VENTURA COUNTY
TRANSPORTATION COMMISSION

TRANSFORMING TRANSPORTATION IN VENTURA COUNTY

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

Comprehensive Annual Financial Statement

Fiscal Year Ended June 30, 2016
Ventura County, CA

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VENTURA COUNTY TRANSPORTATION COMMISSION

Ventura County, California

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

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

Submitted by:
Sally DeGeorge, Finance Director

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VENTURA COUNTY TRANSPORTATION COMMISSION
Comprehensive Annual Financial Report
Year Ended June 30, 2016

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INTRODUCTORY SECTION

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VENTURA COUNTY TRANSPORTATION COMMISSION

November 4, 2016

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

Letter of Transmittal

State law requires that the Ventura County Transportation Commission (VCTC or Commission) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Ventura County Transportation Commission for the Fiscal Year ended June 30, 2016.

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

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon the Commission's comprehensive framework of internal controls established for this purpose. Because the cost of internal 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, 2016 for the Ventura County Transportation Commission are presented fairly, in all material respects. The independent auditor's reports are located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

Local Economy

In the last few years the economy has slowly improved both nationally and locally. Similar to last year, gains in the stock market and housing market lead the indicators of national economic growth. Unemployment continues to decline and in some areas reaching pre-recession unemployment rates but job growth remains slow with wages flat. The Consumer confidence index, at 94.2, is down from 95.2 for the same period last year, but consumers see current conditions as improved but with no momentum in economic growth. The Southern California Association of Governments (SCAG) recently characterized the last few years as the "Great Recession followed by the Great Dismal Recovery."

The stock market continues to be a volatile bull market. The Dow Jones Industrial Average (DJIA) continued to bounce around 18,000 +/- 1,000 points. Daily swings of 100+ points continue to be accepted as normal as the world economy continues to influence our domestic economy. The stock market has been climbing since its low in April of 2009 to a new high over 18,500. Market analysts continue to send mixed messages as the long period of stock market growth continues in a weak economy, but few economists expect a slowdown in 2017.

Dow Jones Industrial Average September 2006 – September 2016

Housing prices and number of units sold continue to rise in most areas of the United States. Locally in Ventura County, the market prices are still below pre-recession levels but prices continue to trend upward each year. According to the California Association of Realtors, sales of single family residences in the Ventura County home prices rose 5.2 percent from last year with the median price in the County at $652,330 in August 2016. Median time on the market for homes sold in August was approximately 53.3 days. Number of homes sold in August was down -5.7 percent 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 leaving 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.

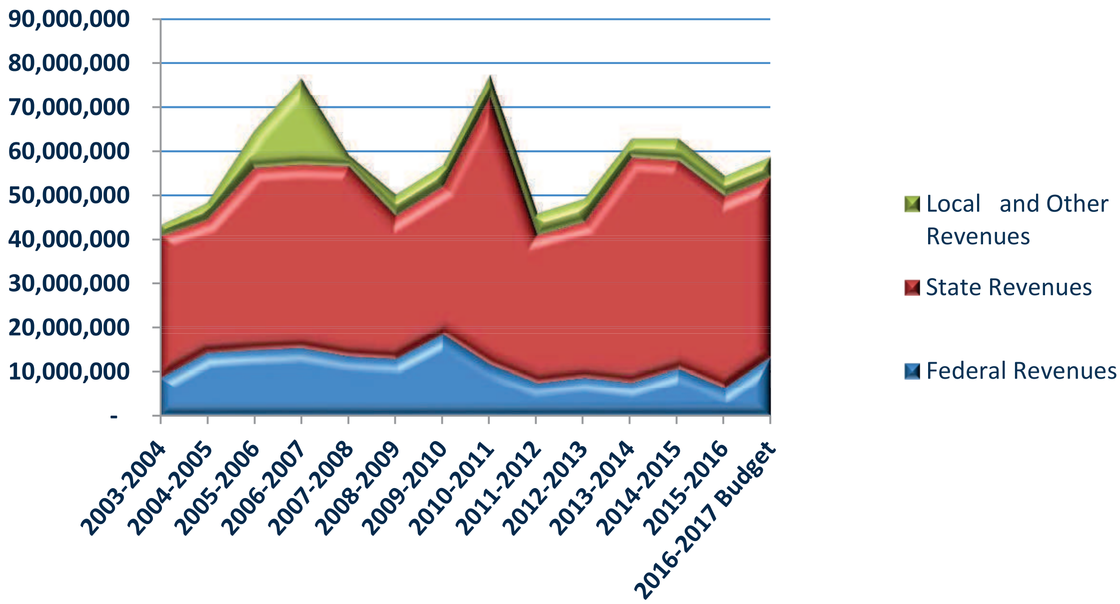
Even with the loss of value on homes, housing costs remain high compared to household income. As housing prices continue to rise faster than incomes, the affordability index (percentage of households that can afford to purchase the median priced home) continues to decline. In Ventura the affordability index in June of 2016 was 29 percent compared to 55 percent in 2009. This imbalance of housing costs to income continues to force young families to look outside Ventura County to raise their families resulting in a loss of sales tax revenue and property tax revenue that pay for government services and allow for improvements within the County.

