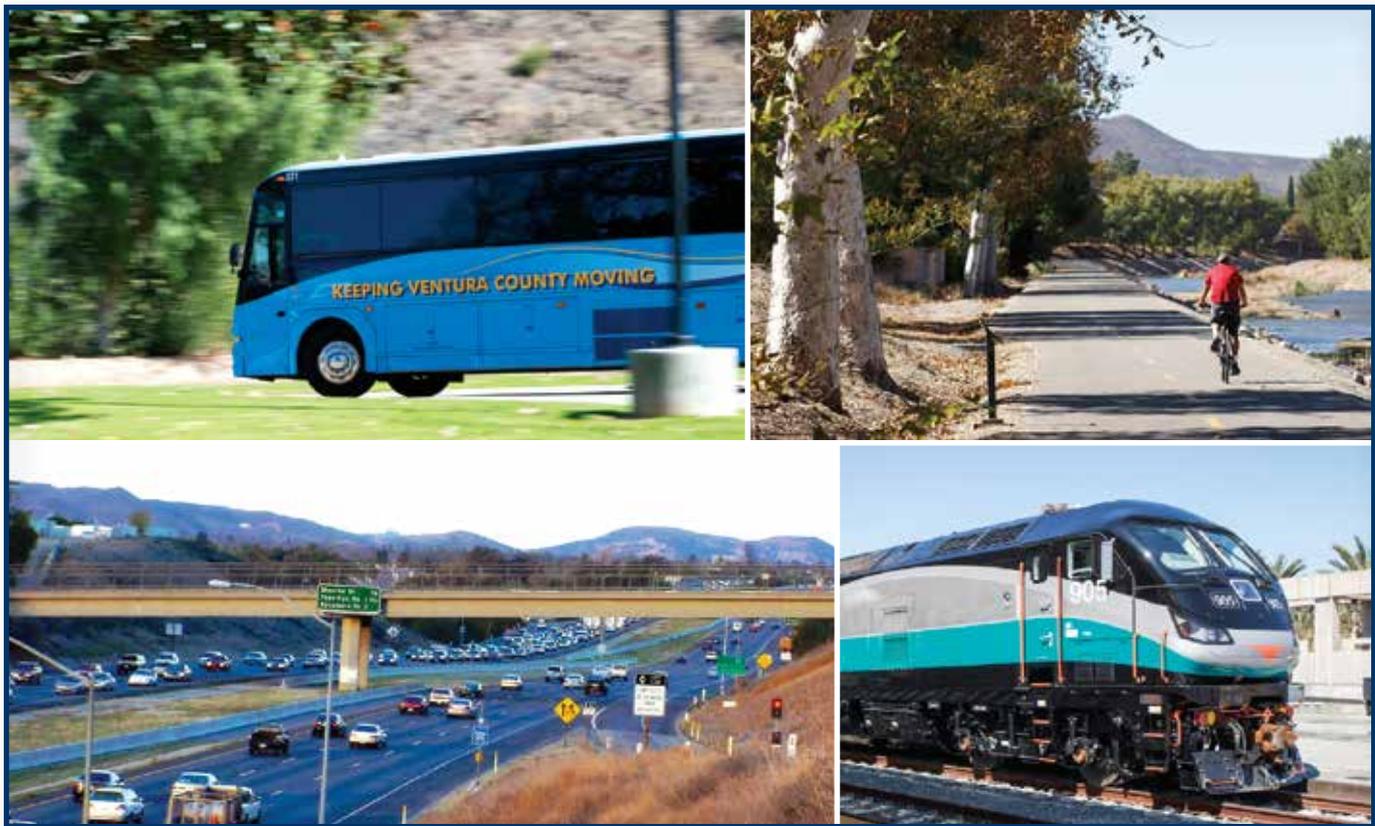




VENTURA COUNTY TRANSPORTATION COMMISSION

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



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.

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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, 2018

Submitted by:
Sally DeGeorge, Finance Director

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Ventura County Transportation Commission

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INTRODUCTORY SECTION



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Letter of Transmittal

November 7, 2018

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

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, 2018.

The CAFR provides a detailed accounting of the Commission's assets, liabilities, deferred outflows/inflows of resources, revenues and expenditures/expenses. 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, 2018 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.



Ventura County Transportation Commission

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.



Ventura County Transportation Commission

The Commission is responsible for the VCTC Intercity Service which provides bus riders mobility throughout Ventura County and its two neighboring counties: Santa Barbara and Los Angeles. The service is funded through multiple revenues sources consisting of federal, state and local funds. The Commission accounts for the VCTC Intercity activities within one of its two proprietary funds.

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

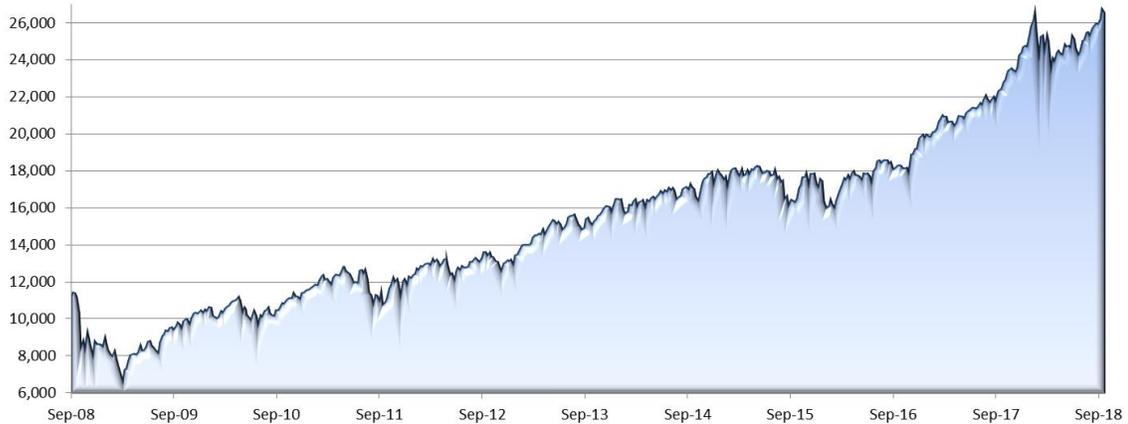
The economy continues to have a positive but disappointing recovery both nationally and locally. This has been one of the longest yet slowest paced recoveries post world war. Similar to last year, gains in the stock market and housing market lead the indicators of national economic growth. Unemployment continues to decline and remain historically low but job growth remains slow but with some recent increases in wages. The Consumer confidence index for September 2018, at 138.4, has jumped from 119.8, for the same period last year. In fact confidence continues to grow even after the August 2018 increase that had confidence the highest since October 2000. Many economists continue to predict a positive growth for 2019 into 2020, but expect the momentum to continue to slow down.

The stock market continues in a tenth year of a volatile bull market. The Dow Jones Industrial Average (DJIA) continued to upwardly bounce to over 26,700+ 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*. In fact, it reached an all-time high on September 21st of 26,743. Market analysts continue to send mixed messages as the long period of stock market growth continues in a weak economy.



Ventura County Transportation Commission

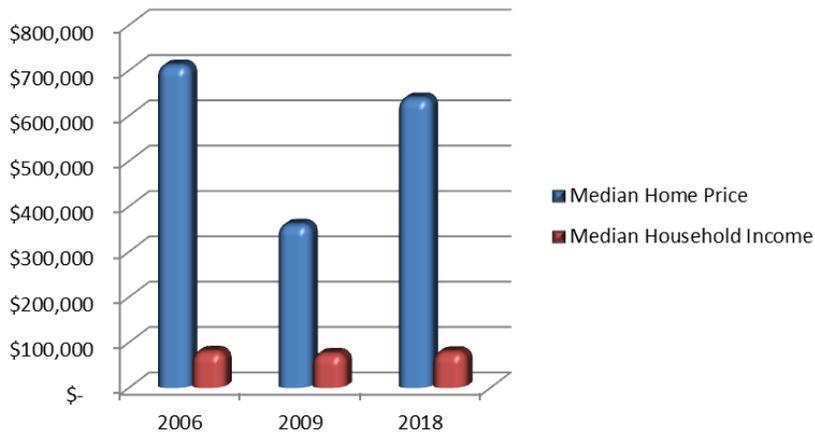
Chart 1 - Dow Jones Industrial Average Ten Year History



Housing prices and number of units sold continue to rise in many areas of the United States. Locally in Ventura County the market prices continue to trend upward. According to the California Association of Realtors, sales of single family residence in the Ventura County home prices rose 3.1% from last year with the median price in the County at \$660,000 in August 2018. Median time on the market for homes sold in March was approximately 50.5 days slightly longer than last August at 46 days. Foreclosure filings are down from last year with foreclosure rates in August 2018 at 1 foreclosure for every 2,257 housing units compared to 1 in every 1,680 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 second quarter of 2018 was 28% 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



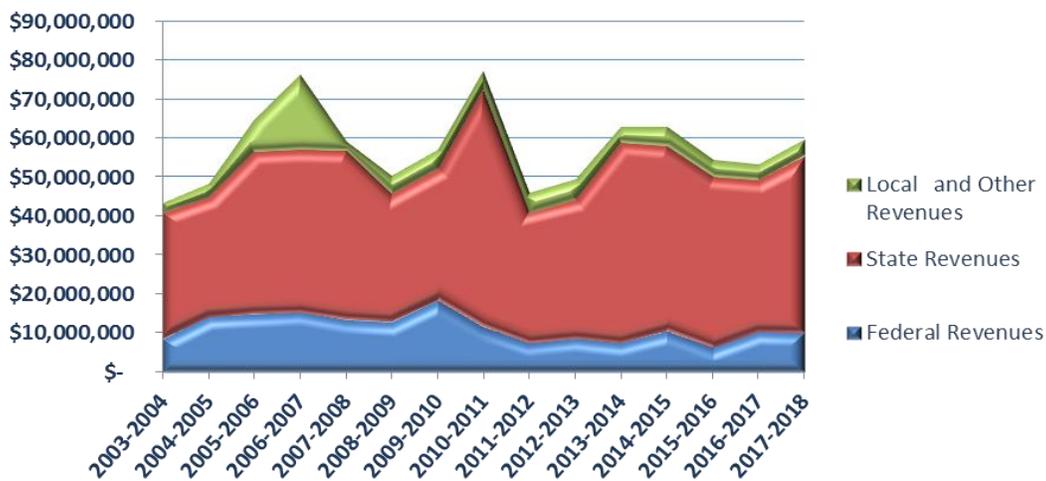
Ventura County Transportation Commission

Unemployment is down and is at historical low rates. Wages are starting to rise, albeit slowly. In August 2018, California's unemployment rate was 4.3%, down from 5.4% last year at this time. Even lower than the State, Ventura County's unemployment rate for August was 3.9%, down from 5.3% at the same time last year. With continued low unemployment, will wages continue to rise and will employers be able to find workers?

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 17.1 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 to the County. Chart 3, *Federal, State and Local Revenues 2003/2004 – 2017/2018*, reflects the historical funding mix VCTC receives.

Chart 3 - Federal, State and Local Revenues 2003/2004 – 2017/2018



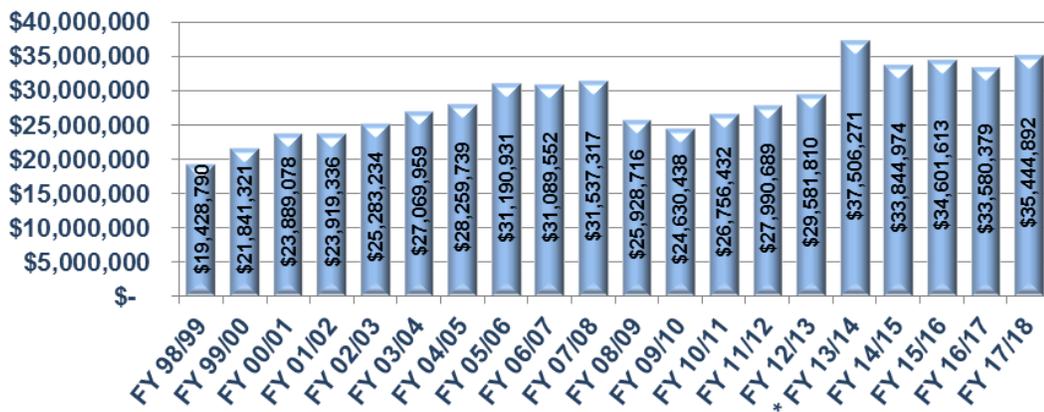
Federal and Local revenues have flattened out over the last couple of years while State revenues to VCTC have increased slightly thanks to the new revenue source, SB1. State and local government entities are still struggling to meet the demand for normal services as costs continue to rise faster than revenues, and VCTC finds itself in a similar position. This year VCTC received 59.1 percent of its revenue from the statewide one-quarter cent Local Transportation Fund (LTF) sales tax. VCTC passed through the majority, 83.5 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.



Ventura County Transportation Commission

The County enjoyed growing LTF receipts for many years (see Chart 4, *Local Transportation Fund Revenues 1998/1999 – 2017/2018*). 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. As mentioned earlier, consumer confidence remains high. If consumer confidence remains high, it is likely consumers will spend money which could translate to LTF tax revenue receipts for VCTC for the portion that is spent on product as services are not subject to sales taxes. Unfortunately for VCTC, in California, spending on services is rising faster than consumption of products. Furthermore, sales tax on product is further diluted with digital sales and internet sales not collecting sales tax.

Chart 4 - Local Transportation Fund Revenues 1998/1999 – 2017/2018



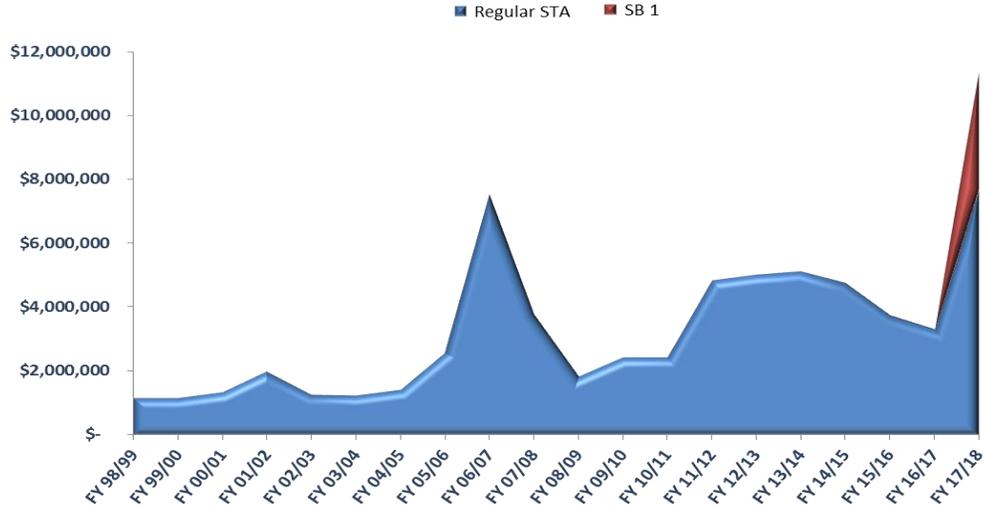
*Fiscal Year 2013/2014 included one-time payment for settlement

STA revenues have been volatile. In past years when the State's revenues fell short, the State Transit Assistance (STA) funds were raided by the State; however, in 2010, this was fixed legislatively by Prop 22 keeping the funds flowing to the Regional Transportation Planning Agencies. Then the STA revenues started declining due to the reduction in the price-based portion of the diesel fuel tax as diesel prices remained low and consumption was offset by more efficient vehicles and/or vehicles that use alternative fuels creating flat fuel sales. Fortunately, with the passage of Senate Bill 1 (Beal), STA revenues increased starting in Fiscal Year 2017/2018 (See Chart 5, *State Transit Assistance Revenues 1998/1999 – 2017/2018*). STA revenues are 12.8 percent of the Fiscal Year 2017/2018 revenues and are used to fund projects such as the VCTC Intercity Bus Service, Metrolink Commuter rail services within the County, LOSSAN, the Santa Paula Branch Line, and other transit projects.



Ventura County Transportation Commission

Chart 5 - State Transit Assistance Revenues 1998/1999 – 2017/2018



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

VCTC will continue to rely entirely on federal and state revenue sources to fund transportation projects and services. At the federal level in December 2015, Congress passed a five year authorization, known as Fix 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 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 Account, a sub-account of the federal Highway Trust Fund, also continues to limp along in much the same way. The Mass Transit Account is the federal funding source for transit services in Ventura County including VCTC Intercity Bus, Metrolink and other public transit services within the County.

The Commission receives funding from primarily three State revenue sources of which two are principally 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.

Senate Bill 1, *Road Repair and Accountability Act* was passed by a two-thirds vote of both houses of the California State Legislature and signed by Governor Jerry Brown in April 2017. It permanently increased 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 Senate Bill 1. Ventura County local governments will receive nearly \$26 million in Fiscal Year 2018/2019 to fix streets, roads and bridges. After that cities and the County will receive in excess of \$35 million in Fiscal Year 2019/2020 and increasing each year thereafter.

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. 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 Senate Bill 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



Ventura County Transportation Commission

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.

