071)	-	(26,210,071)
<b>Total governmental activities</b>	<b>45,691,921</b>	<b>355,580</b>	<b>7,350,668</b>	<b>-</b>	<b>(37,985,673)</b>	<b>-</b>	<b>(37,985,673)</b>
<b>Business-type activities:</b>							
VCCTC Intercity	10,138,496	2,528,741	4,708,686	-	-	(2,901,069)	(2,901,069)
Valley Express	1,577,117	105,847	1,462,082	-	-	(9,188)	(9,188)
<b>Total business-type activities</b>	<b>11,715,613</b>	<b>2,634,588</b>	<b>6,170,768</b>	<b>-</b>	<b>-</b>	<b>(2,910,257)</b>	<b>(2,910,257)</b>
<b>Total primary government</b>	<b>\$ 57,407,534</b>	<b>\$ 2,990,168</b>	<b>\$ 13,521,436</b>	<b>\$ -</b>	<b>(37,985,673)</b>	<b>(2,910,257)</b>	<b>(40,895,930)</b>
<b>General and other revenues:</b>							
Transportation Development Act sales taxes					36,885,745	-	36,885,745
Investment earnings					120,592	582	121,174
Other miscellaneous revenue					788	-	788
<b>Transfers:</b>					(3,218,347)	3,218,347	-
<b>Contributed capital, net</b>					(8,976,706)	8,976,706	-
<b>Total general, other revenues and transfers</b>					<b>24,812,072</b>	<b>12,195,635</b>	<b>37,007,707</b>
Change in net position					(13,173,601)	9,285,378	(3,888,223)
Net position at beginning of year					82,693,703	-	82,693,703
<b>Net position at end of year</b>					<b>\$ 69,520,102</b>	<b>\$ 9,285,378</b>	<b>\$ 78,805,480</b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Governmental Funds

**MAJOR GOVERNMENTAL FUNDS:**

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

**SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following funds have been classified as major funds. The budget-to-actual comparisons for these funds are presented in the accompanying financial statements as Required Supplementary Information.

**Local Transportation Fund (LTF):** This fund is used to account for the one-quarter percent of the state sales tax collected within the County under Transportation Development Act and is restricted for administration, planning and programming, bicycle and pedestrian projects, transit purposes (capital and operating) and streets and roads.

**State Transit Assistance (STA) Fund:** This fund is used to account for revenues from the state portion of sales tax on diesel fuel and is restricted for transit projects.

**Service Authority for Freeway Emergencies (SAFE) Fund:** This fund is used to account for the revenues received from the Department of Motor Vehicles user registration fees for the restricted purpose of implementing an emergency callbox system for motorists using state highways.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
**Governmental Funds**  
Balance Sheet  
June 30, 2017  
(With Comparative Totals for June 30, 2016)

	Special Revenue Funds				Total	
	General	Local Transportation	State Transit Assistance	SAFE	2017	2016
<b>Assets:</b>						
Cash and investments (note 2)	\$ 4,386,518	\$ 2,437,346	\$ 9,113,850	\$ 4,322,964	\$ 20,260,678	\$ 22,228,532
Receivables:						
Accounts receivables	15,359	-	-	-	15,359	9,760
Interest	28	21,706	26,472	12,858	61,064	47,827
Intergovernmental	1,208,591	5,192,800	920,813	143,353	7,465,557	9,646,644
Due from other funds (note 6)	2,224,012	-	501,007	-	2,725,019	319,359
Prepaid items and deposits	48,230	-	-	-	48,230	165,959
<b>Total assets</b>	<b><u>\$ 7,882,738</u></b>	<b><u>\$ 7,651,852</u></b>	<b><u>\$ 10,562,142</u></b>	<b><u>\$ 4,479,175</u></b>	<b><u>\$ 30,575,907</u></b>	<b><u>\$ 32,418,081</u></b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 360,757	\$ -	\$ -	\$ 69,847	\$ 430,604	\$ 1,300,624
Due to other government agencies	556,589	-	-	2,403	558,992	969,143
Due to other funds (note 6)	-	-	2,224,012	-	2,224,012	319,359
Settlement Payment (note 4)	2,148,000	-	-	-	2,148,000	-
Unearned revenue	3,192,936	-	-	-	3,192,936	2,536,761
Deposits	400	-	-	-	400	400
<b>Total liabilities</b>	<b><u>6,258,682</u></b>	<b><u>-</u></b>	<b><u>2,224,012</u></b>	<b><u>72,250</u></b>	<b><u>8,554,944</u></b>	<b><u>5,126,287</u></b>
<b>Fund balances:</b>						
Nonspendable - prepaids and deposits	48,230	-	-	-	48,230	165,959
Restricted for:						
Highways	-	-	-	4,406,925	4,406,925	4,048,076
Rail and transit	1,283,972	7,651,852	8,338,130	-	17,273,954	20,759,315
Unassigned	291,854	-	-	-	291,854	318,444
<b>Total fund balances</b>	<b><u>1,624,056</u></b>	<b><u>7,651,852</u></b>	<b><u>8,338,130</u></b>	<b><u>4,406,925</u></b>	<b><u>22,020,963</u></b>	<b><u>25,291,794</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 7,882,738</u></b>	<b><u>\$ 7,651,852</u></b>	<b><u>\$ 10,562,142</u></b>	<b><u>\$ 4,479,175</u></b>	<b><u>\$ 30,575,907</u></b>	<b><u>\$ 30,418,081</u></b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Government-Wide Statement of Net Position  
 June 30, 2017

<b>Fund balances of governmental funds</b>	<b>\$ 22,020,963</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and are deferred outflows of resources in the government-wide financial statement	202,093
Adjustments due to the difference between expected and actual experience	4,037
Deferred changes in assumptions	(49,550)
Adjustments for differences between actual and proportionate share of employer's contributions	(148,290)
Adjustments due to difference in proportions are deferred as deferred inflows of resources in the government-wide financial statements.	(135,486)
Differences between projected and actual earnings on pension plan investments are reported in the government-wide financial statements:	
Actual earnings over projected earnings	257,889
Capital assets net of accumulated depreciation, are not financial resources and, therefore, are not included in the governmental fund activity:	
Capital assets	61,520,072
Accumulated depreciation	(12,369,986)
Long-term liabilities are not due and payable in the current period and, therefore, are not included in the governmental fund activity:	
Net pension liability	(1,630,042)
Compensated absences	(151,598)
<b>Net position of governmental activities</b>	<b><u>\$ 69,520,102</u></b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

**Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2017

(With Comparative Totals for Year Ended June 30, 2016)

	Special Revenue Funds				Total	
	General	Local Transportation	State Transit Assistance	SAFE	2017	2016
<b>Revenues:</b>						
Sales taxes	\$ -	\$ 33,580,379	\$ 3,305,366	\$ -	\$ 36,885,745	\$ 38,344,885
Vehicle registration fees	-	-	-	800,633	800,633	784,953
Intergovernmental	6,550,035	-	-	-	6,550,035	13,502,016
Charges for services	355,580	-	-	-	355,580	1,681,929
Investment income	2,071	38,044	54,665	25,812	120,592	147,282
Other revenue	161	-	-	627	788	5,595
<b>Total revenues</b>	<b>6,907,847</b>	<b>33,618,423</b>	<b>3,360,031</b>	<b>827,072</b>	<b>44,713,373</b>	<b>54,466,660</b>
<b>Expenditures:</b>						
<b>General government:</b>						
Salaries and benefits	2,395,870	-	-	-	2,395,870	2,465,527
General legal services	26,846	-	-	-	26,846	18,448
Professional services	782,633	13,500	-	-	796,133	278,127
Office lease	150,336	-	-	-	150,336	147,367
Other	217,977	-	-	-	217,977	1,113,550
<b>Total general government</b>	<b>3,573,662</b>	<b>13,500</b>	<b>-</b>	<b>-</b>	<b>3,587,162</b>	<b>4,023,019</b>
<b>Programs:</b>						
Commuter assistance	61,354	-	-	-	61,354	16,872
Highways	858	-	-	451,362	452,220	842,600
Planning and programming	679,354	3,766,871	-	-	4,446,225	4,565,821
Rail	6,020,341	-	-	-	6,020,341	4,647,409
Transit and transportation	4,202,284	25,987,271	-	-	30,189,555	42,612,201
<b>Total programs</b>	<b>10,964,191</b>	<b>29,754,142</b>	<b>-</b>	<b>451,362</b>	<b>41,169,695</b>	<b>52,684,903</b>
<b>Total expenditures</b>	<b>14,537,853</b>	<b>29,767,642</b>	<b>-</b>	<b>451,362</b>	<b>44,756,857</b>	<b>56,707,922</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,630,006)</b>	<b>3,850,781</b>	<b>3,360,031</b>	<b>375,710</b>	<b>(43,484)</b>	<b>(2,241,262)</b>
<b>Other financing sources (uses):</b>						
Transfers in (note 6)	6,784,575	-	-	-	6,784,575	9,403,841
Transfers out (note 6)	-	(4,307,713)	(5,678,348)	(16,861)	(10,002,922)	(9,403,841)
Contributed capital, net	(9,000)	-	-	-	(9,000)	-
<b>Total other financing sources (uses)</b>	<b>6,775,575</b>	<b>(4,307,713)</b>	<b>(5,678,348)</b>	<b>(16,861)</b>	<b>(3,227,347)</b>	<b>-</b>
Net change in fund balances	(854,431)	(456,932)	(2,318,317)	358,849	(3,270,831)	(2,241,262)
Fund balances, beginning of year	2,478,487	8,108,784	10,656,447	4,048,076	25,291,794	27,533,056
<b>Fund balances, end of year</b>	<b>\$ 1,624,056</b>	<b>\$ 7,651,852</b>	<b>\$ 8,338,130</b>	<b>\$ 4,406,925</b>	<b>\$ 22,020,963</b>	<b>\$ 25,291,794</b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Government-Wide Statement of Activities  
Year Ended June 30, 2017

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (3,270,831)</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Depreciation	(1,001,706)
Capital outlay, net of disposals	82,830
Contributed capital, net adjustments	(8,967,706)
Changes in net pension liability and related deferrals reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(2,807)
Compensated absences reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(13,381)</u>
<b>Change in net position of governmental activities</b>	<b><u><u>\$ (13,173,601)</u></u></b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Proprietary Funds

**PROPRIETARY FUNDS:**

Proprietary funds are used to account for activities that receive significant support from fees and charges for services. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The budget-to-actual comparisons for these funds are presented in the accompanying financial statements as Required Supplementary Information.

**VCTC Intercity Fund:** This business-type activity fund accounts for the operations associated with the regional bus services provided to Ventura County residents.

**Valley Express Fund:** This business-type activity fund accounts for the operations with the bus services provided to Ventura County residents within the Heritage Valley.



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
**Proprietary Funds**  
Statement of Net Position  
June 30, 2017

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments (note 2)	\$ 503,162	\$ 462,809	\$ 965,971
Receivables:			
Accounts	1,966	1,524	3,490
Interest	5	3	8
Intergovernmental	702,611	2,965	705,576
<b>Total current assets</b>	<b>1,207,744</b>	<b>467,301</b>	<b>1,675,045</b>
<b>Non-current assets:</b>			
Capital assets, depreciated, net (note 3)	9,373,125	-	9,373,125
<b>Total non-current assets</b>	<b>9,373,125</b>	<b>-</b>	<b>9,373,125</b>
<b>Total assets</b>	<b>10,580,869</b>	<b>467,301</b>	<b>11,048,170</b>
<b>Deferred outflows of resources:</b>			
Differences between expected and actual experience	215	-	215
Differences between projected and actual investment earnings	13,706	-	13,706
Pension employer contributions made after measurement date	10,740	-	10,740
<b>Total deferred outflows of resources</b>	<b>24,661</b>	<b>-</b>	<b>24,661</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	612,230	120,914	733,144
Due to other funds	501,007	-	501,007
Unearned revenue	94,507	346,387	440,894
Non-current liability due within one year (note 5)	8,063	-	8,063
<b>Total current liabilities</b>	<b>1,215,807</b>	<b>467,301</b>	<b>1,683,108</b>
<b>Non-current liabilities:</b>			
Due beyond one year (note 5)	86,630	-	86,630
<b>Total non-current liabilities</b>	<b>86,630</b>	<b>-</b>	<b>86,630</b>
<b>Total liabilities</b>	<b>1,302,437</b>	<b>467,301</b>	<b>1,769,738</b>
<b>Deferred inflows of resources:</b>			
Changes in assumptions	2,633	-	2,633
Differences between actual and proportionate share of employer's contributions	7,881	-	7,881
Change due to differences in proportion	7,201	-	7,201
<b>Total deferred inflows of resources</b>	<b>17,715</b>	<b>-</b>	<b>17,715</b>
<b>Net position:</b>			
Net investment in capital assets	9,373,125	-	9,373,125
Unrestricted (deficit)	(87,747)	-	(87,747)
<b>Total net position</b>	<b>\$ 9,285,378</b>	<b>\$ -</b>	<b>\$ 9,285,378</b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
**Proprietary Funds**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2017

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
<b>Operating Revenues:</b>			
Passenger Fares	\$ 1,155,920	\$ 105,847	\$ 1,261,767
Route Guarantee	1,372,821	-	1,372,821
<b>Total Operating Revenues</b>	<b>2,528,741</b>	<b>105,847</b>	<b>2,634,588</b>
<b>Operating Expenses:</b>			
Salaries and benefits	213,532	70,449	283,981
General legal services	107,710	1,654	109,364
Professional services	41,456	97,871	139,327
Other	135,383	54,334	189,717
Contract Services	8,617,818	1,352,809	9,970,627
Depreciation	1,022,597	-	1,022,597
<b>Total Operating Expenses</b>	<b>10,138,496</b>	<b>1,577,117</b>	<b>11,715,613</b>
<b>Operating (Loss)</b>	<b>(7,609,755)</b>	<b>(1,471,270)</b>	<b>(9,081,025)</b>
<b>Nonoperating Revenues:</b>			
Federal grants	4,129,890	502,541	4,632,431
Local Transportation Funds (LTF)	-	959,541	959,541
State grants	543,796	-	543,796
Local grants	35,000	-	35,000
Interest income	394	188	582
<b>Total Nonoperating Revenues</b>	<b>4,709,080</b>	<b>1,462,270</b>	<b>6,171,350</b>
<b>(Loss) before contributed capital</b>	<b>(2,900,675)</b>	<b>(9,000)</b>	<b>(2,909,675)</b>
<b>Contributed capital and transfers</b>			
Transfers in	3,218,347	-	3,218,347
Contributed capital, net	8,967,706	9,000	8,976,706
<b>Total contributed capital and transfers</b>	<b>12,186,053</b>	<b>9,000</b>	<b>12,195,053</b>
<b>Change in Net Position</b>	<b>9,285,378</b>	<b>-</b>	<b>9,285,378</b>
<b>Net Position:</b>			
<b>Beginning of Fiscal Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>End of Fiscal Year</b>	<b>\$ 9,285,378</b>	<b>\$ -</b>	<b>\$ 9,285,378</b>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
**Proprietary Funds**  
Statement of Cash Flows  
June 30, 2017