As stated earlier, unemployment continues to be a drag on the economy. In August 2016, the California unemployment rate was 5.6 percent while the unemployment rate for Ventura County in August 2016 was 5.8 percent, down from 5.9 percent at the same time last year. Although there has been improvement, unemployment is still above pre-recession levels and some economists feel that this is an acceptable level of unemployment. Furthermore, the concern remains that some reductions in unemployment are due to discouraged workers 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.

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 12 percent of the funds received in Fiscal Year 2015/2016 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.

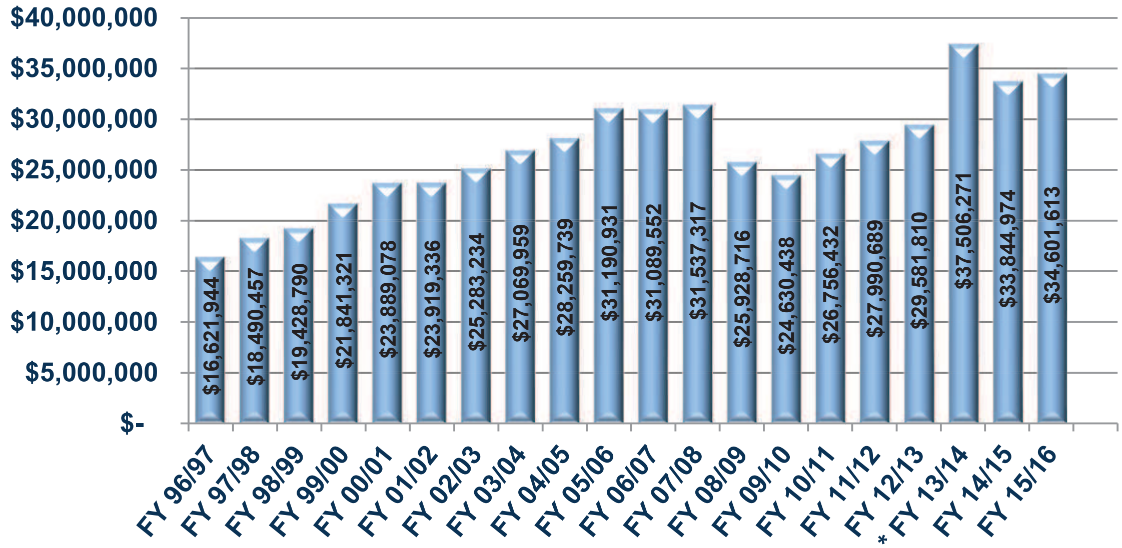
Federal, State and Local Revenues 2003/2004 – 2016/2017



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 Transportation Funds (LTF) from statewide one-quarter cent sales tax on retail sales. This year VCTC received 64 percent of its revenue from the LTF sales tax receipts of which the majority (87 percent in Fiscal Year 2015/2016) 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. 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 and are still growing albeit slowly.