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

- Regional Transit Technology
- Senior and Disabled Transportation Services
- Transit Grant Administration
- Valley Express
- VCTC Intercity Services

Highway Program

- Callbox System
- Highway Project Management
- SpeedInfo Highway Speed Sensors

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
- Regional Transportation Planning
- Transportation Development Act
- Transportation Programming

General Government Program

- Community Outreach
- Management and Administration
- State and Federal Governmental Relations

Major Initiatives

Besides the critically important road, bridge, and highway repair funding, SB 1 created a significant new source of funds for Freight Movement projects, providing an estimated \$3 billion over 10 years. In addition, California received a \$510 million share of formula funds from the new federal freight program authorized under the Fixing America's Surface Transportation (FAST) Act. Both funds are being programmed under the state's Trade



Ventura County Transportation Commission

Corridor Enhancement Program, and VCTC has worked with Caltrans and secured a full funding allocation for the Rice Avenue railroad grade separation project from the California Transportation Commission. Over the next several years staff will continue to monitor and facilitate the delivery of this project, estimated to cost a total of \$76 million. The Rice Avenue project along with future improvements to widen Hueneme Road will facilitate the safe and efficient movement of freight along Ventura County's Intermodal Port Corridor connecting the Port of Hueneme to the US 101 freeway and markets across the western half of the United States.

The U.S. 101 HOV Lane Project will be of the highest priority for the years to come. VCTC, for the first time, has assumed management over highway project development work. In partnership with Caltrans, the Commission has engaged a team of consultants to provide engineering and environmental services. This year will be the first of a four year long process of highly complex engineering, environmental studies, and robust public outreach that will define the ultimate project and pave the way for final project engineering prior to construction. Additionally, the State Route 118 Project Approval and Environmental Documentation (PAED) phase has been completed by Caltrans. The Commission's decision to prioritize the use of Surface Transportation Program (STP) funds to expedite the project development work, and eventual implementation of these two important projects will position the County with major "shovel ready" projects should additional funding become available.

The callbox system will be wrapping up a long term modernization effort to meet changes in technology, demand, and accessibility requirements. With communication technology upgraded, the overall number of callboxes reduced to meet demand, and site improvements to meet Americans with Disability Act requirements underway, it will be time for the Commission to discuss the long term direction of the SAFE Program. Other options for motorist aid activities permitted under the SAFE legislation, such as Freeway Service Patrols (FSP), call centers, participation in 511 or other services will be brought to the Commission for discussion and consideration.

In Fiscal Year 2018/2019 VCTC anticipates the completion of an update to the Congestion Management Plan (CMP), and the start of a multimodal corridor study along U.S. 101 laying out potential alternative transportation options to increase mobility. Each of the studies will inform the Commission on the types of transportation investments that help reduce congestion and improve mobility throughout the County.

As college classes began in late summer of this year VCTC launched a one-year pilot project for college students that we call the College Easy Ride Pass Pilot Program which will allow students from Moorpark, Oxnard and Ventura Colleges, Cal State University Channel Islands and California Lutheran University to ride the bus for free during the upcoming school year. There remains a desire on the part of the Commission to work with bus transit operators to develop a regional transit fare system. The first step in that effort is a feasibility study to develop options and recommendations. It will also inform operators on the cost-effectiveness of new technology investments such as mobile ticketing or smartcard fare media. In our efforts to stay connected with Ventura County transit riders VCTC will also conduct an origin/destination and customer satisfaction survey to help identify improvements that will best serve our customers.



Planning for the Future

In spite of the limited resources and the continued lack of a voter approved transportation sales tax measure dedicated to Ventura County transportation system repairs and improvements, the Commission remains committed to identifying creative solutions to the transportation challenges ahead. VCTC is being more responsive to the community and improving our services in areas that have the greatest need or deserved closer attention to be certain taxpayer dollars are being used wisely. We will continue to improve the bus transit experience with new technology that will allow Ventura county bus riders to better plan their bus trip regardless of which Ventura county bus system they ride. We are using data to help drive the Commission's decision-making process. Most recently with good data and criteria established by the Commission, VCTC took advantage of an opportunity to "right-size" several routes on VCTC Intercity bus service to improve efficiencies and reduce costs.

There is a gray cloud on the horizon with the possible repeal of the new transportation gas tax funds that will pay for so many critically important transportation improvements being on the ballot in November 2018 as Proposition 6. We cannot, however, dwell on the unknown. Assuming the new transportation revenues stay in place, they do go a long way in taking care of the long-term future of our transportation system. However these funds primarily address state of good repair, or as we have said in the past addresses our "aging pains" but does not do much for our "growing pains." While maintenance of the county's transportation infrastructure is crucial, we must also strive to address increasing congestion on our busiest freeway corridors and how those investments are ultimately funded. Unlike 24 counties in California, Ventura County has not yet passed a local transportation sales tax measure. It may take such a measure, where the revenues generated remain in Ventura County, to pay for our most critical transportation projects that many Ventura County residents and businesses use every day such as improving the 101 freeway and the 118 freeway in order to relieve bumper to bumper freeway gridlock. In 2016 the Commission placed Measure AA on the ballot and received a 58% yes vote from Ventura County voters. While this was shy of the two thirds super majority requirement to pass, it was a full 16 points higher than the last time a transportation sales tax measure was on the ballot in Ventura County in 2004.

SB 1 gas tax and vehicle registration revenues will allow VCTC to maintain existing public transit service levels for VCTC Intercity Bus and Metrolink commuter trains; repair railroad bridges and tracks and passenger rail cars; construct new double-track on the Coast mainline to allow for improved passenger rail service through Ventura County and provide funding for major capital infrastructure projects like the Rice Avenue railroad grade separation project which will facilitate the safe and efficient movement of truck hauled freight from the Port of Hueneme to the 101 Freeway. Furthermore, Ventura County cities and the County of Ventura will reinvest in one of local government's core functions, that being the state of good repair of our public infrastructure - specifically city and county streets, roads and bridges. The State of California, through the California Department of Transportation (Caltrans), will have a similar mission for the state highway system and state supported passenger train service. VCTC is the recognized leader and authority on transportation matters today and how transportation funding is invested in the future. It is VCTC's responsibility in partnership with Caltrans and local public works departments to invest in Ventura County's transportation system so that it meets not only the transportation needs of the community today but also the needs of future generations.



Ventura County Transportation Commission

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ventura County Transportation Commission for its comprehensive annual financial report for the Fiscal Year ended June 30, 2017. 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.

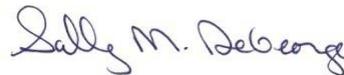
The management and finance staff are proud of the commitment to open, accountable, and transparent financial reporting and this is the ninth consecutive year that the Commission has received this prestigious award, which recognizes conformance with the highest standards for preparation of State and local 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



Ventura County Transportation Commission

List of Principal Officials
(As of June 30, 2018)

Board of Commissioners:

Linda Parks	County of Ventura, Chair
Manuel Minjares	City of Fillmore, 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
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
Bryan MacDonald	City of Oxnard, Past Chair
Jan McDonald	City of Camarillo
Ken Simons	City of Moorpark
Jim White	Citizen Representative (County)
John Zaragoza	County of Ventura
Carrie Bowen	Caltrans (Ex-Officio)

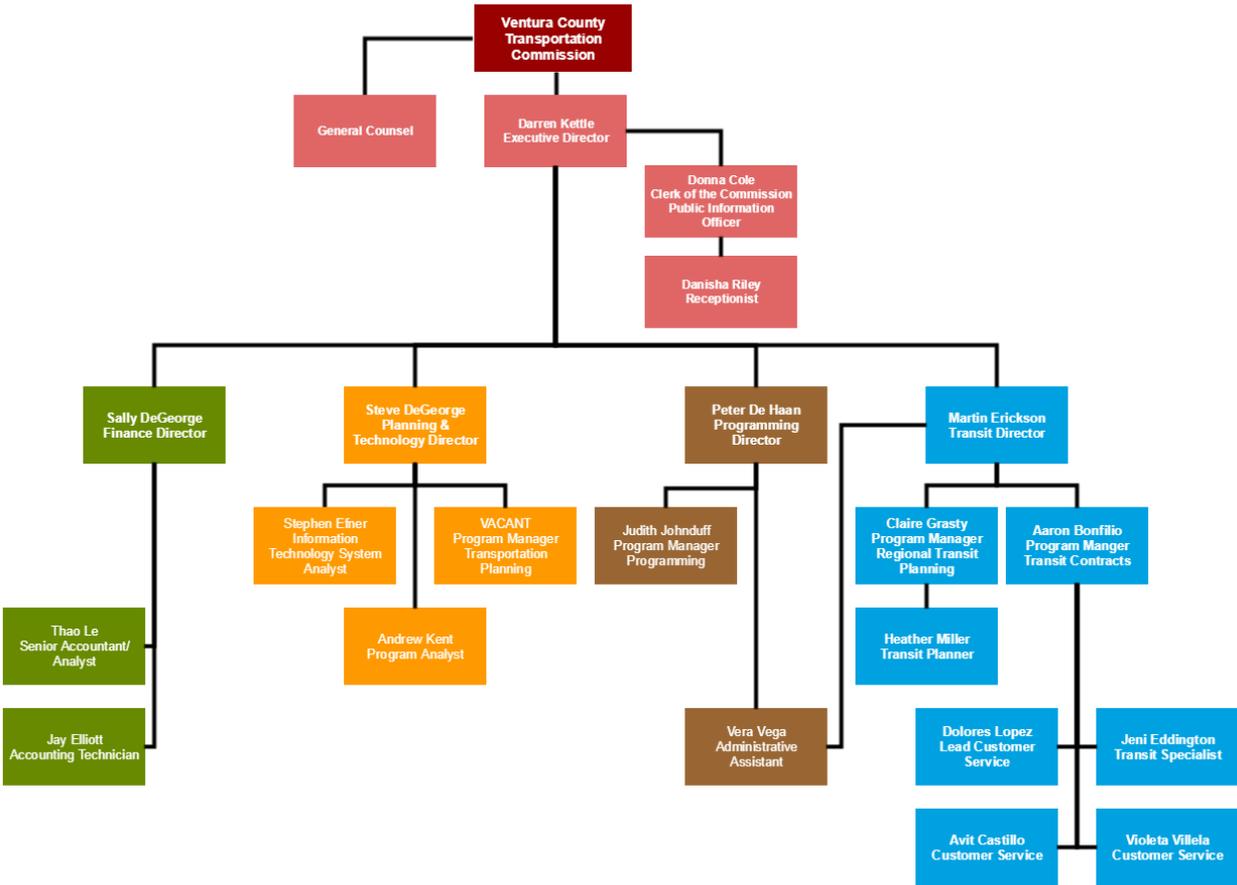
Executive Management:

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



Ventura County Transportation Commission

Staff Organizational Chart
Fiscal Year 2017/2018



Certificate of Achievement for Excellence in Financial Reporting – GFOA



Government Finance Officers Association

Certificate of
Achievement
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, 2017

Christopher P. Morrill

Executive Director/CEO



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FINANCIAL SECTION



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Independent Auditor's Report on Financial Statements



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, 2018, 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, 2018, 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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Ventura County Transportation Commission

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Emphasis of a Matter

Implementation of GASB Statement No. 75

As discussed in Note 14 to the financial statements, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of this standard required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2017 as described in Note 8 to the financial statements. In addition, the net other postemployment benefit (OPEB) liability is reported in the Statement of Net Position in the amount of \$367,865 as of the measurement date. Net OPEB liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2017, the measurement date. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison schedules, Schedule of Funding Progress for Other Postemployment Benefits, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions, and Schedule of Changes in the Net OPEB Liability and Related Ratios on pages 9 to 24 and 87 to 94 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, the Budget Comparison Schedules, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.



Ventura County Transportation Commission

Board of Commissioners
Ventura County Transportation Commission
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2018, 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 the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
November 7, 2018



**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**



**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, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 7, 2018.

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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Ventura County Transportation Commission

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Page 2

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 PwC Group, LLP

Santa Ana, California
November 7, 2018



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**Management's Discussion and Analysis - Required Supplementary
Information**



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**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 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, 2018. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages iii through xiv and the audited financial statements, which begin on page 29.

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 \$83,731,852 (net position). The net position consisted of net investment in capital assets of \$57,065,927, restricted net position of \$28,233,039 and unrestricted net position deficit of \$1,567,114.
- The unrestricted net position (deficit) results from the recording of the net pension liability, net OPEB 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). The net Other Postemployment Benefit (OPEB) is the difference between the total OPEB 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 increased by \$4,926,372, including the adjustment made due to the implementation of GASB 75 in the amount of (\$320,820), during Fiscal Year 2017/2018. The increase is primarily due to an increase in restricted funds due to higher Local Transportation Funds and State Transit Assistance revenues but is offset by a decrease in net capital assets due to depreciation and an increase in the unrestricted deficit due to pension and OPEB adjustments.
- Total capital assets, net of depreciation, were \$57,065,927 at June 30, 2018 representing an -2.5 percent change or \$1,457,284 decrease. 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 \$28,805,127 an increase of \$6,784,164 largely due to higher Local Transportation Funds and State Transit Assistance revenues. Approximately 1.7 percent of the fund balance, or \$475,407, is available for spending at the government's discretion (unassigned fund balance).
- At the close of the current fiscal year, the Commission's proprietary funds reported combined fund balances of \$8,190,250 which was a decrease of \$1,095,128, including the adjustment due to the implementation of GASSB 75 in the amount of (\$22,492), largely due to depreciation.



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 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 (e.g. 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 29 and 30 of this report.



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 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 2, 2017. 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 34 through 37 of this report. The proprietary fund financial statements can be found on pages 39 through 41.

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 45 through 83 of this report.



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 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 87 through 94 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 97 and 99.

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, 2018, the Commission's assets exceed liabilities by \$83,731,852, an increase of \$4,926,372 from June 30, 2017. The increase is primarily due to an increase in restricted funds due to higher Local Transportation Funds and State Transit Assistance revenues but is offset by a decrease in net capital assets due to depreciation and an increase in the unrestricted deficit due to pension and OPEB 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, 2018 and 2017:

**Ventura County Transportation Commission
Statement of Net Position
As of June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 35,471,109	\$ 28,351,895	\$ 2,063,190	\$ 1,174,038	\$ 37,534,299	\$ 29,525,933
Capital assets not being depreciated	26,339,301	26,236,267	-	-	26,339,301	26,236,267
Capital assets, net of accumulated depreciation	22,402,997	22,913,819	8,323,629	9,373,125	30,726,626	32,286,944
Total assets	84,213,407	77,501,981	10,386,819	10,547,163	94,600,226	88,049,144
Deferred outflows of resources	799,281	464,019	58,305	24,661	857,586	488,680
Liabilities:						
Current and other liabilities	6,893,946	6,422,869	2,071,591	1,182,101	8,965,537	7,604,970
Long-term liabilities	2,313,530	1,689,703	164,053	86,630	2,477,583	1,776,333
Total liabilities	9,207,476	8,112,572	2,235,644	1,268,731	11,443,120	9,381,303
Deferred inflows of resources	263,610	333,326	19,230	17,715	282,840	351,041
Net position:						
Net investment in capital assets	48,742,298	49,150,086	8,323,629	9,373,125	57,065,927	58,523,211
Restricted	28,233,039	21,680,879	-	-	28,233,039	21,680,879
Unrestricted (deficit)	(1,433,735)	(1,310,863)	(133,379)	(87,747)	(1,567,114)	(1,398,610)
Total net position	\$ 75,541,602	\$ 69,520,102	\$ 8,190,250	\$ 9,285,378	\$ 83,731,852	\$ 78,805,480



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

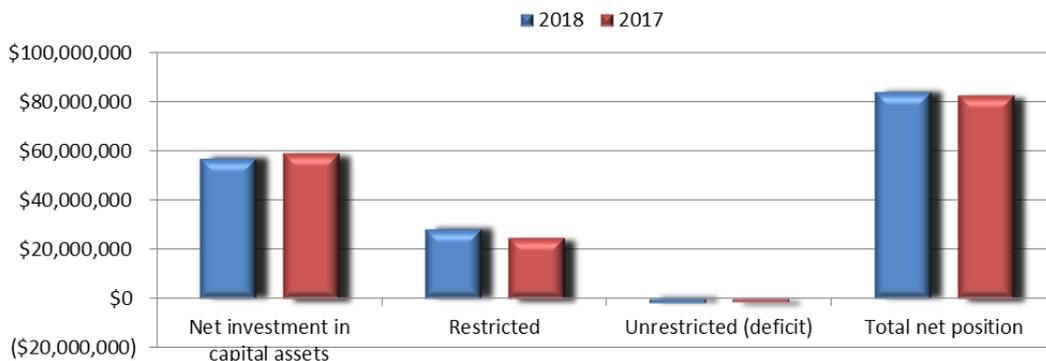
Government-wide Financial Analysis, continued

Approximately 68 percent, or \$57,065,927, of the Commission's net position is investments in capital assets (e.g. 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 2.5 percent or \$1,457,284 in Fiscal Year 2017/2018. 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, \$28,233,039, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities increased by 30.2 percent in Fiscal Year 2017/2018. This increase of \$6,552,160 was largely due to increased Local Transportation Funds and State Transit Assistance revenues.