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
<b>Cash flows from operating activities:</b>			
Cash received from passenger fares	\$ 2,529,169	\$ 106,225	\$ 2,635,394
Cash paid for operating costs, net of support	(9,109,430)	(1,555,281)	(10,664,711)
<b>Net cash used in operating activities</b>	<b>(6,580,261)</b>	<b>(1,449,056)</b>	<b>(8,029,317)</b>
<b>Cash flows from non-capital financing activities:</b>			
Cash received from federal grants	3,802,034	502,541	4,304,575
Cash received from state transit assistance fund	3,895,300	-	3,895,300
Cash received from local transportation fund	-	822,772	822,772
Cash received from local contribution revenues	46,907	345,607	392,514
Cash received from state grants	543,796	-	543,796
Cash to other	(64,670)	-	(64,670)
<b>Net cash provided by non-capital financing activities</b>	<b>8,223,367</b>	<b>1,670,920</b>	<b>9,894,287</b>
<b>Cash flows from capital financing activities:</b>			
Acquisition and purchase of capital assets	(1,348,481)	-	(1,348,481)
<b>Net cash used in capital financing activities</b>	<b>(1,348,481)</b>	<b>-</b>	<b>(1,348,481)</b>
<b>Cash flows from investing activities:</b>			
Interest received	394	188	582
<b>Net cash flows provided by investing activities</b>	<b>394</b>	<b>188</b>	<b>582</b>
<b>Net increase in cash and cash equivalents</b>	<b>295,019</b>	<b>222,052</b>	<b>517,071</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>208,143</b>	<b>240,757</b>	<b>448,900</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 503,162</b>	<b>\$ 462,809</b>	<b>\$ 965,971</b>
<b>Reconciliation of operating income (loss) to net cash used in operating activities:</b>			
Operating (loss)	\$ (7,609,755)	\$ (1,471,270)	\$ (9,081,025)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	1,022,597	-	1,022,597
<b>Changes in operating assets and liabilities:</b>			
Decrease/(increase) in accounts receivable	428	(27)	401
Decrease/(increase) in deferred outflows of resources	(24,661)	-	(24,661)
Decrease/(increase) in prepaid expense	-	9,000	9,000
Increase (decrease) in accounts payable	(1,743)	13,241	11,498
Increase/(decrease) in non-current liabilities due within one year	8,063	-	8,063
Increase/(decrease) in deferred inflows of resources	104,345	-	104,345
Increase/(decrease) in pension liability	(79,535)	-	(79,535)
<b>Total adjustment</b>	<b>1,029,494</b>	<b>22,214</b>	<b>1,043,645</b>
<b>Net cash used in operating activities</b>	<b>\$ (6,580,261)</b>	<b>\$ (1,449,056)</b>	<b>\$ (8,037,380)</b>
<b>Non-cash investing, capital, and financing activities:</b>			
Capital contributions	\$ 9,047,241	\$ -	\$ 9,047,241

See accompanying notes to the required supplementary information.

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2017

### Note 1. Summary of Significant Accounting Policies

**Reporting Entity:** The Ventura County Transportation Commission (Commission) was created in January 1989 under Senate Bill No. 1880 as the successor agency to the Ventura County Association of Governments assuming all the assets and liabilities of that Association. The Commission was reorganized in 2004 under Assembly Bill 2784. The Commission is a transit planning agency governed by a seventeen-member Board of Commissioners (Board) consisting of one representative from each city in the County, all five County Supervisors, two citizens, and one nonvoting state representative.

The Commission is responsible for establishing transportation policies, setting priorities and coordinating activities between the various transportation operators, agencies, cities, and the County of Ventura (County). The Commission's mission is to improve mobility within the County and to increase funding to meet the County's transportation needs. The Commission controls and reviews the County's funding allocations from Federal, State and local resources for highway, transit, rail, aviation, bicycle and other transportation projects.

Effective January 13, 1989, the Commission was designated to act as the Airport Land Use Commission (ALUC) by the Ventura County Board of Supervisors and the City Selection Committee.

The Commission provides short-range transportation planning and programming for the County, which includes the administration of the Local Transportation Fund (LTF) and State Transit Assistance (STA) programs created under the Transportation Development Act by the State of California. The LTF is administered by the Commission on behalf of the County. The purpose of this program is to allocate funds for public transportation needs, local streets and roads, bicycle and pedestrian facilities, and multimodal transportation terminals. The STA program allocates funds for public transportation purposes, including community transit and rail services within the County.

As required by generally accepted accounting principles (GAAP) in the United States of America, the basic financial statements include all funds of the Commission including those of the Service Authority for Freeway Emergencies (SAFE), a blended component unit, for which the Commission is considered financially accountable. SAFE was created under Chapter 14 (commencing with Section 2550) of Division 3 of the California Streets and Highways Code and Sections 2421.5 and 9250.1 of the Vehicle Code. SAFE receives revenues from fees levied on registered vehicles to be used to implement and maintain an emergency motorist aid system, as specified, on the freeways and state highways in the County. The governing board of SAFE is identical to that of the Commission and is responsible for approval of SAFE's budget. Management of the Commission is responsible for the operation of SAFE. SAFE is presented as a Special Revenue Fund. Separate financial statements are not issued for SAFE.

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

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 1. Summary of Significant Accounting Policies, continued

**Financial Statement Presentation:** The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Commission's basic financial statements consist of three types of reports: Government-wide, Governmental Funds, and Proprietary funds. These funds are prepared in accordance with U.S. General Accepted Accounting Principles (GAAP).

**Government-wide Financial Statements:** These financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Commission accompanied by a total column. The governmental fund activities are supported by taxes and intergovernmental revenues. The business-type activities rely to a significant extent on fees and charges for services. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated).

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements:** These financial statements include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance. The underlying accounting system of the Commission is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the Commission's governmental funds are presented after the government-wide financial statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column.

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 1. Summary of Significant Accounting Policies, continued

#### **Fund Financial Statements, continued:**

The Commission reports the following major governmental funds:

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

Local Transportation Fund (LTF): This special revenue fund is used to account for the one-quarter percent of the state sales tax collected within the County under TDA and is restricted for administration, planning and programming, bicycle and pedestrian projects, transit purposes including the Commission's commuter rail operations, and streets and roads.

State Transit Assistance (STA) Fund: This special revenue fund is used to account for revenues from the state portion of sales taxes on diesel fuel and is restricted for transit projects including the Commission's commuter rail operations.

Service Authority for Freeway Emergencies (SAFE) Fund: This special revenue fund is used to account for the revenues received from the Department of Motor Vehicles user registration fees for the restricted purpose of implementing and maintaining an emergency callbox system and other projects to assist motorists.

**Proprietary Funds Financial Statements:** These financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position which provide a more detailed level of financial information. Proprietary funds are used to account for activities that receive significant support from fees and charges for services. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

VCTC Intercity Fund: This business-type activity fund accounts for the operations associated with the regional bus services provided to Ventura County residents.

Valley Express Fund: This business-type activity fund accounts for the operations with the bus services provided to Ventura County residents within the Heritage Valley.

After reviewing Commissions accounting and financial reporting including its measurement focus and basis of accounting and researching industry practice, Governmental Accounting Standards Board (GASB) 34, and other related pronouncements, the Commission established two new proprietary funds: VCTC intercity and Valley Express. This information was previously reported within the General Fund. As part of the transition to proprietary funds, the capital assets and associated depreciation, GASB 68 pension accruals, and prepaids were transferred to the VCTC Intercity (\$8,967,706) and Valley Express (\$9,000) funds as "contributed capital, net" on the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance.

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 1. Summary of Significant Accounting Policies, continued

#### **Measurement Focus and Basis of Accounting:**

The government-wide financial statements and proprietary fund financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Commission’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position and demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. 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 eligible requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred; however, compensated absences of governmental funds are recorded only when payment is due.

Proprietary fund financial statements are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Those revenues susceptible to accrual include sales taxes collected and held by the State at year-end on behalf of the Commission, intergovernmental revenue, interest revenue, and vehicle registration user fees. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Commission; therefore, revenues are recognized based upon expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

#### **Major Revenue Sources:**

The Commission receives many revenues from federal, state and local agencies for its projects as well as pass-through projects. Below are some of the major funding sources:

Federal Transit Administration (FTA) - The Federal Transit Administration revenues provide funding for transit related programs in a variety of areas. FTA funds generally require the lead agency to match the federal funds with state or local funds. These funds provide revenue for transit operations, planning studies, capital, capital lease and maintenance, paratransit services, etc.

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 1. Summary of Significant Accounting Policies, continued

#### **Major Revenue Sources, continued:**

Congestion Mitigation and Air Quality (CMAQ) - The federal Congestion Mitigation and Air Quality revenues provide funding for projects which reduce transportation related emissions. These funds provide revenue for public transit projects, rail transit capital improvements, pedestrian and bicycle paths and other projects that serve to reduce congestion and improve air quality.

Local Transportation Fund (LTF) – The State Transportation Development Act (TDA) Local Transportation Fund revenues are derived from one-quarter cent of the general statewide sales tax. These funds provide funding for projects for transit and transportation in a variety of areas including bicycle and pedestrians, rail, public transportation, transportation administration, planning, and street and road projects as allowed by the TDA regulations.

State Transit Assistance (STA) – The State Transportation Development Act (TDA) State Transit Assistance revenues are derived from the state portion of the sales tax on diesel fuel. These funds provide funding for transit projects.

Service Authority for Freeway Emergencies (SAFE) – The SAFE funds are derived from a one dollar registration fee collected by the Department of Motor Vehicles. These funds provide funding for implementing and maintaining emergency callbox systems and other projects that assist motorists.

Planning, Programming, and Monitoring (PPM) – The state PPM funds are derived from the State Transportation Improvement Program. These funds provide funding for planning programming and monitoring responsibilities required by the State.

Proposition 1B – The Proposition 1B funds are from bonds issued by the State. These funds provide funding for transit capital, corridor mobility improvements, goods movement, state-local partnership funds and local streets and roads.

Low-Carbon Transit Operations Program (LCTOP) – The LCTOP funds are from the State Cap-and-Trade auction proceeds by formula and are for public transit capital and operating assistance to reduce greenhouse gas emissions.

Local Contributions and Fees – These funds are derived from local agency contributions and fees charged for services provided. These often provide match for Federal funds and support local and regional programs including bus services, rail lines, planning studies, etc.

**Cash and Investments:** The Commission maintains cash and investments in accordance with an investment policy adopted by the Board most recently approved on March 7, 2014. The investment policy complies with, or is more restrictive than, applicable State statutes.

For purposes of the statements of cash flows, all highly liquid temporary investments purchased with a maturity of three months or less are considered cash equivalents.



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Cash and Investments, continued:**

Investments are reported in the accompanying Statement of Net Position at fair market value. Changes in fair market value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair market value.

**Fair Value Measurement:** In accordance with GASB Statement No. 71, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, are recorded at fair value in the basic financial statements, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

**Level 1** – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

**Level 2** – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

**Level 3** – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**Interfund Transactions:** During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due from/to other funds; internal financing balances are reported as advances to/from other funds.

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets:** Capital assets consisting of tangible assets such as land and land improvements, construction-in-progress, rail lines, buildings, rail stations and rail improvements, equipment, and furniture and intangible assets such as easements and software are reported in the government-wide financial statements and proprietary fund financial statements. Tangible capital assets are defined by the Commission as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Intangible capital assets are defined by the Commission as assets with an initial individual cost of more than \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, capital assets received in a service concession arrangement and similar items are valued at their estimated acquisition value.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Notes to the Basic Financial Statements

Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Capital Assets, continued:**

Highway construction and certain purchases of right-of-way, property, for which title vests with Caltrans, are included in highway program expenditures. Infrastructure consisting primarily of highway construction and right-of-way acquisition is not recorded as a capital asset because the Commission does not have title to such assets or rights-of-way.

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

The Commission uses the straight-line method in the government-wide and proprietary fund financial statements for depreciating buildings, rail stations, rail improvements, equipment and furniture. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective Statement of Net Position. A summary of useful lives for depreciation purposes are listed below. For full details see the Commission's Capital Asset Policy approved on June 5, 2015.

<u>Item</u>	<u>Useful Life</u>
Buildings	50 years
Buses	5-12 years
Rail stations	50 years
Rail improvements	15-50 years
Equipment and furniture	3-7 years
Leases and easements	life of agreement
	Not to exceed 40 years

**Compensated Absences:** GASB Statement No. 16, *Accounting for Compensated Absences*, provides specific guidance on how leave liability should be calculated. The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability is reported in the government-wide financial statements and the liability will be liquidated from the General Fund resources. The employee's entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon separation or retirement. Vacation leave in governmental funds that is due and payable at year-end is reported as an expenditure. Earned vacation leave that is not currently due is reported as a long-term liability in the government-wide financial statements. The Commission's policy is to cap vacation accrual at 320 hours. Accumulated sick leave lapses when the employee leaves the employment of the government and, upon separation from service, and is not eligible for payment upon separation. There is no cap on sick leave.

**Long-Term Obligations:** In the government-wide financial statements, long-term debt is reported as long-term liabilities in the governmental activities.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Deferred Outflows/Inflows of resources:** In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position/Balance Sheet reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represents outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenues until that time.

**Fund Balance:** In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to identify the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts can be spent. When both restricted and unrestricted resources are available for use, it is the Commission's adopted policy to use the most restricted resources first: restricted, committed, assigned then unassigned.

**Non-spendable fund balances** include amounts that are not in spendable form (eg. prepaid items) or are legally or contractually required to be maintained intact (eg. permanent endowments). These amounts are inherently nonspendable.

**Restricted fund balances** include amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or enabling legislation.

**Committed fund balances** include amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action which are equally binding.

**Assigned fund balances** include amounts that are intended by the government to be used for specific purposes, but are neither committed nor unassigned. The Commission has designated the authority to assign amounts used for specific purposes to the Executive Director and/or the Finance Director in the fund balance policy mentioned above.

**Unassigned fund balances** include the residual funds for the General Fund and all amounts not contained in the other classifications.

**Net Position:** In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources are classified into three categories: net investment in capital assets, restricted net position and unrestricted net position.

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Net Position, continued:**

**Restricted net position** represents the portion of net position that is not accessible for general use because the use is subject to restrictions enforceable by third parties.

**Unrestricted net position** represents those assets that are available for general use.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Use of Estimates:** The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates. There were no estimates this year.

**Effect of New Governmental Accounting Standards Board (GASB) Pronouncements:**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued in June 2015. This statement addresses reporting of OPEB plans that administer benefits on behalf of governments. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The Commission has determined this statement has no material effect.

GASB Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pension Plans*, was issued in June 2015. This statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement is effective for financial statements for fiscal years beginning after June 15, 2017. The Commission has not determined the effect of this statement.

