VENTURA COUNTY TRANSPORTATION COMMISSION

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

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015
Ventura County, CA

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, 2015

Submitted by:
Sally DeGeorge, Finance Director

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VENTURA COUNTY TRANSPORTATION COMMISSION
Comprehensive Annual Financial Report
Year Ended June 30, 2015

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INTRODUCTORY SECTION

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VENTURA COUNTY TRANSPORTATION COMMISSION

November 9, 2015

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

Letter of Transmittal

State law requires that the Ventura County Transportation Commission (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, 2015.

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 control 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, 2015 for the Ventura County Transportation Commission are presented fairly, in all material respects. The independent auditor's reports are located at the front of the financial section of this report.

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

Profile of the Government

The Ventura County Transportation Commission (VCTC) was created by Senate Bill 1880 (Davis), Chapter 1136 of the Public Utilities Code in September of 1988 (effective January 1, 1989) as the successor agency to the Ventura County Association of Governments (VCAG) assuming all the assets and liabilities of that body. In 2004, the Commission was reorganized under Assembly Bill 2784, expanding the Commission to its current configuration of a seventeen-member board composed of five Ventura County Supervisors; ten City Council members; 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 gasoline and diesel fuel.

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

The Commission has many regional roles within Ventura County. The Ventura County Transportation Commission is designated to administer and act as the Airport Land Use Commission (ALUC), the Consolidated Transportation Service Authority (CTSA), the Sales Tax Authority 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 brought to the Commission in a formal agenda item.

Local Economy

The economy continues on its slow and sometimes erratic path of improvement both nationally and locally. Similar to last year, gains in the stock market and housing market lead the indicators of economic growth. Unemployment continues to decline but job growth remains low with flat wages. Consumer confidence is up from the previous year but continued fears of inflation and volatile fuel prices and stock markets add to consumer uncertainty.

The stock market continues to be a bull market. The Dow Jones Industrial Average (DJIA) continued to reach new highs in May with a posted close just over 18,300. Daily swings of 100+ points are accepted as normal. The stock market has been climbing since its low in April of 2009. However, recent issues with China and to a lesser degree Greece have led to a market downturn of 2,600 points in August 2015. Although the market rallied back in early September, it is still down from May's high. The long period of strong growth in the stock market coupled with continuing doubts about weak economic recovery has led some market analysts to issue warnings for a market correction while other analysts feel the bull market will continue awhile longer.

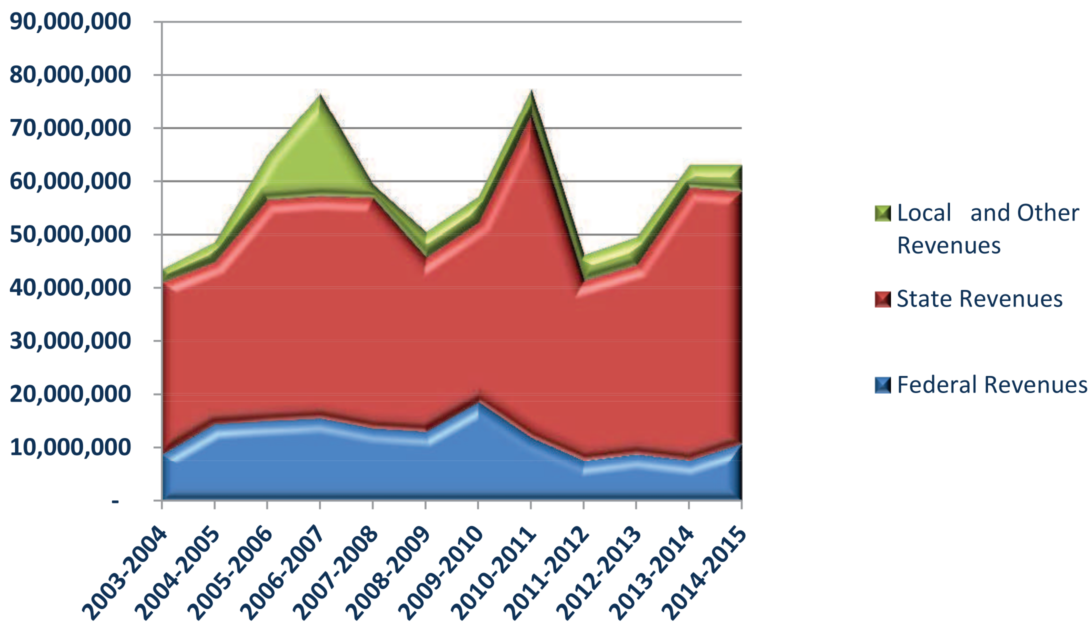
Housing prices and number of units sold continue to rise in many areas of the United States. Locally, in Ventura County, the market prices continue to rise albeit slower than the previous year. According to the California Association of Realtors July 2015 sales of single family residences in the Ventura County home prices rose 6.3% from last year with the median price in the County at $622,580. Foreclosure filings were 2% lower than the previous year. Median time on the market for homes sold in July was approximately 53 days. Number of homes sold in July was up 23.3% from the previous year. Although prices have risen from a median low of $359,632 in early 2009, it is still far from the high of $710,906 in 2006 continuing to leave some homeowners owing more on their homes than the homes are valued. This loss of value continues to have far reaching effects on home owners, lending institutions and local governments.

Even with the loss of value on homes, housing costs remain high compared to household income – especially as housing prices are rising faster than incomes. This imbalance of housing costs to income forces 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.

As stated earlier, unemployment continues to be a drag on the economy. In July 2015, California's unemployment rate was 6.5%, down from 7.9% at the same time last year. Similar to the State, Ventura County's unemployment rate for July was 5.9%, down from 7.8% at the same time last year. Although there has been improvement, unemployment is still above pre-recession levels and some economist now feel that this is an acceptable level of unemployment. Furthermore, the concern remains that some reductions in unemployment are due to discouraged worker's giving up completely and leaving the workforce and/or taking lower skilled/lower paying jobs.

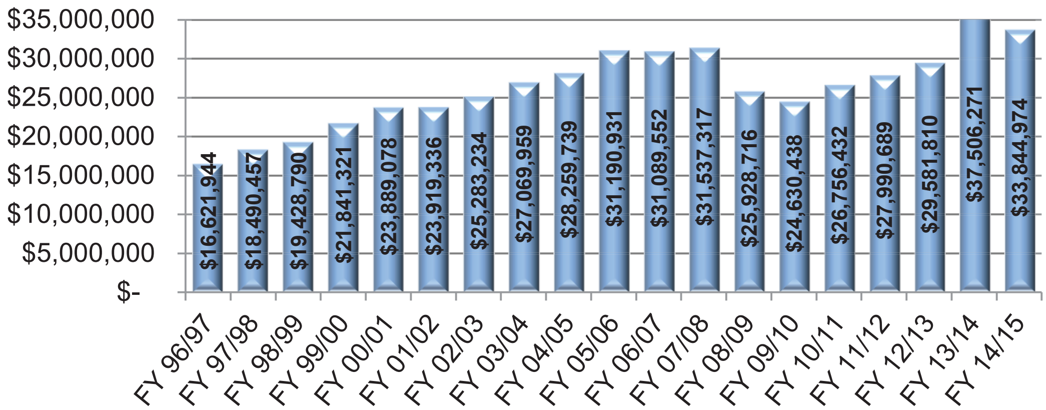
Predictably, with property values rising and unemployment declining, local, state and federal governments that are dependent on revenues generated by property, income and sales taxes are seeing a small amount of revenue relief. In the Governor's January release of the 2015/2016 State Budget proposal, Governor Brown indicated that the state budget is finally balanced and that soon the State will be making the last payment to cover the borrowing for budget deficits back in 2002. However, he does caution that the state continues to face ongoing funding challenges and work is needed to find solutions.

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 service and projects VCTC provides to the County's residents. Federal funds comprise 16% of the funds received in Fiscal Year 2014/2015 and the majority of the funds required 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 are available.



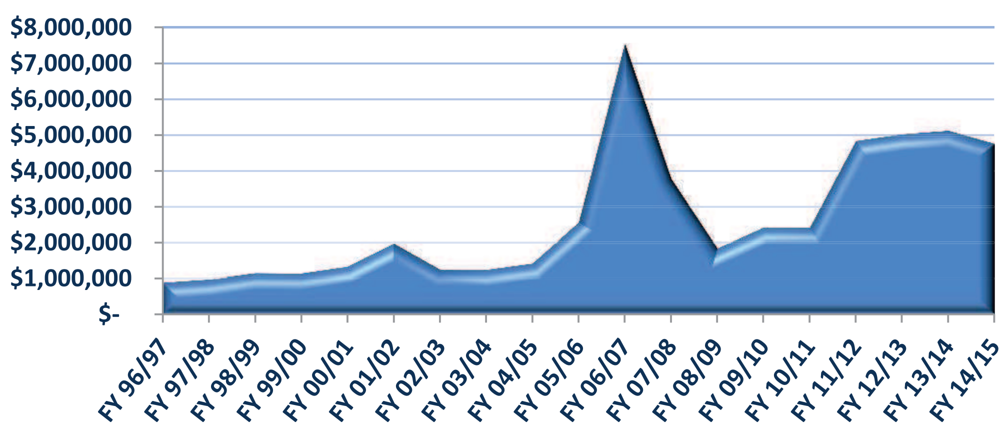
Unfortunately, although revenues are up, State and local government entities are still struggling to meet the demand for services they normally provide, and VCTC finds itself in just such a position. VCTC receives Transportation Development Act - Local Transpiration Funds (LTF) from statewide one-quarter cent sales tax on retail sales. This year VCTC received 55% of its revenue from the LTF sales tax receipts of which the majority (96% in Fiscal Year 2014/2015) is passed through to local agencies. With the passage of Senate Bill 716 and 203 and Assembly Bill 664 a larger portion of these funds are used for transit. A small portion will still be used for bicycles and pedestrians projects and cities with a population under 100,000 receiving TDA allocations can use these funds for streets and roads purposes after transit needs are met. VCTC uses the majority of its portion of the LTF funds for passenger rail with additional funds used for planning and administrative purposes.

The County enjoyed growing LTF receipts for many years (see Chart 3, *Local Transportation Fund Revenues Fiscal Year 1996/1997 – 2014/2015*). In fact, there was almost a 100 percent increase in a ten year period from 1997 to 2007. However, with the downturn of the economy, LTF revenues declined and bottomed out in Fiscal Year 2009/2010. Revenues have surpassed prerecession highs but in the last few months of Fiscal Year 2014/2015, receipts actually declined by 10% and finished the year slightly under budget.



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

VCTC also receives State Transit Assistance (STA) funds. In prior years when the State's revenues fell short, the State Transit Assistance (STA) funds were raided by the State. With the passage of Proposition 22, voters created a reasonably reliable funding source for both public transit operations and capital purchases. STA revenues are 6% of the revenues and are largely used to fund Metrolink Commuter rail services within the County, LOSSAN, the Santa Paula Branch Line, VCTC intercity transit service and other transit projects. VCTC will continue to monitor the STA funds in order to fund on-going and one-time transit needs.



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, the last one being Moving Ahead for Progress in the 21st Century, or MAP-21, which was extended to and expires in October of 2015. While MAP-21 provided increases in transportation funding in some areas, it did not address the underlying structural issues such as the depletion of the Highway Trust Fund continuing to make transportation funding unpredictable. With MAP-21 expiring and State funding limited, it is uncertain and difficult for the local agencies to predict what the funding levels will be in the future.

The continuing challenge for VCTC, like almost all government agencies, is to continue to provide services to the County's residents in the face of growing demand and decreasing revenues. VCTC will continue to aggressively seek new revenues to support the County's transportation needs, and prevent shrinking revenues which translates into fewer State and Federal transportation dollars for the County. Innovative strategic plans need to be developed now recognizing the issues of an aging population that will place increased demand on transit and paratransit services, diminishing revenue streams from taxes and the importance educating the public on the significance of transportation in the County's overall economic health.

Long-term Financial Planning

In addition to the LTF and STA funds, the Commission receives State Transportation Improvement Program (STIP) funds. STIP funds are primarily used for major highway projects. While the STIP funds do not flow through the Commission's budget, the Commission currently programs its share of STIP revenues to fund the construction of the 101/23 freeway interchange.

As previously mentioned, VCTC relies entirely on federal and state revenue sources to fund transportation projects and services. At the federal level, MAP-21 is set to expire in October 2015. Until Congress passes a long-term transportation authorization act that can sustain an increase in transportation investment, the sustainability of the Highway Trust Fund remains in question. Furthermore, the Mass Transit Account which is a source for transit services in Ventura County including the VCTC Intercity Bus, Metrolink and other public transit services within the County is precariously low.

In the Spring of 2015, the Commission approved programming federal Surface Transportation Program (STP) funds to initiate the Preliminary Engineering and Environmental Document for both the 101 and 118 freeway widening projects. However, the funding for the construction of these major capital highway investments presents a long term concern. After taking into account the preliminary project cost estimates and the probable timeline for state and federal revenues, the earliest either of these two much needed major projects could go to construction is 8-10 years away.

Major Initiatives

VCTC will for the first time be assuming direct management for state highway project development work, in this case for the Route 101 project. A significant amount of VCTC staff effort will also be required for the Route 118 project even though Caltrans will remain the project lead. During the upcoming year the primary emphasis will be on starting the work on the two projects' preliminary engineering and environmental documents

While VCTC's Regional Transportation Planning efforts have broadened in the past few years, this coming year's efforts will turn inward with specific projects focusing on Ventura County needs. Begun in late Fiscal Year 2014/2015, the Regional Bicycle Wayfinding Project will kick into high gear as a consultant is selected to work with each of the jurisdictions and cycling advocates to identify and provide signage for intercity, as well as intercounty, bikeways. Additionally, those bikeways deemed critical to the countywide network but unsuitable for riding due to the lack of shoulders or other constraints will be identified and prioritized enabling jurisdictions to better compete for active transportation funds.

This year's efforts will also see two related consultant assisted projects focused on improving the analytical tools at VCTC's disposal for informing policies and decisions on transportation investments. The first project is a complete update and revamping of VCTC's Congestion Management Plan (CMP). Additionally, digital count data now exists that meets the highway performance monitoring criteria and will allow staff and the local jurisdictions to monitor their roadways in real time and on-going as opposed to a traffic counts taken once every other year. The second and related project is an update and upgrade to the countywide traffic model. A full update of the model is needed to ensure validity of traffic projections and planning data. Given the rising emphasis on transit and active transportation, staff will also be seeking to enhance the model's capabilities to enable modeling of modal alternatives.

The rebranded VCTC intercity transit service will be expanded and improved in the upcoming year. The expansion will allow VCTC to meet the growing transit demand and connect additional communities underserved by the intercity transit system. Two new routes are planned for the upcoming year: South Oxnard to Camarillo and a new East-West Connector route connecting Simi Valley to Ventura. Onboard video systems will be installed along with upgrades to the existing passenger Wi-Fi systems. New automatic passenger counters will be installed making data collection and reporting much easier.

Like the VCTC Intercity transit system, the Heritage Valley transit service, Valley Express, will also be expanded and improved. New routes are being designed and will be implemented to expand service coverage. New pass readers, compatible with the VCTC Intercity system will be added to the fleet so the regional pass media can be accepted. Onboard video systems will be implemented increasing security. Tools for passengers such as Nextbus are being added to the fleet so passengers can lookup arrival information, online at a desktop or using their mobile phone.