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, 2018, the unrestricted net position deficit increased by \$168,504 to a deficit \$1,567,114. The unrestricted net position (deficit) results from the recording of the net pension liability, net OPEB 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). The net Other Postemployment Benefit (OPEB) is the difference between the total OPEB 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, 2018 and 2017**



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 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 \$59,952,174, while the total costs of all programs were \$54,694,982. Total revenues increased by 12 percent and the total costs of all programs decreased by 4.7 percent. The beginning net position on the Statement of Activities was adjusted for the implementation of GASB 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pension Plans* (see note 13). The net position at yearend was \$83,731,852. The following is a summary of the financial data related to the Statement of Activities for the Fiscal Years ended June 30, 2018 and 2017:

**Ventura County Transportation Commission
Statement of Activities
As of June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 446,337	\$ 355,580	\$ 2,399,120	\$ 2,634,588	\$ 2,845,457	\$ 2,990,168
Operating grants and contributions	7,630,891	7,350,668	5,538,914	6,170,768	13,169,805	13,521,436
Capital grants and contributions	374,498	-	188,189	-	562,687	-
General revenues:						
Transportation development act sales taxes	43,111,953	36,885,745	-	-	43,111,953	36,885,745
Investment earnings	259,523	120,592	1,468	582	260,991	121,174
Other miscellaneous revenue	1,281	788	-	-	1,281	788
Total revenues	51,824,483	44,713,373	8,127,691	8,805,938	59,952,174	53,519,311
Expenses:						
Commuter assistance	191,453	61,354	-	-	191,453	61,354
General government	3,385,624	3,526,219	-	-	3,385,624	3,526,219
Highways	385,116	561,319	-	-	385,116	561,319
Planning and programming	4,173,975	4,446,225	-	-	4,173,975	4,446,225
Rail	3,911,208	6,594,505	-	-	3,911,208	6,594,505
Transit and transportation	30,751,007	30,502,299	11,896,599	11,715,613	42,647,606	42,217,912
Total expenses	42,798,383	45,691,921	11,896,599	11,715,613	54,694,982	57,407,534
Excess (deficiency) of revenues over (under) expenditures	9,026,100	(978,548)	(3,768,908)	(2,909,675)	5,257,192	(3,888,223)
Transfers (note 5)	(2,696,272)	(3,218,347)	2,696,272	3,218,347	-	-
Contributed Capital, net	-	(8,976,706)	-	8,976,706	-	-
Change in net position	6,329,828	(13,173,601)	(1,072,636)	9,285,378	5,257,192	(3,888,223)
Net position at beginning of year	69,520,102	82,693,703	9,285,378	-	78,805,480	82,693,703
Adjustment due to change in accounting principle (note 13)	(308,328)	-	(22,492)	-	(330,820)	-
Net position at end of year	\$ 75,541,602	\$ 69,520,102	\$ 8,190,250	\$ 9,285,378	\$ 83,731,852	\$ 78,805,480



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

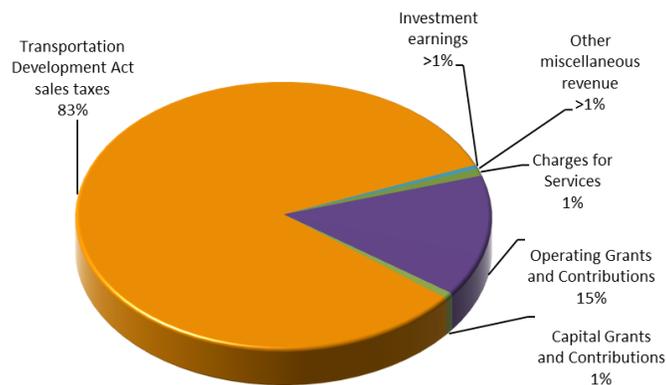
Government-wide Financial Analysis, continued

Statement of Activities – Governmental Funds:

The Commission's governmental program and general revenues were \$51,824,483, while the total costs of all programs were \$42,798,383. Total revenues increased by 15.9 percent and the total costs of all programs decreased by 6.3 percent for an increase in net position of \$19,503,429. Key elements are as follows:

- Charges for services were \$446,337. The increase of \$90,757 is largely due to one-time fees charged for access on the Santa Paula Branch Line.
- Operating and capital grants and contributions were \$8,005,389. The increase of \$654,721 is largely due to pass-through funding for transit grant administration.
- The total Transportation Development Act sales tax receipts for LTF and STA increased by \$6,226,208. The increase is largely due to increased sales tax revenues collected for the Local Transportation Fund, sales tax revenues on diesel fuel tax for the State Transit Assistance fund and the addition of funds generated from SB1.
- Investment earnings increased by \$138,931 due to higher account balances and interest rates.
- Other miscellaneous revenues increased by \$493 due to normal fluctuations.
- Transfers out of the governmental funds into the business-type funds consisted of \$2,884,461 in STA funds into the VCTC Intercity business-type fund. This 10.4 percent decrease was because less funds were needed in Fiscal Year 2017/2018.
- A net capital contribution of \$188,189 was transferred into the general fund from Valley Express for farebox equipment.

**Governmental Revenue Activities
As of June 30, 2018**



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

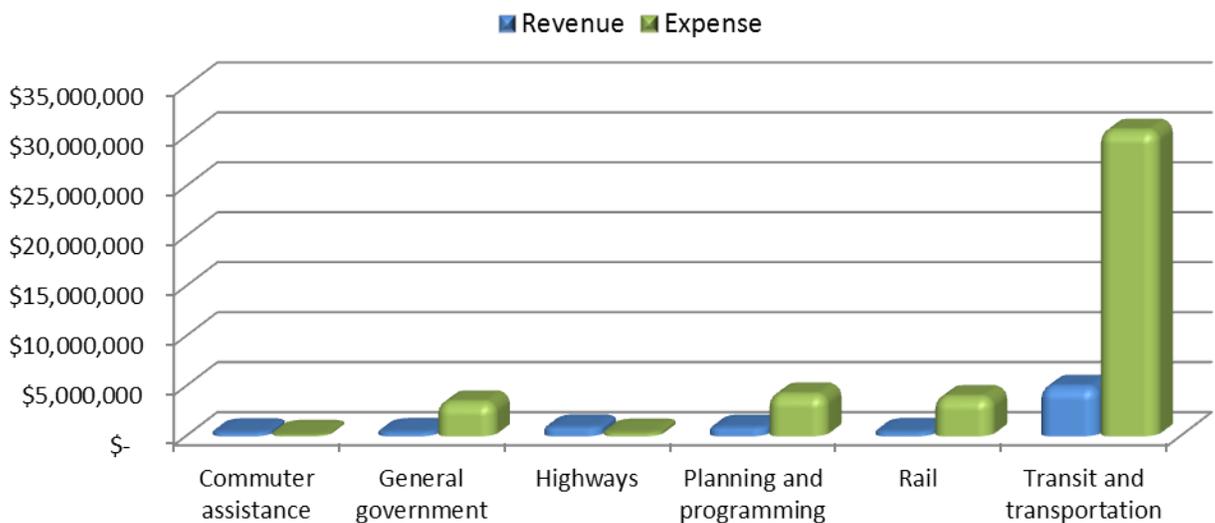
Government-wide Financial Analysis, continued

Statement of Activities – Governmental Funds, continued:

- Commuter Assistance activities increased by \$130,099 largely due to rideshare activities being outsourced offset by an adjustment to staffing costs.
- General Government activities decreased by \$140,595 largely due to the decision to discontinue pursuing the purchase/remodel of the new office building.
- Highway activities decreased by \$176,203 largely due to the completion of the callbox 3G network and lower consultant costs.
- Planning and Programming activities decreased by \$272,250 largely due to the completion of consultant activities for Regional transit and transportation tasks.
- Rail activities decreased by \$2,683,297 largely due to the one-time costs for the Santa Paula Branch Line settlement that occurred in the prior fiscal year and lower operational costs for Metrolink.
- Transit expenses increased by \$248,708 largely due to increased pass-through funding within the transit grant administration. 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, 2018.

**Governmental Activities Revenue and Expenses by Program
As of June 30, 2018**



Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017

Government-wide Financial Analysis, continued

Statement of Activities - Proprietary Activities:

The VCTC Intercity and Valley Express funds provide transit services for Ventura County residents. The program and general revenues were \$8,127,691, while the total costs of all programs were \$11,896,599. The ending net position for the year was \$8,190,250. Key elements are as follows:

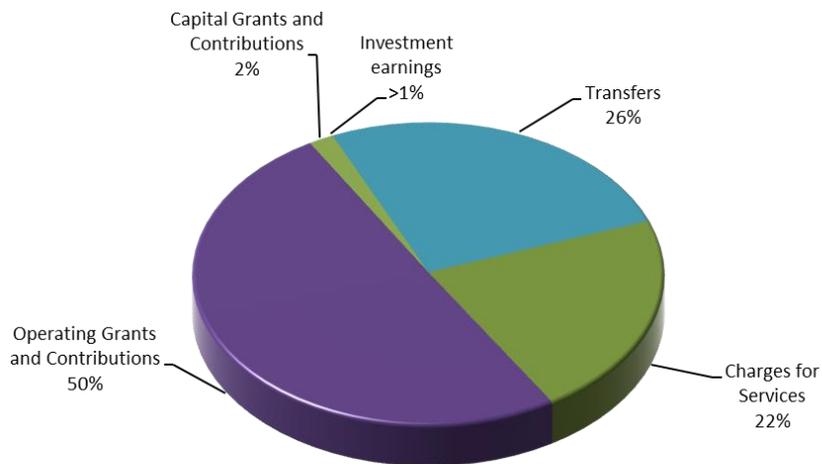
Charges for services were \$2,399,120 which was \$235,468 lower than the previous year due to decreased ridership and thus lower fares. These revenues for transportation services consist of on-board bus fares, pass revenues fares and route guarantees provided by outside agencies.

Operating and capital grant and contribution revenues were \$5,727,103 which was \$443,665 lower than the previous year due to decreased capital purchases. These funds were largely federal, state and local transportation funds

Investment earnings were \$1,468, an increase of \$886 due to higher balances and interest rates.

Transfers into the VCTC Intercity fund consisted of \$2,884,461 from the STA fund which was \$333,886 lower due to decreased capital purchases.

Business-Type Revenue Activities
As of June 30, 2018



Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017

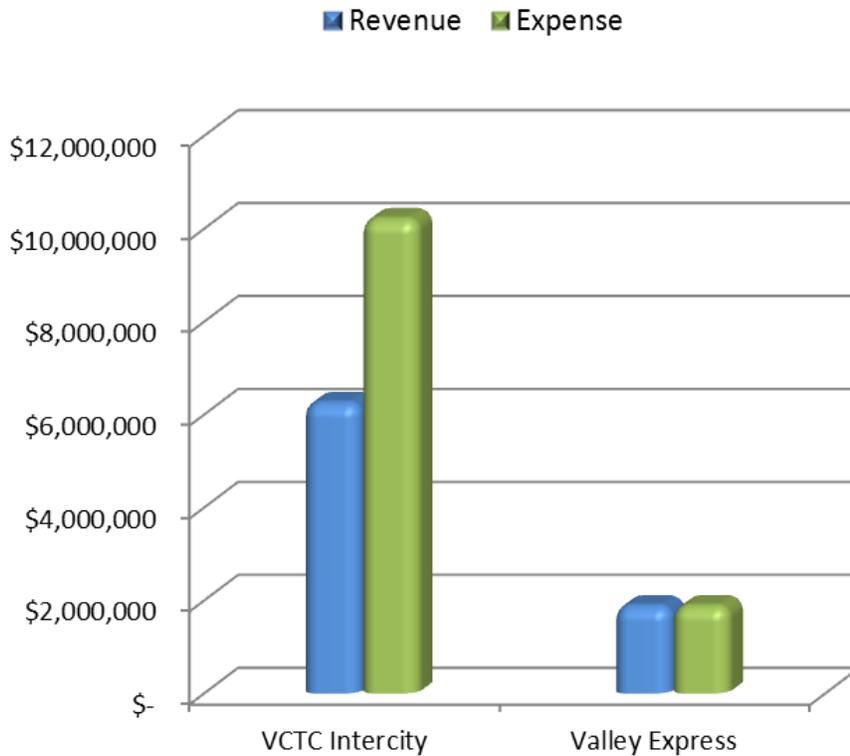
Government-wide Financial Analysis, continued

Statement of Activities - Proprietary Activities, continued:

VCTC Intercity activities totaled \$10,208,470 which was an increase of \$69,974 largely due to costs associated with adjustments to routes.

Valley Express activities totaled \$1,688,129 which was an increase of \$111,012 largely due to the changes in service levels. Valley Express also transferred fareboxes to the general fund for a net capital contribution of \$188,189.

Business-type Revenue and Expense Activities by Fund
As of June 30, 2018



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

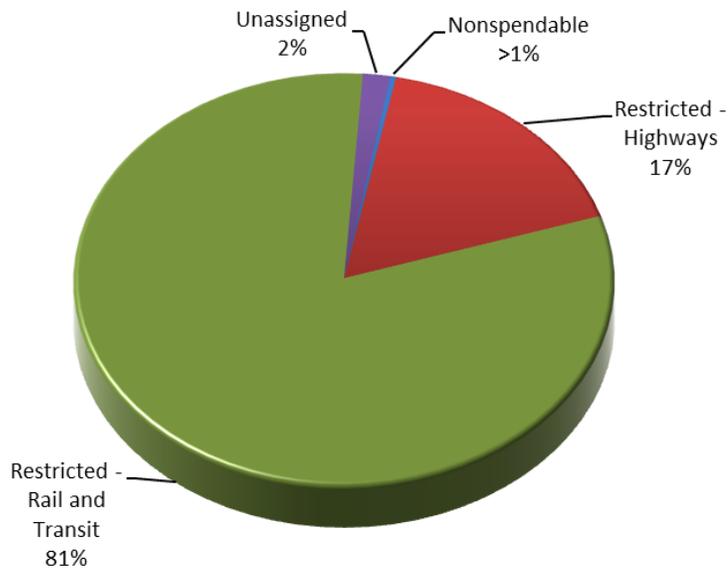
Fund Financial Statement Analysis

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, 2018, the Commission's governmental funds reported combined ending fund balances of \$28,805,127, an increase of \$6,784,164 from the prior year. This change is largely due to increased sales tax revenues for the Local Transportation Fund and State Transit Assistance fund. Of the approximately \$28 million fund balance, 98 percent is restricted for rail, transit and highways projects, 0.3 percent is nonspendable for prepaid items and deposits, while the remaining 1.7 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, 2018.



The following table presents the fund balances for the governmental funds for Fiscal Years 2017/2018 and 2016/2017:

Fund Balance	Fiscal Year 2017/2018	Fiscal Year 2016/2017	% of Change	Change
General Fund	\$ 2,124,655	\$ 1,624,056	31%	\$ 500,599
Special Revenue funds:				
Local Transportation Fund	9,043,014	7,651,852	18%	1,391,162
State Transit Assistance Fund	12,742,549	8,338,130	53%	4,404,419
Service Authority for Freeway Emergency Fund	4,894,909	4,406,925	11%	487,984
Total Fund Balance	\$ 28,805,127	\$ 22,020,963	31%	\$ 6,784,164



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

Fund Financial Statement Analysis, continued

Governmental Funds, continued:

Key elements for the Commission's governmental funds at June 30, 2018 were:

- The balance in the General Fund increased by \$500,599 in Fiscal Year 2017/2018. Of the \$2,124,655 fund balance, \$96,681 is nonspendable for prepaid items and deposits, \$1,552,567 is restricted for rail and transit purposes, and \$475,407 is unassigned. The increase is largely due to an increase in of rail funds held within the General Fund balance.
- The Local Transportation Fund balance increased by \$1,391,162 due to an increase in collected sales tax revenues for increased consumer spending.
- The State Transit Assistance Fund increased by \$4,404,419 due in part to an increase in collected sales tax revenues on the collection of diesel fuel sales taxes and largely due to funds collected for SB1.
- The Service Authority for Freeway Emergency Fund increased by \$487,984 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 (as reflected in the Budgetary Comparison Schedule for the General Fund found in the Required Supplementary Information) resulted in approximately a \$3 million increase in appropriations and were largely related to the following changes:

- The General Government budget decreased approximately \$32,000 largely due to the decision to not continue with the purchase/remodel of the office building offset by increased costs for professional services.
- The Planning and Programing budgets increased approximately \$234,000 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
June 30, 2018 and 2017**

General Fund Budgetary Highlights, continued

- The Rail budgets increased approximately \$1.8 million largely due to new and carry-over Proposition 1B funds for Metrolink capital pass-through projects and operational costs.
- The Transit budgets increased approximately \$1.7 million largely due to the carry-over of delayed purchasing of equipment for the AVL project.
- Budgeted intergovernmental revenues increased approximately \$2.2 million due to the increased expenses noted above. Charges for services increased \$836,000 for largely for local costs associated with the regional AVL project. "Transfers-in" increased approximately \$588,000 due to the increased expenses noted above and the exchange of transfers instead of revenues.