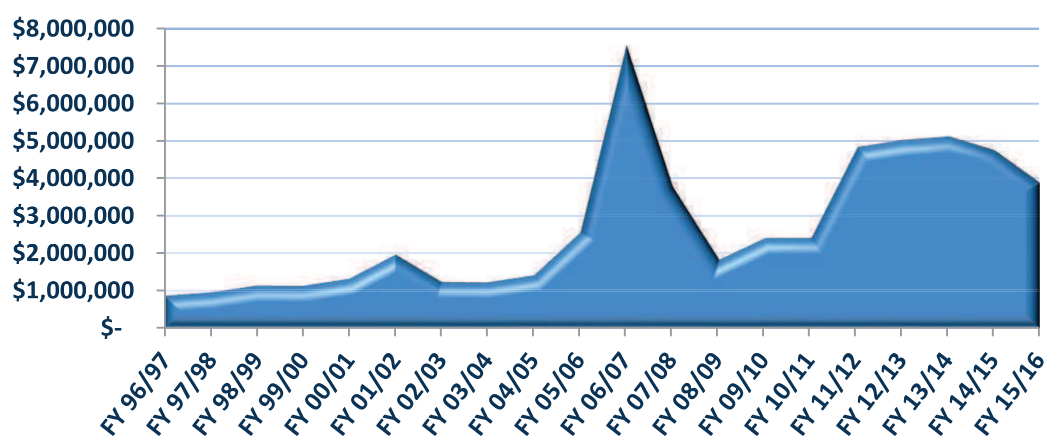
Local Transportation Fund Revenue 1996/1997 – 2015/2016



*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 7 percent of the revenues and declined slightly last fiscal year as revenues collected on diesel fuel sales tax have declined. The STA funds 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.

State Transit Assistance Revenues 1996/1997 – 2015/2016



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

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

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

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

Long-term Financial Planning

As the Commission enters the 2016/2017 fiscal year it does so following one of the most important decisions it has made in over a decade. In April 2016, following extensive public outreach and community education effort and conducting voter research, the Commission unanimously approved a 30-year transportation investment plan funded from a proposed countywide ½ cent sales tax. It is estimated that the investment plan would generate $70 million annually or an estimated $3.3 billion over the life of the plan. The allocation of sales tax revenues amongst Ventura County's numerous transportation needs and stakeholders is one of the most important elements of VCTC's proposal. Fully one-half of the funds would go to local jurisdictions to be used for local priorities. That translates to about $1.65 billion dollars over the next 30 years for cities and the County to do what is most important for their citizens and local communities, whether it be filling potholes, repaving city streets, repairing sidewalks, building bike paths or operating transit services. The other 50 percent of the sales tax revenues will be used to address pressing regional transportation issues, including much-needed improvements to highways 101 and 118; projects to facilitate goods movement to and from the Port of Hueneme; a program to keep transit fares affordable for seniors, veterans, students and people with disabilities; and environmental related transportation investments. In April 2016, the Commission unanimously approved the required process to have the measure placed on the November 2016 ballot. The Commission believes now is the time for residents to invest in the future and repair, preserve and improve the transportation system that is integral to Ventura County's quality of life.

In the meantime, VCTC will continue to rely entirely on Federal and State revenue sources to fund transportation projects and services. At the Federal level, in December 2015, Congress passed a five year authorization, known as Fix America's Surface Transportation Act which authorizes Federal transportation spending through September 30, 2021. However, remaining "unfixed" is the sustainability of the Highway Trust Fund (HTF) as an $80 billion infusion from the Federal general fund provides the necessary funding for the FAST Act. Since 2008 the United States Treasury has bailed-out the Federal Highway Trust Fund to the tune of $145 billion. The Mass Transit (MT) Account, a sub-account of the Federal HTF, continues to limp along in much the same way. The MT is the Federal funding source for transit services in Ventura County including VCTC Intercity Bus and Metrolink as well as the other public transit services within the County.

In addition to the State Local Transportation Funds and State Transit Assistance funds mentioned earlier, the Commission also receives State Transportation Improvement Program (STIP) funds which are primarily used for major highway projects. While the STIP funds do not flow through Commission budget, the Commission is responsible for programming these funds to priority projects. The Governor's proposed budget estimates that due to the continued drop in fuel prices, under the provisions of the State's "gas tax swap" the gasoline tax rate levied in lieu of the Proposition 42 sales tax amount will be dropped from 12 cents per gallon to 9.8 cents per gallon. Based on this development, the California Transportation Commission has adopted a revised Fund Estimate which goes from having a zero-dollar STIP to having a STIP which is $754 million in the hole, meaning that the regional agencies must de-program one-third of the previously-committed program.