GASB Statement No. 77, *Tax Abatement Disclosures*, was issued in August 2015. This statement addresses financial reporting of tax abatements and other economic development incentives that reduce tax revenues. This Statement is effective for financial statements for fiscal years beginning after December 15, 2015. The Commission has determined that there is no material effect of this statement.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Effect of New Governmental Accounting Standards Board (GASB) Pronouncements, continued:**

GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, was issued in December 2015. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This statement is effective for the fiscal year ending June 30, 2017. The Commission has determined that there is no material effect of this statement.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants, was issued in December 2015. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. This statement is effective for the fiscal year ending June 30, 2017. The Commission has determined there is no material effect of this statement.

GASB Statement No. 80, Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14, was issued in December 2015. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. This statement is effective for the fiscal year ending June 30, 2017. The Commission has determined that there is no material effect of this statement.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, was issued in December 2015. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement is effective for the fiscal year ending June 30, 2018. The Commission has not determined the effect of this statement.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 1. Summary of Significant Accounting Policies, continued**

**Effect of New Governmental Accounting Standards Board (GASB) Pronouncements, continued:**

GASB Statement No. 82, Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73 was issued in March 2016. This statement addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for financial statements for fiscal years beginning after June 15, 2017. The Commission has early implemented GASB Statement No. 82.

**Note 2. Cash and Investments**

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

Investment Type	Government-Wide Statement of Net Position		
	Governmental Funds	Proprietary Funds	Total
Cash on hand	\$ 130	\$ -	\$ 130
Deposits with financial institutions	4,495,368	965,971	5,461,339
County pooled investment fund	15,765,180	-	15,765,180
<b>Total cash and investments</b>	<b>\$ 20,260,678</b>	<b>\$ 965,971</b>	<b>\$ 21,226,649</b>

At June 30, 2017, cash and investments are reported at fair value based on quoted market prices. The following table presents the fair value measurements of investments recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2017:

Investment Type	Fair Value	Measurement Input
Cash on hand	\$ 130	N/A
Deposits with financial institutions	5,461,339	N/A
County pooled investment fund	15,765,180	Level 2
<b>Total cash and investments</b>	<b>\$ 21,226,649</b>	

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 2. Cash and Investments, continued**

**External Investment Pool:** A government holds a position in an external investment pool that is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. The Commission measures the fair value of its position in the County Investment Pool by multiplying the fair value of the pool's share price by the number of shares held.

**Investments Authorized by the Commission's Investment Policy:** The table below identifies the types of investments that are authorized by the California Government Code and the Commission's investment policy. The table also identifies certain provisions of the California Government Code or the Commission's investment policy, whichever is more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	Yes	5 years	None	None
U.S. treasury obligations	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	None	None
Banker's acceptances	Yes	180 days	40%	30%
Commercial paper	Yes	270 days	25%	10%
Negotiable certificates of deposit	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	None
Reverse repurchase agreements	Yes	92 days	20% of base value	None
Mutual funds	Yes	N/A	20%	10%
Money market mutual funds	Yes	N/A	20%	10%
County pooled investment fund	Yes	N/A	None	None
Local agency investment fund (LAIF)	Yes	N/A	None	None

**Disclosures Relating to Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity as of June 30, 2017:

Investment Type	Total	Remaining Maturity - 12 Months or Less
County pooled investment fund	<u>\$15,765,180</u>	<u>\$15,765,180</u>
<b>Total</b>	<b><u>\$15,765,180</u></b>	<b><u>\$15,765,180</u></b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 2. Cash and Investments, continued**

**Disclosures Relating to Credit Risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Commission’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type as of June 30, 2017.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAAF
County pooled investment fund	<u>\$15,765,180</u>	None	<u>\$15,765,180</u>
<b>Total</b>	<b><u>\$15,765,180</u></b>		<b><u>\$15,765,180</u></b>

**Concentration of Credit Risk:** As of June 30, 2017, the Commission did not have any investments in any one issuer (other than the Ventura County investment pool) that represented 5 percent or more of its total investment portfolio. Information pertaining to the interest rate risk, credit risk, custodial credit risk and concentration of credit risk related to the Ventura County pooled investments can be obtained from the County of Ventura’s CAFR at [www.countyofventura.org](http://www.countyofventura.org).

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

The Commission has deposits with financial institutions that are swept daily into a money market account. The first \$250,000 of the deposit balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 3. Capital Assets**

**Government-wide Financial Statements:** At June 30, 2017, the Commission's capital assets consisted of the following:

**Ventura County Transportation Commission**  
**Capital Assets**  
**June 30, 2017**

	Governmental Activities	Business-type Activities	Total
<b>Capital assets not being depreciated:</b>			
Land and improvements	\$ 4,964,826	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	20,920,307
Construction-in-progress	351,134	-	351,134
<b>Total capital assets not being depreciated</b>	<b>26,236,267</b>	<b>-</b>	<b>26,236,267</b>
<b>Capital assets being depreciated:</b>			
Buildings	2,265,915	-	2,265,915
Rail stations and improvements	26,321,022	-	26,321,022
Transit equipment	2,023,525	11,591,402	13,614,927
Highway assistance	4,570,251	-	4,570,251
Office furniture and equipment	103,092	-	103,092
<b>Total capital assets being depreciated</b>	<b>35,283,805</b>	<b>11,591,402</b>	<b>46,875,207</b>
<b>Less accumulated depreciation:</b>			
Buildings	(363,216)	-	(363,216)
Rail stations and improvements	(6,383,586)	-	(6,383,586)
Transit equipment	(954,596)	(2,218,277)	(3,172,873)
Highway assistance	(4,568,018)	-	(4,568,018)
Office furniture and equipment	(100,570)	-	(100,570)
<b>Total accumulated depreciation</b>	<b>(12,369,986)</b>	<b>(2,218,277)</b>	<b>(14,588,263)</b>
<b>Total capital assets being depreciated, net</b>	<b>22,913,819</b>	<b>9,373,125</b>	<b>32,286,944</b>
<b>Capital assets, net</b>	<b>\$ 49,150,086</b>	<b>\$ 9,373,125</b>	<b>\$ 58,523,211</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 3. Capital Assets, continued**

**Governmental Activities:** The following is a summary of capital assets for governmental activities for the fiscal year ending June 30, 2017:

**Ventura County Transportation Commission  
Capital Assets  
Governmental Activities:  
June 30, 2017**

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
<b>Capital assets not being depreciated:</b>				
Land and improvements	\$ 4,964,826	\$ -	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	-	20,920,307
Construction-in-progress	268,304	82,830	-	351,134
<b>Total capital assets not being depreciated</b>	<b>26,153,437</b>	<b>82,830</b>	<b>-</b>	<b>26,236,267</b>
<b>Capital assets being depreciated:</b>				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	26,321,022	-	-	26,321,022
Transit equipment	2,072,125	-	(48,600)	2,023,525
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	209,498	-	(106,406)	103,092
<b>Total capital assets being depreciated</b>	<b>35,438,811</b>	<b>-</b>	<b>(155,006)</b>	<b>35,283,805</b>
<b>Less accumulated depreciation:</b>				
Buildings	(317,898)	(45,318)	-	(363,216)
Rail stations and improvements	(5,854,740)	(528,846)	-	(6,383,586)
Transit equipment	(690,452)	(312,744)	48,600	(954,596)
Highway assistance	(4,458,919)	(109,099)	-	(4,568,018)
Office furniture and equipment	(201,277)	(5,699)	106,406	(100,570)
<b>Total accumulated depreciation</b>	<b>(11,523,286)</b>	<b>(1,001,706)</b>	<b>155,006</b>	<b>(12,369,986)</b>
<b>Total capital assets being depreciated, net</b>	<b>23,915,525</b>	<b>(1,001,706)</b>		<b>22,913,819</b>
<b>Capital assets, net</b>	<b>\$ 50,068,962</b>	<b>\$ (918,876)</b>	<b>\$ -</b>	<b>\$ 49,150,086</b>

Depreciation expense for the fiscal year ended June 30, 2017 was charged to functions/programs of the governmental activities as follows:

<b>Governmental Activities:</b>	<b>Total</b>
General government	\$ 5,699
Highways	109,099
Buildings	45,318
Rail	528,846
Transit	312,744
<b>Total</b>	<b>\$ 1,001,706</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 3. Capital Assets, continued**

**Business-type Activities:** The following is a summary of capital assets for business-type activities for the fiscal year ending June 30, 2017:

**Ventura County Transportation Commission  
Capital Assets  
Business-Type Activities:  
June 30, 2017**

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
<b>Capital assets being depreciated:</b>				
Transit equipment	\$ 10,242,921	\$ 1,348,481	\$ -	\$ 11,591,402
<b>Total capital assets being depreciated</b>	<b>10,242,921</b>	<b>1,348,481</b>	<b>-</b>	<b>11,591,402</b>
<b>Less accumulated depreciation:</b>				
Transit equipment	(1,195,680)	(1,022,597)	-	(2,218,277)
<b>Total accumulated depreciation</b>	<b>(1,195,680)</b>	<b>(1,022,597)</b>	<b>-</b>	<b>(2,218,277)</b>
<b>Capital assets, net</b>	<b>\$ 9,047,241</b>	<b>\$ 325,884</b>	<b>\$ -</b>	<b>\$ 9,373,125</b>

Depreciation expense for the fiscal year ended June 30, 2017 was charged to functions/programs of the business-type activities as follows:

<b>Business-type Activities:</b>	<b>Total</b>
Transit	\$ 1,022,597
<b>Total</b>	<b>\$ 1,022,597</b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 4. Settlement Payment**

The Santa Paula Branch Line (SPBL) is a rail line that begins in the Montalvo section of the City of San Buenaventura, runs through the City of Santa Paula, continues through the City of Fillmore, and terminates in Rancho Camulos near the Los Angeles County Line. The right-of-way is generally 100 feet wide, but varies in places from 30' to 250' wide.

Since the purchase in 1995, the Commission has managed the asset through a number of agreements and plans developed both before and after the purchase of the SPBL. In 2001, the Commission and the Fillmore and Western Railway entered into an agreement for rail services for a twenty-year term. The agreement included two increases (in 2004 and 2007) for payment of services. Over time, disputes arose between the parties and their respective obligations. In 2013, the Commission terminated the agreement; however, Fillmore and Western Railway disagreed and a legal dispute ensued and they continued to operate on the SPBL. In September 2017, the Commission and the Fillmore and Western Railway settled the legal action. The parties agreed to a third amendment that provided greater clarity and for a lump sum payment of \$2,148,000 by the Commission to Fillmore and Western for past maintenance, track repair and related expenses and an increase to the annual maintenance fee now at \$450,000 per annum. The lump sum payment was accrued to Fiscal Year 2016/2017.

**Note 5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Amount Due in One Year	Amount Due Beyond One Year
<b>Governmental Activities:</b>						
Net Pension Liability	\$1,165,507	\$ 619,088	\$(154,553)	\$ 1,630,042	\$ -	\$ 1,630,042
Compensated Absences	138,217	110,150	(96,769)	151,598	91,937	59,661
<b>Total Governmental Activities</b>	<b>\$1,303,724</b>	<b>\$ 729,238</b>	<b>\$(251,322)</b>	<b>\$ 1,781,640</b>	<b>\$ 91,937</b>	<b>\$ 1,689,703</b>
<b>Business-type Activities:</b>						
Net Pension Liability	\$ -	\$ 86,630	\$ -	\$ 86,630	\$ -	\$ 86,630
Compensated Absences	-	13,210	(5,147)	8,063	8,063	-
<b>Total Business-type Activities</b>	<b>\$ -</b>	<b>\$ 99,840</b>	<b>\$ (5,147)</b>	<b>\$ 94,693</b>	<b>\$ 8,063</b>	<b>\$ 86,630</b>
<b>Total Primary Government Activities</b>	<b>\$1,303,724</b>	<b>\$ 829,078</b>	<b>\$(256,469)</b>	<b>\$ 1,876,333</b>	<b>\$ 100,000</b>	<b>\$ 1,776,333</b>

**Net Pension Liability:** The Commission implemented GASB 68, *Accounting and Financial Reporting for Pensions*, this fiscal year which required the pension liability to be stated on the Statement of Net Position for the first time. Further detailed information about the Commission's pension liability can be found in Note 8, Pension Plan. As shown in the table above, the long-term portion of this debt is expected to be paid in future years from future resources from the General Fund and VCTC Intercity Fund.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 5. Long-Term Liabilities, continued**

**Compensated Absences:** The Commission’s policy relating to employee leave benefits is described in Note 1, Compensated Absences. The long-term portion of compensated absences is expected to be paid in future years from future resources from the General Fund and VCTC Intercity Fund.

**Note 6. Interfund Transactions**

**Due From - Due To Other Funds:** The composition of balances related to due from other funds and due to other funds at June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance	\$ 2,224,012
State Transit Assistance	VCTC Intercity	501,007
<b>Total</b>		<b><u>\$ 2,725,019</u></b>

The amount due to the General Fund includes \$2,148,000 for a settlement payment (see note 4) and \$76,012 that represents a temporary timing difference between when transactions are recorded in the accounting system and when payments to the General Fund were made. The amount due to the State Transit Assistance Fund include \$368,482 of a temporary Commission approved inter-fund loan paid back shortly after the fiscal year ended and \$132,525 that represents a temporary timing difference between when transactions are recorded in the accounting system and when payments were made.

**Interfund Transfers:** Interfund transfers consisted of the following for the year ended June 30, 2017:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund	\$ 4,307,713
General Fund	State Transit Assistance	2,460,001
General Fund	Service Authority for Freeway Emergencies	16,861
VCTC Intercity	State Transit Assistance	3,218,347
<b>Total</b>		<b><u>\$ 10,002,922</u></b>

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

The Commission is responsible for apportioning the Local Transportation Funds for the County of Ventura for transportation purposes. The General Fund is eligible to receive LTF revenues for transportation related commuter rail costs, administrative costs, 2 percent of the total apportionment for transportation planning purposes. In Fiscal Year 2016/2017, the Commission apportioned \$4,307,713 as a fund transfer for these purposes. The Commission approved a transfer of \$10,096,230 in STA funds to the General Fund and the VCTC Intercity Fund, but the funds were not fully expended and thus not transferred. The Commission approved \$15,000 in SAFE transfers for transit activities provided in the General Fund.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 7. Operating Leases**

On January 5, 2017, the Commission entered into an agreement to lease office space. The term of the lease is for a period of twelve months expiring on January 31, 2018. Total rental expenditures for the fiscal year ended June 30, 2017 were \$143,100 and include both the office lease and storage units. The total minimum rental commitment for office space is due as follows:

Ending	Amount
January 31, 2018	<u>\$84,700</u>
<b>Total</b>	<b><u>\$84,700</u></b>

**Note 8. Pension Plan**

**General Information about the Pension Plans**

**Plan Description:** The Commission contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participant public entities within the State of California. The plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2015 and 2014 Annual Actuarial Valuation reports. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Employees Covered:** As of the June 30, 2015 and 2014 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2015		2014	
	Classic #1014	PEPRA #26505	Classic #1014	PEPRA #26505
Active employees	13	5	19	1
Transferred and separated employees	16	-	12	-
Retired employees and beneficiaries	<u>14</u>	-	<u>13</u>	-
<b>Total</b>	<b><u>43</u></b>	<b><u>5</u></b>	<b><u>44</u></b>	<b><u>1</u></b>

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 8. Pension Plan, continued

#### General Information about the Pension Plans, continued

**Benefits Provided:** CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All VCTC employees working the equivalent of 1,000 or more hours per fiscal year are eligible to participate in the VCTC's Miscellaneous or PEPRA pension plans administered by CalPERS. A Classic miscellaneous CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service. Public Employee Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and the final compensation. The final compensation for Classic members is the highest one year average look back period and the final compensation for PEPRA members is the highest three year average look back period. Retirement benefits for Classic employees are calculated at the 2 percent at 60 formula and for PEPRA employees are calculated at 2 percent at 62 formula.