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

General Fund Budgetary Variance	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final Budget	Percentage Variance
Revenues:				
Intergovernmental	\$ 15,565,750	\$ 7,202,592	\$ (8,363,158)	-54%
Charges for services	1,411,943	442,540	(969,403)	-69%
Investment income	-	-	-	-
Other revenue	-	1,281	1,281	-
Total revenues	16,977,693	7,646,413	(9,331,280)	-55%
Expenditures:				
Current				
General government	7,781,901	3,115,282	4,666,619	60%
Programs	19,102,051	9,037,508	10,064,543	53%
Total expenditures	26,883,952	12,152,790	14,731,162	55%
Other financing sources:				
Transfers in	9,073,559	5,006,976	(4,066,583)	-45%
Total other financing sources	9,073,559	5,006,976	(4,066,583)	-45%
Net change in fund balance	\$ (832,700)	\$ 500,599	\$ 1,333,299	-160%



**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

General Fund Budgetary Highlights, continued

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

- The approximate \$8.3 million negative variance for intergovernmental revenues occurred because of delayed projects. As the expenditures did not occur, the reimbursement revenues were not requested. Projects were carried-over into the next fiscal year.
- The approximate \$969,000 negative variance for charges for services was primarily due to uncollected local fees for the AVL project that were not received due to delays of the AVL project.
- The \$1,200 positive variance for other revenue occurred as these revenues vary from year-to-year.
- The approximate \$4.67 million positive variance for general government was largely due to the decision not to buy/remodel the new office building.
- The approximately \$10 million positive variance for program expenditures was due to several factors:
 - The Commuter expenditures were approximately \$18,000 lower due to the purchase of transit information software that was delayed.
 - The Highway expenditures were approximately \$692,000 lower as the consultant services needed for the 101 and 118 highway projects were delayed.
 - The Planning and Programming expenditures were approximately \$984,000 less than budgeted due to delays in bicycle and pedestrian projects, pass-through funding and studies and consultant expenditures that were carried-over into the next fiscal year.
 - The Rail program expenditures were approximately \$2.67 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 \$5.7 million less than budgeted largely due to the delays of pass-through expenditures and the AVL project.
- Transfers in were approximately \$4 million less than budgeted largely because the projects utilizing STA and some LTF fund transfers were carried-over into the next fiscal year.



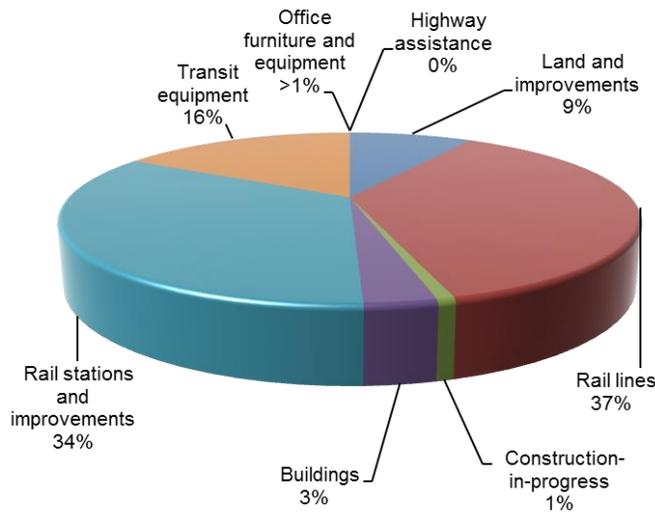
**Ventura County Transportation Commission
Management's Discussion and Analysis
June 30, 2018 and 2017**

Capital Assets

As of June 30, 2018, the Commission had \$57,065,927, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets decreased by 2.5 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, 2018	Balance as of June 30, 2017
Land and improvements	\$ 4,964,826	\$ 4,964,826
Rail lines	20,920,307	20,920,307
Construction-in-progress	454,168	351,134
Buildings	1,857,381	1,902,699
Rail stations and improvements	19,408,590	19,937,436
Transit equipment	9,453,658	10,442,054
Highway assistance	-	2,233
Office furniture and equipment	6,997	2,522
Total	\$ 57,065,927	\$ 58,523,211

Below is a graph depicting the capital investments as of June 30, 2018:



Major capital additions and deletions during Fiscal Year 2017/2018 include:

- The addition of farebox equipment for the Valley Express Service in the amount of \$188,189.
- The addition of regional AVL equipment in the amount of \$205,589.

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
June 30, 2018 and 2017**

Economic and Other Factors

In Fiscal Year 2017/2018 the General Fund unassigned fund balance increased by \$183,553 to \$475,407. The Local Transportation Fund balance increased by \$1,391,162 to \$9,043,014 primarily due to increased LTF revenues for increased consumer spending. The State Transit Assistance Fund balance increased by \$4,404,419 to \$12,742,549 due to an increase in revenues for diesel fuel sales taxes and revenues collected from SB1. The SAFE fund balance increased by \$487,984 to \$4,894,909 as expenditures were lower. The VCTC Intercity fund decreased by \$1,095,128 to \$8,190,250 largely due to depreciation of equipment.

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 2018/2019 Budget which was presented in April 2018. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2018/2019 Budget to the Commission which was adopted in June 2018.

The Fiscal Year 2018/2019 balanced budget includes approximately \$73.2 million in revenues which consist of \$20.5 million in federal revenues, \$35.4 million in LTF revenues, \$8.3 million in STA revenues, \$4.7 million in other state revenues and \$4.1 million in local and other revenues. Expenditures are expected to be approximately \$23.3 million for transit and transportation, \$5.3 million for highways, \$10.1 million for rail, \$0.5 million for commuter assistance, \$34.1 million for planning and programming, and \$1 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 \$30.4 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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Government-wide Financial Statements



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**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Net Position
June 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments (note 2)	\$ 23,958,806	\$ 1,222,690	\$ 25,181,496
Receivables:			
Accounts	14,679	3,833	18,512
Interest	117,862	12	117,874
Intergovernmental	11,435,016	683,670	12,118,686
Internal balances	(151,935)	151,935	-
Prepaid items and deposits	96,681	1,050	97,731
Total current assets	35,471,109	2,063,190	37,534,299
Noncurrent assets:			
Capital assets, non-depreciable (note 3)	26,339,301	-	26,339,301
Capital assets, depreciated, net (note 3)	22,402,997	8,323,629	30,726,626
Total noncurrent assets	48,742,298	8,323,629	57,065,927
Total assets	84,213,407	10,386,819	94,600,226
Deferred outflows of resources:			
Deferred outflows of resources - pension	697,692	50,894	748,586
Deferred outflows of resources - OPEB	101,589	7,411	109,000
Total deferred outflows of resources	799,281	58,305	857,586
Liabilities:			
Current liabilities:			
Accounts payable	395,099	1,682,373	2,077,472
Retention payable	136,365	-	136,365
Due to other governmental agencies	2,593,100	-	2,593,100
Unearned revenue	3,610,724	380,817	3,991,541
Deposits	67,059	-	67,059
Non-current liability due within one year (note 4)	91,599	8,401	100,000
Total current liabilities	6,893,946	2,071,591	8,965,537
Non-current liabilities:			
Due beyond one year (note 4)	2,313,530	164,053	2,477,583
Total noncurrent liabilities	2,313,530	164,053	2,477,583
Total liabilities	9,207,476	2,235,644	11,443,120
Deferred inflows of resources:			
Deferred inflows of resources - pension	234,874	17,134	252,008
Deferred inflows of resources OPEB	28,736	2,096	30,832
Total deferred inflows of resources	263,610	19,230	282,840
Net position:			
Net investment in capital assets	48,742,298	8,323,629	57,065,927
Restricted for:			
Highways	4,894,909	-	4,894,909
Rail and transit	23,338,130	-	23,338,130
Unrestricted (deficit)	(1,433,735)	(133,379)	(1,567,114)
Total net position	\$ 75,541,602	\$ 8,190,250	\$ 83,731,852

See accompanying notes to the basic financial statements



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Activities
Year Ended June 30, 2018**

	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
Functions/Programs							
Primary government:							
Governmental activities:							
Commuter assistance	\$ 191,453	\$ -	\$ 426,992	\$ -	\$ 235,539	\$ -	\$ 235,539
General government	3,385,624	-	450,000	-	(2,935,624)	-	(2,935,624)
Highways	385,116	3,797	887,136	-	505,817	-	505,817
Planning and programming	4,173,975	-	868,486	-	(3,305,489)	-	(3,305,489)
Rail	3,911,208	442,540	43,750	33,245	(3,391,673)	-	(3,391,673)
Transit and transportation	30,751,007	-	4,954,527	341,253	(25,455,227)	-	(25,455,227)
Total governmental activities	42,798,383	446,337	7,630,891	374,498	(34,346,657)	-	(34,346,657)
Business-type activities:							
VCTC Intercity	10,208,470	2,205,508	4,044,836	-	-	(3,958,126)	(3,958,126)
Valley Express	1,688,129	193,612	1,494,078	188,189	-	187,750	187,750
Total business-type activities	11,896,599	2,399,120	5,538,914	188,189	-	(3,770,376)	(3,770,376)
Total primary government	\$ 54,694,982	\$ 2,845,457	\$ 13,169,805	\$ 562,687	(34,346,657)	(3,770,376)	(38,117,033)
General and other revenues:							
Transportation Development Act sales taxes					43,111,953	-	43,111,953
Investment earnings					259,523	1,468	260,991
Other miscellaneous revenue					1,281	-	1,281
Total general and other revenues					43,372,757	1,468	43,374,225
Transfers (note 5)					(2,696,272)	2,696,272	-
Change in net position					6,329,828	(1,072,636)	5,257,192
Net position at beginning of year					69,520,102	9,285,378	78,805,480
Adjustment due to change in accounting principle (note 13)					(308,328)	(22,492)	(330,820)
Net position at end of year					\$ 75,541,602	\$ 8,190,250	\$ 83,731,852

See accompanying notes to the basic financial statements



Ventura County Transportation Commission
Financial Statements

Fund Financial Statements



Ventura County Transportation Commission
Financial Statements

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Ventura County Transportation Commission
Financial Statements

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
Financial Statements**

**Ventura County Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2018**

	General	Special Revenue Funds			Total
		Local Transportation	State Transit Assistance	SAFE	2018
Assets:					
Cash and investments (note 2)	\$ 5,401,095	\$ 3,239,754	\$ 10,474,812	\$ 4,843,145	\$ 23,958,806
Receivables:					
Accounts	14,679	-	-	-	14,679
Interest	3,643	38,994	48,818	26,407	117,862
Intergovernmental	2,954,346	5,958,572	2,452,962	69,136	11,435,016
Due from other funds (note 5)	82,108	-	-	-	82,108
Prepaid items and deposits	96,681	-	-	-	96,681
Total assets	\$ 8,552,552	\$ 9,237,320	\$ 12,976,592	\$ 4,938,688	\$ 35,705,152
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 351,340	\$ -	\$ -	\$ 43,759	\$ 395,099
Due to other government agencies	2,398,774	194,306	-	20	2,593,100
Due to other funds (note 5)	-	-	234,043	-	234,043
Settlement Payment	-	-	-	-	-
Unearned revenue	3,610,724	-	-	-	3,610,724
Deposits	67,059	-	-	-	67,059
Total liabilities	6,427,897	194,306	234,043	43,779	6,900,025
Fund balances:					
Nonspendable - prepaids and deposits	96,681	-	-	-	96,681
Restricted for:					
Highways	-	-	-	4,894,909	4,894,909
Rail and transit	1,552,567	9,043,014	12,742,549	-	23,338,130
Unassigned	475,407	-	-	-	475,407
Total fund balances	2,124,655	9,043,014	12,742,549	4,894,909	28,805,127
Total liabilities and fund balances	\$ 8,552,552	\$ 9,237,320	\$ 12,976,592	\$ 4,938,688	\$ 35,705,152

See accompanying notes to the basic financial statements



Ventura County Transportation Commission
Financial Statements

Ventura County Transportation Commission
Reconciliation of the Balance Sheet of Governmental Funds to the
Government-wide Statement of Net Position
June 30, 2018

Fund balances of governmental funds	\$ 28,805,127
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Adjustments due to deferred outflows of pensions	697,692
Adjustments due to deferred outflows of OPEB	101,589
Adjustments due to deferred inflows of pensions	(234,874)
Adjustments due to deferred inflows of OPEB	(28,736)
Capital assets net of accumulated depreciation, are not financial resources and, therefore, are not included in the governmental fund activity:	
Capital assets	61,977,130
Accumulated depreciation	(13,234,832)
Retention payable on capital in progress	(136,365)
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	(1,906,048)
Net OPEB liability	(342,854)
Compensated absences	<u>(156,227)</u>
Net position of governmental activities	<u>\$ 75,541,602</u>

See accompanying notes to the basic financial statements



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2018**

	General	Special Revenue Funds			Total
		Local Transportation	State Transit Assistance	SAFE	2018
Revenues:					
Sales taxes	\$ -	\$ 35,444,892	\$ 7,667,061	\$ -	\$ 43,111,953
Vehicle registration fees	-	-	-	802,797	802,797
Intergovernmental	7,202,592	-	-	-	7,202,592
Charges for services	442,540	-	-	3,797	446,337
Investment income	-	78,110	117,127	64,286	259,523
Other revenue	1,281	-	-	-	1,281
Total revenues	7,646,413	35,523,002	7,784,188	870,880	51,824,483
Expenditures:					
General government:					
Salaries and benefits	2,433,488	-	-	-	2,433,488
General legal services	25,917	-	-	-	25,917
Professional services	403,238	13,500	-	-	416,738
Office lease	148,796	-	-	-	148,796
Other	103,843	-	-	-	103,843
Total general government	3,115,282	13,500	-	-	3,128,782
Programs:					
Commuter assistance	191,453	-	-	-	191,453
Highways	4,924	-	-	377,959	382,883
Planning and programming	477,035	3,696,940	-	-	4,173,975
Rail	3,337,044	-	-	-	3,337,044
Transit and transportation	5,027,052	25,914,669	-	-	30,941,721
Total programs	9,037,508	29,611,609	-	377,959	39,027,076
Total expenditures	12,152,790	29,625,109	-	377,959	42,155,858
Excess (deficiency) of revenues over (under) expenditures	(4,506,377)	5,897,893	7,784,188	492,921	9,668,625
Other financing sources (uses):					
Transfers in (note 5)	5,006,976	-	-	-	5,006,976
Transfers out (note 5)	-	(4,506,731)	(3,379,769)	(4,937)	(7,891,437)
Total other financing sources (uses)	5,006,976	(4,506,731)	(3,379,769)	(4,937)	(2,884,461)
Net change in fund balances	500,599	1,391,162	4,404,419	487,984	6,784,164
Fund balances, beginning of year	1,624,056	7,651,852	8,338,130	4,406,925	22,020,963
Fund balances, end of year	\$ 2,124,655	\$ 9,043,014	\$ 12,742,549	\$ 4,894,909	\$ 28,805,127

See accompanying notes to the basic financial statements



Ventura County Transportation Commission
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, 2018

Net change in fund balances - total governmental funds **\$ 6,784,164**

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	(911,450)
Capital outlay, net of disposals	503,662

Adjustment for Retention	(136,365)
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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.	56,119
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Changes in net OPEB 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.	38,327
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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>(4,629)</u>
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Change in net position of governmental activities **\$ 6,329,828**

See accompanying notes to the basic financial statements



Ventura County Transportation Commission
Financial Statements

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
Financial Statements**

**Ventura County Transportation Commission
Statement of Net Position – Proprietary Funds
June 30, 2018**

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
Assets:			
Current assets:			
Cash and investments (note 2)	\$ 626,472	\$ 596,218	\$ 1,222,690
Receivables:			
Accounts	2,618	1,215	3,833
Interest	6	6	12
Due from other funds	151,935	-	151,935
Intergovernmental	681,250	2,420	683,670
Prepays	800	250	1,050
Total current assets	1,463,081	600,109	2,063,190
Non-current assets:			
Capital assets, depreciated, net (note 3)	8,323,629	-	8,323,629
Total non-current assets	8,323,629	-	8,323,629
Total assets	9,786,710	600,109	10,386,819
Deferred outflows of resources:			
Deferred outflows of resources pension	50,894	-	50,894
Deferred outflows of resources OPEB	7,411	-	7,411
Total deferred outflows of resources	58,305	-	58,305
Liabilities:			
Current liabilities:			
Accounts payable	1,419,677	262,696	1,682,373
Unearned revenue	43,404	337,413	380,817
Non-current liability due within one year (note 4)	8,401	-	8,401
Total current liabilities	1,471,482	600,109	2,071,591
Non-current liabilities:			
Due beyond one year (note 4)			
Net Pension Liability	139,042	-	139,042
Net OPEB Liability	25,011	-	25,011
Total non-current liabilities	164,053	-	164,053
Total liabilities	1,635,535	600,109	2,235,644
Deferred inflows of resources:			
Deferred inflows of resources pension	17,134	-	17,134
Deferred inflows of resources OPEB	2,096	-	2,096
Total deferred inflows of resources	19,230	-	19,230
Net position:			
Net investment in capital assets	8,323,629	-	8,323,629
Unrestricted (deficit)	(133,379)	-	(133,379)
Total net position	\$ 8,190,250	\$ -	\$ 8,190,250

See accompanying notes to the basic financial statements



Ventura County Transportation Commission
Financial Statements

**Ventura County Transportation Commission
Statement of Revenues, Expenses and Change in Net Position –
Proprietary Funds
Year Ended June 30, 2018**