VCTC will be working on a replacement of the regional GoVentura Smartcard. Interim measures have allowed interagency fare recognition, but staff will be working towards a long-term solution to provide a new countywide smartcard. These activities will also include efforts to develop an on-line ticket sales component.

Prompted by declining usage of the callbox system due to the proliferation of personal cellular phones, staff completed a callbox Siting Study in late Fiscal Year 2014/2015. The Siting Study identified likely callbox locations for removal should the SAFE choose to reduce the total number of callboxes in service. All remaining callboxes must then be upgraded to 3G cellular service as AT&T will discontinue 2G cellular service as of December of 2016.

After a year and a half of negotiations with the City of Camarillo (which was constrained by the Redevelopment Agency dissolution process), the Commission approved the purchase of a new headquarters building at 2220 Ventura Boulevard in old town Camarillo for a purchase price of $1. The Commission set-aside $3.5 million of State Transit Assistance funds for the purposes of purchasing and renovating an office building that will serve as the new VCTC main offices. The building is located in the pedestrian oriented Old Town Camarillo and is a couple of blocks from the Camarillo Metrolink/Amtrak Station where VCTC's Intercity 101 and CSUCI's routes make frequent stops, is centrally located within the county and has easy access to Highway 101. The vision for the building is some level of LEED certification with adequate space to allow for some expansion of VCTC and also make space available for VCTC's regional transportation partners.

Planning for the Future

The path forward is a bumpy one for long term transportation infrastructure investment in Ventura County, particularly for the freeway system, maintaining and improving local roads, and active transportation projects for bicyclists and pedestrians. The activity that has taken place over the past several years has come thanks to "one-time" programs such as Federal stimulus funds and State infrastructure bond funds. Assuming revenues from federal and state sources remain unchanged, the next major State Highway System project will not start construction until 2023. It is hard to argue that these improvements are not needed now.

It is expected that with the next federal transportation act and relative stability of State transportation funds, VCTC should have a reliable funding stream for transportation albeit at significantly lower levels than needed. Unfortunately there are few options to expedite these critical highway projects and other major transportation improvements such as increased bus and rail transit service or bicycle and pedestrian improvements. Our neighboring counties have been locally investing in their transportation system for several decades now through local option sales tax measures dedicated to transportation but, as yet, that revenue stream has not been at our disposal. The Commission will continue its outreach efforts to the community with a message that investing in our transportation system is a wise investment in our future by generating jobs and economic activity, reducing congestion and providing expanded transit options.

With limited resources, the Commission has had to focus on specific areas of operation. The Fiscal Year 2015/2016 budget contains six programs or areas of focus that discuss individual projects in detail. The following is a listing of the programs and projects within each program that the Commission concentrates on to serve the residents and business community of Ventura County.

Transit and Specialized Transportation Program

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

Highway Program

- Callbox System
- Highway Project Management
- SpeedInfo

Rail Program

- LOSSAN/Pacific Surfliner Intercity Rail
- Metrolink Commuter Rail
- Santa Paula Branch Line

Commuter Assistance Program

- Rideshare and Employer Services
- Transit Information Center

Planning and Programming Program

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

General Government Program

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ventura County Transportation Commission for its comprehensive annual financial report for the Fiscal Year ended June 30, 2014. 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 renewed commitment to open, accountable, and transparent financial reporting and this is the sixth 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.

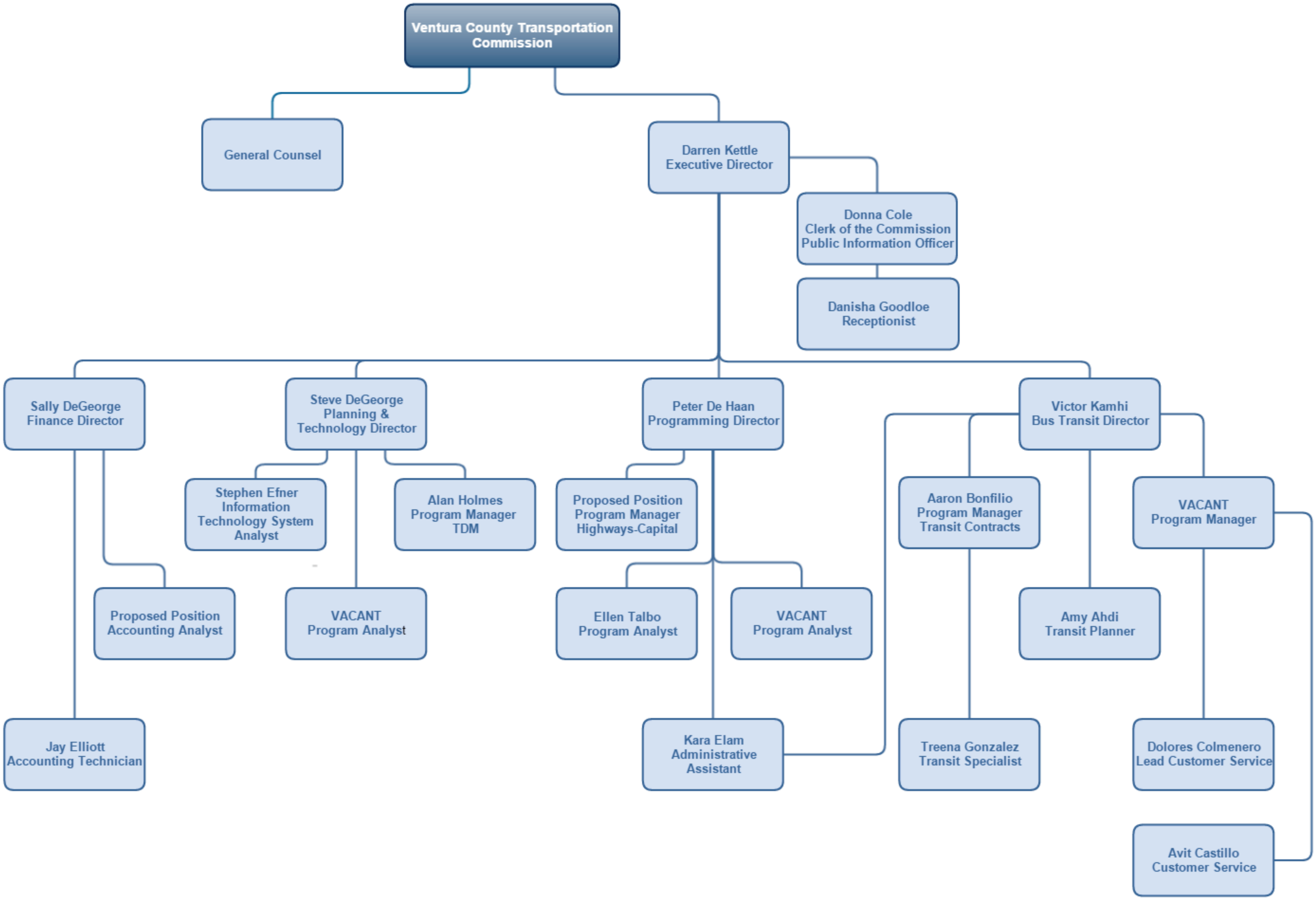
Finally, without the leadership and support of the Commission and each individual Commissioner, these changes would not be possible. There may be no more dynamic a time in transportation and transportation funding than what we will experience over the next several years. VCTC must continue to test our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

Very truly yours,

DARREN M. KETTLE
Executive Director

SALLY M. DEGEORGE
Finance Director

ORGANIZATIONAL CHART
Fiscal Year 2014/2015



VENTURA COUNTY TRANSPORTATION COMMISSION
LIST OF PRINCIPAL OFFICIALS
(As of June 30, 2015)

Board of Commissioners:

Peter Foy	County of Ventura, Chair
Keith Millhouse	City of Moorpark, Vice-Chair
Steve Bennett	County of Ventura
Claudia Bill-de la Peña	City of Thousand Oaks
Betsy Clapp	City of Ojai
Doug Breeze	City of Port Hueneme
Ginger Gherardi	City of Santa Paula
Brian Humphrey	Citizen Representative (Cities)
Kathy Long	County of Ventura
Bryan MacDonald	City of Oxnard
Bill Little	City of Camarillo
Manuel Minjares	City of Fillmore
Carl Morehouse	City of Ventura
Linda Parks	County of Ventura
Steven Sojka	City of Simi Valley
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 & Technology Director
Peter De Haan	Programming Director
Victor Kamhi	Bus Transit Director

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, 2014

Executive Director/CEO

THE PUN GROUP
ACCOUNTANTS & ADVISORS

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

Board of Commissioners
Ventura County Transportation Commission
Ventura County, 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 and each major fund of the Ventura County Transportation Commission ("VCTC"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise VCTC's basic financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control over Financial Reporting

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

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Purpose of this Report

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

The Pun Group, LLP

Santa Ana, California
November 9, 2015

THE PUN GROUP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Ventura County Transportation Commission
Ventura County, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Ventura County Transportation Commission ("VCTC") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise VCTC'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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of VCTC, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of GASB Statements No. 68 and 71

As discussed in Note 7 to the basic financial statements, VCTC implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans-an amendment of GASB Statement No, 27*, and GASB Statement No, 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The adoption of these statements requires retrospective application of previously reported net position at July 1, 2014 as described in Note 12 to the basic financial statements. In addition, Net Pension Liability is reported in the Statement of Net Position in the amount of $1,350,441 as of June 30, 2014, the measurement date. This Net Pension Liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, 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 and Schedule of Contributions on pages 7 to 19 and 60 to 67 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 VCTC's basic financial statements. The introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Board of Commissioners
Ventura County Transportation Commission
Ventura County, California
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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 9, 2015, on our consideration of VCTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VCTC's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
November 9, 2015

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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, 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages i through xi and the audited financial statements, which begin on page 19.

Financial Highlights

- The assets of Commission exceeded its' liabilities at the close of the most recent fiscal year by $85,171,160 (net position). The net position consisted of net investment in capital assets of $59,444,142, restricted net position of $26,733,576 and unrestricted net position (deficit) of $1,006,558.

- The unrestricted net position (deficit) results from the recording of the net pension liability (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 assets (investments reported at fair value) 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 $6,474,166 during Fiscal Year 2014/2015. The increase is primarily due to an increase in net capital assets. It should be noted that the net position was restated at the beginning of the year due to the implementation of the new pension standards and more information about this can be found in note 12 of the Notes to the Basic Financial Statements.

- Total capital assets, net of depreciation, were $59,444,142 at June 30, 2015 representing an 18% increase of $9,025,273. This increase in capital assets is primarily due to the purchase of buses for the VCTC Intercity and Valley Express bus services.

- At the close of the current fiscal year, the Commission's governmental funds reported combined fund balances of $27,533,056 a decrease of $2,550,056 largely due to the revised apportionment and distribution of the LTF fund balance to local agencies. Approximately 2% of this amount, or $488,515, is available for spending at the government's discretion (unassigned fund balance).

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, 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 (i.e. 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 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 19 and 20 of this report.

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 funds but no fiduciary funds or proprietary 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, State Transit Assistance Fund, and Service Authority for Freeway Emergencies Fund (SAFE).

The Commission adopted a comprehensive annual budget for all funds on June 6, 2014. Budgetary comparison schedules have been provided for the General Fund, the Local Transportation Fund, the State Transit Assistance Fund, and Service Authority for Freeway Emergencies 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 government-wide financial statements, can be found on pages 22 through 25 of this report.

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 26 through 50 of this report.

Other Information

Other information is in addition to the basic financial statements and accompanying Notes to the Basic Financial Statements. These reports present required supplementary information concerning the Commission's budgetary results for the General Fund and major Special Revenue Funds with appropriated budgets and its progress in funding of its obligation to provide OPEB benefits to its' employees. Required supplementary information can be found on 53 through 59 of this report.

Government-wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of the Commission's financial position. At June 30, 2015, the Commission's assets exceed liabilities by $85,171,160, a $6,474,166 increase from June 30, 2014 primarily due to an increase in net capital assets for the purchase of new buses. It should be noted that the net position was restated at the beginning of the year due to the implementation of the new pension standards and more information about this can be found in note 12 of the Notes to the Basic Financial Statements. The analysis below focuses on the net position and changes in net position of the Commission's governmental activities.

Net Position:

Approximately 70%, or $59,444,142, of the Commission's net position is investments in capital assets (i.e. land and improvements, rail stations, office furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The Commission uses these assets to provide commuter rail, transit and transportation assistance to the residents and business community of Ventura County. Capital assets increased approximately 18% or $9,025,273 in Fiscal Year 2014/2015. The change in capital assets is primarily due to the purchase of buses for transit services 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, $26,733,576, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities decreased by 9% in Fiscal Year 2014/2015. This decrease of $2,532,700 was largely due to the revised apportionment and distribution of the LTF fund balance to local agencies.

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, 2015, the unrestricted net position from governmental activities decreased by $1,684,939 to a deficit of $1,006,558 largely due to the recording of the net pension liability (previously off balance sheet and 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 assets (investments reported at fair value) 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 following is condensed financial data related to net position for the Fiscal Years ended June 30, 2015 and 2014:

	June 30, 2015	June 30, 2014	Changes
Current and other assets	$ 33,988,232	$ 42,813,087	$ (8,824,855)
Capital assets not being depreciated	25,938,653	25,885,133	53,520
Capital assets, net of accumulated depreciation	33,505,489	24,533,736	8,971,753
Total assets	**93,432,374**	**93,231,956**	**200,418**
Deferred outflows of resources	139,054	-	139,054
Current and other liabilities	6,555,176	12,829,975	(6,274,799)
Long-term liabilities	1,391,281	38,455	1,352,826
Total liabilities	**7,946,457**	**12,868,430**	**(4,921,973)**
Deferred inflows of resources	453,811	-	453,811
Net position:			
Net investment in capital assets	59,444,142	50,418,869	9,025,273
Restricted	26,733,576	29,266,276	(2,532,700)
Unrestricted (deficit)	(1,006,558)	678,381	(1,684,939)
Total net position	**$ 85,171,160**	**$ 80,363,526**	**$ 4,807,634**

Governmental Activities:

The Commission's total program and general revenues were $63,064,203, while the total costs of all programs were $56,590,037. Total revenues decreased by 1% and the total costs of all programs decreased by 9% for an increase in net position of $6,474,166. Key elements are as follows:

- Charges for services were $1,658,556. The charges for services decreased by $38,231, largely due to lower fare revenues on the VCTC Intercity bus routes and normal fluctuation in charges for services.