A participant is eligible for non-industrial disability retirement if he/she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s) or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

**Contributions:** Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

**General Information about the Pension Plans, continued**

**Contributions, continued**

For the measurement period ended June 30, 2016 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRA was 7.0 percent and 6.25 percent of annual pay, respectively and the employer's contribution rate was 7.612 percent and 6.555 percent of annual payroll, respectively. The Classic employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of \$82,384.

For the measurement period ended June 30, 2015 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRA was 7.0 percent and 6.25 percent of annual pay, respectively and the employer's contribution rate was 7.163 percent and 6.237 percent of annual payroll, respectively. The Classic employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of \$40,212.

For the year ended June 30, 2017, the contributions for each plan were as follows:

	2017	
	Classic #1014	PEPRA #26505
Contributions employer	\$104,605	\$25,844
Contributions employee	<u>96,196</u>	<u>24,642</u>
<b>Total</b>	<b><u>\$200,801</u></b>	<b><u>\$50,486</u></b>



**VENTURA COUNTY TRANSPORTATION COMMISSION**

Notes to the Basic Financial Statements

Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

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

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability:** For the measurement period ended June 30, 2016 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuations. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

<b>Actuarial Methods and Assumptions Used to Determine Total Pension Liability</b>	
Actuarial cost method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3%
Projected salary increase	Varies <sup>1</sup>
Investment rate of return	7.5% <sup>2</sup>
Mortality rate	Varies <sup>3</sup>

<sup>1</sup> Depending on age, service and type of employment.

<sup>2</sup> Net of pension plan investment expenses, including inflation.

<sup>3</sup> The mortality table used was developed based on CalPERS' specific membership data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the experience study.

All other actuarial assumptions used on the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increases, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

**Change of Assumption:** GASB Statement No. 68, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expenses in 2014) to 7.65 percent as of June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017/2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as the methodology is changed.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

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

**Discount Rate:** For actuarial assumptions used in the June 30, 2015 valuation date, the discount rate used to measure total pension liability was 7.5 percent. For actuarial assumptions used in the June 30, 2014 valuation date, the discount rate used to measure total pension liability was 7.65 percent, which is net of administrative expenses. An investment return excluding administrative expenses would have been 7.65 percent. Management has determined that using the lower discount rate has resulted in a slightly higher total pension liability and net pension liability and the difference was deemed immaterial to the financial statements.

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	51.0%	5.25%	5.71%
Private Equity	10.0%	6.83%	6.95%
Global Fixed Income	20.0%	0.99%	2.43%
Liquidity	1.0%	(0.55%)	(1.05%)
Real Estate	12.0%	4.5%	5.13%
Inflation Sensitive	6.0%	0.45%	3.36%
Other	0.0%	-	-

<sup>1</sup>An expected inflation of 2.5% used for this period.

<sup>2</sup>An expected inflation of 3.0% used for this period.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

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

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Commission's proportionate share of the net pension liability for each Plan as of the measurement date at June 30, 2015 calculated using the discount rate of 7.5 percent for each Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<b>Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate</b>			
<b>Measurement Date</b>	<b>1% Decrease</b>	<b>Assumed Rate</b>	<b>1% Increase</b>
	<b>6.65%</b>	<b>7.65%</b>	<b>8.65%</b>
June 30, 2016	\$2,912,235	\$1,716,672	\$728,598

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plans fiduciary net position is available in the separately issued CalPERS financial reports and can be obtained from CalPERS' website under Forms and Publications at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Net Pension Liabilities** – The following table shows the change in plan's proportionate share of the Commission's aggregate net pension liability for the measurement period at June 30, 2016:

<b>Measurement Date</b>	<b>Proportionate Share of Net Pension Liability</b>
June 30, 2016	\$1,716,672
June 30, 2015	<u>1,165,507</u>
<b>Change in aggregate net pension liability</b>	<b><u>\$ 551,165</u></b>

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

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

The Commission's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward a year using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined by CalPERS. The Commission's proportionate share of the net pension liability for each Plan as of June 30, 2016 as follows:

	<b>Proportionate Share</b>
Proportion – June 30, 2015	0.016980%
Proportion – June 30, 2016	<u>0.019839%</u>
<b>Change – Increase (Decrease)</b>	<b><u>0.002859%</u></b>

For the year ended June 30, 2017, the Commission recognized pension expense of \$215,789.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-year straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2016 measurement period is 3.7 years.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 8. Pension Plan, continued**

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

At June 30, 2017 the Commission reported in aggregate deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (52,183)
Differences between expected and actual experience	4,252	-
Differences between actual and proportionate share of employer's contributions	-	(156,171)
Change in proportion	-	(142,687)
Difference between projected and actual investment earnings	271,595	-
Contributions after the measurement date	<u>212,833</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 488,680</u></b>	<b><u>\$(351,041)</u></b>

The \$212,833 in contributions reported as deferred outflows of resources subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 20, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2018	\$(150,871)
2019	(114,864)
2020	120,195
2021	70,346
2022	-
Thereafter	<u>-</u>
<b>Total</b>	<b><u>\$ (75,194)</u></b>

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 9. Postemployment Benefit Plan

**Plan Description:** The Commission administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees. To be eligible, retirees must be at least 50 years old for Classic members or 52 years old for new/PEPRA members, be vested with at least 5 years of California Public Employees Retirement System (CalPERS) service and retire directly from VCTC within 120 days of separation.

**Commission's Funding Policy:** The contribution requirements of the Commission were established per a Board Resolution dated September 1, 1985 and later amended on May 14, 2010 when the Commission adopted a Health Reimbursement Arrangement (HRA) that modified VCTC's post-employment health benefits for its retirees effective June 1, 2010. The modifications included reducing the Commission's required CalPERS retiree health care contribution to the minimum amount required by CalPERS health rules adjusted for inflation each year (currently \$125 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For "Grandfathered" employees/retirees hired before July 1, 2010, the Health Reimbursement Arrangement will supplement the retiree health care contribution up to the entire cost of the individual health benefit (currently up to an additional \$631) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to \$262 per month) for individual health coverage. As of June 30, 2016, the Commission had ten "Grandfathered" retirees that were receiving OPEB benefits. "Grandfathered" Plan members are not required to contribute to the plan. Employees hired after July 1, 2010 will only receive the minimum contribution required by CalPERS health rules.

The Commission's contribution to the OPEB plan may be amended by the Board of Commissioners. The contribution required to be made is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded liabilities of the plan. For Fiscal Year 2016/2017, the Commission contributed \$109,000 to the plan, including \$54,007 for current premiums and HRA payments (100 percent of total premiums).

The Commission established an irrevocable trust in May 2009 that is administered by CalPERS on behalf of the Commission for the purpose of holding assets accumulated for plan benefits. It is the Commission's policy to contribute 100 percent of the Annual Required Contribution. Accordingly, the Commission's contributions to this trust have been accounted for as reductions of the Commission's liability for its obligation. CalPERS publishes a separate financial statement conforming to GASB Statement No. 43 in separately issued financial statements for the CalPERS OPEB Trust. Copies of the CalPERS annual financial reports for its OPEB Trust may be obtained from its website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Notes to the Basic Financial Statements

Year Ended June 30, 2017

**Note 9. Postemployment Benefit Plan, continued**

**Annual OPEB Cost and Net OPEB Obligation** - The Commission's annual other postemployment benefit (OPEB) costs (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation for these benefits:

Annual required contribution	\$ 109,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>109,000</u>
Contributions made (including premiums paid)	<u>(109,000)</u>
Increase in net OPEB obligation	-
Net OPEB obligation—beginning of year	-
Net OPEB obligation—end of year	<u><u>\$ -</u></u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended June 30	OPEB Annual Required Contribution (ARC)	Percentage of OPEB ARC Contributed	Net OPEB Obligation
2015	\$107,000	100%	\$-
2016	\$107,000	100%	\$-
2017	\$109,000	100%	\$-

**Funded Status and Funding Progress:** The funded status of the plan as of the June 30, 2015 valuation (most current valuation) was:

Actuarial accrued liability (AAL)	\$1,478,000
Actuarial value of plan assets	<u>917,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 561,000</u>
Funded ratio (actuarial value of plan assets/AAL)	62.0%
Covered payroll (active plan members)	\$1,751,000
UAAL as a percentage of covered payroll	32.0%

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Basic Financial Statements  
Year Ended June 30, 2017

**Note 9. Postemployment Benefit Plan, continued**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to the Basic Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of employer costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.25 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate for non-Medicare eligible health maintenance organization (HMO) and preferred provider organization (PPO) premiums were initially 9.0 percent; Medicare eligible HMO and PPO premiums were initially 9.4 percent. The trend rate was reduced by decrements to an ultimate rate of 5.0 percent after ten years. Both rates included a 3 percent inflation assumption. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level of percentage of projected payroll on a closed basis over 30 years. The remaining amortization period is 13 years. It is assumed the Commission's payroll will increase 3.25 percent per year.

**Note 10. Joint Ventures**

**SCRRA** - The Commission is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority, the San Bernardino Associated Governments, and the Riverside County Transportation Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for VCTC's pro rata share of rail lines servicing the County. The Commission expended \$3,371,059 from the budget during Fiscal Year 2016/2017 for its share of Metrolink capital and operating costs. Additional funding is programmed directly to SCRRA and is not reflected in the Commission's financial statements. Separate financial statements are prepared by and available from SCRRA's website at [www.metrolinktrains.com](http://www.metrolinktrains.com).



## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 10. Joint Ventures, continued

**LOSSAN** - The Commission is one of thirteen members of the Los Angeles - San Diego - San Luis Obispo (LOSSAN), a joint powers agency created in 1989 and most recently amended in 2013. The LOSSAN's board consists of two members from the Los Angeles County Metropolitan Transportation Authority, two members from the Orange County Transportation Authority, one member from the Riverside County Transportation Commission, one member from the San Diego Metropolitan Transit System, one member from the North County Transit District, one member from the San Diego Association of Governments, one member from the Ventura County Transportation Commission, one member from the Santa Barbara County Association of Governments, one member from San Luis Obispo Council of Governments, one Caltrans Director or designee, one member from the Southern California Association of Governments, one member of the National Railroad Passenger Corporation (Amtrak), and one member from the California High-Speed Rail Authority. The LOSSAN agency provides local input to the State Division of Rail on LOSSAN intercity passenger rail operations. As a member of LOSSAN, the Commission works with other counties and SCRRA on efforts to better integrate commuter and Amtrak intercity services within the LOSSAN corridor. The Commission paid \$0 in dues this fiscal year. LOSSAN is currently administered by Orange County Transportation Authority (OCTA), and separate financial statements are available its website at [www.octa.net/lossan/LOSSAN-rail-corridor-agency](http://www.octa.net/lossan/LOSSAN-rail-corridor-agency).

**CalVans** - The Commission is one of eight members of the California Vanpool Authority (CalVans), a joint powers agency created in 2011. The CalVan's board consists of one voting member and one alternate each from the member agencies: Association of Monterey Bay Area Government, Fresno Council of Governments, King County Association of Governments, Madera County Transportation Commission, Tulare County Association of Governments, Sacramento Area Council of Governments, Santa Barbara County Association of Governments and Ventura County Transportation Commission. The CalVans agency operates vanpools to promote ridesharing to work or college. As a member of CalVans, the Commission works with other counties to improve ridesharing/vanpooling efforts in their communities. The Commission paid \$0 in dues. Separate financial statements are available at its website at [www.calvans.org](http://www.calvans.org).

### Note 11. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters. The Commission protects itself against such losses by a balanced program of risk retention, risk transfers and the purchase of commercial insurance. Loss exposures retained by the Commission are treated as normal expenditures and include any loss contingency not covered by the Commission's purchased insurance policies. Capital projects and rail properties are protected through a combination of commercial insurance, insurance required by Commission consultants and a self-insurance fund established by the Southern California Regional Rail Authority (SCRRA).

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2017

### Note 11. Risk Management, continued

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy of \$10 million covers individual claims in excess of \$1 million. The Commission's worker's compensation insurance is covered through State Compensation Insurance Fund.

The Commission had a liability at June 30, 2017 in the amount of \$2,148,000 (see Note 4 for further details). Settled claims have not exceeded insurance coverage limits in any of the previous three fiscal years.

### Note 12. Contingencies

**Litigation:** Various claims and suits have been filed against the Commission in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of the Commission.