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
Operating Revenues:			
Passenger Fares	\$ 963,912	\$ 93,612	\$ 1,057,524
Route Guarantee	1,241,596	100,000	1,341,596
Total Operating Revenues	<u>2,205,508</u>	<u>193,612</u>	<u>2,399,120</u>
Operating Expenses:			
Salaries and benefits	282,032	68,788	350,820
General legal services	73,638	386	74,024
Professional services	800	48,930	49,730
Other	330,475	129,631	460,106
Contract Services	8,472,030	1,440,394	9,912,424
Depreciation	1,049,495	-	1,049,495
Total Operating Expenses	<u>10,208,470</u>	<u>1,688,129</u>	<u>11,896,599</u>
Operating Income(Loss)	<u>(8,002,962)</u>	<u>(1,494,517)</u>	<u>(9,497,479)</u>
Nonoperating Revenues:			
Federal grants	3,409,662	539,923	3,949,585
Local Transportation Funds (LTF)	-	955,653	955,653
State grants	572,303	186,691	758,994
Local grants	62,871	-	62,871
Interest income	1,029	439	1,468
Total Nonoperating Revenues	<u>4,045,865</u>	<u>1,682,706</u>	<u>5,728,571</u>
Income(Loss) before contributed capital and transfers	<u>(3,957,097)</u>	<u>188,189</u>	<u>(3,768,908)</u>
Transfers In(Out) (note 5)	<u>2,884,461</u>	<u>(188,189)</u>	<u>2,696,272</u>
Change in Net Position	<u>(1,072,636)</u>	<u>-</u>	<u>(1,072,636)</u>
Net Position:			
Beginning of Fiscal Year	9,285,378	-	9,285,378
Adjustment due to change in accounting principle (note 13)	(22,492)	-	(22,492)
End of Fiscal Year	<u>\$ 8,190,250</u>	<u>\$ -</u>	<u>\$ 8,190,250</u>

See accompanying notes to the basic financial statements



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Cashflows – Proprietary Funds
June 30, 2018**

	Proprietary Funds		
	VCTC Intercity	Valley Express	Total
Cash flows from operating activities:			
Cash received from passenger fares	\$ 963,259	\$ 94,307	\$ 1,057,566
Cash received from route guarantee	1,241,596	100,000	1,341,596
Cash paid for operating costs, net of support	<u>(8,329,187)</u>	<u>(1,546,597)</u>	<u>(9,875,784)</u>
Net cash used in operating activities	<u>(6,124,332)</u>	<u>(1,352,290)</u>	<u>(7,476,622)</u>
Cash flows from non-capital financing activities:			
Cash received from federal grants	3,399,709	539,923	3,939,632
Cash received from state transit assistance fund	2,231,519	-	2,231,519
Cash received from local transportation fund	-	954,155	954,155
Cash received from state grants	572,303	-	572,303
Cash received from local contribution revenues	(105,935)	(8,818)	(114,753)
Cash to other	149,017	-	149,017
Transfer to Governmental Activities	-	(188,189)	(188,189)
Net cash provided by non-capital financing activities	<u>6,246,613</u>	<u>1,297,071</u>	<u>7,543,684</u>
Cash flows from capital financing activities:			
Cash received from state grants	-	186,691	186,691
Cash received from local transportation fund	-	1,498	1,498
Net cash used in capital financing activities	<u>-</u>	<u>188,189</u>	<u>188,189</u>
Cash flows from investing activities:			
Interest received	1,029	439	1,468
Net cash flows provided by investing activities	<u>1,029</u>	<u>439</u>	<u>1,468</u>
Net increase in cash and cash equivalents	<u>123,310</u>	<u>133,409</u>	<u>256,719</u>
Cash and cash equivalents, beginning of year	503,162	462,809	965,971
Cash and cash equivalents, end of year	<u>\$ 626,472</u>	<u>\$ 596,218</u>	<u>\$ 1,222,690</u>
Reconciliation of operating (loss) to net cash used in operating activities:			
Operating (loss)	\$ (8,002,962)	\$ (1,494,517)	\$ (9,497,479)
Adjustments to reconcile operating (loss) net cash used in operating activities:			
Depreciation	1,049,496	-	1,049,496
Changes in operating assets and liabilities:			
Decrease/(increase) in accounts receivable	(653)	850	197
Decrease/(increase) in prepaid expense	(800)	(250)	(1,050)
Decrease/(increase) in deferred outflows of resources	(33,644)	-	(33,644)
Increase (decrease) in accounts payable	807,447	141,627	949,074
Increase/(decrease) in non-current liabilities due within one year	338	-	338
Increase/(decrease) in deferred inflows of resources	1,515	-	1,515
Increase/(decrease) in pension liability	52,412	-	52,412
Increase/(decrease) in OPEB liability	2,519	-	2,519
Total adjustment	<u>1,878,630</u>	<u>142,227</u>	<u>2,020,857</u>
Net cash used in operating activities	<u>\$ (6,124,332)</u>	<u>\$ (1,352,290)</u>	<u>\$ (7,476,622)</u>
Non-cash investing, capital, and financing activities:			
Capital contributions	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements



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Notes to the Basic Financial Statements



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Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

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. The Commission's mission is to improve mobility within Ventura County (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 and other projects to assist motorists 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 Statement
Year Ended June 30, 2018

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 Statement
Year Ended June 30, 2018

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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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.

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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

Cash and Investments: The Commission maintains cash and investments in accordance with an investment policy adopted by the Board most recently approved on October 6, 2017. 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.

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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies, continued

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, 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.

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



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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.

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 (e.g. prepaid items) or are legally or contractually required to be maintained intact (e.g. 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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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.

Restricted net position represents the portion of the 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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies, continued

Pensions:

For Purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 7). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for CalPERS pension reporting:

Valuation date	June 30, 2016
Measurement date	June 20, 2017
Measurement period	July 1, 2016 to June 30, 2016

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. 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.

Other Post-Employment Benefits

For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8).

The following timeframes are used for OPEB reporting:

Valuation date	June 30, 2017
Measurement date	June 20, 2017
Measurement period	July 1, 2016 to June 30, 2016

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. 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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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

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 basically parallels GASB 68 and replaces GASB 45. This statement is effective for financial statements for fiscal years beginning after June 15, 2017. The Commission has implemented 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 determined that there is no material effect of this statement.

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 implemented GASB Statement No. 82.

GASB Statement 83, Certain Asset Retirement Obligation, was issued in November 2016. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement related activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement is effective for financial statements starting with the fiscal year ending June 30, 2019. The Commission has not determined the effect of this statement.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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

GASB Statement 84, *Fiduciary Activities*, was issued January 2017. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria general is on (1) whether a government is controlling the asset of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement is effective for financial statements starting with the fiscal year ending June 30, 2019. The Commission has not determined the effect of this statement.

GASB Statement 85, *Omnibus 2017*, was issued March 2017. This statement addresses a variety of topics including issues related to blended component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). This Statement is effective for financial statements starting with the fiscal year that ends June 30, 2018. The Commission has implemented this statement.

GASB Statement 86, *Certain Debt Extinguishment Issues*, was issued May 2017. This statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for financial statements starting with the fiscal year that ends June 30, 2018. The Commission has determined that there is no material effect of this statement.

GASB Statement 87, *Leases*, was issued June 2017. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. This statement is effective for financial statements starting with the fiscal year that ends December 31, 2020. The Commission has not determined the effect of this statement.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, continued

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

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement, was issued April 2018. This statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement also defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. In addition the statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Application of this statement is effective for the fiscal year ending June 30, 2020. The Commission has not determined the effect of this statement.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, was issued June 2018. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the fiscal year ending June 30, 2021. The Commission has not determined the effect of this statement.

GASB Statement No. 90, Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61, was issued August 2018. This statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the fiscal year ending June 30, 2020. The Commission has not determined the effect of this statement.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 2. Cash and Investments

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Investment Type	Government-Wide Statement of Net Position		
	Governmental Activities	Business-Type Activities	Total
Cash on hand	\$ 130	\$ -	\$ 130
Local Agency Investment Fund (LAIF)	2,994,381	-	2,994,381
Deposits with financial institutions	2,612,466	1,222,690	3,835,156
Ventura County Pooled Investment Fund (VCPIF)	18,351,829	-	18,351,829
Total cash and investments	\$ 23,958,806	\$ 1,222,690	\$ 25,181,496

At June 30, 2018, 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, 2018:

Investment Type	Fair Value	Measurement
		Input
Cash on hand	\$ 130	N/A
Local Agency Investment Fund (LAIF)	2,994,381	N/A
Deposits with financial institutions	3,835,156	N/A
Ventura County Pooled Investment Fund (VCPIF)	18,351,829	Level 2
Total cash and investments	\$ 25,181,496	

External Investment Pools: 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.

Local Agency Investment Fund (LAIF): VCTC is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Local Agency Investment Fund is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of VCTC's investment in this pool is reported in the accompanying financial statements at amounts based upon the agencies' pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 2. Cash and Investments, continued

VCTC's investments with LAIF at June 30, 2018 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

VCTC had \$2,994,381 invested in LAIF, which had invested .2.67% of the pooled investment fund as of June 30, 2018 in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF as of June 30, 2018.

Ventura County Pooled Investment Fund (VCPIF): VCTC is a voluntary participant in the Ventura County Pooled Investment Fund and VCTC determines the amount and terms of its investment. The County Treasurer makes investments in accordance with a Statement of Investment Policy reviewed and approved annually by the Board of Supervisors. The Treasury Investment Oversight Committee comprised of the County treasurer, a representative of the Board of Supervisors, the County Investment Manager, a representative of the County Superintendent of Schools and other Treasury Department support staff meets semi-annually to review the activities of the Treasurer and provide a report to the Board of Supervisors. Further information about the VCPIF is available on the Ventura County Treasurer-Tax Collector's website: www.ventura.org/ttc/.

The County's Treasurer has indicated to VCTC that as of June 30, 2018 that the value of the County's portfolio was approximately \$2.5 billion. As of June 30, 2018, VCTC has investment in the VCPIF \$18,351,829. The VCPIF fair value factor of 1.002160218 was used to calculate the fair value of the investments in VCPIF as of June 30, 2018.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 2. Cash and Investments, continued

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, 2018:

Investment Type	Total	Remaining Maturity - 12 Months or Less
Ventura County Pooled Investment Fund (VCPiF)	<u>\$18,351,829</u>	<u>\$18,351,829</u>
Total	<u>\$18,351,829</u>	<u>\$18,351,829</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

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, 2018

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAAf
County pooled investment fund	<u>\$18,351,829</u>	None	<u>\$18,351,829</u>
Total	<u>\$18,351,829</u>		<u>\$18,351,829</u>

Concentration of Credit Risk: As of June 30, 2018, 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.

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 Statement
Year Ended June 30, 2018**

Note 3. Capital Assets

Government-wide Financial Statements: At June 30, 2018, the Commission's capital assets consisted of the following:

**Ventura County Transportation Commission
Capital Assets
June 30, 2018**

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated:			
Land and improvements	\$ 4,964,826	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	20,920,307
Construction-in-progress	454,168	-	454,168
Total capital assets not being depreciated	26,339,301	-	26,339,301
Capital assets being depreciated:			
Buildings	2,265,915	-	2,265,915
Rail stations and improvements	26,321,022	-	26,321,022
Transit equipment	2,413,479	11,562,789	13,976,268
Highway assistance	4,570,251	-	4,570,251
Office furniture and equipment	95,774	-	95,774
Total capital assets being depreciated	35,666,441	11,562,789	47,229,230
Less accumulated depreciation:			
Buildings	(408,534)	-	(408,534)
Rail stations and improvements	(6,912,432)	-	(6,912,432)
Transit equipment	(1,283,450)	(3,239,160)	(4,522,610)
Highway assistance	(4,570,251)	-	(4,570,251)
Office furniture and equipment	(88,777)	-	(88,777)
Total accumulated depreciation	(13,263,444)	(3,239,160)	(16,502,604)
Total capital assets being depreciated, net	22,402,997	8,323,629	30,726,626
Capital assets, net	\$ 48,742,298	\$ 8,323,629	57,065,927



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

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, 2018:

Ventura County Transportation Commission
Capital Assets
Governmental Activities
June 30, 2018

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Capital assets not being depreciated:				
Land and improvements	\$ 4,964,826	\$ -	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	-	20,920,307
Construction-in-progress	351,134	454,168	(351,134)	454,168
Total capital assets not being depreciated	26,236,267	454,168	(351,134)	26,339,301
Capital assets being depreciated:				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	26,321,022	-	-	26,321,022
Transit equipment	2,023,525	393,778	(3,824)	2,413,479
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	103,092	6,850	(14,168)	95,774
Total capital assets being depreciated	35,283,805	400,628	(17,992)	35,666,441
Less accumulated depreciation:				
Buildings	(363,216)	(45,318)	-	(408,534)
Rail stations and improvements	(6,383,586)	(528,846)	-	(6,912,432)
Transit equipment	(954,596)	(332,678)	3,824	(1,283,450)
Highway assistance	(4,568,018)	(2,233)	-	(4,570,251)
Office furniture and equipment	(100,570)	(2,375)	14,168	(88,777)
Total accumulated depreciation	(12,369,986)	(911,450)	17,992	(13,263,444)
Total capital assets being depreciated, net	22,913,819	(510,822)	-	22,402,997
Capital assets, net	\$ 49,150,086	\$ (56,654)	\$ (351,134)	\$ 48,742,298

Depreciation expense for the fiscal year ended June 30, 2018 was charged to functions/programs of the governmental activities as follows:

Governmental Activities:	Total
General government	\$ 2,375
Highways	2,233
Buildings	45,318
Rail	528,846
Transit	332,678
Total	\$ 911,450



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

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, 2018:

**Ventura County Transportation Commission
Capital Assets
Business-Type Activities
June 30, 2018**

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Capital assets being depreciated:				
Transit equipment	\$ 11,591,401	\$ -	\$ (28,612)	\$ 11,562,789
Total capital assets being depreciated	<u>11,591,401</u>	<u>-</u>	<u>(28,612)</u>	<u>11,562,789</u>
Less accumulated depreciation:				
Transit equipment	(2,218,277)	(1,049,495)	28,612	(3,239,160)
Total accumulated depreciation	<u>(2,218,277)</u>	<u>(1,049,495)</u>	<u>28,612</u>	<u>(3,239,160)</u>
Capital assets, net	<u>\$ 9,373,124</u>	<u>\$ (1,049,495)</u>	<u>\$ -</u>	<u>\$ 8,323,629</u>

Depreciation expense for the fiscal year ended June 30, 2018 was charged to functions/programs of the governmental activities as follows:

Business-type Activities:	Total
Transit	\$ 1,049,495
Total	<u>\$ 1,049,495</u>



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 4 Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018	Amount Due in One Year	Amount Due Beyond One Year
Governmental Activities:						
Net Pension Liability	\$ 1,630,042	\$ 474,369	\$ (198,363)	\$ 1,906,048	\$ -	\$ 1,906,048
Net OPEB Liability	409,917	34,526	(101,589)	342,854		342,854
Compensated Absences	151,598	121,137	(116,508)	156,227	91,599	64,628
Total Governmental Activities	<u>\$ 2,191,557</u>	<u>\$ 630,032</u>	<u>\$ (416,460)</u>	<u>\$ 2,405,129</u>	<u>\$ 91,599</u>	<u>\$ 2,313,530</u>
Business-type Activities:						
Net Pension Liability	\$ 86,630	\$ 66,882	\$ (14,470)	\$ 139,042	\$ -	\$ 139,042
Net OPEB Liability	29,903	2,519	(7,411)	25,011		25,011
Compensated Absences	8,063	8,837	(8,499)	8,401	8,401	-
Total Business-type Activities	<u>\$ 124,596</u>	<u>\$ 78,238</u>	<u>\$ (30,380)</u>	<u>\$ 172,454</u>	<u>\$ 8,401</u>	<u>\$ 164,053</u>
Total Primary Government Activities	<u>\$ 2,316,153</u>	<u>\$ 708,270</u>	<u>\$ (446,840)</u>	<u>\$ 2,577,583</u>	<u>\$ 100,000</u>	<u>\$ 2,477,583</u>

Net Pension Liability: The Commission implemented GASB 68, *Accounting and Financial Reporting for Pensions*, Further detailed information about the Commission's pension liability can be found in Note 7, 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.

Net OPEB Liability: The Commission implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, 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, Other Postemployment Benefit 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.

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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 5. 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, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance	\$ 82,108
VCTC Intercity	State Transit Assistance	151,935
Total		\$ 234,043

The amount due to the General Fund and VCTC Intercity Fund represent a temporary timing difference between when transactions are recorded in the accounting system and when payments are made.

Interfund Transfers: Interfund transfers consisted of the following for the year ended June 30, 2018:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund	\$ 4,506,731
General Fund	State Transit Assistance	495,309
General Fund	Service Authority for Freeway Emergencies	4,937
General Fund	Valley Express	188,189
VCTC Intercity	State Transit Assistance	2,884,461
Total		\$ 8,079,626

Interfund transfers are generally 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. In Fiscal Year 2017/2018, farebox equipment was purchased through the Valley Express fund but the asset was later transferred in to the General Fund who owns the asset.