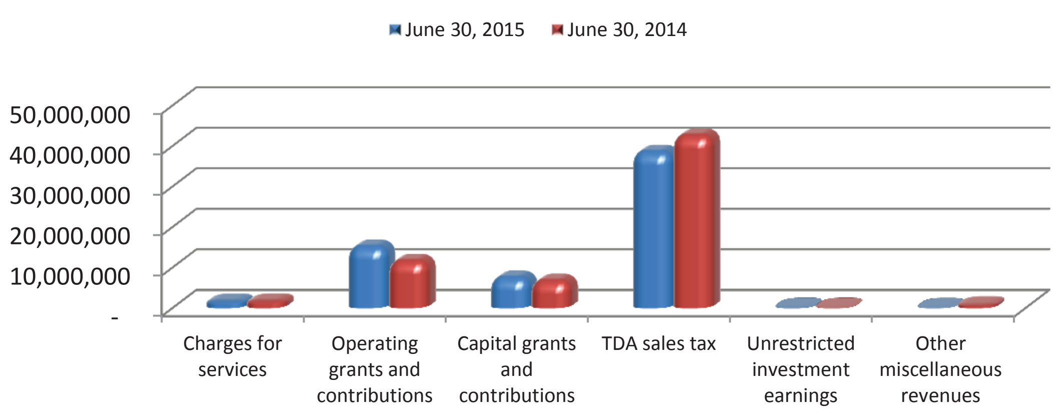
- Operating grants and contributions increased by 30%, or $3,523,776, while capital grants and contributions increased by 11%, or $772,683. The increase in operating grants and contributions reflects the shift in types of funding sources available and projects reimbursed including pass-through projects. The increase in capital grants and contributions reflects the receipt of Proposition 1B and FTA funds for pass-through capital projects. The overall total of these two funding sources is an increase of $4,296,459.

- The total Transportation Development Act sales tax receipts for LTF and STA decreased by 9.5% from the previous fiscal year. The decrease is largely due to a one-time payment of approximately $5.8 million in Local Transportation Fund sales tax revenues received in the previous fiscal year. These funds were withheld for five years by the State Board of Equalization (BOE) for an unresolved lawsuit with the City of Fillmore. When the law suit was settled, the BOE released the sales tax receipts. This decrease was offset by an approximate $2 million increase in LTF receipts due to continued economic growth.

- Unrestricted investment earnings increased by $15,567 due to higher account balances.

- Other miscellaneous revenues decreased by $793,082 as last year's revenues included a donation of thirty GFI fareboxes.

The graph below presents the program and general revenues by source for the Commission's governmental activities for the years ending June 30, 2015 and 2014.



- Commuter Assistance activities decreased by $29,570 largely due to a reduction in temporary help.

- General Government activities increased by $43,857 in Fiscal Year 2014/2015 largely due to cost associated with the new building.

- Highway expenses decreased by $5,972 in Fiscal Year 2014/2015 for a decrease in consultant costs.

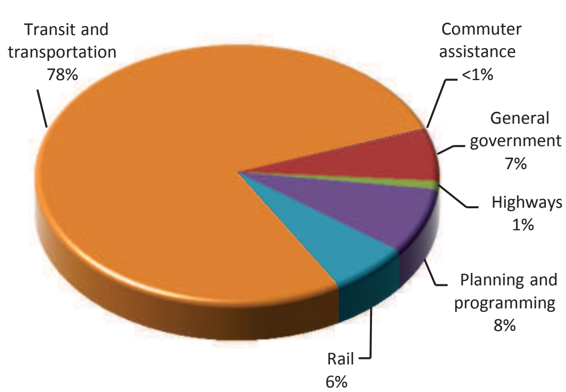
- Planning and Programming activities decreased by 74% or $13,152,311. The decrease is largely due to the reduction of LTF funds that are allowed to be used on streets and roads with the enactment of Senate Bill 716 and 203 and Assembly Bill 664.

- Rail activities decreased by 7%, or $266,264, largely due to lower capital improvements costs for Metrolink and lower legal costs for the Santa Paula Branch Line.

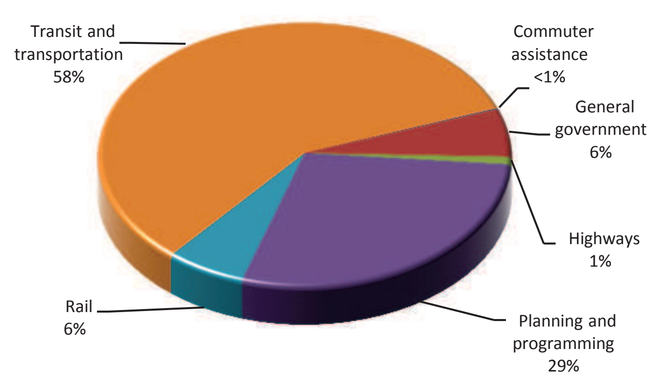
- Transit expenses increased by 21%, or $7,627,607. The increase was largely due to the increase of LTF funds required to be used for transit with the enactment of Senate Bill 716 and 203 and Assembly Bill 664 offset by the purchase of new buses for transit services.

The following graphs depict program expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2015 and June 30, 2014.

2015



2014



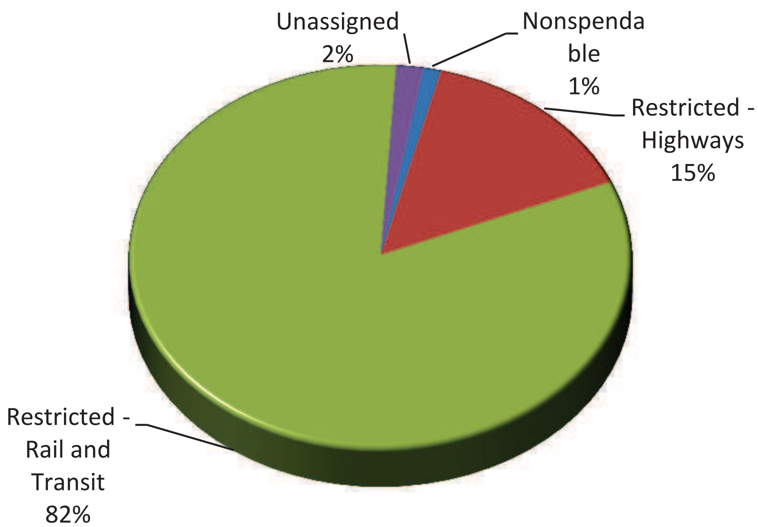
- The beginning net position was restated due to the implementation of the new pension standards by $1,666,532. Additional information can be found in Note 12 – Restatement of Net Position and Note 7 – Pension plan in the Notes to the Basic Financial Statements.

The following is a summary of the financial data related to the Statement of Activities for the Fiscal Years ended June 30, 2015 and 2014:

	Year Ending June 30, 2015	Year Ending June 30, 2014	Changes
Revenues:			
Program revenues:			
Charges for services	$ 1,658,556	$ 1,696,787	$ (38,231)
Operating grants and contributions	15,177,389	11,653,613	3,523,776
Capital grants and contributions	7,534,382	6,761,699	772,683
General revenues:			
Transportation development act sales taxes	38,597,004	42,629,270	(4,032,266)
Unrestricted investment earnings	90,429	74,862	15,567
Other miscellaneous revenue	6,443	799,525	(793,082)
Total revenues	**63,064,203**	**63,615,756**	**(551,553)**
Expenses:			
Commuter assistance	35,645	65,215	(29,570)
General government	3,710,719	3,666,862	43,857
Highways	587,948	593,920	(5,972)
Planning and programming	4,631,468	17,783,779	(13,152,311)
Rail	3,614,184	3,880,448	(266,264)
Transit and transportation	44,010,073	36,382,466	7,627,607
Total expenses	**56,590,038**	**62,372,690**	**(5,782,652)**
Net position:			
Change in net position	6,474,166	1,243,066	5,231,100
Net position at beginning of year	80,363,526	79,120,460	1,243,066
Adjustment due to change in accounting principle (note 12)	(1,666,532)	-	(1,666,532)
Net position at end of year	**$ 85,171,160**	**$ 80,363,526**	**$ 4,807,634**

Financial Analysis of the Commission's Funds

As of June 30, 2015, the Commission's governmental funds reported combined ending fund balances of $27,533,056, a decrease of $2,550,056 from Fiscal Year 2013/2014 largely due to a revised apportionment and disbursement of LTF fund balance to local agencies. Of the $27.5 million fund balance, 97% is restricted for rail, transit and highways projects, 1% is nonspendable for prepaid items and deposits, while the remaining 2% is unassigned in the General Fund. The graph below depicts the fund balances as of June 30, 2015.



The following table presents the fund balances for the governmental funds for Fiscal Year 2015 and 2014:

Fund Balance	Fiscal Year 2014/2015	Fiscal Year 2013/2014	% of Change
General Fund	$ 3,537,313	$ 1,493,411	137%
Special Revenue funds:			
Local Transportation Fund	8,009,206	11,255,387	-29%
State Transit Assistance Fund	11,902,365	13,535,597	-12%
Service Authority for Freeway Emergency Fund	4,084,172	3,798,717	8%
Total Fund Balance	**$ 27,533,056**	**$ 30,083,112**	**-8%**

Key elements for the Commission's governmental funds at June 30, 2015 are:

- The balance in the General Fund increased by $2,043,902 in Fiscal Year 2014/2015. Of the $3,537,313 fund balance, $310,965 is nonspendable for prepaid items and deposits, $2,737,833 is restricted for rail and transit, and $488,515 is unassigned. The increase is largely due to the revised LTF apportionment of approximately $1.6 million.

- The Local Transportation Fund balance decreased by $3,246,181 in Fiscal Year 2014/2015 due the revised apportionment and distribution of the LTF fund balance to local agencies.

- The State Transit Assistance Fund decreased by $1,633,232 in Fiscal Year 2014/2015 as planned transit expenditures exceeded revenues

- The Service Authority for Freeway Emergency Fund increased by $285,455 as actual revenues were higher and callbox expenditures were lower than anticipated.

General Fund Budgetary Highlights

When the original budget is prepared, the exact carry-in balances of continuing projects are unknown and estimates are made. Amendments are made throughout the year to the budget to correct beginning balances, add new projects and adjust existing projects as needed. Differences between the original budget and the final amended budget for the General Fund resulted in approximately a $1.9 million increase in appropriations and were largely related to the following changes:

- The General Government budget increased by $940,901 largely due to increased consultant costs associated with the addition of a budget for the new office building and increased marketing expenses associated with the rebranding of the bus services.

- The Planning program budget increased by $141,615 largely for consultant studies associated with the Regional Transportation Planning.

- The Rail program budget increased $178,365 largely due to carry-over Proposition 1B funds for Metrolink capital pass-through projects.

- The Transit program increased by $613,129 largely due to increased costs for bus services.

- Budgeted intergovernmental revenues decreased by $1,272,312 and "transfers in" increased by $4,786,466 due to the increased expenses noted above and the exchange of transfers instead of revenues.

Variances between the General Fund's actual expenditures and the final amended budget can be briefly summarized in the following table:

General Fund Budgetary Variance	Fiscal Year 2014/2015 Final Budget	Fiscal Year 2014/2015 Actual	Variance
Revenues:			
Intergovernmental	$26,710,657	$21,929,983	-18%
Charges for services	1,752,600	1,658,556	-5%
Investment income	0	2,462	---
Other revenue	0	3,863	---
Total revenues	**28,463,257**	**23,594,864**	**-17%**
Expenditures:			
Current			
General government	5,073,701	3,742,577	26%
Programs	34,449,824	28,829,373	16%
Total expenditures	**39,523,525**	**32,571,950**	**18%**
Other financing sources:			
Transfers in	12,360,194	11,020,988	-11%
Total other financing sources	**12,360,194**	**11,020,988**	**-11%**
Net change in fund balance	**$ 1,299,926**	**$ 2,043,902**	**57%**

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

- The $4,780,674 negative variance for intergovernmental revenues occurred because these revenues are on a reimbursement basis and are received as the projects are completed and invoiced to the respective agencies.
- The $94,044 negative variance for charges for services was primarily due to lower than budgeted fare revenues on the VCTC Intercity bus service.
- The $2,462 positive variance for investment income was due to investment income not being budgeted due to nominal interest rates.
- The $3,863 positive variance for other revenue occurred as these revenues vary from year-to-year.

- The $1,331,124 positive variance for general government was largely due delays in purchase of the new office building but also to expenses being less than budgeted for general operations, professional/consultant services that were not needed, and vacant positions.

- The approximately $5.6 million positive variance for program expenditures was due to several factors:

  - The Commuter expenditures were approximately $80,000 lower due to lower costs of database administration for rideshare and reduced temporary help for the transit information center.

  - The Highway expenditures were $35,000 lower as the Congestion Management Program work was delayed until the next fiscal year.

  - The Planning and Programming expenditures were approximately $780,000 less than budgeted due to delays in studies and consultant expenditures that were carried-over into the next year.

  - The Rail program expenditures were approximately $1.3 million less than budgeted largely due to delays in capital projects and lower operation costs for Metrolink and Santa Paula Branch Line.

  - The Transit and Transportation program expenditures were approximately $3.4 million less than budgeted largely due to the delay of the VCTC Intercity bus on-board monitoring system, fewer buses purchased for Valley Express, and pass-through expenditures that were delayed.

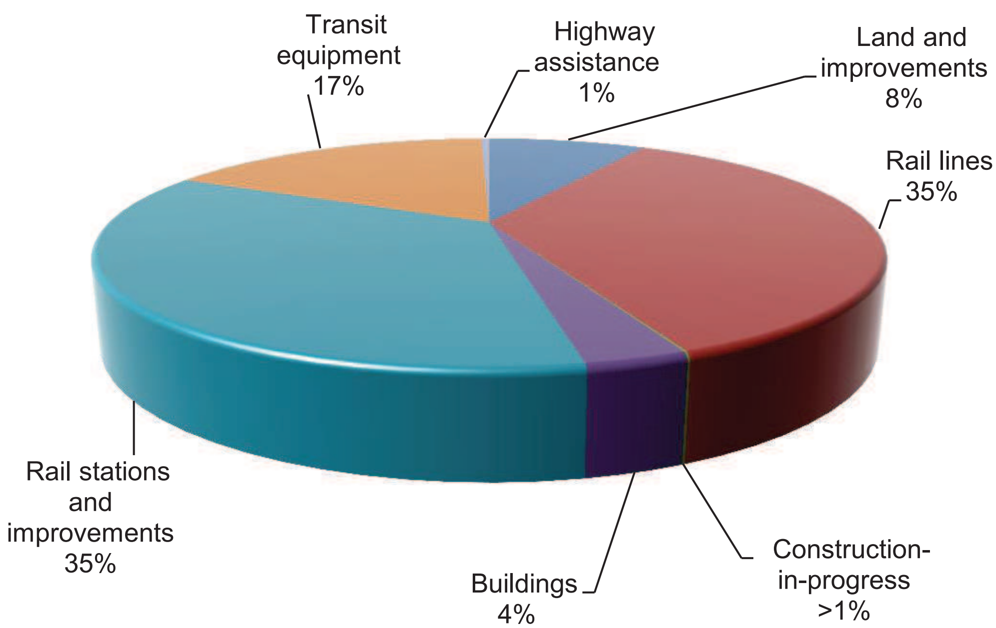
- Transfers in were approximately $1.3 million less than budgeted largely because the projects utilizing STA fund transfers were carried-over into the next fiscal year.