**Federal and State Grants:** The Commission receives federal and state funds for specific purposes that are subject to audit by the granting agencies. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits would not have a material effect on the Commission's financial position or changes in financial position.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Notes to the Basic Financial Statements

Year Ended June 30, 2017

**Note 13. Disbursements to Local Agencies**

The LTF accounts for the one-quarter percent state sales tax collected within the County. The funds can be used for various programs, including: administration, planning and programming for the Transportation Development Act, bicycle and pedestrian projects; commuter rail; streets and roads; and transit operations. The Commission's governing board approves an annual allocation which includes funding for local agencies to spend in accordance with the TDA guidelines. During the fiscal year ended June 30, 2017, the Commission distributed \$29,754,142 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2016/2017
City of Camarillo	\$ -	\$133,493	\$ 2,377,796	\$ 2,511,289
City of Fillmore	309,035	9,741	219,035	537,811
City of Moorpark	520,000	101,610	728,510	1,350,120
City of Ojai	-	40,805	-	40,805
City of Oxnard	-	5,112	-	5,112
City of Port Hueneme	-	10,264	-	10,264
City of San Buenaventura	-	64,803	-	64,803
City of Santa Paula	604,205	6,037	441,530	1,051,772
City of Simi Valley	4,324,369	49,150	-	4,373,519
City of Thousand Oaks	4,501,130	116,037	-	4,617,167
County of Ventura	-	91,163	-	91,163
Gold Coast Transit	15,100,317	-	-	15,100,317
<b>Total allocations</b>	<b><u>\$25,359,056</u></b>	<b><u>\$628,215</u></b>	<b><u>\$ 3,766,871</u></b>	<b><u>\$ 29,754,142</u></b>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**VENTURA COUNTY TRANSPORTATION COMMISSION**

Required Supplementary Information  
 Budgetary Comparison Schedule - General Fund  
 Year Ended June 30, 2017

(With Comparative Totals for Year Ended June 30, 2016)

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2015/2016 Actual
<b>Revenues:</b>					
Intergovernmental	\$ 11,986,152	\$ 13,588,773	\$ 6,550,035	\$ (7,038,738)	\$ 13,502,016
Charges for services	275,000	375,000	355,580	(19,420)	1,681,929
Investment income	-	-	2,071	2,071	1,307
Other revenue	-	-	161	161	4,024
<b>Total revenues</b>	<b>12,261,152</b>	<b>13,963,773</b>	<b>6,907,847</b>	<b>(7,055,926)</b>	<b>15,189,276</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>General government:</b>					
Salaries and benefits	2,975,000	2,980,800	2,395,870	584,930	2,465,527
General legal services	29,200	29,700	26,846	2,854	18,448
Professional services	842,800	1,233,800	782,633	451,167	264,127
Office lease	155,300	155,300	150,336	4,964	147,367
Other	3,529,501	3,356,101	217,977	3,138,124	1,113,550
<b>Total general government</b>	<b>7,531,801</b>	<b>7,755,701</b>	<b>3,573,662</b>	<b>4,182,039</b>	<b>4,009,019</b>
<b>Programs:</b>					
Commuter assistance	99,100	111,600	61,354	50,246	16,872
Highways	502,500	502,500	858	501,642	367
Planning and programming	1,384,400	1,793,238	679,354	1,113,884	858,238
Rail	5,288,770	9,090,505	6,020,341	3,070,164	4,647,409
Transit and transportation	7,330,000	7,387,675	4,202,284	3,185,391	16,120,038
<b>Total programs</b>	<b>14,604,770</b>	<b>18,885,518</b>	<b>10,964,191</b>	<b>7,921,327</b>	<b>21,642,924</b>
<b>Total expenditures</b>	<b>22,136,571</b>	<b>26,641,219</b>	<b>14,537,853</b>	<b>12,103,366</b>	<b>25,651,943</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,875,419)</b>	<b>(12,677,446)</b>	<b>(7,630,006)</b>	<b>5,047,440</b>	<b>(10,462,667)</b>
<b>Other financing sources (uses):</b>					
Transfers in	8,325,599	10,704,237	6,784,575	(3,919,662)	9,403,841
<b>Total other financing sources (uses)</b>	<b>8,325,599</b>	<b>10,704,237</b>	<b>6,784,575</b>	<b>(3,919,662)</b>	<b>9,403,841</b>
Net change in fund balances	(1,549,820)	(1,973,209)	(845,431)	1,127,778	(1,058,826)
Fund balances, beginning of year	44,013	360,000	2,478,487	2,118,487	3,537,313
<b>Fund balances (deficit), end of year</b>	<b>\$ (1,505,807)</b>	<b>\$ (1,613,209)</b>	<b>\$ 1,633,056</b>	<b>\$ 3,246,265</b>	<b>\$ 2,478,487</b>

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Special Revenue Fund - Local Transportation Fund  
 Year Ended June 30, 2017  
 (With Comparative Totals for Year Ended June 30, 2016)

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2015/2016 Actual
<b>Revenues:</b>					
Sales taxes	\$ 34,500,000	\$ 34,500,000	\$ 33,580,379	\$ (919,621)	\$ 34,601,613
Investment income	35,000	35,000	38,044	3,044	39,891
<b>Total revenues</b>	<b><u>34,535,000</u></b>	<b><u>34,535,000</u></b>	<b><u>33,618,423</u></b>	<b><u>(916,577)</u></b>	<b><u>34,641,504</u></b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>General government:</b>					
Professional services	13,500	13,500	13,500	-	14,000
<b>Total general government</b>	<b><u>13,500</u></b>	<b><u>13,500</u></b>	<b><u>13,500</u></b>	<b><u>-</u></b>	<b><u>14,000</u></b>
<b>Programs:</b>					
Planning and programming	-	-	3,766,871	(3,766,871)	3,707,583
Transit and transportation	30,008,380	30,008,380	25,987,271	4,021,109	26,492,163
<b>Total programs</b>	<b><u>30,008,380</u></b>	<b><u>30,008,380</u></b>	<b><u>29,754,142</u></b>	<b><u>254,238</u></b>	<b><u>30,199,746</u></b>
<b>Total expenditures</b>	<b><u>30,021,880</u></b>	<b><u>30,021,880</u></b>	<b><u>29,767,642</u></b>	<b><u>254,238</u></b>	<b><u>30,213,746</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>4,513,120</u></b>	<b><u>4,513,120</u></b>	<b><u>3,850,781</u></b>	<b><u>(662,339)</u></b>	<b><u>4,427,758</u></b>
<b>Other financing sources (uses):</b>					
Transfer out	(4,307,713)	(4,307,713)	(4,307,713)	-	(4,328,180)
<b>Total financing sources (uses)</b>	<b><u>(4,307,713)</u></b>	<b><u>(4,307,713)</u></b>	<b><u>(4,307,713)</u></b>	<b><u>-</u></b>	<b><u>(4,328,180)</u></b>
Net change in fund balances	205,407	205,407	(456,932)	(662,339)	99,578
Fund balances, beginning of year	3,910,620	3,910,620	8,108,784	4,198,164	8,009,206
<b>Fund balances, end of year</b>	<b><u>\$ 4,116,027</u></b>	<b><u>\$ 4,116,027</u></b>	<b><u>\$ 7,651,852</u></b>	<b><u>\$ 3,535,825</u></b>	<b><u>\$ 8,108,784</u></b>

See accompanying notes to the required supplementary information.



**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Special Revenue Fund - State Transit Assistance Fund  
 Year Ended June 30, 2017  
 (With Comparative Totals for Year Ended June 30, 2016)

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2015/2016 Actual
<b>Revenues:</b>					
Sales taxes	\$ 3,278,000	\$ 3,278,000	\$ 3,305,366	\$ 27,366	\$ 3,743,272
Investment income	45,000	45,000	54,665	9,665	76,660
<b>Total revenues</b>	<b><u>3,323,000</u></b>	<b><u>3,323,000</u></b>	<b><u>3,360,031</u></b>	<b><u>37,031</u></b>	<b><u>3,819,932</u></b>
<b>Other financing sources (uses):</b>					
Transfer out	(6,681,392)	(10,096,230)	(5,678,348)	4,417,882	(5,065,850)
<b>Total financing sources (uses)</b>	<b><u>(6,681,392)</u></b>	<b><u>(10,096,230)</u></b>	<b><u>(5,678,348)</u></b>	<b><u>4,417,882</u></b>	<b><u>(5,065,850)</u></b>
Net change in fund balances	(3,358,392)	(6,773,230)	(2,318,317)	4,454,913	(1,245,918)
Fund balances, beginning of year	9,600,000	9,600,000	10,656,447	1,056,447	11,902,365
<b>Fund balances, end of year</b>	<b><u>\$ 6,241,608</u></b>	<b><u>\$ 2,826,770</u></b>	<b><u>\$ 8,338,130</u></b>	<b><u>\$ 5,511,360</u></b>	<b><u>\$ 10,656,447</u></b>

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund - Service Authority for Freeway Emergencies

Year Ended June 30, 2017

(With Comparative Totals for Year Ended June 30, 2016)

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2015/2016 Actual
<b>Revenues:</b>					
Vehicle registration fees	\$ 770,000	\$ 770,000	\$ 800,633	\$ 30,633	\$ 784,953
Investment income	15,000	15,000	25,812	10,812	29,424
Other revenue	-	-	627	627	1,571
<b>Total revenues</b>	<b>785,000</b>	<b>785,000</b>	<b>827,072</b>	<b>42,072</b>	<b>815,948</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Programs:</b>					
Highways	592,000	592,000	451,362	140,638	842,233
<b>Total programs</b>	<b>592,000</b>	<b>592,000</b>	<b>451,362</b>	<b>140,638</b>	<b>842,233</b>
<b>Total expenditures</b>	<b>592,000</b>	<b>592,000</b>	<b>451,362</b>	<b>140,638</b>	<b>842,233</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>193,000</b>	<b>193,000</b>	<b>375,710</b>	<b>182,710</b>	<b>(26,285)</b>
<b>Other financing sources (uses):</b>					
Transfer out	(15,000)	(15,000)	(16,861)	(1,861)	(9,811)
<b>Total financing sources (uses)</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(16,861)</b>	<b>(1,861)</b>	<b>(9,811)</b>
Net change in fund balances	178,000	178,000	358,849	180,849	(36,096)
Fund balances, beginning of year	2,925,672	2,925,672	4,048,076	1,122,404	4,084,172
<b>Fund balances, end of year</b>	<b>\$ 3,103,672</b>	<b>\$ 3,103,672</b>	<b>\$ 4,406,925</b>	<b>\$ 1,303,253</b>	<b>\$ 4,048,076</b>

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Required Supplementary Information  
 Schedule of Funding Progress for Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2011	\$334,000	\$1,357,000	\$1,023,000	24.6%	\$1,740,000	58.8%
6/30/2013	\$611,000	\$1,331,000	\$720,000	45.9%	\$1,525,000	47.2%
6/30/2015	\$917,000	\$1,478,000	\$561,000	62.0%	\$1,751,000	32.0%

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Position Liability  
 Last Ten Fiscal Years\*

Plan	2017	2016	2015
Proportion of the net pension liability	1.98%	1.70%	2.17%
Proportionate share of the net pension liability	\$ 1,716,672	\$ 1,165,507	\$ 1,350,441
Covered- employee payroll	\$ 1,641,257	\$ 1,608,856	\$ 1,484,068
Proportionate share of the net pension liability as a percentage of covered-employee payroll	104.59%	72.44%	91.00%
Plan's fiduciary net position as percentage of the total pension liability	74.06%	78.40%	83.03%
Proportionate share of aggregate employer contribution	\$ 266,767	\$ 195,821	\$ 132,450

\*Fiscal Year 2015 was the first year of implementation of GASB 68, therefore, only three years are shown.  
 The reported figures have a measurement date of June 30, 2016, 2015 and 2014, respectively.

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
 Required Supplementary Information  
 Schedule of Contributions  
 Last Ten Fiscal Years\*

Plan	2017	2016	2015	2014
Actuarial determined contribution	\$ 182,833	\$ 154,553	\$ 132,450	\$ 135,690
Contributions in relation to the actuarially determined contribution	<u>(212,833)</u>	<u>(154,553)</u>	<u>(132,450)</u>	<u>(135,690)</u>
Contribution deficiency (excess)	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,768,289	\$ 1,641,257	\$ 1,608,856	\$ 1,484,068
Contributions as a percentage of covered-employee payroll	12.04%	9.42%	8.44%	9.14%

\*Fiscal Year 2015 was the first year of implementation of GASB 68, therefore, only four years are shown.

See accompanying notes to the required supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Notes to the Required Supplementary Information  
Year Ended June 30, 2017

**Note 1. Budgetary Data**

The annual budget serves the fiscal period from July 1 through June 30 and is a vehicle that accurately and openly communicates the Commission's priorities to the community, businesses, vendors, employees and other public agencies. Also, the budget provides the foundation of financial planning by providing resource planning and controls that permit the evaluation and adjustment of the Commission's performance.

The Commission adopts a comprehensive annual budget for all the funds. Upon final adoption, the budget shall be in effect for the ensuing fiscal year. Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting.

A preliminary budget document is prepared by Commission staff and first presented to the Commission's Finance Committee for review and approval. Once approved, the budget is presented to the full Commission for adoption. After the budget is adopted, staff has the on-going responsibility to monitor actual revenues and expenditures of the budget. Management has the discretion to transfer budgeted amounts that do not result in an increase in the overall budget. Amendments that result in an increase to the total expenditures would require Commission approval and would be brought to the Commission in a formal agenda item.

Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

**Note 2. Schedule of Funding Progress for Other Postemployment Benefit Plan**

The Schedules of Funding Progress for Other Postemployment Benefits shows the Commission's actuarial value of assets, accrued liabilities, and their relationship of the unfunded actuarial accrued liability (UAAL) to payroll for the Postemployment Benefit Plan in accordance with GASB Statement No. 45.

**Note 3. Schedule of Contributions**

The Schedule of Contributions shows the Commission's actuarial pension contributions and covered-employee payroll. Fiscal Year 2013/2014 information is based on the June 30, 2012 actuarial valuations performed by CalPERS. Fiscal Years 2014/2015 information is based on the June 30, 2013 and each year thereafter is similar in fiscal year and actuarial valuation year; and actuarial valuations are performed by CalPERS. For all years the Actuarial cost method was normal entry age with an amortization method of a level percent of payroll. See Notes to Basic Financial Statements, Note 8. Pension Plan for additional information.

## **SUPPLEMENTARY INFORMATION**

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**VENTURA COUNTY TRANSPORTATION COMMISSION**

Supplementary Information  
 Budgetary Comparison Schedule - VCTC Intercity  
 Year Ended June 30, 2017

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)
<b>Operating Revenues:</b>				
Passenger Fares	\$ 1,300,000	\$ 1,300,000	\$ 1,155,920	\$ (144,080)
Route Guarantee	1,302,000	1,302,000	1,372,821	70,821
<b>Total Operating Revenues</b>	<b>2,602,000</b>	<b>2,602,000</b>	<b>2,528,741</b>	<b>(73,259)</b>
<b>Operating Expenses:</b>				
Salaries and benefits	216,500	216,500	213,532	2,968
General legal services	60,000	75,000	107,710	(32,710)
Professional services	20,000	36,000	41,456	(5,456)
Other	154,900	1,656,542	135,383	1,521,159
Contract Services	8,229,000	9,251,500	8,617,818	633,682
Depreciation	-	-	1,022,597	(1,022,597)
<b>Total Operating Expenses</b>	<b>8,680,400</b>	<b>11,235,542</b>	<b>10,138,496</b>	<b>1,097,046</b>
<b>Operating (Loss)</b>	<b>(6,078,400)</b>	<b>(8,633,542)</b>	<b>(7,609,755)</b>	<b>1,023,787</b>
<b>Nonoperating Revenues:</b>				
Federal grants	2,895,894	4,129,890	4,129,890	-
State grants	469,000	753,946	543,796	(210,150)
Local grants	35,000	35,000	35,000	-
Interest income	-	-	394	394
<b>Total Nonoperating Revenues</b>	<b>3,399,894</b>	<b>4,918,836</b>	<b>4,709,080</b>	<b>(209,756)</b>
<b>(Loss) before contributed capital</b>	<b>(2,678,506)</b>	<b>(3,714,706)</b>	<b>(2,900,675)</b>	<b>814,031</b>
<b>Contributed capital and transfers:</b>				
Transfers in	2,678,506	3,714,706	3,218,347	(496,359)
Contributed capital, net	-	-	8,967,706	8,967,706
<b>Total contributed capital and transfers</b>	<b>2,678,506</b>	<b>3,714,706</b>	<b>12,186,053</b>	<b>8,471,347</b>
<b>Change in Net Position</b>	<b>-</b>	<b>-</b>	<b>9,285,378</b>	<b>9,285,378</b>
<b>Net Position:</b>				
<b>Beginning of Fiscal Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>End of Fiscal Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,285,378</b>	<b>\$ 9,285,378</b>

See accompanying notes to the supplementary information.