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 2017/2018, the Commission apportioned \$4,506,731 of LTF as a fund transfer for these purposes. The Commission approved a transfer of \$7,502,809 in STA funds to the General Fund and the VCTC Intercity Fund, but the funds were not fully expended and thus not all transferred. The Commission approved \$28,300 in SAFE transfers for transit activities provided in the General Fund.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 6. Operating Leases

On January 12, 2018, the Commission entered into an agreement to lease office space. The term of the lease is for a period of twenty-four months expiring on January 31, 2020. Total rental expenditures for the fiscal year ended June 30, 2018 were \$148,796 and include both the office lease and storage units. The total minimum rental commitment for office space allows for a 60 day termination notice and the amount due is as follows:

Ending	Amount
August 31, 2018	<u>\$22,950</u>
Total	<u>\$22,950</u>

Note 7. 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, 2016 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.

Employees Covered: As of the June 30, 2016 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2016	
	Classic #1014	PEPRA #26505
Active employees	13	7
Transferred and separated employees	15	2
Retired employees and beneficiaries	<u>15</u>	-
Total	<u>43</u>	<u>9</u>

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



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 7. Pension Plan, continued

General Information about the Pension Plans, continued

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 PEPRAs 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 PEPRAs 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 years. 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.

For the measurement period ended June 30, 2017 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRAs was 7.0 percent and 6.25 percent of annual pay, respectively and the employer's contribution rate was 7.653 percent and 6.533 percent of annual payroll, respectively. The Classic employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of \$133,547. The PEPRAs employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of \$581.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 7. Pension Plan, continued

General Information about the Pension Plans, continued

For the measurement period ended June 30, 2017 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRAs 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. The PEPRAs employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of \$0.

For the year ended June 30, 2018, the contributions for each plan were as follows:

	2018	
	Classic #1014	PEPRA #26505
Contributions employer	\$239,867	\$27,392
Contributions employee	<u>97,247</u>	<u>25,650</u>
Total	<u>\$337,114</u>	<u>\$53,042</u>

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, 2017 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability determined in the June 30, 2016 actuarial accounting valuations. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

**Actuarial Methods and Assumptions Used to Determine
Total Pension Liability**

Actuarial cost method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary Increases	Varies ¹
Mortality rate	Varies ²
Post Retirement Benefit Increase	Up to 2.75%

¹ Depending on age, service and type of employment.

² 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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 7. Pension Plan, continued

General Information about the Pension Plans, continued

All other actuarial assumptions used on the June 30, 2016 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.

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

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. The discount rate was changed to 7.25% for the June 30, 2017 measurement date.

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.

Discount Rate: For actuarial assumptions used in the June 30, 2016 valuation date, the discount rate used to measure total pension liability was 7.15 percent. For actuarial assumptions used in the June 30, 2015 valuation date, the discount rate used to measure total pension liability was 7.5 percent, which is net of administrative expenses.

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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 7. Pension Plan, continued

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

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	Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)

¹An expected inflation of 2.5% used for this period.

²An expected inflation of 3.0% used for this period.

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, 2017 calculated using the discount rate of 7.15 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:

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate			
Measurement Date	1% Decrease	Assumed Rate	1% Increase
	6.15%	7.15%	8.15%
June 30, 2017	\$3,424,845	\$2,045,090	\$902,351

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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 7. Pension Plan, continued

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

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, 2017:

Measurement Date	Proportionate Share of Net Pension Liability
June 30, 2017	\$2,045,090
June 30, 2016	<u>1,716,672</u>
Change in aggregate net pension liability	<u>\$ 328,418</u>

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, 2017 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, 2016 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, 2017 as follows:

	Proportionate Share
Proportion – June 30, 2017	0.020622%
Proportion – June 30, 2016	<u>0.019839%</u>
Change – Increase (Decrease)	<u>0.000783%</u>

For the year ended June 30, 2018, the Commission recognized pension expense of \$236,738.

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 2017 measurement period is 3.8 years.



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 7. Pension Plan, continued

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

At June 30, 2018 the Commission reported in aggregate deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$386,662	\$ -
Differences between expected and actual experience	-	(44,958)
Differences between actual and proportionate share of employer's contributions	-	(150,398)
Change in employer's proportion	-	(56,652)
Difference between projected and actual investment earnings	94,665	-
Contributions after the measurement date	<u>267,259</u>	-
Total	<u>\$748,586</u>	<u>\$(252,008)</u>

The \$267,259 in contributions reported above 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, 2018. 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
2019	\$ (57,341)
2020	216,765
2021	126,098
2022	(56,203)
2023	-
Thereafter	-
Total	<u>\$229,319</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefit Plan

Plan Description and eligibility: The Commission administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees through the California Public Employees Retirement System (CalPERS). 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 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 \$133 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For “Grandfathered” employees and 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 \$586) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to \$249 per month) for individual health coverage. As of June 30, 2018, the Commission had eleven “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 upon direct retirement from VCTC.

	Participants as of	
	June 30, 2018	June 30, 2017
Current retirees and surviving spouses	11	10
Active employees eligible for benefits	<u>20</u>	<u>19</u>
Total	<u>31</u>	<u>29</u>

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 2017/2018, the Commission contributed \$109,000 to the plan, including \$56,863 for current premiums and HRA payments (100 percent of total premiums).

The Commission established an irrevocable trust in May 2009 (administered by CalPERS) 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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 8. Other Postemployment Benefit Plan, continued

Net OPEB Liability: VCTC's net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The net OPEB liability at June 30, 2018 was:

	Valuation Date June 30, 2017
Total OPEB Liability (TOL)	\$1,505,447
Fiduciary Net Position (FNP)	<u>1,137,582</u>
Net OPEB Liability (NOL)	<u>\$ 367,865</u>
Funded status (FNP/TOL)	75.6%

Deferred Outflows of Resources: Deferred outflows of resources related to OPEB are reported in the accompanying Statement of Net Position as follows:

	Governmental Activities	Business- Type Activities	Total
Employer Contributions after measurement date	<u>\$101,589</u>	<u>\$7,411</u>	<u>\$109,000</u>

Deferred Inflows of Resources: Deferred inflows of resources related to OPEB are reported in the accompanying Statement of Net Position as follows:

	Governmental Activities	Business- Type Activities	Total
Difference between projected and actual earnings on investments	<u>\$28,736</u>	<u>\$2,096</u>	<u>\$30,832</u>

OPEB Expense: OPEB expenses are included in the accompanying Statement of Revenues, Expenses, and Changes in Net Position as follows:

	Governmental Activities	Business- Type Activities	Total
OPEB Expense	<u>\$63,262</u>	<u>\$4,615</u>	<u>\$67,877</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefit Plan, continued

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

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial cost method	Entry Age Normal
 Actuarial Assumptions:	
Discount rate	6.75%
Expected rate of return	6.75% per annum. This discount rate assumes the Commission contributions projected to keep sufficient plan assets to pay all benefits from trust.
Inflation	2.75%
Mortality, Retirement, Disability & Termination	CalPERS 1997 – 2011 experience study
Mortality improvement	Mortality improvement scale MP - 2017
Salary increases	3.00% aggregate. Merit – CalPERS 1997 – 2011 experience study
Medical trend	Non-Medicare – 7.5% and Medicare – 6.5% for 2019 decreasing to an ultimate rate of 4.0%
Mortality rate	Varies2
Post Retirement Benefit Increase	Up to 2.75%

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2017.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 8. Other Postemployment Benefit Plan, continued

Discount Rate: The discount rate used to measure the net OPEB liability was 6.75%. This discount rate assumes the Commission continues to fully fund for its retiree health benefits through the California Employer's Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1 of 7.28% with an additional margin for adverse deviation.

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	Target Allocation	Long-term Expected Real Rate of Return ¹
Global equity	57.00%	4.82%
Fixed income	27.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
REITs	8.00%	3.76%

¹ Long-term expected real rate of return are presented as geometric means.

Change in the Net OPEB Liability

	Commission Plan Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017 (6/30/16 measurement date)	\$ 1,425,352	\$ 985,532	\$ 439,820
Changes Recognized for the Measurement Period:			
Service Cost	45,918	-	45,918
Interest on the total OPEB liability	97,184	-	97,184
Employer contributions	-	109,000	(109,000)
Net investment income	-	106,598	(106,598)
Benefit payments, including refunds of member contributions	(63,007)	(63,007)	-
Administrative expenses	-	(541)	541
Net Changes	<u>\$ 80,095</u>	<u>\$ 152,050</u>	<u>\$ (71,955)</u>
Balance at June 30, 2018	<u>\$ 1,505,447</u>	<u>\$ 1,137,582</u>	<u>\$ 367,865</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefit Plan, continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate of 1 percent point lower (5.75%) or 1 percent point higher (7.75%) than the current discount rate:

	Plan's Net OPEB Liability/(Asset)		
	Discount Rate - 1% 5.75%	Current Discount 6.75%	Discount Rate + 1% 7.75%
Net OPEB Liability	\$ 583,583	\$ 367,865	\$ 191,097

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate of 1 percent point lower (6.5% Non-Medicare/5.5% Medicare) or 1 percent point higher (8.5% Non-Medicare/7.5% Medicare) than the current healthcare cost trend rates:

	Plan's Net OPEB Liability/(Asset)		
	Discount Rate - 1% (6.5% - 5.5%)	Current Discount (7.5% - 6.5%)	Discount Rate + 1% (8.5% - 7.5%)
Net OPEB Liability	\$ 172,269	\$ 367,865	\$ 611,208

Contributions: The Commissions policy is to fund the Actuarially Determined Contribution (ADC), which includes the normal cost (current accrual for benefits being earned) plus an amortization of the net (unfunded accrued) OPEB liability. Contributions during the measurement period were the following:

CERBT Trust	ADC
Contributions employer	<u>\$109,000</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefit Plan, continued

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB:

For the year ended June 30, 2018, the Commission recognized expense of \$67,877 for the Commission's Plan. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 109,000	\$ -
Change of assumptions	-	30,832
Balance at June 30, 2018	<u>\$ -</u>	<u>\$ 30,832</u>

The \$109,000 reported above as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Deferred Outflows/(Inflows) of Resources
2019	\$ (7,708)
2020	(7,708)
2021	(7,708)
2022	(7,708)
2023	-
Thereafter	-
	<u>\$ (30,832)</u>



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 9. 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 \$2,582,466 from the budget during Fiscal Year 2017/2018 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.

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.

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.



Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018

Note 10. 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).

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.

Note 11. 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 Statement
Year Ended June 30, 2018

Note 12. 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, 2018, the Commission distributed \$29,611,609 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2017/2018
City of Camarillo	\$ -	\$ 8,499	\$ 2,349,298	\$ 2,357,797
City of Fillmore	279,299	9,349	249,895	538,543
City of Moorpark	675,000	3,670	567,692	1,246,362
City of Ojai	-	773	-	773
City of Oxnard	-	4,906	-	4,906
City of Port Hueneme	-	9,851	-	9,851
City of San Buenaventura	-	62,199	-	62,199
City of Santa Paula	504,307	271,795	530,055	1,306,157
City of Simi Valley	4,295,804	26,271	-	4,322,075
City of Thousand Oaks	4,435,771	258,295	-	4,694,066
County of Ventura	-	25,112	-	25,112
Gold Coast Transit	15,043,768	-	-	15,043,768
Total allocations	\$25,233,949	\$ 680,720	\$ 3,696,940	\$ 29,611,609



**Ventura County Transportation Commission
Notes to the Basic Financial Statement
Year Ended June 30, 2018**

Note 13. Restatement of Net Position

The Commission implemented GASB 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pension Plans*, this fiscal year which required an adjustment be made to the beginning net position on the Statement of Activities in the Governmental Activities and Business-Type Activities and the Statement of Activities – Proprietary Funds for the VCTC Intercity Fund for the OPEB liability, deferred outflows of resources, and deferred inflows of resources stated. As a result of the implementation of GASB 75, net position was restated as follows:

	Governmental Activities	Business-Type Activities	VCTC Intercity Fund
Net position at July 1, 2017, as previously reported	\$ 69,520,102	\$ 9,285,378	\$ 9,285,378
To implement GASB 75 for net OPEB liability	<u>(308,328)</u>	<u>(22,492)</u>	<u>(22,492)</u>
Net position at July 1, 2017, as restated	<u>\$ 69,211,774</u>	<u>\$ 9,262,886</u>	<u>\$ 9,262,886</u>

Note 14. Subsequent Event

After reviewing VCTC's accounting and financial reporting including its measurement focus and basis of accounting and researching industry practices, Governmental Accounting Standards Board (GASB) 34, and other related pronouncements, the Commission made the decision to include in the Fiscal Year 2018/2019 budget a new special revenue fund for its rail right-of-way, Santa Paula Branch Line.



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Required Supplementary Information



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**Ventura County Transportation Commission
Required Supplementary Information (Unaudited)**

**Ventura County Transportation Commission
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018**

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 13,337,319	\$ 15,565,750	\$ 7,202,592	\$ (8,363,158)
Charges for services	575,000	1,411,943	442,540	(969,403)
Investment income	-	-	-	-
Other revenue	-	-	1,281	1,281
Total revenues	13,912,319	16,977,693	7,646,413	(9,331,280)
Expenditures:				
Current:				
General government:				
Salaries and benefits	2,550,600	2,595,150	2,433,488	161,662
General legal services	28,600	30,400	25,917	4,483
Professional services	844,100	1,017,100	403,238	613,862
Office lease	158,000	158,000	148,796	9,204
Other	4,232,801	3,981,251	103,843	3,877,408
Total general government	7,814,101	7,781,901	3,115,282	4,666,619
Programs:				
Commuter assistance	183,600	209,600	191,453	18,147
Highways	661,900	697,800	4,924	692,876
Planning and programming	1,226,765	1,460,967	477,035	983,932
Rail	4,168,100	6,011,384	3,337,044	2,674,340
Transit and transportation	8,965,950	10,722,300	5,027,052	5,695,248
Total programs	15,206,315	19,102,051	9,037,508	10,064,543
Total expenditures	23,020,416	26,883,952	12,152,790	14,731,162
Excess (deficiency) of revenues over (under) expenditures	(9,108,097)	(9,906,259)	(4,506,377)	5,399,882
Other financing sources (uses):				
Transfers in	8,484,997	9,073,559	5,006,976	(4,066,583)
Total other financing sources (uses)	8,484,997	9,073,559	5,006,976	(4,066,583)
Net change in fund balances	(623,100)	(832,700)	500,599	1,333,299
Fund balances, beginning of year	697,562	911,712	1,624,056	712,344
Fund balances (deficit), end of year	\$ 74,462	\$ 79,012	\$ 2,124,655	\$ 2,045,643

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information (Unaudited)

**Ventura County Transportation Commission
Budgetary Comparison Schedule
Local Transportation Fund
Year Ended June 30, 2018**

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Sales taxes	\$ 34,300,000	\$ 34,300,000	\$ 35,444,892	\$ 1,144,892
Investment income	25,000	25,000	78,110	53,110
Total revenues	<u>34,325,000</u>	<u>34,325,000</u>	<u>35,523,002</u>	<u>1,198,002</u>
Expenditures:				
Current:				
General government:				
Professional services	13,500	13,500	13,500	-
Total general government	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>	<u>-</u>
Programs:				
Planning and programming	-	-	3,696,940	(3,696,940)
Transit and transportation	29,834,008	29,834,008	25,914,669	3,919,339
Total programs	<u>29,834,008</u>	<u>29,834,008</u>	<u>29,611,609</u>	<u>222,399</u>
Total expenditures	<u>29,847,508</u>	<u>29,847,508</u>	<u>29,625,109</u>	<u>222,399</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,477,492</u>	<u>4,477,492</u>	<u>5,897,893</u>	<u>1,420,401</u>
Other financing sources (uses):				
Transfer out	(4,506,731)	(4,506,731)	(4,506,731)	-
Total financing sources (uses)	<u>(4,506,731)</u>	<u>(4,506,731)</u>	<u>(4,506,731)</u>	<u>-</u>
Net change in fund balances	(29,239)	(29,239)	1,391,162	1,420,401
Fund balances, beginning of year	3,003,239	3,003,239	7,651,852	4,648,613
Fund balances, end of year	<u>\$ 2,974,000</u>	<u>\$ 2,974,000</u>	<u>\$ 9,043,014</u>	<u>\$ 6,069,014</u>

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information (Unaudited)

Ventura County Transportation Commission
Budgetary Comparison Schedule
State Transit Assistance Fund
Year Ended June 30, 2018

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Sales taxes	\$ 3,609,126	\$ 3,609,126	\$ 7,667,061	\$ 4,057,935
Investment income	50,000	50,000	117,127	67,127
Total revenues	3,659,126	3,659,126	7,784,188	4,125,062
Other financing sources (uses):				
Transfer out	(7,270,110)	(7,502,809)	(3,379,769)	4,123,040
Total financing sources (uses)	(7,270,110)	(7,502,809)	(3,379,769)	4,123,040
Net change in fund balances	(3,610,984)	(3,843,683)	4,404,419	8,248,102
Fund balances, beginning of year	9,604,361	9,604,361	8,338,130	(1,266,231)
Fund balances, end of year	\$ 5,993,377	\$ 5,760,678	\$ 12,742,549	\$ 6,981,871

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information (Unaudited)

Ventura County Transportation Commission
Budgetary Comparison Schedule
Service Authority for Freeway Emergencies Fund
Year Ended June 30, 2018

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Vehicle registration fees	\$ 800,000	\$ 800,000	\$ 802,797	\$ 2,797
Investment income	30,000	30,000	64,286	34,286
Other revenue	-	-	3,797	3,797
Total revenues	830,000	830,000	870,880	40,880
Expenditures:				
Current:				
Programs:				
Highways	839,000	839,000	377,959	461,041
Total programs	839,000	839,000	377,959	461,041
Total expenditures	839,000	839,000	377,959	461,041
Excess (deficiency) of revenues over (under) expenditures	(9,000)	(9,000)	492,921	501,921
Other financing sources (uses):				
Transfer out	(28,300)	(28,300)	(4,937)	23,363
Total financing sources (uses)	(28,300)	(28,300)	(4,937)	23,363
Net change in fund balances	(37,300)	(37,300)	487,984	525,284
Fund balances, beginning of year	3,950,076	3,950,076	4,406,925	456,849
Fund balances, end of year	\$ 3,912,776	\$ 3,912,776	\$ 4,894,909	\$ 982,133

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information (Unaudited)**

**Ventura County Transportation Commission
Schedule of Proportionate Share of the Net Position Liability
Last Ten Fiscal Years***

Plan	2018	2017	2016	2015
Proportion of the net pension liability	0.0206%	0.0198%	0.0170%	0.0217%
Proportionate share of the net pension liability	\$2,045,090	\$1,716,672	\$1,165,507	\$1,350,441
Covered- employee payroll	\$1,768,289	\$1,641,257	\$1,608,856	\$1,484,068
Proportionate share of the net pension liability as a percentage of covered-employee payroll	115.65%	104.59%	72.44%	91.00%
Plan's fiduciary net position as percentage of the total pension liability	73.31%	74.06%	78.40%	83.03%
Proportionate share of aggregate employer contribution	\$ 302,164	\$ 266,767	\$ 195,821	\$ 132,450

*Fiscal Year 2015 was the first year of implementation of GASB 68; therefore, only four years are shown. The reported figures have a measurement dates of June 30, 2017, 2016, 2015 and 2014 respectively.