Capital Assets

As of June 30, 2015, the Commission had $59,444,142, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets increased by 18% primarily due to the purchase of new buses. 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, 2015	Balance as of June 30, 2014
Land and improvements	$ 4,964,826	$ 4,964,826
Rail lines	20,920,307	20,920,307
Construction-in-progress	53,520	-
Buildings	1,993,336	2,038,654
Rail stations and improvements	20,995,471	21,524,528
Transit equipment	10,272,384	584,983
Highway assistance	230,236	364,898
Office furniture and equipment	14,062	20,673
Total	**$59,444,142**	**$50,418,869**

Below is a graph depicting the capital investments as of June 30, 2015:



Major capital additions and deletions during Fiscal Year 2014/2015 include:

- The addition of 29 buses in the amount of $10,050,767.
- The addition of Farebox processing equipment in the amount of $96,367

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

Economic and Other Factors

- In Fiscal Year 2014/2015 the unassigned fund balance increased by $47,065 to $488,515. Local Transportation Fund tax fund balance decreased by $3,246,181 to $8,009,206 due primarily to the revised apportionment and disbursement of LTF fund balance to local agencies. The State Transit Assistance Fund balance decreased by $1,633,232 to $11,902,365 due to an increase in anticipated expenditures. The SAFE fund balance increased by $285,455 to $4,084,172 as actual revenues were higher and callbox expenditures were lower than anticipated.

Leading economic indicators remain mixed as the economy slowly grows. 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 2015/2016 Budget which was presented in April 2015. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2015/2016 Budget to the Commission which was adopted in June 2015.

The Fiscal Year 2015/2016 balanced budget includes approximately $60 million in revenues which consist of $13 million in federal revenues, $34.4 million in LTF revenues, $4.7 million in STA revenues, $3.3 million in state revenues and $4.6 million in local and other revenues. Expenditures are expected to be approximately $18.2 million for transit and transportation, $2.2 million for highways, $6.2 million for rail, $0.5 million for commuter assistance, $32.9 million for planning and programming, and $4.6 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 $30.2 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, but is 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 for all those with an interest in the government'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.

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BASIC FINANCIAL STATEMENTS

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VENTURA COUNTY TRANSPORTATION COMMISSION

Statement of Net Position

June 30, 2015

	Governmental Activities 2015
Assets:	
Cash and investments (note 2)	$ 24,299,563
Receivables:	
Accounts	148,736
Interest	19,873
Intergovernmental	9,208,220
Prepaid items and deposits	311,840
Capital assets, nondepreciable (note 3)	25,938,653
Capital assets, depreciated, net (note 3)	33,505,489
Total assets	**93,432,374**
Deferred outflows of resources:	
Deferred adjustments due to difference in proportions	6,273
Deferred pension employer contributions	132,781
Total deferred outflows of resources	**139,054**
Liabilities:	
Accounts payable	1,279,533
Due to other governmental agencies	1,492,936
Unearned revenue	3,682,307
Deposits	400
Noncurrent liabilities (note 5):	
Due within one year	100,000
Due beyond one year	1,391,281
Total liabilities	**7,946,457**
Deferred inflows of resources:	
Deferred pension investment earnings	453,811
Net position:	
Net investment in capital assets	59,444,142
Restricted for:	
Rail and transit	22,649,404
Highways	4,084,172
Unrestricted (deficit)	(1,006,558)
Total net position	**$ 85,171,160**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION

Statement of Activities

Year Ended June 30, 2015

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues Governmental Activities 2015
Governmental activities:					
Commuter assistance	$ 35,645	$ -	$ 415,607	$ -	$ 379,962
General government	3,710,719	-	646,009	-	(3,064,710)
Highways	587,948	-	781,789	-	193,841
Planning and programming	4,631,468	-	872,700	-	(3,758,768)
Rail	3,614,184	292,600	31,040	-	(3,290,544)
Transit and transportation	44,010,073	1,365,956	12,430,244	7,534,382	(22,679,491)
Total governmental activities	**$ 56,590,037**	**$ 1,658,556**	**$ 15,177,389**	**$ 7,534,382**	**(32,219,710)**

General revenues:	
Transportation Development Act sales taxes	38,597,004
Unrestricted investment earnings	90,429
Other miscellaneous revenue	6,443
Total general revenues	**38,693,876**
Change in net position	6,474,166
Net position at beginning of year	80,363,526
Restatement due to implementation of new pension standards (note 12)	(1,666,532)
Net position at end of year	**$ 85,171,160**

See accompanying notes to the basic financial statements.

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 have been presented in the accompanying financial statements as Required Supplementary Information:

Local Transportation Fund: 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 Fund: This fund is used to account for revenues from the State portion of sales tax on gasoline and is restricted for transit projects.

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

VENTURA COUNTY TRANSPORTATION COMMISSION
Governmental Funds
Balance Sheet
June 30, 2015

	General	Special Revenue Funds: Local Transportation	Special Revenue Funds: State Transit Assistance	SAFE	Totals 2015
Assets:					
Cash and investments (note 2)	$ 7,420,660	$ 2,582,058	$ 10,301,706	$3,995,139	$ 24,299,563
Receivables:					
Accounts receivables	148,736	-	-	-	148,736
Interest	2	7,348	9,195	3,328	19,873
Intergovernmental	2,412,861	5,419,800	1,241,766	133,793	9,208,220
Due from other funds (note 4)	33,951	-	383,649	-	417,600
Prepaid items and deposits	311,840	-	-	-	311,840
Total assets	**$ 10,328,050**	**$ 8,009,206**	**$ 11,936,316**	**$ 4,132,260**	**$ 34,405,832**
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	$ 1,238,145	$ -	$ -	$ 41,388	$ 1,279,533
Due to other government agencies	1,486,236	-	-	6,700	1,492,936
Due to other funds (note 4)	383,649	-	33,951	-	417,600
Unearned revenue	3,682,307	-	-	-	3,682,307
Deposits	400	-	-	-	400
Total liabilities	**6,790,737**	**-**	**33,951**	**48,088**	**6,872,776**
Fund balances:					
Nonspendable - prepaids and deposits	311,840	-	-	-	311,840
Restricted for:					
Highways	-	-	-	4,084,172	4,084,172
Rail and transit	2,737,833	8,009,206	11,902,365	-	22,649,404
Unassigned	487,640	-	-	-	487,640
Total fund balances	**3,537,313**	**8,009,206**	**11,902,365**	**4,084,172**	**27,533,056**
Total liabilities and fund balances	**$ 10,328,050**	**$ 8,009,206**	**$ 11,936,316**	**$ 4,132,260**	**$ 34,405,832**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION

Reconciliation of the Balance Sheet of Governmental Funds
to the Government-Wide Statement of Net Position
June 30, 2015

Fund balances of governmental funds	**$ 27,533,056**
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and are deferred as deferred outflows of resources in the government-wide financial statement.	132,781
Adjustments due to difference in proportions are deferred as deferred outflows of resources in the government-wide financial statements.	6,273
Differences between projected and actual earnings on pension plan investments are reported in the government-wide financial statements:	
Actual earnings over projected earnings	(453,811)
Capital assets net of accumulated depreciation, are not financial resources and, therefore, are not included in the governmental fund activity:	
Capital assets	70,343,452
Accumulated depreciation	(10,899,310)
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	(1,350,441)
Compensated absences	(140,840)
Net position of governmental activities	**$ 85,171,160**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2015

	General	Special Revenue Funds: Local Transportation	Special Revenue Funds: State Transit Assistance	Special Revenue Funds: SAFE	Totals 2015
Revenues:					
Sales taxes	$ -	$33,844,974	$ 4,752,030	$ -	$38,597,004
Vehicle registration fees	-	-	-	766,387	766,387
Intergovernmental	21,929,983	-	-	-	21,929,983
Charges for services	1,658,556	-	-	-	1,658,556
Investment income	2,462	37,285	50,682	15,401	105,830
Other revenue	3,863	-	-	2,580	6,443
Total revenues	**23,594,864**	**33,882,259**	**4,802,712**	**784,368**	**63,064,203**
Expenditures:					
Current:					
General government:					
Salaries and benefits	2,360,231	-	-	-	2,360,231
General legal services	35,272	-	-	-	35,272
Professional services	263,214	14,000	-	-	277,214
Office lease	144,396	-	-	-	144,396
Other	939,464	-	-	-	939,464
Total general government	**3,742,577**	**14,000**	**-**	**-**	**3,756,577**
Programs:					
Commuter assistance	35,645	-	-	-	35,645
Highways	-	-	-	453,286	453,286
Planning and programming	482,526	4,148,942	-	-	4,631,468
Rail	3,039,809	-	-	-	3,039,809
Transit and transportation	25,271,393	28,426,081	-	-	53,697,474
Total programs	**28,829,373**	**32,575,023**	**-**	**453,286**	**61,857,682**
Total expenditures	**32,571,950**	**32,589,023**	**-**	**453,286**	**65,614,259**
Excess (deficiency) of revenues over (under) expenditures	**(8,977,086)**	**1,293,236**	**4,802,712**	**331,082**	**(2,550,056)**
Other financing sources (uses):					
Transfers in (note 4)	11,020,988	-	-	-	11,020,988
Transfers out (note 4)	-	(4,539,417)	(6,435,944)	(45,627)	(11,020,988)
Total other financing sources (uses)	**11,020,988**	**(4,539,417)**	**(6,435,944)**	**(45,627)**	**-**
Net change in fund balances	2,043,902	(3,246,181)	(1,633,232)	285,455	(2,550,056)
Fund balances, beginning of year	1,493,411	11,255,387	13,535,597	3,798,717	30,083,112
Fund balances, end of year	**$ 3,537,313**	**$ 8,009,206**	**$11,902,365**	**$ 4,084,172**	**$27,533,056**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
Year Ended June 30, 2015

Net change in fund balances - total governmental funds	**$ (2,550,056)**
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Depreciation	(1,175,381)
Capital outlay, net of disposals	10,200,654
Changes in net pension liability 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.	1,334
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.	(2,385)
Change in net position of governmental activities	**$ 6,474,166**

See accompanying notes to the basic financial statements.

Note 1. Summary of Significant Accounting Policies

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

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

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

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

As required by generally accepted accounting principles (GAAP) in the United States of America, the basic financial statements include all funds of the Commission including those of the Service Authority for Freeway Emergencies (SAFE), a component unit, for which the Commission is considered financially accountable. SAFE was created under Chapter 14 (commencing with Section 2550) of Division 3 of the California Streets and Highways Code and Sections 2421.5 and 9250.1 of the Vehicle Code. SAFE receives revenues from fees levied on registered vehicles to be used to implement and maintain an emergency motorist aid system, as specified, on the freeways and state highways in the County. The governing board of SAFE is identical to that of the Commission and is responsible for approval of SAFE's budget. Management of VCTC 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.

Financial Statement Presentation: The Commission's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Note 1. Summary of Significant Accounting Policies (continued)

Financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the activities of the Commission. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. The Commission does not have any business-type activities, which rely to a significant extent on fees and charges for support. 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 the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements: 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.

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: 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 Fund: This special revenue fund is used to account for revenues from the state portion of sales taxes on gasoline and is restricted for transit projects including the Commission's commuter rail operations.

Note 1. Summary of Significant Accounting Policies (continued)

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.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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. Expenditures generally are recorded when a liability is incurred; however, compensated absences of governmental funds are recorded only when payment is due.

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

Major Revenue Sources:

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

<u>Federal Transit Administration (FTA)</u> - 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.

<u>Congestion Mitigation and Air Quality (CMAQ)</u> - 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.

Note 1. Summary of Significant Accounting Policies (continued)

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 motorist.

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 – These 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.

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

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

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 value. Changes in fair 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 value.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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 is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets: Capital assets consisting of tangible assets such as land and land improvements, construction-in-progress, rail lines, buildings, rail stations and rail improvements, equipment, and furniture and intangible assets such as easements and software are reported in governmental activities in the government-wide 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 are valued at their estimated fair market value at the date of the contribution.

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 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.

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

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 employees leave the employ of the government and, upon separation from service, and are 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: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*, was issued in June 2011. This statement also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements-and-Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Commission has adopted GASB 63.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Commission has deferred outflows of resources for pension contributions in the amount of $139,054.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Commission has deferred inflows of resources for pension adjustments for its' proportionate share of the pooled plan of $453,811.

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance: The Commission adopted a fund balance policy on June 3, 2011 as part of the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* 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. Restricted fund balances include amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or by enabling legislation. Committed fund balances include amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action which are equally binding. Assigned fund balances include amounts that are intended by the government to be used for specific purposes, but are neither committed nor unassigned. The Commission has designated the authority to assign amounts used for specific purposes to the Executive Director and/or the Finance Director in the fund balance policy mentioned above. Unassigned fund balances include the residual funds for the General Fund and all amounts not contained in the other classifications. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use the most restricted resources first and then unrestricted resources in the following manner: committed, assigned then unassigned.

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 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.

Note 1. Summary of Significant Accounting Policies (continued)

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued in June 2012 and is an amendment of GASB Statement No. 27. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The Commission has implemented this statement.

GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of BASB Statement No. 68*, was issued in November 2013. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014. The Commission has implemented this statement.

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. This Statements addresses accounting and financial reporting issues related to fair value measurements. This statement is effective for periods beginning after June 15, 2015. The Commission has not determined the effect of this statement.

GASB Statement 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*, was issued in June 2015. This statement addresses requirements for pensions and pension plans that are not covered by Statements 67 and 68. This Statement is effective for financial statements for fiscal years beginning after June 15, 2015. The Commission has determined that there is no material effect of this statement.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than pension Plans*, was issued in June 2015. This statement addresses reporting of OPEB plans that administer benefits on behalf of governments. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The Commission has not determined the effect of this statement.

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

Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued in June 2015. This statement identifies the hierarchy of generally accepted accounting principles (GAAP) and the use of authoritative and nonauthoritative literature in the event that the accounting treatment is not specified within a source of authoritative GAAP. This Statement is effective for financial statements for fiscal years beginning after June 15, 2015. The Commission has not determined the effect of this statement.

GASB Statement No. 77, *Tax Abatement Disclosures*, was issued in August 2015. This statement addresses financial reporting of tax abatements and other economic development incentives that reduce tax revenues. This Statement is effective for financial statements for fiscal years beginning after December 15, 2015. The Commission has not determined the effect of this statement.

Note 2. Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Cash and investments	$24,299,563
Total cash and investments	**$24,299,563**

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	$ 130
Deposits with financial institutions	7,822,858
Investments (County Pooled Investment Fund)	16,476,575
Total cash and investments	**$24,299,563**

Investments Authorized by the Commission's Investment Policy: The table below identifies the investment types that are authorized for the Commission 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, if more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Note 2. Cash and Investments (continued)

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
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Fund	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

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, 2015:

Investment Type	Total	Remaining Maturity - 12 Months or Less
County pooled investment fund	$16,476,575	$16,476,575
Total	**$16,476,575**	**$16,476,575**

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, 2015.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAAf
County pooled investment fund	$16,476,575	None	$16,476,575
Total	**$16,476,575**		**$16,476,575**

Note 2. Cash and Investments (continued)

Concentration of Credit Risk: As of June 30, 2015, the Commission did not have any investments in any one issuer (other than the Ventura County investment pool) that represented 5% 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% 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% 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.