**VENTURA COUNTY TRANSPORTATION COMMISSION**

Supplementary Information  
 Budgetary Comparison Schedule - Valley Express  
 Year Ended June 30, 2017

	Fiscal Year 2016/2017 Original Budget	Fiscal Year 2016/2017 Final Budget	Fiscal Year 2016/2017 Actual	Variance with Final budget Positive (Negative)
<b>Operating Revenues:</b>				
Passenger Fares	\$ 176,080	\$ 176,080	\$ 105,847	\$ (70,233)
<b>Total Operating Revenues</b>	<b>176,080</b>	<b>176,080</b>	<b>105,847</b>	<b>(70,233)</b>
<b>Operating Expenses:</b>				
Salaries and benefits	62,800	62,800	70,449	(7,649)
General legal services	9,000	9,000	1,654	7,346
Professional services	121,000	121,000	97,871	23,129
Other	270,400	270,400	54,334	216,066
Contract Services	1,603,800	1,603,800	1,352,809	250,991
<b>Total Operating Expenses</b>	<b>2,067,000</b>	<b>2,067,000</b>	<b>1,577,117</b>	<b>489,883</b>
<b>Operating (Loss)</b>	<b>(1,890,920)</b>	<b>(1,890,920)</b>	<b>(1,471,270)</b>	<b>419,650</b>
<b>Nonoperating Revenues:</b>				
Federal grants	502,541	502,541	502,541	-
Local Transportation Funds (LTF)	1,168,379	1,168,379	959,541	(208,838)
State grants	220,000	220,000	-	(220,000)
Interest income	-	-	188	188
<b>Total Nonoperating Revenues</b>	<b>1,890,920</b>	<b>1,890,920</b>	<b>1,462,270</b>	<b>(428,650)</b>
<b>(Loss) before contributed capital</b>	<b>-</b>	<b>-</b>	<b>(9,000)</b>	<b>(9,000)</b>
<b>Contributed capital and transfers:</b>				
Contributed capital, net	-	-	9,000	9,000
<b>Total contributed capital and transfers</b>	<b>-</b>	<b>-</b>	<b>9,000</b>	<b>9,000</b>
<b>Change in Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>				
Beginning of Fiscal Year	-	-	-	-
End of Fiscal Year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to the required supplementary information.

## VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Supplementary Information  
Year Ended June 30, 2017

### **Note 1. Budgetary Data**

The annual budget serves the fiscal period from July 1 through June 30 and is a vehicle that accurately and openly communicates the Commission's priorities to the community, businesses, vendors, employees and other public agencies. Also, the budget provides the foundation of financial planning by providing resource planning and controls that permit the evaluation and adjustment of the Commission's performance.

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Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

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## **STATISTICAL SECTION**

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**VENTURA COUNTY TRANSPORTATION COMMISSION**  
Statistical Section

This section of the Ventura County Transportation Commission's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health. This information has not been audited by the independent auditor.

<b><u>Contents:</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	88
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Commission's most significant local revenue source, sales tax.	93
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.	97
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	100

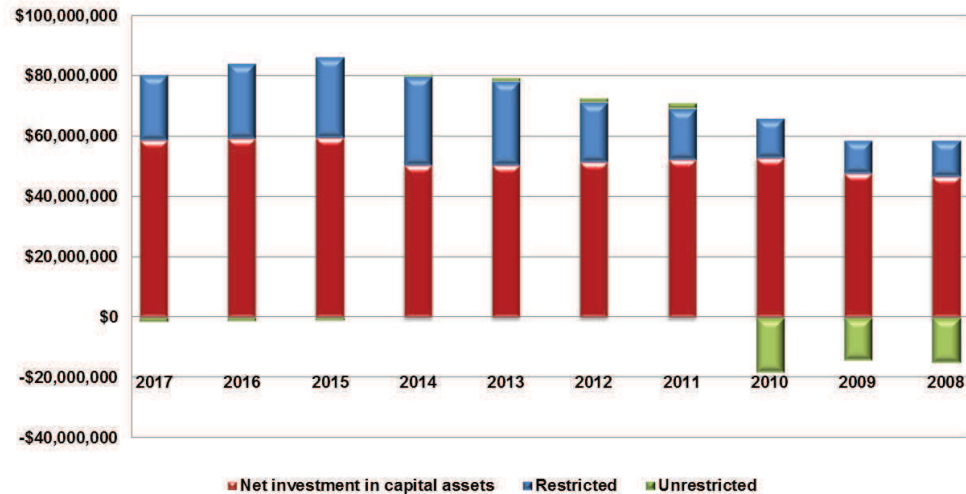
**Ventura County Transportation Commission**  
 Net Position by Component  
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities:</b>										
Net investment in capital assets	\$49,150,086	\$59,116,203	\$59,444,142	\$50,418,869	\$50,338,553	\$51,295,078	\$52,146,346	\$52,788,888	\$47,625,208	\$46,633,276
Restricted	21,680,879	24,807,391	26,733,576	29,266,276	27,849,939	19,809,273	16,992,131	13,134,570	11,053,667	11,960,588
Unrestricted	(1,310,863)	(1,229,891)	(1,006,558)	678,381	931,968	1,441,328	1,780,449	(18,332,776)	(14,339,223)	(15,077,173)
<b>Total governmental activities net position</b>	<b>\$69,520,102</b>	<b>\$82,693,703</b>	<b>\$85,171,160</b>	<b>\$80,363,526</b>	<b>\$79,120,460</b>	<b>\$72,545,679</b>	<b>\$70,918,926</b>	<b>\$47,590,682</b>	<b>\$44,339,652</b>	<b>\$43,516,691</b>
<b>Business-type Activities:</b>										
Net investment in capital assets	\$ 9,373,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(87,747)	-	-	-	-	-	-	-	-	-
<b>Total business-type activities net position</b>	<b>\$ 9,285,378</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Primary government:</b>										
Net investment in capital assets	\$58,523,211	\$59,116,203	\$59,444,142	\$50,418,869	\$50,338,553	\$51,295,078	\$52,146,346	\$52,788,888	\$47,625,208	\$46,633,276
Restricted	21,680,879	24,807,391	26,733,576	29,266,276	27,849,939	19,809,273	16,992,131	13,134,570	11,053,667	11,960,588
Unrestricted	(1,398,610)	(1,229,891)	(1,006,558)	678,381	931,968	1,441,328	1,780,449	(18,332,776)	(14,339,223)	(15,077,173)
<b>Total primary government activities net position</b>	<b>\$78,805,480</b>	<b>\$82,693,703</b>	<b>\$85,171,160</b>	<b>\$80,363,526</b>	<b>\$79,120,460</b>	<b>\$72,545,679</b>	<b>\$70,918,926</b>	<b>\$47,590,682</b>	<b>\$44,339,652</b>	<b>\$43,516,691</b>

GASB 68 implemented in 2015. Prior year's information not restated.

Source: Ventura County Transportation Commission Finance Department.

**Net Position by Component**



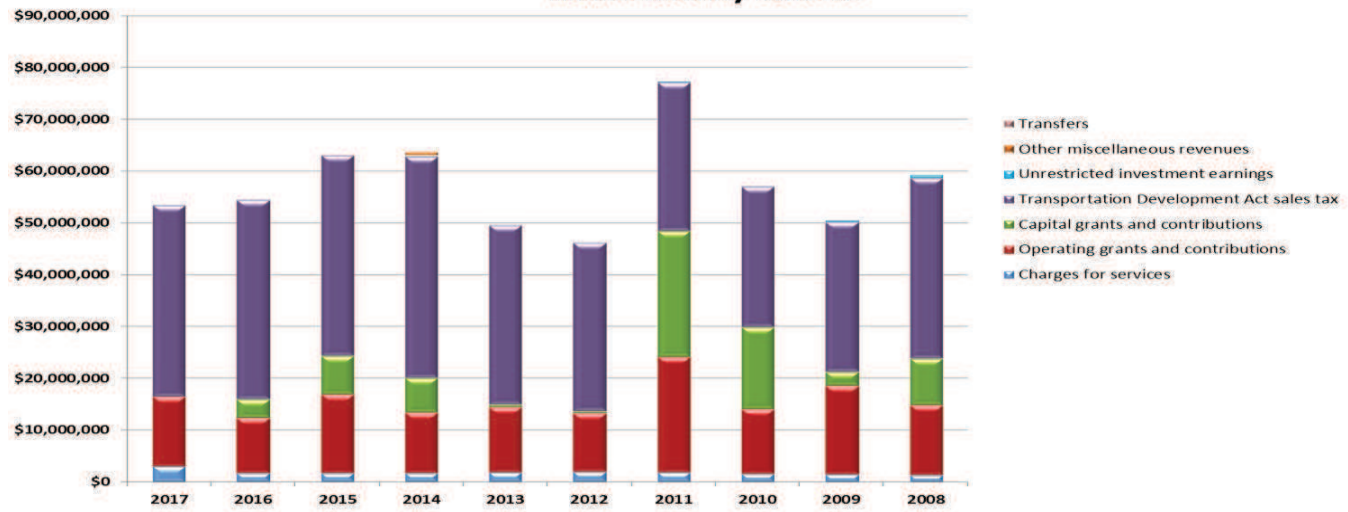


**Ventura County Transportation Commission**  
Changes in Net Position  
Last Ten Fiscal Years

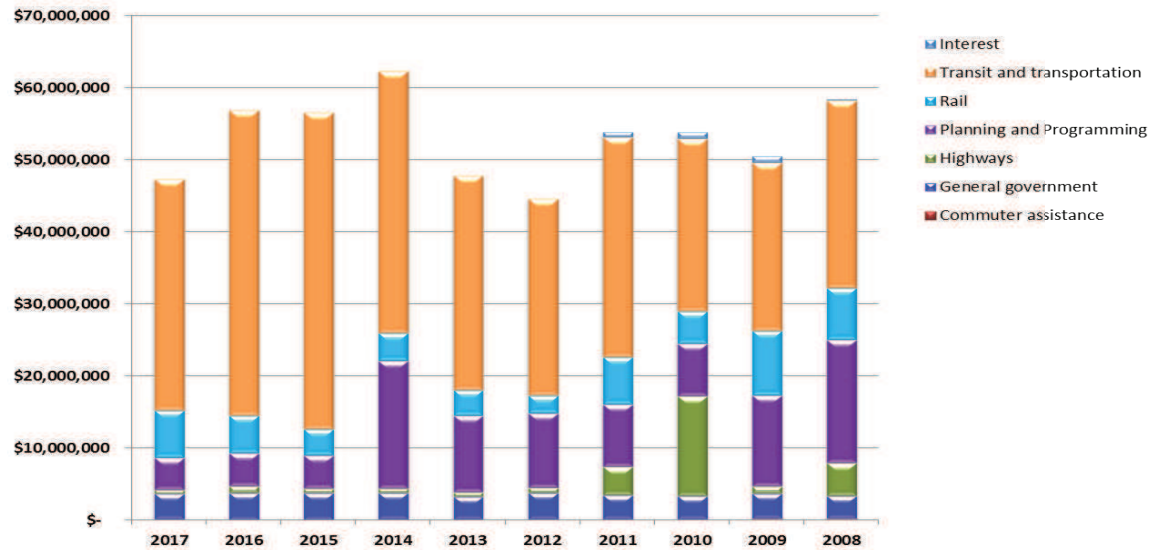
	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
<b>Governmental activities:</b>										
Commuter assistance	\$ 61,354	\$ 16,872	\$ 35,645	\$ 65,215	\$ 54,283	\$ 48,742	\$ 56,640	\$ 86,969	\$ 152,977	\$ 152,433
General government	3,526,219	3,722,332	3,710,719	3,666,862	3,206,934	3,709,351	3,349,076	3,207,254	3,528,518	3,189,455
Highways	561,319	961,504	587,948	593,920	597,348	727,464	3,998,426	13,874,782	965,082	4,574,935
Planning and Programming	4,446,225	4,565,821	4,631,468	17,783,779	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	17,085,955
Rail	6,594,505	5,221,916	3,614,184	3,880,448	3,557,084	2,435,079	6,541,532	4,486,811	8,920,697	7,161,257
Transit and transportation	30,502,299	42,455,672	44,019,073	36,382,466	29,721,057	27,373,268	30,534,598	23,976,331	23,384,098	26,062,639
Interest	-	-	-	-	-	-	763,938	948,456	951,456	242,091
<b>Total governmental activities expenses</b>	<b>45,691,921</b>	<b>56,944,117</b>	<b>56,599,037</b>	<b>62,372,690</b>	<b>47,792,386</b>	<b>44,638,735</b>	<b>53,915,405</b>	<b>53,873,366</b>	<b>50,592,722</b>	<b>58,468,765</b>
<b>Business-type activities:</b>										
VCTC Intercity	10,138,496	-	-	-	-	-	-	-	-	-
Transit and transportation	1,577,117	-	-	-	-	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>11,715,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government expenses</b>	<b>57,407,534</b>	<b>56,944,117</b>	<b>56,599,037</b>	<b>62,372,690</b>	<b>47,792,386</b>	<b>44,638,735</b>	<b>53,915,405</b>	<b>53,873,366</b>	<b>50,592,722</b>	<b>58,468,765</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	-	-	-	-	30,000	50,000	50,000	60,021	45,521	130,964
Highways	-	-	-	-	-	-	4,488	-	-	-
Planning and Programming	500	3,450	-	500	-	500	-	1,000	-	-
Rail	355,080	277,741	292,600	308,070	331,041	339,873	387,636	336,771	334,229	325,731
Transit and transportation	-	1,400,738	1,365,956	1,388,217	1,419,494	1,515,280	1,389,416	1,181,047	1,043,382	827,172
Operating grants and contributions	7,350,668	10,703,637	15,177,389	11,653,613	12,644,310	11,363,227	22,252,200	12,493,812	17,132,386	13,523,471
Capital grants and contributions	-	3,612,756	7,534,382	6,761,699	511,399	380,681	24,271,855	15,711,797	2,663,238	9,004,070
<b>Total governmental activities program revenues</b>	<b>7,706,248</b>	<b>15,998,322</b>	<b>24,370,327</b>	<b>20,112,099</b>	<b>14,936,244</b>	<b>13,649,561</b>	<b>48,355,595</b>	<b>29,784,448</b>	<b>21,218,756</b>	<b>23,811,408</b>
<b>Business-type activities:</b>										
Charges for services transit	2,634,588	-	-	-	-	-	-	-	-	-
Operating grants and contributions	6,170,768	-	-	-	-	-	-	-	-	-
<b>Total business-type activities revenues</b>	<b>8,805,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government revenues</b>	<b>16,511,604</b>	<b>15,998,322</b>	<b>24,370,327</b>	<b>20,112,099</b>	<b>14,936,244</b>	<b>13,649,561</b>	<b>48,355,595</b>	<b>29,784,448</b>	<b>21,218,756</b>	<b>23,811,408</b>
<b>Net primary government revenues/(expenses)</b>										
Governmental activities	(37,985,673)	(40,945,795)	(32,228,710)	(42,260,591)	(32,856,142)	(30,989,174)	(5,559,810)	(24,088,918)	(29,373,966)	(34,657,357)
Business-type activities	(2,910,257)	-	-	-	-	-	-	-	-	-
<b>Total net primary government revenues/(expenses)</b>	<b>(40,895,930)</b>	<b>(40,945,795)</b>	<b>(32,228,710)</b>	<b>(42,260,591)</b>	<b>(32,856,142)</b>	<b>(30,989,174)</b>	<b>(5,559,810)</b>	<b>(24,088,918)</b>	<b>(29,373,966)</b>	<b>(34,657,357)</b>
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
Transportation Development Act sales tax	36,885,745	38,344,885	38,597,004	42,629,270	34,608,784	32,518,069	28,717,326	27,230,132	28,896,209	34,826,816
Investment earnings	120,592	117,858	90,429	74,862	38,516	81,743	145,864	99,754	378,390	662,964
Other miscellaneous revenues	788	5,595	6,443	799,525	215,023	16,115	24,864	10,062	28,793	64,068
Transfers	(3,218,347)	-	-	-	-	-	-	-	-	-
Contributions capital, net	(8,976,706)	-	-	-	-	-	-	-	-	-
<b>Total governmental activities general revenues</b>	<b>24,812,072</b>	<b>38,468,338</b>	<b>38,693,876</b>	<b>43,503,657</b>	<b>34,862,323</b>	<b>32,615,927</b>	<b>28,888,054</b>	<b>27,339,948</b>	<b>29,303,392</b>	<b>35,553,848</b>
<b>Business-type activities:</b>										
Investment earnings	582	-	-	-	-	-	-	-	-	-
Transfers	3,218,347	-	-	-	-	-	-	-	-	-
Contributions capital, net	8,976,706	-	-	-	-	-	-	-	-	-
<b>Total business-type activities general revenues</b>	<b>12,195,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government general revenues</b>	<b>37,007,707</b>	<b>38,468,338</b>	<b>38,693,876</b>	<b>43,503,657</b>	<b>34,862,323</b>	<b>32,615,927</b>	<b>28,888,054</b>	<b>27,339,948</b>	<b>29,303,392</b>	<b>35,553,848</b>
<b>Changes in net position:</b>										
Governmental activities	(13,173,601)	(2,477,457)	6,465,166	1,243,066	2,006,181	1,626,753	23,328,244	3,251,030	(70,574)	896,491
Business-type activities	9,285,378	-	-	-	-	-	-	-	-	-
<b>Total primary government changes in net position</b>	<b>\$ (3,888,223)</b>	<b>\$ (2,477,457)</b>	<b>\$ 6,465,166</b>	<b>\$ 1,243,066</b>	<b>\$ 2,006,181</b>	<b>\$ 1,626,753</b>	<b>\$ 23,328,244</b>	<b>\$ 3,251,030</b>	<b>\$ (70,574)</b>	<b>\$ 896,491</b>