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information (Unaudited)**

**Ventura County Transportation Commission
Schedule of Contributions
Last Ten Fiscal Years***

Plan	2018	2017	2016	2015	2014
Actuarial determined contribution	\$ 204,627	\$ 182,833	\$ 154,553	\$ 132,450	\$ 135,690
Contributions in relation to the actuarially determined contribution	<u>267,259</u>	<u>(212,833)</u>	<u>(154,553)</u>	<u>(132,450)</u>	<u>(135,690)</u>
Contribution deficiency (excess)	<u>\$ (62,632)</u>	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,799,645	\$ 1,768,289	\$ 1,641,257	\$ 1,608,856	\$ 1,484,068
Contributions as a percentage of covered-employee payroll	14.85%	12.04%	9.42%	8.44%	9.14%

*Fiscal Year 2015 was the first year of implementation of GASB 68; therefore, only five years are shown. The reported figures have a measurement dates of June 30, 2017, 2016, 2015 and 2014 respectively.

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information (Unaudited)

**Ventura County Transportation Commission
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years***

Measurement period, year ending:	6/30/2017
---	------------------

Total OPEB liability	
Service cost	\$ 45,918
Interest	97,184
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(63,007)
Net change in total OPEB liability	80,095
Total OPEB liability - beginning	1,425,352
Total OPEB liability - ending (a)	\$ 1,505,447

OPEB fiduciary net position	
Contributions - employer	\$ 109,000
Net investment income	106,598
Benefit payments, including refunds of member contributions	(63,007)
Administrative expense	(541)
Net change in plan fiduciary net position	152,050
Plan fiduciary net position - beginning	985,532
Plan fiduciary net position - ending (b)	1,137,582
Plan net OPEB liability - ending (a) - (b)	\$ 367,865

Plan fiduciary net position as a percentage of the total OPEB liability 75.6%

Covered-employee payroll \$ 1,768,500

Plan net OPEB liability as a percentage of covered-employee payroll 20.8%

*Fiscal Year 2018 was the first year of implementation of GASB 75; therefore, only one year is shown. The reported figures have a measurement date of June 30, 2017

See accompanying notes to the required supplementary information.



Notes to the Required Supplementary Information

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 Changes in the Net OPEB Liability and Related Ratios shows the Commission's accrued liabilities, net position and their relationship to payroll for the Postemployment Benefit Plan in accordance with GASB Statement No. 75.

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. The Fiscal Year 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 7. Pension Plan for additional information.



Supplementary Information



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Ventura County Transportation Commission
Supplementary Information (Unaudited)

Ventura County Transportation Commission
Budgetary Comparison Schedule
VCTC Intercity
Year Ended June 30, 2018

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive Negative
Operating Revenues:				
Passenger Fares	\$ 1,032,400	\$ 967,400	\$ 963,912	\$ (3,488)
Route Guarantee	1,037,294	1,285,000	1,241,596	(43,404)
Total Operating Revenues	2,069,694	2,252,400	2,205,508	(46,892)
Operating Expenses:				
Salaries and benefits	360,800	360,800	446,221	(85,421)
General legal services	75,000	75,000	73,638	1,362
Professional services	145,000	175,000	800	174,200
Other	37,800	37,800	166,286	(128,486)
Contract Services	8,330,000	8,597,706	8,472,030	125,676
Depreciation	-	-	1,049,495	(1,049,495)
Total Operating Expenses	8,948,600	9,246,306	10,208,470	(962,164)
Operating Income(Loss)	(6,878,906)	(6,993,906)	(8,002,962)	(1,009,056)
Nonoperating Revenues:				
Federal grants	2,951,459	3,422,322	3,409,662	(12,660)
State grants	572,303	572,303	572,303	-
Local grants	35,000	35,000	62,871	27,871
Interest income	-	-	1,029	1,029
Total Nonoperating Revenues	3,558,762	4,029,625	4,045,865	16,240
Income(Loss) before contributed capital	(3,320,144)	(2,964,281)	(3,957,097)	(992,816)
Transfers In(Out) (note 5)	3,320,144	2,964,281	2,884,461	(79,820)
Contributed capital, net	-	-	-	-
Change in Net Position	-	-	(1,072,636)	(1,072,636)
Net Position:				
Beginning of Fiscal Year	-	-	9,285,378	9,285,378
Beginning of Fiscal Year	-	-	(22,492)	(22,492)
End of Fiscal Year	\$ -	\$ -	\$ 8,190,250	\$ 8,190,250

See accompanying notes to the supplementary information.



Ventura County Transportation Commission
Supplementary Information (Unaudited)

Ventura County Transportation Commission
Budgetary Comparison Schedule
Valley Express
Year Ended June 30, 2018

	Fiscal Year 2017/2018 Original Budget	Fiscal Year 2017/2018 Final Budget	Fiscal Year 2017/2018 Actual	Variance with Final budget Positive (Negative)
Operating Revenues:				
Passenger Fares	\$ 183,910	\$ 183,910	\$ 93,612	\$ (90,298)
Passenger Fares	-	-	100,000	100,000
Total Operating Revenues	183,910	183,910	193,612	9,702
Operating Expenses:				
Salaries and benefits	100,000	100,000	112,413	(12,413)
General legal services	9,000	9,000	386	8,614
Professional services	142,000	142,000	48,930	93,070
Other	26,000	246,000	86,006	159,994
Contract Services	1,630,500	1,630,500	1,440,394	190,106
Total Operating Expenses	1,907,500	2,127,500	1,688,129	439,371
Operating Income(Loss)	(1,723,590)	(1,943,590)	(1,494,517)	449,073
Nonoperating Revenues:				
Federal grants	539,923	539,923	539,923	-
Local Transportation Funds (LTF)	1,183,667	1,183,667	955,653	(228,014)
State grants	-	220,000	186,691	(33,309)
Interest income	-	-	439	439
Total Nonoperating Revenues	1,723,590	1,943,590	1,682,706	(260,884)
Income(Loss) before contributed capital	-	-	188,189	188,189
Contributed capital and transfers:				
Contributed capital, net	-	-	(188,189)	(188,189)
Total contributed capital and transfers	-	-	(188,189)	(188,189)
Change in Net Position	-	-	-	-
Net Position:				
Beginning of Fiscal Year	-	-	-	-
End of Fiscal Year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the supplementary information.



Notes to the Supplementary Information

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**

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.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Commission's most significant local revenue source, sales tax.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.

Operating Information

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.



Ventura County Transportation Commission
Statistical Section

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Financial Trends



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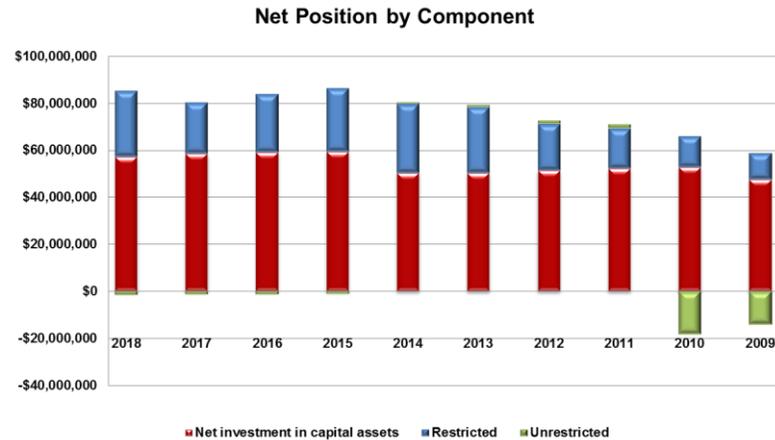
Ventura County Transportation Commission
Statistical Section

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$48,742,298	\$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
Restricted	28,233,039	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
Unrestricted	(1,433,735)	(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)
Total governmental activities net position	\$75,541,602	\$69,520,102	\$82,693,703	\$85,171,160	\$80,363,526	\$79,120,460	\$72,545,679	\$70,918,926	\$47,590,682	\$44,339,652
Business-type Activities:										
Net investment in capital assets	\$ 8,323,629	\$ 9,373,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(133,379)	(87,747)	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ 8,190,250	\$ 9,285,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary government:										
Net investment in capital assets	\$57,065,927	\$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
Restricted	28,233,039	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
Unrestricted	(1,567,114)	(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)
Total primary government activities net position	\$83,731,852	\$78,805,480	\$82,693,703	\$85,171,160	\$80,363,526	\$79,120,460	\$72,545,679	\$70,918,926	\$47,590,682	\$44,339,652

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

Source: Ventura County Transportation Commission Finance Department.



Ventura County Transportation Commission
Statistical Section

Changes in Net Position
Last Ten Fiscal Years

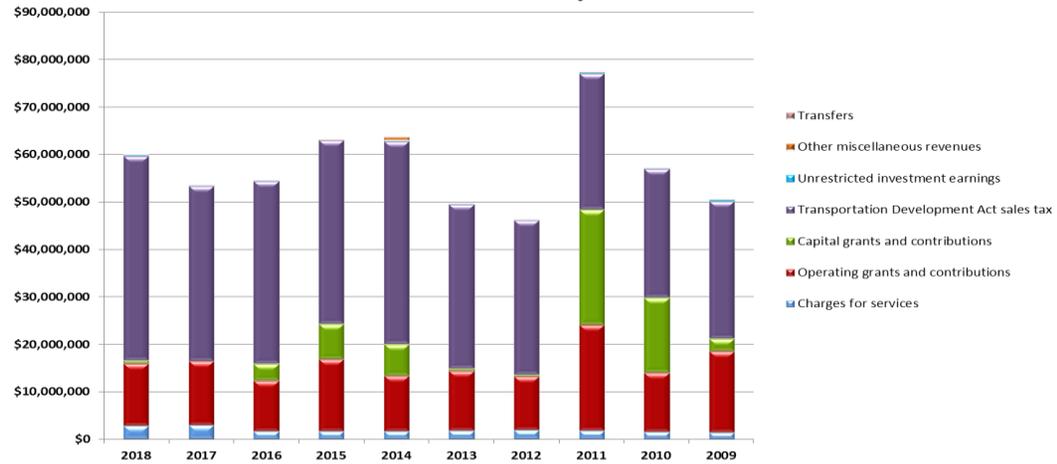
	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
Commuter assistance	\$ 191,453	\$ 61,354	\$ 16,872	\$ 35,645	\$ 65,215	\$ 54,283	\$ 48,742	\$ 56,640	\$ 86,969	\$ 152,977
General government	3,385,624	3,526,219	3,722,332	3,710,719	3,666,862	3,206,934	3,709,351	3,349,076	3,207,254	3,528,518
Highways	385,116	561,319	961,504	587,948	593,920	597,348	727,464	3,998,426	13,874,782	965,082
Planning and Programming	4,173,975	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
Rail	3,911,208	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
Transit and transportation	30,751,007	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
Interest	-	-	-	-	-	-	-	763,938	948,456	951,456
Total governmental activities expenses	42,798,383	45,691,921	56,944,117	56,599,037	62,372,690	47,792,386	44,638,735	53,915,405	53,873,366	50,592,722
Business-type activities:										
VCTC Intercity	10,208,470	10,138,496	-	-	-	-	-	-	-	-
Valley Express	1,688,129	1,577,117	-	-	-	-	-	-	-	-
Total business-type activities expenses	11,896,599	11,715,613	-	-	-	-	-	-	-	-
Total primary government expenses	54,694,982	57,407,534	56,944,117	56,599,037	62,372,690	47,792,386	44,638,735	53,915,405	53,873,366	50,592,722
Program revenues:										
Governmental activities:										
Charges for services:										
General government	-	-	-	-	-	30,000	50,000	50,000	60,021	45,521
Highways	3,797	-	-	-	-	-	4,488	-	-	-
Planning and Programming	-	500	3,450	-	500	-	500	1,000	-	-
Rail	442,540	355,080	277,741	292,600	308,070	331,041	339,873	387,636	336,771	334,229
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
Operating grants and contributions	7,630,891	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
Capital grants and contributions	374,498	-	3,612,756	7,534,382	6,761,699	511,399	380,681	24,271,855	15,711,797	2,663,238
Total governmental activities program revenues	8,451,726	7,706,248	15,998,322	24,370,327	20,112,099	14,936,244	13,649,561	48,355,595	29,784,448	21,218,756
Business-type activities:										
Charges for services transit	2,399,120	2,634,588	-	-	-	-	-	-	-	-
Operating grants and contributions	5,538,914	6,170,768	-	-	-	-	-	-	-	-
Capital grants and contributions	188,189	-	-	-	-	-	-	-	-	-
Total business-type activities revenues	8,126,223	8,805,356	-	-	-	-	-	-	-	-
Total primary government revenues	16,577,949	16,511,604	15,998,322	24,370,327	20,112,099	14,936,244	13,649,561	48,355,595	29,784,448	21,218,756
Net primary government revenues/(expenses)										
Governmental activities	(34,346,657)	(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)
Business-type activities	(3,770,376)	(2,910,257)	-	-	-	-	-	-	-	-
Total net primary government revenues/(expenses)	(38,117,033)	(40,895,930)	(40,945,795)	(32,228,710)	(42,260,591)	(32,856,142)	(30,989,174)	(5,559,810)	(24,088,918)	(29,373,966)
General revenues and other changes in net position:										
Governmental activities:										
Transportation Development Act sales tax	43,111,953	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
Investment earnings	259,523	120,592	117,858	90,429	74,862	38,516	81,743	145,864	99,754	378,390
Other miscellaneous revenues	1,281	788	5,595	6,443	799,525	215,023	16,115	24,864	10,062	28,793
Transfers	(2,884,461)	(3,218,347)	-	-	-	-	-	-	-	-
Contributions capital, net	188,189	(8,976,706)	-	-	-	-	-	-	-	-
Total governmental activities general revenues	40,676,485	24,812,072	38,468,338	38,693,876	43,503,657	34,862,323	32,615,927	28,888,054	27,339,948	29,303,392
Business-type activities:										
Investment earnings	1,468	582	-	-	-	-	-	-	-	-
Transfers	2,884,461	3,218,347	-	-	-	-	-	-	-	-
Contributions capital, net	(188,189)	(8,976,706)	-	-	-	-	-	-	-	-
Total business-type activities general revenues	2,697,740	12,195,635	-	-	-	-	-	-	-	-
Total primary government general revenues	43,374,225	37,007,707	38,468,338	38,693,876	43,503,657	34,862,323	32,615,927	28,888,054	27,339,948	29,303,392
Changes in net position:										
Governmental activities	6,329,828	(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)
Business-type activities	(1,072,636)	9,285,378	-	-	-	-	-	-	-	-
Total primary government changes in net position	\$ 5,257,192	\$ (3,888,223)	\$ (2,477,457)	\$ 6,465,166	\$ 1,243,066	\$ 2,006,181	\$ 1,626,753	\$ 23,328,244	\$ 3,251,030	\$ (70,574)