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2015 as follows:

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
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	-	53,520	-	53,520
Total capital assets not being depreciated	**25,885,133**	**53,520**	**-**	**25,938,653**
Capital assets being depreciated:				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	26,321,022	-	-	26,321,022
Transit equipment	883,508	10,147,134	-	11,030,642
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	222,025	-	(5,056)	216,969
Total capital assets being depreciated	**34,262,721**	**10,147,134**	**(5,056)**	**44,404,799**
Less accumulated depreciation:				
Buildings	(227,261)	(45,318)	-	(272,579)
Rail stations and improvements	(4,796,494)	(529,057)	-	(5,325,551)
Transit equipment	(298,525)	(459,733)	-	(758,258)
Highway assistance	(4,205,353)	(134,662)	-	(4,340,015)
Office furniture and equipment	(201,352)	(6,611)	5,056	(202,907)
Total accumulated depreciation	**(9,728,985)**	**(1,175,381)**	**5,056**	**(10,899,310)**
Total capital assets being depreciated, net	**24,533,736**	**8,971,753**	**-**	**33,505,489**
Capital assets, net	**$ 50,418,869**	**$ 9,025,273**	**$ -**	**$ 59,444,142**

In Fiscal Year 2014/2015, depreciation expense was charged to functions as follows:

General government	$ 6,611
Highways	134,662
Rail	574,375
Transit	459,733
Total	**$1,175,381**

Note 4. 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, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance (STA) - Special Revenue Fund	$ 33,951
State Transit Assistance (STA) – Special Revenue Fund	General Fund	383,649
	Total	**$417,600**

The amount due to the General Fund of $33,951 represents a temporary timing difference between when transactions are recorded in the accounting system and when payments to the General Fund were made. The money due to the State Transit Assistance Special Revenue Fund of $383,649 represents a less than one year cash management loan for transit services that will be used in the beginning of the upcoming fiscal year.

Interfund Transfers: Interfund transfers consisted of the following for the year ended June 30, 2015:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund (LTF) - Special Revenue Fund	$ 4,539,417
General Fund	State Transit Assistance (STA) - Special Revenue Fund	6,435,944
General Fund	Service Authority for Freeway Emergencies (SAFE) - Special Revenue Fund	45,627
	Total	**$11,020,988**

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

The Commission is responsible for apportioning the Local Transportation Funds for the County of Ventura for transportation purposes. The General Fund is eligible to receive LTF revenues for transportation related administrative costs, 2% of the total apportionment for transportation planning purposes and commuter rail costs. In Fiscal Year 2014/2015, the Commission apportioned $4,539,417 as a fund transfer for these purposes. The Commission approved a transfer of $7,778,177 in STA funds, but the funds were not fully expended and thus not transferred. The Commission approved $42,600 in SAFE for transit activities provided in the General Fund and although the fund transfer slightly exceeded the budgeted line item amount, the total SAFE budget was under the legal level of authority of approved expenditures.

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

Governmental activities:

	Balance at July 1, 2014	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2015	Amount Due in One Year	Amount Due Beyond One Year
Net Pension Liability	$ 0	$1,845,190	$785,962	$(1,280,711)	$1,350,441	$ 0	$1,350,441
Compensated Absences	138,455	0	100,692	(98,307)	140,840	100,000	40,840
Total	**$138,455**	**$1,845,190**	**$886,654**	**$(1,379,018)**	**$1,491,281**	**$100,000**	**$1,391,281**

Net Pension Liability: The Commission implemented GASB 68, *Accounting and Financial Reporting for Pensions*, this fiscal year which required the pension liability to be stated on the Statement of Net Position for the first time. Further detailed information about the Commission's pension liability can be found in Note 7, Pension Plan. The liability of $1,350,441 will be paid in future years from future resources from the General Fund.

Compensated Absences: The Commission's policy relating to employee leave benefits is described in Note 1, Compensated Absences. The liability of $140,840 will be paid in future years from future resources from the General Fund.

Note 6. Operating Leases

On May 26, 2015, the Commission entered into an agreement to lease office space. The term of the lease is for a period of eighteen months expiring on December 31, 2016. Total rental expenditures for the fiscal year ended June 30, 2015 were $138,866. The total minimum rental commitment for office space is due as follows:

Ending	Amount
June 30, 2016	$141,600
December June 30, 2015	70,800
Total	**$212,400**

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. The plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by CalPERS. Copies of CalPERS' reports may be obtained from their executive office at 400 "P" Street, Sacramento, California 95814 or at their website at www.calpers.ca.gov.

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 which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include descriptions of the pension plans regarding benefit provisions, assumptions and membership information.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment and can only be amended by the VCTC Commissioners.

The Plan's provisions and benefits in effect as of June 30, 2015, are summarized as follows:

Miscellaneous Classic Plan – 1014 Closed to New-Non CalPERS Members	
Hire date	After January 1, 1989
Benefit formula	2% @ 60
Benefit vesting schedule	5 years of CalPERS service
Benefit payment	Monthly for life
Final average compensation period	1 year
Earliest retirement age	50 years
Normal retirement age	60 years
Benefit factor, as a % of eligible pay	1.092% – 2.418%
Required employee contribution rate	7%*
Required employer contribution rate	8.435%
Pre-retirement death benefit	Option 2W
Post-retirement death benefit	$500 lump sum
Cost-of-living allowance	2% annual
Unused sick leave	Prorated service credit

*Employees hired before May 1, 2015 receive a benefit of employer paid employee contribution.

Note 7. Pension Plan (continued)

Miscellaneous PEPRA/New Plan – 26505	
Hire date	On or after January 1, 2013
Benefit formula	2% @ 62
Benefit vesting schedule	5 years of CalPERS service
Benefit payment	Monthly for life
Final average compensation period	3 years
Earliest retirement age	52 years
Normal retirement age	62 years
Benefit factor, as a % of eligible pay	1.0% – 2.5%
Required employee contribution rate	6.25% paid by employee
Required employer contribution rate	6.25%
Pre-retirement death benefit	Option 2W
Post-retirement death benefit	$500 lump sum
Cost-of-living allowance	2% annual
Unused sick leave	Prorated service credit

During the valuation period, VCTC was operating under a transit exemption (Assembly Bill 1222) which Governor Brown signed October 3, 2012 with an effective date of January 1, 2013. Assembly Bill 1222 exempted eligible transit agencies from all of the provisions of PEPRA until January 1, 2015 or until a court determined that the provisions of PEPRA did not violate specified federal transit labor laws, whichever was sooner. VCTC receives federal transit funding and is subject to Section 13(c) of the Federal Transit Act: AB 122 exempts from PEPRA those public employees whose interests are protected by Section 13(c). A legal opinion from VCTC's General Counsel law firm, Myers Nave, confirmed that VCTC was subject to the exemption from PEPRA under AB 1222 and therefore, all employees were being treated as "classic" employees until the courts made a decision. The courts made a decision late in December 2014, and the exempted employees were eventually converted back to PEPRA by CalPERS. This information will be reflected in the next valuation and financial statements.

Employees Covered – At June 30, 2015 the following employees were covered by the benefit terms for each Plan:

	Miscellaneous Classic Plan – 1014	Miscellaneous PEPRA/New Plan – 26505
Inactive employees or beneficiaries receiving benefits	10	-
Inactive employees entitled to but not receiving benefits	unavailable	unavailable
Active employees	13	5

Note 7. Pension Plan (continued)

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 period ended June 30, 2014 (the measurement date), the active employee contribution rate is 7.0% of annual pay, and the employer's contribution rate is 8.486% of annual payroll for the Miscellaneous Plan and 6.25% for the PEPRA/New Plan.

For the year ended June 30, 2015, the contributions for each Plan were as follows:

	Miscellaneous Classic Plan – 1014	Miscellaneous PEPRA/New Plan – 26505
Contributions employer	$135,690	-
Contributions employee	$112,525	-
Total Contributions	$248,215	-

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

As of June 30, 2015, VCTC reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Classic Plan 1014	$1,350,441
Miscellaneous PEPRA/New Plan 26505	-
Aggregate Net Pension Liability	$1,350,441

Note 7. Pension Plan (continued)

VCTC's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2014, 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, 2013 rolled forward to June 30, 2014 using standard update procedures. VCTC's proportion of the net pension liability was based on a projection of the VCTC's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. VCTC's' proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Classic Plan – 1014	Miscellaneous PEPRA/New Plan – 26505
Proportion – June 30, 2013	0.05464%	0.0%
Proportion – June 30, 2014	0.02170%	0.0%
Change – Increase (Decrease)	(0.03294)%	0.0%

For the year ended June 30, 2015, VCTC recognized pension expense of $291,183 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Intflows of Resources
Pension contributions subsequent to measurement date	$132,781	$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Changes in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions	6,273	-
Net difference between projected an actual earnings on plan investments	-	($453,811)
Total	**$139,054**	**($453,811)**

Note 7. Pension Plan (continued)

The $132,781 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2016	$(111,212)
2017	(111,212)
2018	(111,662)
2019	(113,452)
2020	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Classic Plan – 1014	Miscellaneous PEPRA/New Plan – 26505
Valuation date	June 30, 2013	June 30, 2013
Measurement date	June 30, 2014	June 30, 2014
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Discount rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll growth	3%	3%
Projected salary increase	Varies[1]	Varies[1]
Investment rate of return	7.5%[2]	7.5%[2]
Mortality	Varies[3]	Varies[3]

[1] Depending on age, service and type of employment.
[2] Net of pension plan investment expenses, including inflation.
[3] 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.

There were no changes in assumptions, benefit terms or other inputs that affected the measurement of the net pension liability. There were no changes between the measurement date of the net pension liability and the reporting date. The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Note 7. Pension Plan (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of GASB Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

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 we have changed our methodology.

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.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Note 7. Pension Plan (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	New Strategic Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.5%	5.13%
Infrastructure and Forestland	3.0%	4.5%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

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

[2] An 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 VCTC's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what VCTC'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:

	Miscellaneous Classic Plan – 1014	Miscellaneous PEPRA/New Plan – 26505
1% Decrease	6.5%	6.5%
Net pension liability	$2,406,070	$-
Current discount rate	7.5%	7.5%
Net pension liability	$1,350,441	$-
1% Increase	8.5%	8.5%
Net pension liability	$474,371	$-

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 8. Postemployment Benefit Plan

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes uniform financial reporting standards for state and local government employers providing postemployment benefits (OPEB). This statement requires governmental entities to account for such benefits on an accrual basis.

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

Commission's Funding Policy: The contribution requirements of the Commission were established per a Board Resolution dated September 1, 1985 and later amended on May 14, 2010 when the Commission adopted a Health Reimbursement Arrangement (HRA) that modified VCTC's post-employment health benefits for its retirees effective August 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 $122 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For "Grandfathered" employees/retirees hired before July 1, 2010, the Health Reimbursement Arrangement will supplement the retiree health care contribution up to the entire cost of the individual health benefit (currently up to an additional $723) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to $369 per month) for individual health coverage. As of June 30, 2015, the Commission had nine "Grandfathered" retirees that were receiving OPEB benefits. "Grandfathered" Plan members are not required to contribute to the plan. Employees hired after July 1, 2010 will only receive the minimum contribution required by CalPERS health rules.

The Commission's contribution to the OPEB plan may be amended by the Board of Commissioners. The contribution required to be made is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded liabilities of the plan. For Fiscal Year 2014/2015, the Commission contributed $107,000 to the plan, including $46,302 for current premiums and HRA payments (100% of total premiums).

The Commission established an irrevocable trust in May 2009 that is administered by CalPERS on behalf of the Commission for the purpose of holding assets accumulated for plan benefits. It is the Commission's policy to contribute 100% 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 executive office at 400 Q Street, Sacramento, California 95811 or its website at www.calpers.ca.gov.

Note 8. Postemployment Benefit Plan (continued)

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

Annual required contribution	$ 107,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	107,000
Contributions made (including premiums paid)	(107,000)
Increase in net OPEB obligation	-
Net OPEB obligation—beginning of year	-
Net OPEB obligation—end of year	$ -

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended June 30	OPEB Annual Required Contribution (ARC)	Percentage of OPEB ARC Contributed	Net OPEB Obligation
2013	$147,000	100%	$-
2014	$152,000	100%	$-
2015	$107,000	100%	$-

Funded Status and Funding Progress: The funded status of the plan as of the June 30, 2013 valuation (most current valuation) was:

Actuarial accrued liability (AAL)	$1,331,000
Actuarial value of plan assets	611,000
Unfunded actuarial accrued liability (UAAL)	$ 720,000
Funded ratio (actuarial value of plan assets/AAL)	45.9%
Covered payroll (active plan members)	$1,797,000
UAAL as a percentage of covered payroll	40.1%

Note 8. Postemployment Benefit Plan (continued)

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

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

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.25 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate for non-Medicare eligible health maintenance organization (HMO) and preferred provider organization (PPO) premiums were initially 9.0%; Medicare eligible HMO and PPO premiums were initially 9.4%. The trend rate was reduced by decrements to an ultimate rate of 5.0% after ten years. Both rates included a 3% inflation assumption. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level of percentage of projected payroll on a closed basis over 30 years. The remaining amortization period is 24.4 years. It is assumed the Commission's payroll will increase 3.25% per year.

Note 9. Joint Ventures

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 $2,638,176 from the budget during Fiscal Year 2014/2015 for its share of Metrolink capital and operating costs. Additional funding is programmed directly to SCRRA and is not reflected in VCTC's financial statements. Separate financial statements are prepared by and available from SCRRA, which is located at 1 Gateway Plaza 12th Floor, Los Angeles, California 90012 or its website at www.metrolinktrains.com.

Note 9. Joint Ventures (continued)

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 $31,499 in dues this fiscal year. Separate financial statements are prepared by and available from LOSSAN. LOSSAN is currently administered by Orange County Transportation Authority (OCTA), which is located at 550 S. Main Street (P.O. Box 14184), Orange, CA 92863 or its website at www.octa.net/lossan/LOSSAN-rail-corridor-agency.

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 prepared by and available from CalVans, which is located at 1340 North Drive, Hanford, CA 93230 or its website at www.calvans.org.

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).

Note 10. Risk Management (continued)

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

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy of $10 million covers individual claims in excess of $1 million. The Commission's worker's compensation insurance is covered through State Compensation Insurance Fund. The Commission does not have a liability at June 30, 2015 for unpaid claims. Settled claims have not exceeded insurance coverage limits in any of the previous three fiscal years.

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.

Note 12 Restatement of Net Position

The Commission implemented GASB 68, *Accounting and Financial Reporting for Pensions*, this fiscal year which required an adjustment be made to the beginning net position on the Statement of Activities and the pension liability, deferred outflows of resources, and deferred inflows of resources be stated on the Statement of Net Position. As a result of the implementation of GASB 68, net position was restated as follows:

	Amount
Net position at July 1, 2014, as previously reported	$80,363,526
Restatement to recognize net pension liability	($1,666,532)
Net position at July 1, 2014, as restated	**$78,696,994**

Note 13. Disbursements to Local Agencies

The LTF accounts for the one-quarter percent state sales tax collected within the County. The funds can be used for various programs, including: administration, planning and programming for the Transportation Development Act, bicycle and pedestrian projects; commuter rail; streets and roads; and transit operations. The Commission's governing board approves an annual allocation which includes funding for local agencies to spend in accordance with the TDA guidelines. During the fiscal year ended June 30, 2015, the Commission distributed $32,575,023 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2014/2015
City of Camarillo	$ -	$ 71,264	$ 2,528,997	$ 2,600,261
City of Fillmore	495,429	7,787	85,711	588,927
City of Moorpark	450,000	1,730	882,542	1,334,272
City of Ojai	-	60,454	-	60,454
City of Oxnard	-	151,388	-	151,388
City of Port Hueneme	-	11,031	-	11,031
City of San Buenaventura	-	63,411	-	63,411
City of Santa Paula	501,875	6,489	651,692	1,160,056
City of Simi Valley	4,785,249	101,750	-	4,886,999
City of Thousand Oaks	4,888,830	58,893	-	4,947,723
County of Ventura	-	103,793	-	103,793
Gold Coast Transit	16,666,708	-	-	16,666,708
Total allocations	**$ 27,788,091**	**$ 637,990**	**$ 4,148,942**	**$ 32,575,023**

REQUIRED SUPPLEMENTARY INFORMATION

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GENERAL FUND

The General Fund has been classified as a major fund and is used to account for revenues and expenditures that are 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 has been presented in the accompanying financial statements as Required Supplementary Information:

Local Transportation Fund: This special revenue 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 Fund: This fund is used to account for revenues from the state portion of sales tax on gasoline and is restricted for transit projects.