GASB 68 implemented in 2015. Prior year's information not restated.  
Source: Ventura County Transportation Commission Finance Department.

### Revenues by Source



### Expenses by Function

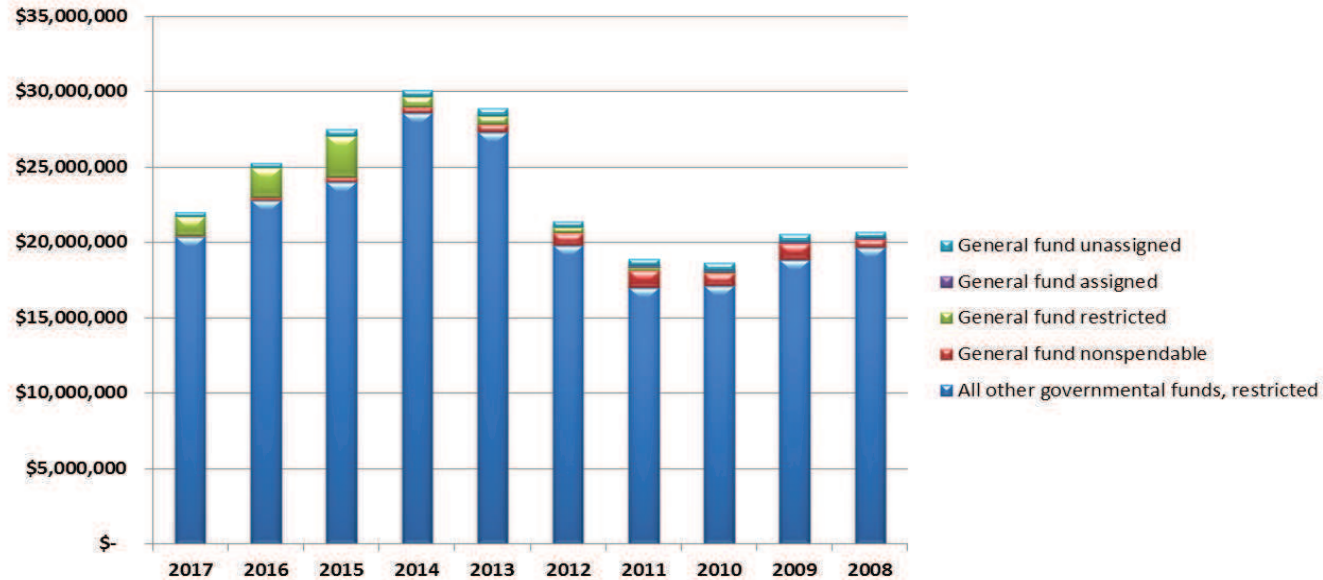


**Ventura County Transportation Commission**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General fund:</b>										
Nonspendable	\$ 48,230	\$ 165,959	\$ 311,840	\$ 375,386	\$ 524,229	\$ 819,593	\$ 1,152,462	\$ 832,323	\$ 1,098,319	\$ 546,088
Restricted	1,283,972	1,994,084	2,737,833	676,575	524,229	344,619	193,973	73,394	-	-
Assigned			-	-	-	-	128,756	128,755	107,484	81,680
Unassigned	291,854	318,444	487,640	441,450	544,159	423,365	448,159	535,960	527,030	430,535
<b>Total general fund</b>	<b>\$ 1,624,056</b>	<b>\$ 2,478,487</b>	<b>\$ 3,537,313</b>	<b>\$ 1,493,411</b>	<b>\$ 1,592,617</b>	<b>\$ 1,587,577</b>	<b>\$ 1,923,350</b>	<b>\$ 1,570,432</b>	<b>\$ 1,732,833</b>	<b>\$ 1,058,303</b>
<b>All other governmental funds:</b>										
Restricted	\$20,396,907	\$22,813,307	\$23,995,743	\$28,589,701	\$27,325,710	\$19,809,273	\$16,992,131	\$17,107,070	\$18,843,222	\$19,648,306
<b>Total all other governmental funds</b>	<b>\$20,396,907</b>	<b>\$22,813,307</b>	<b>\$23,995,743</b>	<b>\$28,589,701</b>	<b>\$27,325,710</b>	<b>\$19,809,273</b>	<b>\$16,992,131</b>	<b>\$17,107,070</b>	<b>\$18,843,222</b>	<b>\$19,648,306</b>

Source: Ventura County Transportation Commission Finance Department.

### Fund Balances of Governmental Funds



**Ventura County Transportation Commission**  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Sales taxes	\$36,885,745	\$38,344,885	\$38,597,004	\$42,629,270	\$34,608,784	\$32,518,069	\$28,717,326	\$27,230,132	\$28,896,209	\$34,826,816
Vehicle registration user fees	800,633	784,953	766,387	761,141	744,145	769,635	703,393	723,873	737,139	742,312
Intergovernmental	6,550,035	13,502,016	21,929,983	17,644,600	12,407,378	10,961,169	45,796,520	27,453,910	18,926,282	21,342,498
Charges for services	355,580	1,681,929	1,658,556	1,696,787	1,780,535	1,905,653	1,831,540	1,578,839	1,423,132	1,283,867
Investment Income	120,592	147,282	105,830	84,432	42,702	94,847	170,007	127,580	510,593	1,105,695
Other revenue	788	5,595	6,443	231,448	10,781	16,115	24,864	10,062	28,793	64,068
<b>Total revenues</b>	<b>44,713,373</b>	<b>54,466,660</b>	<b>63,064,203</b>	<b>63,047,678</b>	<b>49,594,325</b>	<b>46,265,488</b>	<b>77,243,650</b>	<b>57,124,396</b>	<b>50,522,148</b>	<b>59,365,256</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	3,587,162	4,023,019	3,756,577	3,666,206	3,219,917	3,691,581	3,317,757	4,195,014	4,588,977	3,495,046
Programs:										
Commuter assistance	61,354	16,872	35,645	65,215	54,283	48,742	56,640	86,969	152,977	152,433
Highways	452,220	842,600	453,286	448,028	450,763	502,657	3,771,194	13,583,971	681,839	2,520,358
Planning and programming	4,446,225	4,565,821	4,631,468	16,215,526	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	16,461,212
Rail	6,020,341	4,647,409	3,039,809	3,545,504	2,985,311	1,909,076	6,063,617	8,714,873	9,084,627	7,891,487
Transit and specialized transportation	30,189,555	42,612,201	53,697,474	37,942,414	29,479,736	27,287,232	30,619,241	24,207,548	23,403,112	26,520,761
Debt service:										
Principal payment	-	-	-	-	-	-	23,795,000	-	-	1,680,000
Interest and other fiscal charges	-	-	-	-	-	-	711,027	941,811	944,811	1,639,717
Bond issuance costs	-	-	-	-	-	-	-	-	-	146,187
<b>Total expenditures</b>	<b>44,756,857</b>	<b>56,707,922</b>	<b>65,614,259</b>	<b>61,882,893</b>	<b>46,845,690</b>	<b>43,784,119</b>	<b>77,005,671</b>	<b>59,022,949</b>	<b>51,546,237</b>	<b>60,507,201</b>
<b>Excess (deficiency) of revenues and expenditures</b>	<b>(43,484)</b>	<b>(2,241,262)</b>	<b>(2,550,056)</b>	<b>1,164,785</b>	<b>2,748,635</b>	<b>2,481,369</b>	<b>237,979</b>	<b>(1,898,553)</b>	<b>(1,024,089)</b>	<b>(1,141,945)</b>
<b>Other financing sources (uses):</b>										
Transfers in	6,784,575	9,403,841	11,020,988	7,737,555	4,474,242	3,610,158	5,792,721	3,918,629	5,214,874	3,986,809
Transfers out	(10,002,922)	(9,403,841)	(11,020,988)	(7,737,555)	(4,474,242)	(3,610,158)	(5,792,721)	(3,918,629)	(5,214,874)	(3,986,809)
Contributed capital, net	(9,000)	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	23,795,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(23,795,000)
Discounts on revenue bond	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	204,242	-	-	-	-	56,000
<b>Total other financing sources</b>	<b>(3,227,347)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,000</b>
<b>Net change in fund balances</b>	<b>\$ (3,270,831)</b>	<b>\$ (2,241,262)</b>	<b>\$ (2,550,056)</b>	<b>\$ 1,164,785</b>	<b>\$ 2,952,877</b>	<b>\$ 2,481,369</b>	<b>\$ 237,979</b>	<b>\$ (1,898,553)</b>	<b>\$ (1,024,089)</b>	<b>\$ (1,085,945)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>32.0%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>5.6%</b>

Source: Ventura County Transportation Commission Finance Department.

**Ventura County Transportation Commission**  
Sources of County of Ventura Taxable Sales by Business Type  
Last Ten Calendar Years  
(in Thousands)

Sources	Calendar Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Motor vehicle & parts dealers	\$ 2,164,303	\$ 1,985,028	\$ 1,838,611	\$ 1,711,680	\$ 1,493,652	\$ 1,351,557	\$ 1,285,749	\$ 1,495,331	\$ 1,917,688	\$ 1,910,283
Home furnishings & appliance stores	536,773	497,577	479,315	460,407	464,412	468,896	475,039	396,275	358,289	372,984
Building materials	774,857	718,975	684,286	641,660	599,430	569,099	567,675	600,326	788,485	879,041
Food & beverage stores	627,856	586,114	573,416	548,619	530,624	514,100	517,783	476,367	489,538	476,843
Gasoline stations	997,950	1,175,226	1,208,107	1,248,682	1,184,899	957,689	809,704	1,065,992	997,082	864,434
Clothing & accessories stores	939,280	917,802	907,629	863,178	813,037	754,565	699,760	597,268	595,751	574,387
General merchandise stores	1,036,798	1,136,469	1,136,487	1,112,454	1,083,396	1,044,770	1,008,611	1,225,854	1,267,235	1,272,068
Food services & drinking places	1,434,389	1,331,182	1,250,941	1,193,290	1,115,328	1,053,007	1,025,568	1,063,774	1,074,200	1,030,726
Other retail group	1,103,164	1,052,680	1,022,645	920,038	871,627	833,277	823,716	1,573,235	1,817,412	2,046,950
All other outlets	4,168,976	3,965,575	3,722,859	3,258,250	2,863,777	2,678,528	2,670,248	2,827,988	2,924,527	2,889,196
<b>Total Taxable Sales</b>	<b>\$ 13,784,346</b>	<b>\$13,366,628</b>	<b>\$12,824,296</b>	<b>\$11,958,258</b>	<b>\$11,020,182</b>	<b>\$10,225,488</b>	<b>\$ 9,883,853</b>	<b>\$11,322,410</b>	<b>\$12,230,207</b>	<b>\$12,316,912</b>
Local transportation fund tax	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Source: California State Board of Equalization, Taxable Sales in California Report. The most current information available is from 2015. Some categories from 2014 and previous years are restated to align with new California Board of Equalization (BOE) format.

**Ventura County Transportation Commission**  
 Direct and Overlapping Sales Tax Rates  
 Last Ten Calendar Years

Transportation Development Act		
Fiscal Year	(TDA) Direct Rate	County of Ventura
2017	0.25%	7.25%
2016	0.25%	7.50%
2015	0.25%	7.50%
2014	0.25%	7.50%
2013	0.25%	7.50%
2012	0.25%	7.25%
2011	0.25%	7.25%
2010	0.25%	8.25%
2009	0.25%	8.25%
2008	0.25%	7.25%

The Ventura County Transportation Commission apportions the TDA sales tax revenue to the eligible cities and Gold Coast Transit District. Ventura County does not have a local transportation sales tax.