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

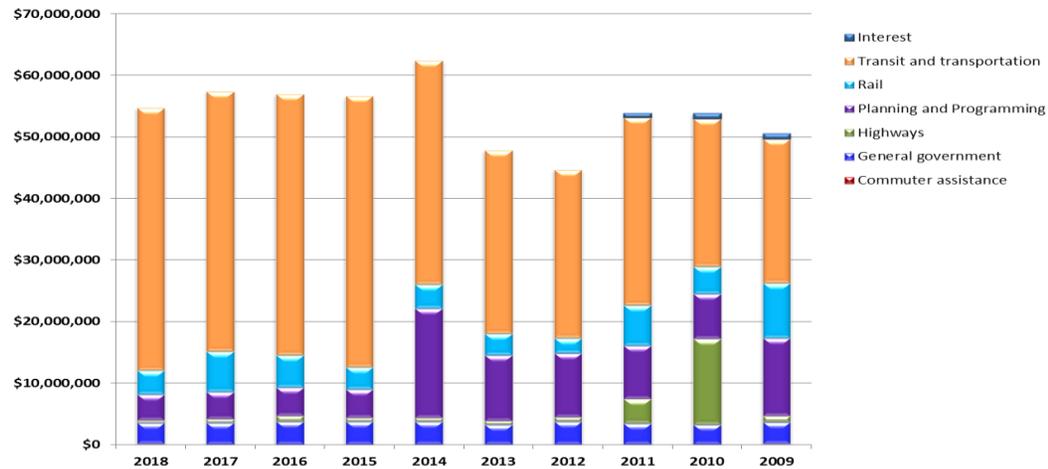


Ventura County Transportation Commission Statistical Section

Revenues by Source



Expenses by Function



Ventura County Transportation Commission
Statistical Section

Ventura County Transportation Commission
Principal Employers
Current Year and Nine Years Ago

Employer	2017 ¹			2008 ²		
	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:

¹ 2017 Ventura County Economic Outlook as of January 2017 and is the most current information available

² County of Ventura/UCSB Economic Forecast Project February 2008



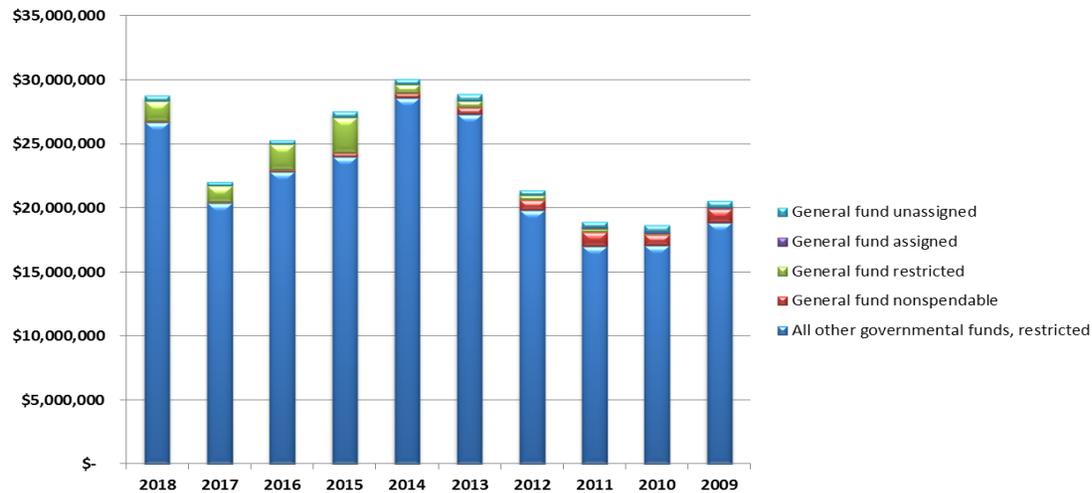
Ventura County Transportation Commission
Statistical Section

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Nonspendable	\$ 96,681	\$ 48,230	\$ 165,959	\$ 311,840	\$ 375,386	\$ 524,229	\$ 819,593	\$ 1,152,462	\$ 832,323	\$ 1,098,319
Restricted	1,552,567	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
Unassigned	475,407	291,854	318,444	487,640	441,450	544,159	423,365	448,159	535,960	527,030
Total general fund	\$ 2,124,655	\$ 1,624,056	\$ 2,478,487	\$ 3,537,313	\$ 1,493,411	\$ 1,592,617	\$ 1,587,577	\$ 1,923,350	\$ 1,570,432	\$ 1,732,833
All other governmental funds:										
Restricted	\$26,680,472	\$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
Total all other governmental funds	\$26,680,472	\$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

Source: Ventura County Transportation Commission Finance Department.

Fund Balances of Governmental Funds



Ventura County Transportation Commission
Statistical Section

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Sales taxes	\$43,111,953	\$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
Vehicle registration user fees	802,797	800,633	784,953	766,387	761,141	744,145	769,635	703,393	723,873	737,139
Intergovernmental	7,202,592	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
Charges for services	446,337	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
Investment Income	259,523	120,592	147,282	105,830	84,432	42,702	94,847	170,007	127,580	510,593
Other revenue	1,281	788	5,595	6,443	231,448	10,781	16,115	24,864	10,062	28,793
Total revenues	51,824,483	44,713,373	54,466,660	63,064,203	63,047,678	49,594,325	46,265,488	77,243,650	57,124,396	50,522,148
Expenditures										
Current:										
General Government	3,128,782	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
Programs:										
Commuter assistance	191,453	61,354	16,872	35,645	65,215	54,283	48,742	56,640	86,969	152,977
Highways	382,883	452,220	842,600	453,286	448,028	450,763	502,657	3,771,194	13,583,971	681,839
Planning and programming	4,173,975	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
Rail	3,337,044	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
Transit and specialized transportation	30,941,721	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
Debt service:										
Principal payment	-	-	-	-	-	-	-	23,795,000	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-	711,027	941,811	944,811
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	42,155,858	44,756,857	56,707,922	65,614,259	61,882,893	46,845,690	43,784,119	77,005,671	59,022,949	51,546,237
Excess (deficiency) of revenues and expenditures	9,668,625	(43,484)	(2,241,262)	(2,550,056)	1,164,785	2,748,635	2,481,369	237,979	(1,898,553)	(1,024,089)
Other financing sources (uses):										
Transfers in	5,006,976	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
Transfers out	(7,891,437)	(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)
Contributed capital, net	-	(9,000)	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Discounts on revenue bond	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	204,242	-	-	-	-
Total other financing sources	(2,884,461)	(3,227,347)	-	-	-	204,242	-	-	-	-
Net change in fund balances	\$ 6,784,164	\$ (3,270,831)	\$ (2,241,262)	\$ (2,550,056)	\$ 1,164,785	\$ 2,952,877	\$ 2,481,369	\$ 237,979	\$ (1,898,553)	\$ (1,024,089)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	1.8%	1.9%

Source: Ventura County Transportation Commission Finance Department.



Revenue Capacity



Ventura County Transportation Commission
Statistical Section

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Ventura County Transportation Commission
Statistical Section

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Transportation Development Act (TDA) Direct Rate	County of Ventura
2018	0.25%	7.25%
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%

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



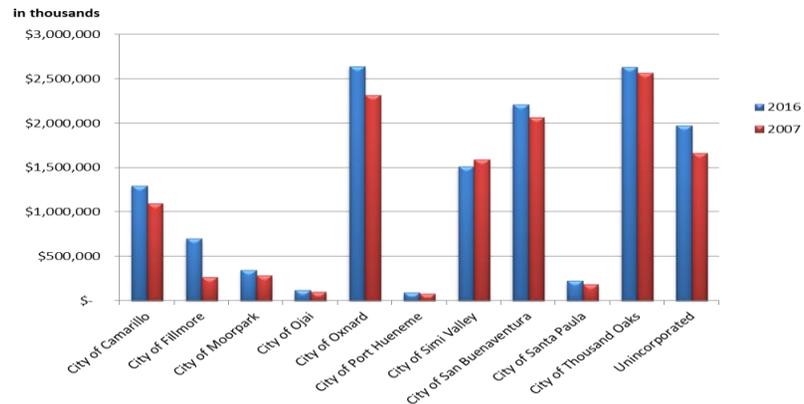
Ventura County Transportation Commission
Statistical Section

Principal Taxable Sales Generation by City
Current Year and Nine Years Ago

	2016			2007		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	\$ 1,292,236	6	9.4%	\$ 1,098,410	6	9.0%
City of Fillmore	699,133	7	5.1%	268,612	8	2.2%
City of Moorpark	349,103	8	2.5%	285,945	7	2.3%
City of Ojai	121,128	10	0.9%	102,249	10	0.8%
City of Oxnard	2,639,291	1	19.2%	2,317,108	2	18.9%
City of Port Hueneme	93,517	11	0.7%	81,649	11	0.7%
City of San Buenaventura	2,206,984	3	16.1%	2,063,622	3	16.9%
City of Santa Paula	228,713	9	1.7%	186,000	9	1.5%
City of Simi Valley	1,508,864	5	11.0%	1,593,262	5	13.0%
City of Thousand Oaks	2,632,274	2	19.1%	2,566,899	1	21.0%
Incorporated	11,771,243		85.6%	10,563,756		86.4%
Unincorporated	1,974,707	4	14.4%	1,666,451	4	13.6%
Countywide	13,745,950		100.0%	12,230,207		100.0%
California	\$ 649,079,371			\$ 561,050,149		

Source: California State Board of Equalization, Taxable Sales in California Report. The most current information available is from 2016.

Taxable Sales by City



Ventura County Transportation Commission
Statistical Section

**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)
2018	\$35,444,892	\$7,667,061
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

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

Source: Ventura County Transportation Commission Finance Department.



Demographic and Economic Information



Ventura County Transportation Commission
Statistical Section

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Ventura County Transportation Commission
Statistical Section

Demographic and Economic Statistics for the County of Ventura
Last Ten Fiscal Years

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ³
2017	859,073	\$ *	\$ *	4.5%
2016	857,386	47,397,620	55,282	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%

* Data is unavailable.

Sources:

¹ California Department of Finance, Demographic Research Unit

² U.S Bureau of Economic Analysis, most current information available is 2016.

³ California Employment Development Department, Labor Market Information Division



Ventura County Transportation Commission
Statistical Section

Principal Employers
Current Year and Nine Years Ago

Employer	2017 ¹			2008 ²		
	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:

¹ 2017 Ventura County Economic Outlook as of January 2017 and is the most current information available

² County of Ventura/UCSB Economic Forecast Project February 2008



Ventura County Transportation Commission
Statistical Section

**Full-Time Equivalent Employees by Function
Last Ten Fiscal Years**

Programs	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	6.1	6.2	5.5	4.8	4.3	5.2	5.2	5.2	5.5	5.7
Planning and Programming	5.0	5.3	6.0	5.0	4.0	4.4	4.0	3.1	2.7	2.2
Commuter assistance	1.7	2.4	2.3	3.2	2.4	2.8	2.5	2.5	2.4	3.0
Rail	0.9	0.8	0.9	0.8	1.0	1.0	0.9	0.8	0.9	0.8
Highways	0.3	0.2	0.1	0.1	0.1	0.1	0.2	1.0	0.8	1.1
Transit and specialized transportation	5.4	4.5	5.6	4.9	4.2	4.0	3.5	3.3	3.8	4.5
Total Full-time equivalent	19.4	19.4	20.4	18.8	16.0	17.5	16.3	15.9	16.1	17.3

Source: Ventura County Transportation Commission Finance Department.



Ventura County Transportation Commission
Statistical Section

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Operating Information



Ventura County Transportation Commission
Statistical Section

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Ventura County Transportation Commission
Statistical Section

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Transit and Specialized Transportation Program										
Bus Transit Operations										
Ridership¹:										
Intercity 101				113,149	118,630	120,739	120,670	112,705	105,588	113,382
Intercity Conejo				29,295	33,059	41,269	39,633	43,582	37,228	42,320
Intercity 126				216,098	220,011	228,803	234,145	222,723	199,043	196,750
Intercity East				69,935	76,015	84,216	81,711	74,889	76,321	67,144
Intercity CSUCI - Combined				96,914	108,779	95,866	81,368	63,743	84,552	89,093
Intercity CSUCI - Camarillo										
Intercity CSUCI - Oxnard										
Intercity Coastal				256,990	226,507	272,913	311,827	285,314	276,449	277,105
VCTC Intercity - Combined	639,516	715,098	786,761							
Valley Express DAR - SP				56,917	89,433	101,063	98,616	99,912	104,267	98,346
Valley Express DAR - F				64,873	100,212	108,236	105,965	105,780	112,633	107,705
Valley Express Fixed - SP				12,722						
Valley Express Fixed - F				8,443						
Valley Express Fixed - P				8,663						
Valley Express - Combined	83,391	97,812	128,481							
Farebox recovery ratio¹:										
Intercity 101				19.17%	28.05%	26.58%	32.40%	29.93%	28.99%	30.20%
Intercity Conejo				18.76%	32.64%	30.55%	48.52%	57.88%	51.79%	50.52%
Intercity 126				34.57%	47.63%	48.38%	61.15%	58.09%	48.67%	43.61%
Intercity East				16.24%	23.42%	21.82%	26.97%	26.09%	26.42%	23.23%
Intercity CSUCI - Combined				91.05%	111.07%	102.69%	102.73%	102.73%	102.73%	102.58%
Intercity CSUCI - Camarillo										
Intercity CSUCI - Oxnard										
Intercity Coastal				49.70%	70.24%	59.43%	82.10%	79.15%	69.09%	61.40%
VCTC Intercity -Combined	31.53%	33.13%	26.00%							
Valley Express DAR - SP				8.46%	11.53%	13.11%	12.47%	13.04%	12.62%	12.83%
Valley Express DAR - F				11.16%	14.82%	13.77%	15.21%	15.60%	14.96%	15.70%
Valley Express Fixed - SP				4.82%						
Valley Express Fixed - F				6.05%						
Valley Express Fixed - P				9.78%						
Valley Express Fixed										
Valley Express - Combined	11.80%	6.93%	6.53%							



Ventura County Transportation Commission
Statistical Section

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Transit and Specialized Transportation Program										
Bus Passes²:										
GoVentura Pass Sales Volume				5,112	6,155	5,974	6,692	7,316	7,873	8,002
GoVentura Pass Sales Amount				\$ 198,854	\$ 232,806	\$ 217,047	\$ 263,183	\$ 257,518	\$ 237,815	\$ 245,437
GoVentura Pass Boardings				149,551	172,413	164,871	203,340	223,572	235,566	226,323
GoVentura E-Purse Sales Volume				5,390	6,761	5,863	7,049	6,456	5,857	5,502
GoVentura E-Purse Sales Amount				\$ 236,791	\$ 298,653	\$ 261,716	\$ 343,466	\$ 327,291	\$ 272,816	\$ 227,038
GoVentura E-Purse Boardings				128,977	155,702	131,306	178,210	168,128	161,540	152,357
Intercity Pass Sales Volume	4,038	3,863	3,240	665						
Intercity Pass Sales Amount	\$ 217,899	\$ 215,295	\$ 206,023	\$ 49,635						
Intercity Pass Boardings	52,321	57,461	58,553	1,381						
Intercity 10-Trip Sales Volume	11,332	13,162	13,243	2,015						
Intercity 10-Trip Sales Amount	\$ 253,664	\$ 299,148	\$ 307,208	\$ 43,838						
Intercity 10-Trip Boardings	99,551	123,570	121,111	7,735						
One Ride Pass Sales Volume	36,652	36,964	21,346							
One Ride Pass Sales Amount	\$ 36,094	\$ 37,658	\$ 21,908							
One Ride Pass Boarding ⁷	6,532	7,798	6,991							
Valley Express Pass Sales Volume	1,501	1,696	1,942	271						
Valley Express Pass Sales Amount	\$ 31,365	\$ 33,115	\$ 36,970	\$ 3,450						
Valley Express Pass Boardings	28,214	30,372	38,071	4,320						
Senior and Disabled:										
Telephone Information ³	11,419	12,208	13,709	16,844	16,557	4,858	5,015	5,911		
Applications Received	1,407	1,389	1,519	1,558	1,254	1,114	1,158	1,278		
Certifications Issued	1,310	1,246	1,314	1,116	794	803	763	773		
Applicant Interviews	322	399	479	922	661	643	604	609		
Functional Assessments	248	312	370	414	390	444	353	336		
Highway Program										
Motorist Assistance:										
Callboxes	428	429	564	564	564	564	547	553	564	562
Calls made	2,256	2,865	2,565	3,046	2,792	3,326	3,294	3,543	3,747	3,889



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Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Rail Program										
Commuter Rail Operations Valley Express Ventura Line:										
Train miles	252,772	285,343	247,204	247,054	286,850	250,976	283,985	270,384	292,147	292,147
Passenger Boardings	1,087,227	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
Farebox recovery ratio	21.60%	22.20%	25.30%	27.60%	28.80%	33.70%	29.10%	29.10%	27.80%	32.00%
Commuter Assistance										
Rideshare Programs:										
Surveys Processed	9,489	14,255	18,308	14,556	11,808	24,575	13,839	16,991	13,593	17,927
Rideguides produced	1,405	1,876	1,785	2,648	2,759	2,867	3,567	2,732	2,881	4,115
GRH registered patrons	29,982	27,647	28,094	30,173	30,082	31,023	33,240	32,703	36,268	32,672
GRH Usage	27	29	47	53	46	69	62	44	40	89
Transit Information Center:										
Telephone Assistance	30,962	35,304	48,523	47,787	34,060	34,107	38,036	37,834	42,407	42,752
In-Person Assistance	3,975	3,956	4,178	4,508	4,304	3,691	3,838	3,080	3,081	2,886

¹ 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.

² 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.

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

Source: Ventura County Transportation Departments and SCRRA.



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Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Commuter Rail Operations:										
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
Motorist Assistance:										
Callboxes	428	429	564	564	564	564	547	553	564	562

Source: Ventura County Transportation Departments.