Service Authority for Freeway Emergencies 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 on state highways.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2015

	Fiscal Year 2014/2015 Original Budget	Fiscal Year 2014/2015 Final Budget	Fiscal Year 2014/2015 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 27,982,969	$ 26,710,657	$ 21,929,983	$ (4,780,674)
Charges for services	1,793,800	1,752,600	1,658,556	(94,044)
Investment income	-	-	2,462	2,462
Other revenue	-	-	3,863	3,863
Total revenues	**29,776,769**	**28,463,257**	**23,594,864**	**(4,868,393)**
Expenditures:				
Current:				
General government:				
Salaries and benefits	2,663,500	2,663,500	2,360,231	303,269
General legal services	31,700	29,600	35,272	(5,672)
Professional services	265,500	985,500	263,214	722,286
Office lease	149,200	149,200	144,396	4,804
Other	1,022,900	1,245,901	939,464	306,437
Total general government	**4,132,800**	**5,073,701**	**3,742,577**	**1,331,124**
Programs:				
Commuter assistance	115,900	115,900	35,645	80,255
Highways	35,900	35,000	-	35,000
Planning and programming	1,125,514	1,267,129	482,526	784,603
Rail	4,164,213	4,342,578	3,039,809	1,302,769
Transit and transportation	28,076,088	28,689,217	25,271,393	3,417,824
Total programs	**33,516,715**	**34,449,824**	**28,829,373**	**5,620,451**
Total expenditures	**37,649,515**	**39,523,525**	**32,571,950**	**6,951,575**
Excess (deficiency) of revenues over (under) expenditures	**(7,872,746)**	**(11,060,268)**	**(8,977,086)**	**2,083,182**
Other financing sources (uses):				
Transfers in	7,573,728	12,360,194	11,020,988	(1,339,206)
Total other financing sources (uses)	**7,573,728**	**12,360,194**	**11,020,988**	**(1,339,206)**
Net change in fund balances	(299,018)	1,299,926	2,043,902	743,976
Fund balances, beginning of year	360,000	360,000	1,493,411	1,133,411
Fund balances (deficit), end of year	**$ 60,982**	**$ 1,659,926**	**$ 3,537,313**	**$ 1,877,387**

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund Local Transportation Fund

Year Ended June 30, 2015

	Fiscal Year 2014/2015 Original Budget	Fiscal Year 2014/2015 Final Budget	Fiscal Year 2014/2015 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Sales taxes	$29,600,000	$34,080,080	$33,844,974	$ (235,106)
Investment income	40,000	40,000	37,285	(2,715)
Total revenues	**29,640,000**	**34,120,080**	**33,882,259**	**(237,821)**
Expenditures:				
Current:				
General government:				
Professional services	14,000	14,000	14,000	-
Total general government	**14,000**	**14,000**	**14,000**	**-**
Programs:				
Planning and programming	4,832,942	5,596,246	4,148,942	1,447,304
Transit and transportation	23,436,003	27,028,777	28,426,081	(1,397,304)
Total programs	**28,268,945**	**32,625,023**	**32,575,023**	**50,000**
Total expenditures	**28,282,945**	**32,639,023**	**32,589,023**	**50,000**
Excess (deficiency) of revenues over (under) expenditures	**1,357,055**	**1,481,057**	**1,293,236**	**(187,821)**
Other financing sources (uses):				
Transfer out	(2,817,017)	(4,539,417)	(4,539,417)	-
Total financing sources (uses)	**(2,817,017)**	**(4,539,417)**	**(4,539,417)**	**-**
Net change in fund balances	(1,459,962)	(3,058,360)	(3,246,181)	(187,821)
Fund balances, beginning of year	4,299,960	4,299,960	11,255,387	6,955,427
Fund balances (deficit), end of year	**$ 2,839,998**	**$ 1,241,600**	**$ 8,009,206**	**$ 6,767,606**

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund State Transit Assistance Fund

Year Ended June 30, 2015

	Fiscal Year 2014/2015 Original Budget	Fiscal Year 2014/2015 Final Budget	Fiscal Year 2014/2015 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Sales taxes	$ 4,584,480	$ 4,584,480	$ 4,752,030	$ 167,550
Investment income	50,000	50,000	50,682	682
Total revenues	**4,634,480**	**4,634,480**	**4,802,712**	**168,232**
Expenditures:				
Current:				
Programs:				
Transit and transportation	-	-	-	-
Total programs	**-**	**-**	**-**	**-**
Total expenditures	**-**	**-**	**-**	**-**
Excess (deficiency) of revenues over (under) expenditures	**4,634,480**	**4,634,480**	**4,802,712**	**168,232**
Other financing sources (uses):				
Transfer out	(4,714,111)	(7,778,177)	(6,435,944)	1,342,233
Total financing sources (uses)	**(4,714,111)**	**(7,778,177)**	**(6,435,944)**	**1,342,233**
Net change in fund balances	(79,631)	(3,143,697)	(1,633,232)	1,510,465
Fund balances, beginning of year	12,700,000	12,700,000	13,535,597	835,597
Fund balances (deficit), end of year	**$ 12,620,369**	**$ 9,556,303**	**$ 11,902,365**	**$ 2,346,062**

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Required Supplementary Information
Budgetary Comparison Schedule - Special Revenue Fund
Service Authority for Freeway Emergencies Fund
Year Ended June 30, 2015

	Fiscal Year 2014/2015 Original Budget	Fiscal Year 2014/2015 Final Budget	Fiscal Year 2014/2015 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Vehicle registration fees	$ 745,000	$ 745,000	$ 766,387	$ 21,387
Intergovernmental	-	-	-	-
Investment income	15,000	15,000	15,401	401
Other revenue	-	-	2,580	2,580
Total revenues	**760,000**	**760,000**	**784,368**	**24,368**
Expenditures:				
Current:				
Programs:				
Highways	584,500	584,500	453,286	131,214
Total programs	**584,500**	**584,500**	**453,286**	**131,214**
Total expenditures	**584,500**	**584,500**	**453,286**	**131,214**
Excess (deficiency) of revenues over (under) expenditures	**175,500**	**175,500**	**331,082**	**155,582**
Other financing sources (uses):				
Transfer out	(42,600)	(42,600)	(45,627)	(3,027)
Total financing sources (uses)	**(42,600)**	**(42,600)**	**(45,627)**	**(3,027)**
Net change in fund balances	132,900	132,900	285,455	152,555
Fund balances, beginning of year	3,500,000	3,500,000	3,798,717	298,717
Fund balances (deficit), end of year	**$ 3,632,900**	**$ 3,632,900**	**$ 4,084,172**	**$ 451,272**

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Schedule of Funding Progress for Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2010	$199,000	$1,215,000	$1,016,000	16.4%	$1,631,000	62.3%
6/30/2011	$334,000	$1,357,000	$1,023,000	24.6%	$1,740,000	58.8%
6/30/2013	$611,000	$1,331,000	$720,000	45.9%	$1,797,000	40.1%

See accompanying notes to the required supplementary information.

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

Plan	2015
Miscellaneous – Classic	
Proportion of the net pension liability	0.02170%
Proportionate share of the net pension liability	$1,350,441
Covered- employee payroll	$1,484,068
Proportionate share of the net pension liability as a percentage of covered-employee payroll	91.00%
Plan's fiduciary net position as percentage of the total pension liability	83.03%
Proportionate share of aggregate employer contribution	$178,658
Miscellaneous – PEPRA	
Proportion of the net pension liability	0.00%
Proportionate share of the net pension liability	$0
Covered- employee payroll	$0
Proportionate share of the net pension liability as a percentage of covered-employee payroll	0.00%
Plan's fiduciary net position as percentage of the total pension liability	0.00%
Proportionate share of aggregate employer contribution	$0

*Fiscal Year 2015 was the first year of implementation of GASB 68, therefore, only one year is shown.
The reported figures have a measurement date of June 30, 2014.

See accompanying notes to the required supplementary information.

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

Plan	2015	2014
Miscellaneous – Classic		
Actuarial determined contribution	$ 132,450	$ 135,690
Contributions in relation to the actuarially determined contribution	(132,450)	(135,690)
Contribution deficiency (excess)	$ 0	$ 0
Covered-employee payroll	$1,570,248	$1,484,068
Contributions as a percentage of covered-employee payroll	8.44%	9.14%
Miscellaneous – PEPRA		
Actuarial determined contribution	$ 0	$ 0
Contributions in relation to the actuarially determined contribution	0	0
Contribution deficiency (excess)	$ 0	$ 0
Covered-employee payroll	$ 0	$ 0
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

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

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Notes to the Required Supplementary Information
Year Ended June 30, 2015

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 Board of Commissioners 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 program budget. Amendments that result in an increase to the total expenditures would require Commission approval and would be brought to the Commission in a formal agenda item.

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

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

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

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

Note 3. Schedule of Contributions

The Schedule of Contributions shows the Commission's actuarial pension contributions and covered-employee payroll. Fiscal Year 2014/2015 information is based on the June 30, 2012 actuarial valuations performed by CalPERS. The Actuarial cost method was normal entry age with an amortization method of a level percent of payroll. The average remaining period is 7 years as of the valuation date with an assets valuation method of 15 year smoothed market. The inflation rate used is 2.75% with payroll growth of 3% and an investment rate of return of 7.5% net of administrative expenses. The projected salary increase ranged from 3.30% to 14.20% depending on age, service and type of employment.

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STATISTICAL SECTION

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VENTURA COUNTY TRANSPORTATION COMMISSION
Statistical Section

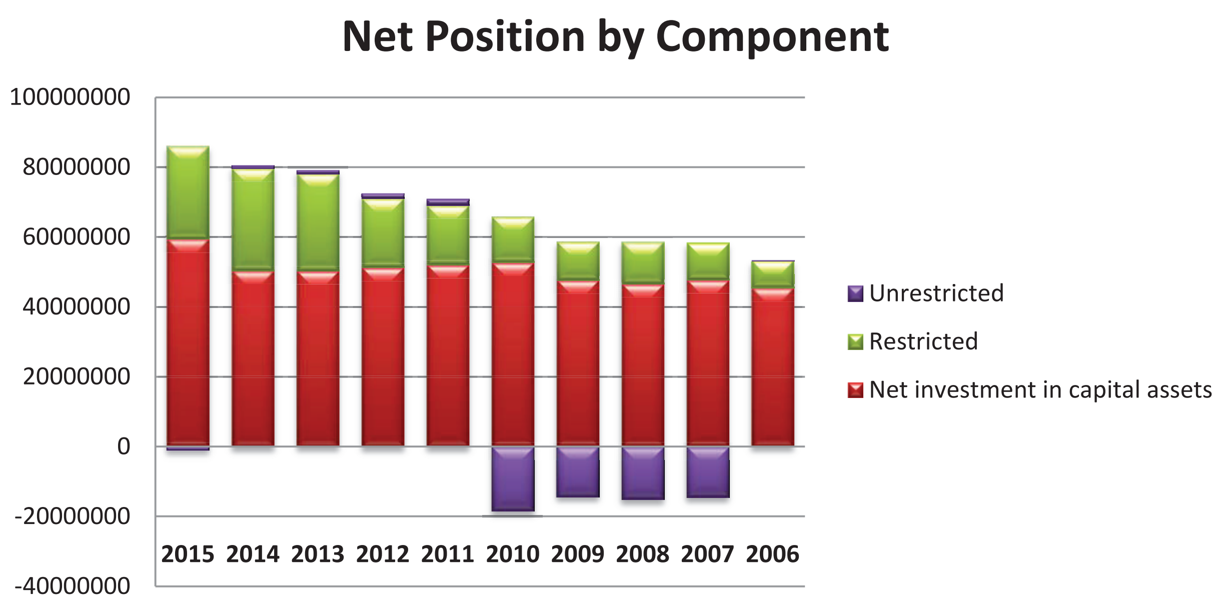
This section of the Ventura County Transportation Commission's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall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

Contents	**Page**

Ventura County Transportation Commission
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net investment in capital assets	$59,444,142	$50,418,869	$50,338,553	$51,295,078	$52,146,346	$52,788,888	$47,625,208	$46,633,276	$47,769,480	$45,458,175
Restricted	26,733,576	29,266,276	27,849,939	19,809,273	16,992,131	13,134,570	11,053,667	11,960,588	10,618,995	7,748,594
Unrestricted	(1,006,558)	678,381	931,968	1,441,328	1,780,449	(18,332,776)	(14,339,223)	(15,077,173)	(14,472,601)	160,828
Total governmental activities net position	**$85,171,160**	**$80,363,526**	**$79,120,460**	**$72,545,679**	**$70,918,926**	**$47,590,682**	**$44,339,652**	**$43,516,691**	**$43,915,874**	**$53,367,597**

GASB 68 implemented in 2015
Source: Commission Finance Department



Ventura County Transportation Commission

Changes in Net Position

Last Ten Fiscal Years

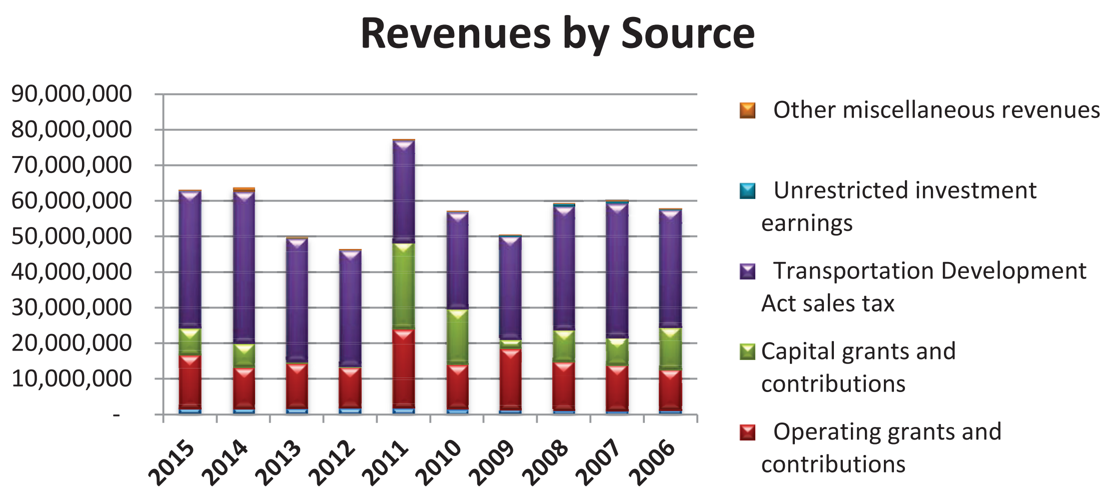
(Accrual Basis)