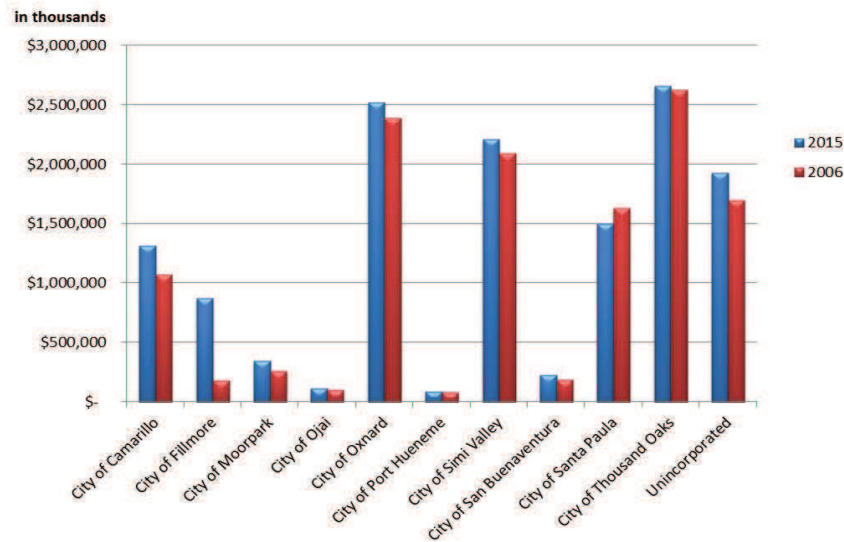
Source: California State Board of Equalization

**Ventura County Transportation Commission**  
Principal Taxable Sales Generation by City  
Current Year and Nine Years Ago

	2015			2006		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	\$ 1,316,357	6	9.5%	\$ 1,069,662	6	8.7%
City of Fillmore	873,491	7	6.3%	181,804	9	1.5%
City of Moorpark	348,300	8	2.5%	261,049	7	2.1%
City of Ojai	115,866	10	0.8%	100,284	10	0.8%
City of Oxnard	2,521,315	2	18.3%	2,389,587	2	19.4%
City of Port Hueneme	87,904	11	0.6%	83,382	11	0.7%
City of San Buenaventura	2,210,762	3	16.0%	2,088,774	3	17.0%
City of Santa Paula	227,848	9	1.7%	189,258	8	1.5%
City of Simi Valley	1,496,367	5	10.9%	1,631,655	5	13.2%
City of Thousand Oaks	2,658,291	1	19.3%	2,627,273	1	21.3%
Incorporated	11,856,501		86.0%	10,622,728		86.2%
Unincorporated	1,927,845	4	14.0%	1,694,184	4	13.8%
Countywide	<u>13,784,346</u>		<u>100.0%</u>	<u>12,316,912</u>		<u>100.0%</u>
California	<u>\$ 633,941,981</u>			<u>\$ 559,652,437</u>		

Source: California State Board of Equalization, Taxable Sales in California Report. The most current information available is from 2015.

**Taxable Sales by City**



**Ventura County Transportation Commission**  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual)

Fiscal Year	Transportation Development Act (TDA) Local Transportation Fund (LTF)	Transportation Development Act (TDA) State Transit Assistance (STA)
2017	\$33,580,379	\$3,305,366
2016	34,601,613	3,743,885
2015	33,844,974	4,752,030
2014	37,506,271	5,122,999
2013	29,581,810	5,026,974
2012	27,679,989	4,838,080
2011	26,289,532	2,427,794
2010	24,802,338	2,427,794
2009	27,052,017	1,844,192
2008	31,371,117	3,455,699

Tax Type: 1/4 cent General Sales Tax      Gas & Diesel Sale Tax

Source: Ventura County Transportation Commission Finance Department.



**Ventura County Transportation Commission**  
Demographic and Economic Statistics for the County of Ventura  
Last Ten Calendar Years

Calendar Year	Population <sup>1</sup>	Personal Income (in thousands) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>3</sup>
2016	857,386	\$ *	\$ *	5.2%
2015	856,508	46,060,353	53,777	5.7%
2014	848,073	42,651,306	50,292	6.7%
2013	842,967	42,406,474	50,306	7.8%
2012	835,436	40,826,909	48,869	9.0%
2011	832,970	38,141,164	45,789	10.1%
2010	828,383	36,858,409	44,494	10.8%
2009	844,713	36,863,041	43,640	10.0%
2008	836,080	37,185,120	44,476	7.2%
2007	831,587	36,210,471	43,544	4.9%

\* Data is unavailable.

Sources:

<sup>1</sup> California Department of Finance, Demographic Research Unit

<sup>2</sup> U.S Bureau of Economic Analysis, most current information available is 2015.

<sup>3</sup> California Employment Development Department, Labor Market Information Division

## Ventura County Transportation Commission

### Principal Employers

Current Year and Nine Years Ago

Employer	2017 <sup>1</sup>			2008 <sup>2</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Naval Base	14,210	1	4.35%	17,000	1	5.27%
County of Ventura	9,151	2	2.80%	7,919	3	2.45%
Amgen, Inc.	5,500	3	1.68%	10,600	2	3.28%
Wellpoint Inc.	2,860	4	0.88%	3,635	5	1.13%
Simi Valley Unified School District	2,737	5	0.84%	2,405	6	0.75%
Community Memorial Hospital	2,100	6	0.64%	2,000	12	0.62%
Conejo Unified School District	1,999	7	0.61%	2,229	9	0.69%
Dignity Health	1,904	8	0.58%	*		
Ventura Unified School District	1,834	9	0.56%	2,189	11	0.68%
Ventura Community College District	1,741	10	0.53%	1,874	14	0.58%
	<u>44,036</u>		<u>13.47%</u>	<u>49,851</u>		<u>15.45%</u>
Total County Employment	<u>326,800</u>			<u>322,683</u>		

\* Data unavailable.

Source:

<sup>1</sup> 2017 Ventura County Economic Outlook as of January 2017

<sup>2</sup> County of Ventura/UCSB Economic Forecast Project February 2008

**Ventura County Transportation Commission**  
 Full-Time Equivalent Employees by Function  
 Last Ten Fiscal Years

Programs	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	6.2	5.5	4.8	4.3	5.2	5.2	5.2	5.5	5.7	5.0
Planning and Programming	5.3	6.0	5.0	4.0	4.4	4.0	3.1	2.7	2.2	0.8
Commuter assistance	2.4	2.3	3.2	2.4	2.8	2.5	2.5	2.4	3.0	3.9
Rail	0.8	0.9	0.8	1.0	1.0	0.9	0.8	0.9	0.8	1.2
Highways	0.2	0.1	0.1	0.1	0.1	0.2	1.0	0.8	1.1	2.2
Transit and specialized transportation	4.5	5.6	4.9	4.2	4.0	3.5	3.3	3.8	4.5	5.9
<b>Total Full-time equivalent</b>	<b>19.4</b>	<b>20.4</b>	<b>18.8</b>	<b>16.0</b>	<b>17.5</b>	<b>16.3</b>	<b>15.9</b>	<b>16.1</b>	<b>17.3</b>	<b>19.0</b>

Source: Ventura County Transportation Commission Finance Department.

**Ventura County Transportation Commission**  
 Operating Indicators by Function  
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Transit and Specialized Transportation Program</b>										
<b>Bus Transit Operations</b>										
<b>Ridership<sup>1</sup>:</b>										
Intercity 101			113,149	118,630	120,739	120,670	112,705	105,588	113,382	89,493
Intercity Conejo			29,295	33,059	41,269	39,633	43,582	37,228	42,320	34,629
Intercity 126			216,098	220,011	228,803	234,145	222,723	199,043	196,750	165,343
Intercity East			69,935	76,015	84,216	81,711	74,889	76,321	67,144	57,860
Intercity CSUCI - Combined			96,914	108,779	95,866	81,368	63,743	84,552	89,093	77,946
Intercity CSUCI - Camarillo										
Intercity CSUCI - Oxnard										
Intercity Coastal			256,990	226,507	272,913	311,827	285,314	276,449	277,105	209,694
VCTC Intercity - Combined	715,098	786,761								
Valley Express DAR - SP			56,917	89,433	101,063	98,616	99,912	104,267	98,346	106,252
Valley Express DAR - F			64,873	100,212	108,236	105,965	105,780	112,633	107,705	104,025
Valley Express Fixed - SP			12,722							
Valley Express Fixed - F			8,443							
Valley Express Fixed - P			8,663							
Valley Express - Combined	97,812	128,481								
<b>Farebox recovery ratio<sup>1</sup>:</b>										
Intercity 101			19.17%	28.05%	26.58%	32.40%	29.93%	28.99%	30.20%	24.12%
Intercity Conejo			18.76%	32.64%	30.55%	48.52%	57.88%	51.79%	50.52%	30.26%
Intercity 126			34.57%	47.63%	48.38%	61.15%	58.09%	48.67%	43.61%	36.18%
Intercity East			16.24%	23.42%	21.82%	26.97%	26.09%	26.42%	23.23%	20.48%
Intercity CSUCI - Combined			91.05%	111.07%	102.69%	102.73%	102.73%	102.73%	102.58%	102.73%
Intercity CSUCI - Camarillo										
Intercity CSUCI - Oxnard										
Intercity Coastal			49.70%	70.24%	59.43%	82.10%	79.15%	69.09%	61.40%	65.74%
VCTC Intercity -Combined	33.13%	26.00%								
Valley Express DAR - SP			8.46%	11.53%	13.11%	12.47%	13.04%	12.62%	12.83%	13.95%
Valley Express DAR - F			11.16%	14.82%	13.77%	15.21%	15.60%	14.96%	15.70%	15.82%
Valley Express Fixed - SP			4.82%							
Valley Express Fixed - F			6.05%							
Valley Express Fixed - P			9.78%							
Valley Express Fixed										
Valley Express - Combined	6.93%	6.53%								

**Ventura County Transportation Commission**  
 Operating Indicators by Function (continued)  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Transit and Specialized Transportation Program</b>										
<b>Bus Passes<sup>2</sup>:</b>										
GoVentura Pass Sales Volume			5,112	6,155	5,974	6,692	7,316	7,873	8,002	6,431
GoVentura Pass Sales Amount			\$ 198,854	\$ 232,806	\$ 217,047	\$ 263,183	\$ 257,518	\$ 237,815	\$ 245,437	\$ 201,545
GoVentura Pass Boardings			149,551	172,413	164,871	203,340	223,572	235,566	226,323	191,114
GoVentura E-Purse Sales Volume			5,390	6,761	5,863	7,049	6,456	5,857	5,502	4,386
GoVentura E-Purse Sales Amount			\$ 236,791	\$ 298,653	\$ 261,716	\$ 343,466	\$ 327,291	\$ 272,816	\$ 227,038	\$ 175,583
GoVentura E-Purse Boardings			128,977	155,702	131,306	178,210	168,128	161,540	152,357	114,217
Intercity Pass Sales Volume	3,863	3,240	665							
Intercity Pass Sales Amount	\$ 215,295	\$ 206,023	\$ 49,635							
Intercity Pass Boardings	57,461	58,553	1,381							
Intercity 10-Trip Sales Volume	13,162	13,243	2,015							
Intercity 10-Trip Sales Amount	\$ 299,148	\$ 307,208	\$ 43,838							
Intercity 10-Trip Boardings	123,570	121,111	7,735							
One Ride Pass Sales Volume	36,964	21,346								
One Ride Pass Sales Amount	\$ 37,658	\$ 21,908								
One Ride Pass Boarding <sup>7</sup>	7,798	6,991								
Valley Express Pass Sales Volume	1,696	1,942	271							
Valley Express Pass Sales Amount	\$ 33,115	\$ 36,970	\$ 3,450							
Valley Express Pass Boardings	30,372	38,071	4,320							
<b>Senior and Disabled:</b>										
Telephone Information <sup>3</sup>	12,208	13,709	16,844	16,557	4,858	5,015	5,911			
Applications Received	1,389	1,519	1,558	1,254	1,114	1,158	1,278			
Certifications Issued	1,246	1,314	1,116	794	803	763	773			
Applicant Interviews	399	479	922	661	643	604	609			
Functional Assessments	312	370	414	390	444	353	336			
<b>Highway Program</b>										
<b>Motorist Assistance:</b>										
Callboxes	249	564	564	564	564	547	553	564	562	556
Calls made	2,865	2,565	3,046	2,792	3,326	3,294	3,543	3,747	3,889	4,791

**Ventura County Transportation Commission**  
 Operating Indicators by Function (continued)  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Rail Program</b>										
<b>Commuter Rail Operations Valley Express Ventura Line:</b>										
Train miles	252,772	247,204	247,054	286,850	250,976	283,985	270,384	292,147	292,147	290,906
Passenger Boardings	1,085,453	1,029,351	1,015,242	1,061,161	1,024,464	1,001,043	1,012,409	1,038,375	1,218,163	1,182,463
Farebox recovery ratio	22.90%	25.30%	27.60%	28.80%	33.70%	29.10%	29.10%	27.80%	32.00%	31.80%
<b>Commuter Assistance</b>										
<b>Rideshare Programs:</b>										
Surveys Processed	14,255	18,308	14,556	11,808	24,575	13,839	16,991	13,593	17,927	13,955
Rideguides produced	1,876	1,785	2,648	2,759	2,867	3,567	2,732	2,881	4,115	3,594
AVR reports	63	41	58	37	60	33	64	35	59	36
GRH registered patrons	27,647	28,094	30,173	30,082	31,023	33,240	32,703	36,268	32,672	-
GRH Usage	29	47	53	46	69	62	44	40	89	-
<b>Transit Information Center:</b>										
Telephone Assistance	35,304	48,523	47,787	34,060	34,107	38,036	37,834	42,407	42,752	-
In-Person Assistance	3,956	4,178	4,508	4,304	3,691	3,838	3,080	3,081	2,886	-

<sup>1</sup> The VISTA service was split and rebranded into VCTC Intercity and Valley Express in May 2014. Beginning in Fiscal Year 2014/2015 the Farebox Recovery Ratio is combined by service.

<sup>2</sup> The GoVentura Smartcard pass system was discontinued at the end of Fiscal Year 2014/2015, Pass sales for VCTC Intercity and portions of the County began in May 2015; Pass sales for Valley Express began in March 2015.

<sup>3</sup> Senior and Disabled information calls prior to Fiscal Year 2012/2013 only tracked incoming calls.

Source: Ventura County Transportation Departments and SCRRA.

**Ventura County Transportation Commission**  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Commuter Rail Operations:</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Acres of commuter rail land and easements	558	558	558	558	558	558	558	558	558	558
Stations and platforms	4	4	4	4	4	4	4	4	4	4
<b>Motorist Assistance:</b>										
Callboxes	249	564	564	564	564	547	553	564	562	556

Source: Ventura County Transportation Departments.