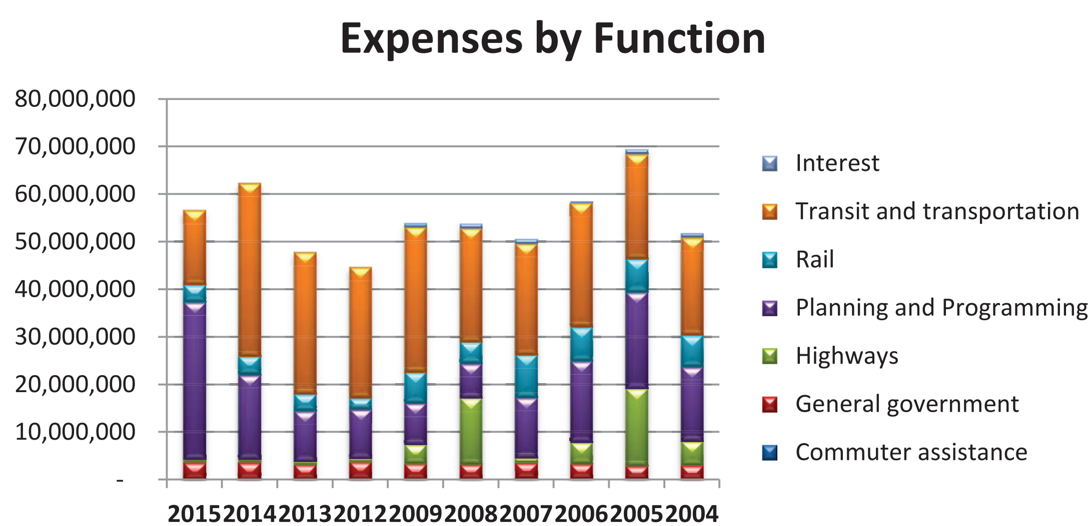
	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
Commuter assistance	$ 35,645	$ 65,215	$ 54,283	$ 48,742	$ 56,640	$ 86,969	$ 152,977	$ 152,433	$ 106,959	$ 45,085
General government	3,710,719	3,666,862	3,206,934	3,709,351	3,349,076	3,207,254	3,528,518	3,189,455	2,851,224	3,021,453
Highways	587,948	593,920	597,348	727,464	3,998,426	13,874,782	965,082	4,574,935	16,213,009	5,034,678
Planning and Programming	4,631,468	17,783,779	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	17,085,955	20,331,207	15,688,645
Rail	3,614,184	3,880,448	3,557,084	2,435,079	6,541,532	4,486,811	8,920,697	7,161,257	6,897,121	6,614,590
Transit and transportation	44,010,073	36,382,466	29,721,057	27,373,268	30,534,598	23,976,331	23,384,098	26,062,639	22,093,633	20,573,207
Interest	-	-	-	-	763,938	948,456	951,456	242,091	989,497	801,956
Total governmental activities expenses	**56,590,037**	**62,372,690**	**47,792,386**	**44,638,735**	**53,915,405**	**53,873,366**	**50,592,722**	**58,468,765**	**69,482,650**	**51,779,614**
Program Revenues:										
Governmental activities:										
Charges for services										
General government	-	-	30,000	50,000	50,000	60,021	45,521	130,964	84,553	191,742
Highways	-	-	-	-	4,488	-	-	-	4,796	17,347
Planning and Programming	-	500	-	500	-	1,000	-	-	-	-
Rail	292,600	308,070	331,041	339,873	387,636	336,771	334,229	325,731	319,300	313,626
Transit and transportation	1,365,956	1,388,217	1,419,494	1,515,280	1,389,416	1,181,047	1,043,382	827,172	764,755	721,589
Operating grants and contributions	15,177,389	11,653,613	12,644,310	11,363,227	22,252,200	12,493,812	17,132,386	13,523,471	12,753,467	11,383,802
Capital grants and contributions	7,534,382	6,761,699	511,399	380,681	24,271,855	15,711,797	2,663,238	9,004,070	7,696,836	11,924,119
Total governmental activities program revenues	**24,370,327**	**20,112,099**	**14,936,244**	**13,649,561**	**48,355,595**	**29,784,448**	**21,218,756**	**23,811,408**	**21,623,707**	**24,552,225**
Net Revenues (Expenses)										
Governmental activities	(32,219,710)	(42,260,591)	(32,856,142)	(30,989,174)	(5,559,810)	(24,088,918)	(29,373,966)	(34,657,357)	(47,858,943)	(27,227,389)
General Revenues:										
Governmental activities:										
Transportation Development Act sales tax	38,597,004	42,629,270	34,608,784	32,518,069	28,717,326	27,230,132	28,896,209	34,826,816	37,894,721	32,962,689
Unrestricted investment earnings	90,429	74,862	38,516	81,743	145,864	99,754	378,390	662,964	502,671	316,494
Other miscellaneous revenues	6,443	799,525	215,023	16,115	24,864	10,062	28,793	64,068	9,828	3,755
Total governmental activities general revenues	**38,693,876**	**43,503,657**	**34,862,323**	**32,615,927**	**28,888,054**	**27,339,948**	**29,303,392**	**35,553,848**	**38,407,220**	**33,282,938**
Changes in Net Position										
Governmental activities:	**$ 6,474,166**	**$ 1,243,066**	**$ 2,006,181**	**$ 1,626,753**	**$23,328,244**	**$ 3,251,030**	**$ (70,574)**	**$ 896,491**	**$(9,451,723)**	**$ 6,055,549**

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

Source: Commission Finance Department

Ventura County Transportation Commission
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis)





Ventura County Transportation Commission

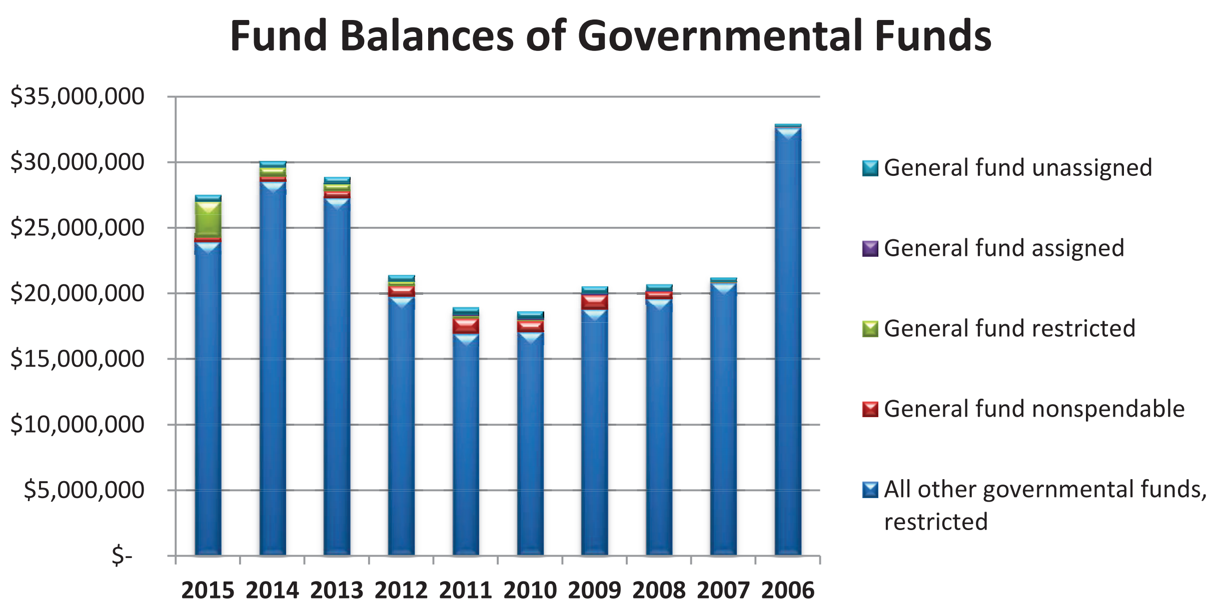
Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Nonspendable	$ 310,965	$ 375,386	$ 524,229	$ 819,593	$ 1,152,462	$ 832,323	$ 1,098,319	$ 546,088	$ 29,530	$ 13,101
Restricted	2,737,833	676,575	524,229	344,619	193,973	73,394	-	-	60,000	-
Assigned	-	-	-	-	128,756	128,755	107,484	81,680	13,881	40,135
Unassigned	488,515	441,450	544,159	423,365	448,159	535,960	527,030	430,535	257,016	195,080
Total general fund	**$ 3,537,313**	**$ 1,493,411**	**$ 1,592,617**	**$ 1,587,577**	**$ 1,923,350**	**$ 1,570,432**	**$ 1,732,833**	**$ 1,058,303**	**$ 360,427**	**$ 248,316**
All other governmental funds:										
Restricted	$23,995,743	$28,589,701	$27,325,710	$19,809,273	$16,992,131	$17,107,070	$18,843,222	$19,648,306	$20,843,094	$32,689,934
Total all other governmental funds	**$23,995,743**	**$28,589,701**	**$27,325,710**	**$19,809,273**	**$16,992,131**	**$17,107,070**	**$18,843,222**	**$19,648,306**	**$20,843,094**	**$32,689,934**

Source: Commission Finance Department



Ventura County Transportation Commission

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Sales taxes	$38,597,004	$42,629,270	$34,608,784	$32,518,069	$28,717,326	$27,230,132	$28,896,209	$34,826,816	$37,894,721	$32,962,689
Vehicle registration user fees	766,387	761,141	744,145	769,635	703,393	723,873	737,139	742,312	737,885	734,023
Intergovernmental	21,929,983	17,644,600	12,407,378	10,961,169	45,796,520	27,453,910	18,926,282	21,342,498	18,749,885	21,623,547
Charges for services	1,658,556	1,696,787	1,780,535	1,905,653	1,831,540	1,578,839	1,423,132	1,283,867	1,168,606	1,226,958
Investment Income	105,830	84,432	42,702	94,847	170,007	127,580	510,593	1,105,695	1,420,264	1,284,191
Other revenue	6,443	231,448	10,781	16,115	24,864	10,062	28,793	64,068	9,828	3,755
Total revenues	**63,064,203**	**63,047,678**	**49,594,325**	**46,265,488**	**77,243,650**	**57,124,396**	**50,522,148**	**59,365,256**	**59,981,189**	**57,835,163**
Expenditures										
Current:										
General Government	3,756,577	3,666,206	3,219,917	3,691,581	3,317,757	4,195,014	4,588,977	3,495,046	3,022,619	3,224,989
Programs:										
Commuter assistance	35,645	65,215	54,283	48,742	56,640	86,969	152,977	152,433	106,959	45,085
Highways	453,286	448,028	450,763	502,657	3,771,194	13,583,971	681,839	2,520,358	17,104,600	4,726,931
Planning and programming	4,631,468	17,783,779	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	16,461,212	20,331,207	15,688,645
Rail	3,039,809	3,545,504	2,985,311	1,909,076	6,063,617	8,714,873	9,084,627	7,891,487	7,160,573	13,130,243
Transit and specialized transportation	53,697,474	36,374,161	29,479,736	27,287,232	30,619,241	24,207,548	23,403,112	26,520,761	23,025,462	20,146,644
Debt service:										
Principal payment	-	-	-	-	23,795,000	-	-	1,680,000	-	-
Interest and other fiscal charges	-	-	-	-	711,027	941,811	944,811	1,639,717	964,498	700,188
Bond issuance costs	-	-	-	-	-	-	-	146,187	-	419,103
Total expenditures	**65,614,259**	**61,882,893**	**46,845,690**	**43,784,119**	**77,005,671**	**59,022,949**	**51,546,237**	**60,507,201**	**71,715,918**	**58,081,828**
Excess (deficiency) of revenues over (under) expenditures	**(2,550,056)**	**1,164,785**	**2,748,635**	**2,481,369**	**237,979**	**(1,898,553)**	**(1,024,089)**	**(1,141,945)**	**(11,734,729)**	**(246,665)**
Other financing sources (uses):										
Transfers in	11,020,988	7,737,555	4,474,242	3,610,158	5,792,721	3,918,629	5,214,874	3,986,809	4,776,823	3,985,265
Transfers out	(11,020,988)	(7,737,555)	(4,474,242)	(3,610,158)	(5,792,721)	(3,918,629)	(5,214,874)	(3,986,809)	(4,776,823)	(3,985,265)
Bonds issued	-	-	-	-	-	-	-	-	-	25,475,000
Refunding bonds issued	-	-	-	-	-	-	-	23,795,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(23,795,000)	-	-
Discounts on revenue bond	-	-	-	-	-	-	-	-	-	(199,423)
Sale of capital assets	-	-	204,242	-	-	-	-	56,000	-	-
Total other financing sources	**-**	**-**	**204,242**	**-**	**-**	**-**	**-**	**56,000**	**-**	**25,275,577**
Net change in fund balances	**$ (2,550,056)**	**$ 1,164,785**	**$ 2,952,877**	**$ 2,481,369**	**$ 237,979**	**$(1,898,553)**	**$(1,024,089)**	**$(1,085,945)**	**$(11,734,729)**	**$25,028,912**
Debt service as a percentage of noncapital expenditures	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**32.0%**	**1.8%**	**1.9%**	**5.6%**	**1.4%**	**1.4%**

Source: Commission Finance Department

Ventura County Transportation Commission

Sources of County of Ventura Taxable Sales by Business Type

Last Ten Calendar Years

(in Thousands)

	Calendar Year									
Sources	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Apparel stores	$ 907,629	$ 863,178	$ 813,037	$ 754,565	$ 699,760	$ 597,268	$ 595,751	$ 574,387	$ 524,642	$ 475,678
General merchandise stores	1,136,487	1,112,454	1,083,396	1,044,770	1,008,611	1,225,854	1,267,235	1,272,068	1,256,308	1,218,550
Specialty stores	296,249	287,960	363,203	350,548	347,727	522,333	658,538	1,086,692	1,052,798	1,019,932
Food stores	573,416	548,619	530,624	514,100	517,783	476,367	489,538	476,843	456,139	404,695
Eating and Drinking	1,250,941	1,193,290	1,115,328	1,053,007	1,025,568	1,063,774	1,074,200	1,030,726	973,348	930,511
Household	479,315	460,407	464,412	468,896	475,039	396,275	358,289	372,984	388,956	365,341
Building materials	684,286	641,660	599,430	569,099	567,675	600,326	788,485	879,041	929,663	857,347
Automotive	3,046,718	2,960,362	2,678,551	2,309,246	2,095,453	2,561,323	2,914,770	2,774,717	2,789,717	2,698,315
All other retail stores	301,383	282,115	193,280	179,073	174,894	632,231	676,042	434,443	410,154	346,235
Business and personal services	425,013	349,963	315,144	303,656	301,095	418,671	482,832	525,815	510,795	497,029
All other outlets	3,722,859	3,258,250	2,863,777	2,678,528	2,670,248	2,827,988	2,924,527	2,889,196	2,616,548	2,363,188
Total Taxable Sales	**$12,824,296**	**$11,958,258**	**$11,020,182**	**$10,225,488**	**$ 9,883,853**	**$11,322,410**	**$12,230,207**	**$12,316,912**	**$11,909,068**	**$11,176,821**
Local transportation fund tax	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Source: California State Board of Equalization, Taxable Sales in California Report with the most current information available from 2013.

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

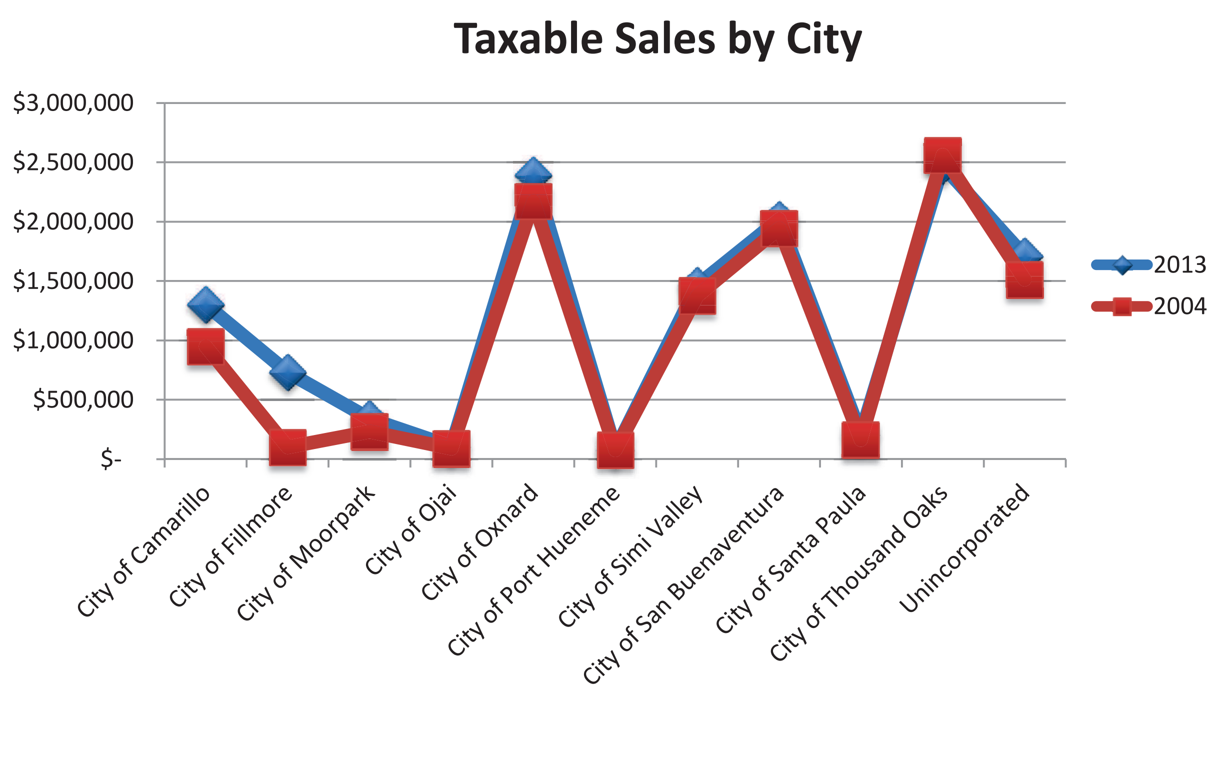
Fiscal Year	Transportation Development Act (TDA) Direct Rate	County of Ventura
2015	0.25%	7.50%
2014	0.25%	7.50%
2013	0.25%	7.50%
2012	0.25%	7.25%
2011	0.25%	7.25%
2010	0.25%	8.25%
2009	0.25%	8.25%
2008	0.25%	7.25%
2007	0.25%	7.25%
2006	0.25%	7.25%

The Commission apportions the TDA sales tax to the cities and County of Ventura.
Ventura County does not have a local transportation sales tax.
Source: California State Board of Equalization

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

	2013			2004		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	$1,301,651	6	10.1%	$ 950,361	6	8.5%
City of Fillmore	731,974	7	5.7%	101,275	9	0.9%
City of Moorpark	339,152	8	2.6%	231,780	7	2.1%
City of Ojai	106,142	10	0.8%	89,509	10	0.8%
City of Oxnard	2,395,169	2	18.7%	2,172,606	2	19.4%
City of Port Hueneme	79,194	11	0.6%	75,715	11	0.7%
City of San Buenaventura	2,019,722	3	15.7%	1,944,290	3	17.4%
City of Santa Paula	207,454	9	1.6%	163,484	8	1.5%
City of Simi Valley	1,463,415	5	11.4%	1,374,152	5	12.3%
City of Thousand Oaks	2,471,308	1	19.3%	2,560,711	1	22.9%
County Incorporated	11,115,181		86.7%	9,663,883		86.5%
County Unincorporated	1,709,115	4	13.3%	1,512,938	4	13.5%
Countywide	$ 12,824,296		100.0%	$ 11,176,821		100.0%
California	$ 586,839,618			$ 500,076,783		

Source: California State Board of Equalization, Taxable Sales in California Report with the most current information available from 2013.



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

Fiscal Year	Transportation Development Act (TDA) Local Transportation Fund (LTF)	Transportation Development Act (TDA) State Transit Assistance (STA)
2015	$33,844,974	$4,752,030
2014	37,506,271	5,122,999
2013	29,581,810	5,026,974
2012	27,679,989	4,838,080
2011	26,289,532	2,427,794
2010	24,802,338	2,427,794
2009	27,052,017	1,844,192
2008	31,371,117	3,455,699
2007	31,039,152	6,855,569
2006	30,747,131	2,215,558
Tax Type:	1/4 cent General Sales Tax	Gas & Diesel Sale Tax

Source: Commission Finance Department

Ventura County Transportation Commission

Demographic and Economic Statistics for the County of Ventura

Last Ten Calendar Years

Calendar Year	Population [1]	Personal Income (in thousands) [2]	Per Capita Personal Income	Unemployment Rate [3]
2014	848,073	*	*	6.7%
2013	842,967	$ 42,406,474	50,306	7.8%
2012	835,436	40,826,909	48,869	9.0%
2011	832,970	38,141,164	45,789	10.1%
2010	828,383	36,858,409	44,494	10.8%
2009	844,713	36,863,041	43,640	10.0%
2008	836,080	37,185,120	44,476	7.2%
2007	831,587	36,210,471	43,544	4.9%
2006	825,512	33,940,408	41,114	4.3%
2005	817,315	32,303,104	39,523	4.8%

* Data is unavailable.

Source:

1. California Department of Finance, Demographic Research Unit

2. U.S Bureau of Economic Analysis, most current information available is 2013.

3. California Employment Development Department, Labor Market Information Division

Ventura County Transportation Commission

Principal Employers

Current Year and Nine Years Ago

	2015 [1]			2006 [2]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Naval Base	14,547	1	4.63%	14,457	1	4.56%
County of Ventura	8,721	2	2.77%	7,191	3	2.27%
Amgen, Inc.	5,095	3	1.62%	10,000	2	3.15%
Wellpoint Inc.	2,913	4	0.93%	3,738	5	1.18%
Simi Valley Unified School District	2,436	5	0.77%	2,370	8	0.75%
Community Memorial Hospital	2,000	6	0.64%	1,725	14	0.54%
Conejo Unified School District	1,943	7	0.62%	2,456	6	0.77%
Ventura Unified School District	1,842	8	0.59%	2,340	9	0.74%
Dignity Health	1,805	9	0.57%	1,994	12	0.63%
Los Robles Regional Medical Center	1,700	10	0.54%	1,475	18	0.47%
	43,002		13.68%	47,746		15.06%
Total Employment	314,400			317,000		

Source:

1 County of Ventura/2015 Real Estate and Economic Outlook January 2015

2 County of Ventura/UCSB Economic Forecast Project February 2006

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

	Fiscal Year									
Programs	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General government	4.8	4.3	5.2	5.2	5.2	5.5	5.7	5.0	4.5	4.0
Planning and Programming	5.0	4.0	4.4	4.0	3.1	2.7	2.2	0.8	0.8	0.8
Commuter assistance	3.2	2.4	2.8	2.5	2.5	2.4	3.0	3.9	3.9	3.9
Rail	0.8	1.0	1.0	0.9	0.8	0.9	0.8	1.2	1.2	1.2
Highways	0.1	0.1	0.1	0.2	1.0	0.8	1.1	2.2	2.2	2.2
Transit and specialized transportation	4.9	4.2	4.0	3.5	3.3	3.8	4.5	5.9	5.9	5.4
Total Full-time equivalent	**18.8**	**16.0**	**17.5**	**16.3**	**15.9**	**16.1**	**17.3**	**19.0**	**18.5**	**17.5**

Source: Commission Finance Department

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Transit and Specialized Transportation Program										
Senior and Disabled										
Telephone Information[1]	16,844	16,557	4,858	5,015	5,911					
Applications Received	1,558	1,254	1,114	1,158	1,278					
Certifications Issued	1,116	794	803	763	773					
Applicant Interviews	922	661	643	604	609					
Functional Assessments	414	390	444	353	336					
Bus Transit Operations										
Ridership:										
Intercity 101	113,149	118,630	120,739	120,670	112,705	105,588	113,382	89,493	84,804	77,555
Intercity Conejo	29,295	33,059	41,269	39,633	43,582	37,228	42,320	34,629	32,627	27,762
Intercity 126	216,098	220,011	228,803	234,145	222,723	199,043	196,750	165,343	163,441	165,779
Intercity East	69,935	76,015	84,216	81,711	74,889	76,321	67,144	57,860	56,699	53,432
Intercity CSUCI	96,914	108,779	95,866	81,368	63,743	84,552	89,093	77,946	67,780	48,128
Intercity Coastal	256,990	226,507	272,913	311,827	285,314	276,449	277,105	209,694	179,301	152,717
Valley Express DAR - SP	56,917	89,433	101,063	98,616	99,912	104,267	98,346	106,252	113,066	111,345
Valley Express DAR - F	64,873	100,212	108,236	105,965	105,780	112,633	107,705	104,025	106,118	99,645
Valley Express Fixed - SP	12,722									
Valley Express Fixed _ F	8,443									
Valley Express Fixed - P	8,663									
Farebox recovery ratio:										
Intercity 101	19.17%	28.05%	26.58%	32.40%	29.93%	28.99%	30.20%	24.12%	24.26%	29.22%
Intercity Conejo	18.76%	32.64%	30.55%	48.52%	57.88%	51.79%	50.52%	30.26%	31.01%	32.35%
Intercity 126	34.57%	47.63%	48.38%	61.15%	58.09%	48.67%	43.61%	36.18%	41.18%	52.33%
Intercity East	16.24%	23.42%	21.82%	26.97%	26.09%	26.42%	23.23%	20.48%	21.32%	25.54%
Intercity CSUCI	91.05%	111.07%	102.69%	102.73%	102.73%	102.73%	102.58%	102.73%	103.15%	103.68%
Intercity Coastal	49.70%	70.24%	59.43%	82.10%	79.15%	69.09%	61.40%	65.74%	64.93%	72.98%
Valley Express DAR - SP	8.46%	11.53%	13.11%	12.47%	13.04%	12.62%	12.83%	13.95%	17.15%	17.79%
Valley Express DAR - F	11.16%	14.82%	13.77%	15.21%	15.60%	14.96%	15.70%	15.82%	16.97%	16.94%
Valley Express Fixed - SP	4.82%									
Valley Express Fixed _ F	6.05%									
Valley Express Fixed - P	9.78%									

Ventura County Transportation Commission

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Transit and Specialized Transportation Program										
Bus Passes: [2, 3 & 4]										
GoVentura Pass Sales Volume	5,112	6,155	5,974	6,692	7,316	7,873	8,002	6,431	6,544	6,170
GoVentura Pass Sales Amount	$ 198,854.00	$232,806.00	$217,047.00	$263,183.00	$257,518.00	$237,815.00	$245,437.00	$ 201,545.00	$186,272.00	$173,473.00
GoVentura Pass Boardings	149,551	172,413	164,871	203,340	223,572	235,566	226,323	191,114	181,264	175,989
GoVentura E-Purse Sales Volume	5,390	6,761	5,863	7,049	6,456	5,857	5,502	4,386	3,235	3,112
GoVentura E-Purse Sales Amount	$ 236,791.23	$298,653.17	$261,716.00	$343,465.61	$327,291.26	$272,816.48	$227,038.10	$ 175,583.00	$124,947.98	$119,113.81
GoVentura E-Purse Boardings	128,977	155,702	131,306	178,210	168,128	161,540	152,357	114,217	90,391	88,806
Intercity Pass Sales Volume	665									
Intercity Pass Sales Amount	49,635									
Intercity Pass Boardings	1,381									
Intercity 10-Trip Sales Volume	2,015									
Intercity 10-Trip Sales Amount	43,838									
Intercity 10-Trip Boardings	7,735									
Valley Express Pass Sales Volume	271									
Valley Express Pass Sales Amount	3,450									
Valley Express Pass Boardings	4,320									
Highway Program										
Motorist Assistance										
Callboxes	564	564	564	547	553	564	562	556	546	554
Calls made	3,046	2,792	3,326	3,294	3,543	3,747	3,889	4,791	5,467	5,450
Rail Program										
Commuter Rail Operations Valley Expressntura Line										
Train miles	247,054.00	286,850.00	250,976.00	283,985.00	270,384.00	292,147.00	292,147.00	290,905.90	289,724.40	288,298.30
Passenger Boardings	1,015,242	1,061,161	1,024,464	1,001,043	1,012,409	1,038,375	1,218,163	1,182,463	1,096,963	1,076,681
Farebox recovery ratio	27.60%	28.80%	33.70%	29.10%	29.10%	27.80%	32.00%	31.80%	31.80%	28.20%

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Commuter Assistance:										
Rideshare Programs [5]										
Surveys Processed:	14,556	11,808	24,575	13,839	16,991	13,593	17,927	13,955	17,010	12,796
Rideguides produced:	2,648	2,759	2,867	3,567	2,732	2,881	4,115	3,594	6,876	3,455
AVR reports:	58	37	60	33	64	35	59	36	50	43
GRH registered patrons	30,173	30,082	31,023	33,240	32,703	36,268	32,672	-	-	-
GRH Usage	53	46	69	62	44	40	89	-	-	-
Transit Information Center [6]										
Telephone Assistance	47,787	34,060	34,107	38,036	37,834	42,407	42,752	-	-	-
In-Person Assistance	4,508	4,304	3,691	3,838	3,080	3,081	2,886	-	-	-

1. Starting in FY 13/14 all calls were tracked where as previously in FY 11/12 through FY 12/13 only incoming calls were tracked.
2. The GoVentura Smartcard pass system was discontinued the end of FY 14/15.
3. Pass sales for the VCTC Intercity pass system began in May 2015. These passes consisted of Intercity 31-Day pass and 10-Trip Tickets.
4. Pass sales for the Valley Express system began in March 2015. These passes consist of Valley Express Fixed and Super pass.
5. The Guaranteed Ride Home (GRH) Program has been in operation for many years but information is unavailable prior to Fiscal Year 2009.
6. The Transit Information Center has been in operation since 1994 but the information is unavailable prior to Fiscal Year 2009.

Source: Metrolink and Commission Departments

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	564	564	564	547	553	564	562	556	546	554

Source: Commission Departments