VCTC's share of the $754 million shortfall is $12.4 million, but since VCTC had earlier decided to use its Surface Transportation Program funds to advance $17 million for the highway improvement environmental document preparation, VCTC will not be expected to cut anything further from the STIP. However, the loss of $12.4 million from VCTC's STIP share will further delay the ability to fund construction of our planned highway improvements. On a related note, the drop in fuel prices will also result in another significant cut in gas tax subventions to local governments for street and road maintenance.

Major Initiatives

During the upcoming year VCTC will continue to consider projects for funding as money becomes available through various programs, with calls for projects anticipated to occur for FTA Section 5310 Seniors and Individuals with Disabilities funds, the Jobs Access and Reverse Commute (JARC) portion of the Section 5307 program, and for Congestion Mitigation and Air Quality (CMAQ) funds newly-authorized under the federal FAST Act. VCTC will remain involved in the process to select projects in the third cycle of the State's Active Transportation Program. Staff will also continue to monitor and facilitate the delivery of many smaller projects funded from various State and Federal sources.

The Commission has approved using Surface Transportation Program funds to expedite the project development work, and eventual implementation, for the priority Route 101 and Route 118 freeway improvements. As part of this new initiative, VCTC will for the first time be assuming direct 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. In order to initiate this substantial long-term project management undertaking, this budget includes a new position of Capital Projects Manager to lead the project management efforts.

VCTC Regional Transportation Planning efforts will continue by working with all local jurisdictions, our neighboring counties and the Southern California Association of Governments (SCAG) but the primary focus for Fiscal Year 2016/2017 will be building tools and programs to provide solid analytical resources.

Last updated in 2007, the Ventura County Traffic Model (VCTM) reflected the prerecession economic conditions and is outdated as a reliable predictor of regional traffic. An update and expansion of model functionality began in late Fiscal Year 2015/2016 and development will continue throughout the fiscal year with completion slated for summer of 2017. The VCTM will contain a 2012 base year model as well as a 2040 forecast year with the ability to analyze peak period traffic, the impacts of changes in transit services, and increases in Vehicle Miles Traveled (VMT) as a result of land use changes. This model build will be the most robust model VCTC has developed and will also serve to inform the County of Ventura as their general Plan update progresses.

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

In 2017 VCTC will see the completion of the Regional Bicycle Wayfinding Project. During the previous year VCTC's project consultant working with local jurisdictions identified and prioritized a regional bike network that provides connections between cities and neighboring counties and began the design work to develop common signage that can be used countywide. As the project concludes it is hoped that signs can begin to be placed in some of the more critical areas to assist cyclists traveling through Ventura County.

During the upcoming year, staff will continue involvement in regional transit planning activities with other transit providers in the county, implement the short range transit plan, implement the transit asset management and safety management plan as well as work with various county transit providers to conduct a feasibility study for a regional transit fare system.

Finally, the Commission will continue its efforts with purchasing and renovating an office building that will serve as the new VCTC main offices. The building, located in the pedestrian oriented Old Town Camarillo, is a couple of blocks from the Camarillo Metrolink/Amtrak Station where VCTC's Intercity 101 and CSUCI's routes make frequent stops and is centrally located within the county with easy access to Highway 101.

Planning for the Future

While a case can certainly be made that the transportation needs of Ventura County have for too long not been adequately addressed, it is a certainty that over the past 10 years most of the work completed has happened thanks to "one-time" programs such as the Federal stimulus funds and Proposition 1B. With those funds now completely programmed, the 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, will be minimal. The 101/23 interchange project is the last of the projects funded from these one-time sources. Furthermore, as revenues have "flattened" or declined in some cases, and long standing arrangements with regional transportation partners have become increasingly unreliable, it is not just infrastructure but also rail and bus transit operations that are jeopardized.

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

<u>Transit and Specialized Transportation Program</u>

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

<u>Highway Program</u>

- Callbox System
- Highway Project Management
- SpeedInfo

Rail Program

- LOSSAN – Coast Rail Coordinating Council
- 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, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

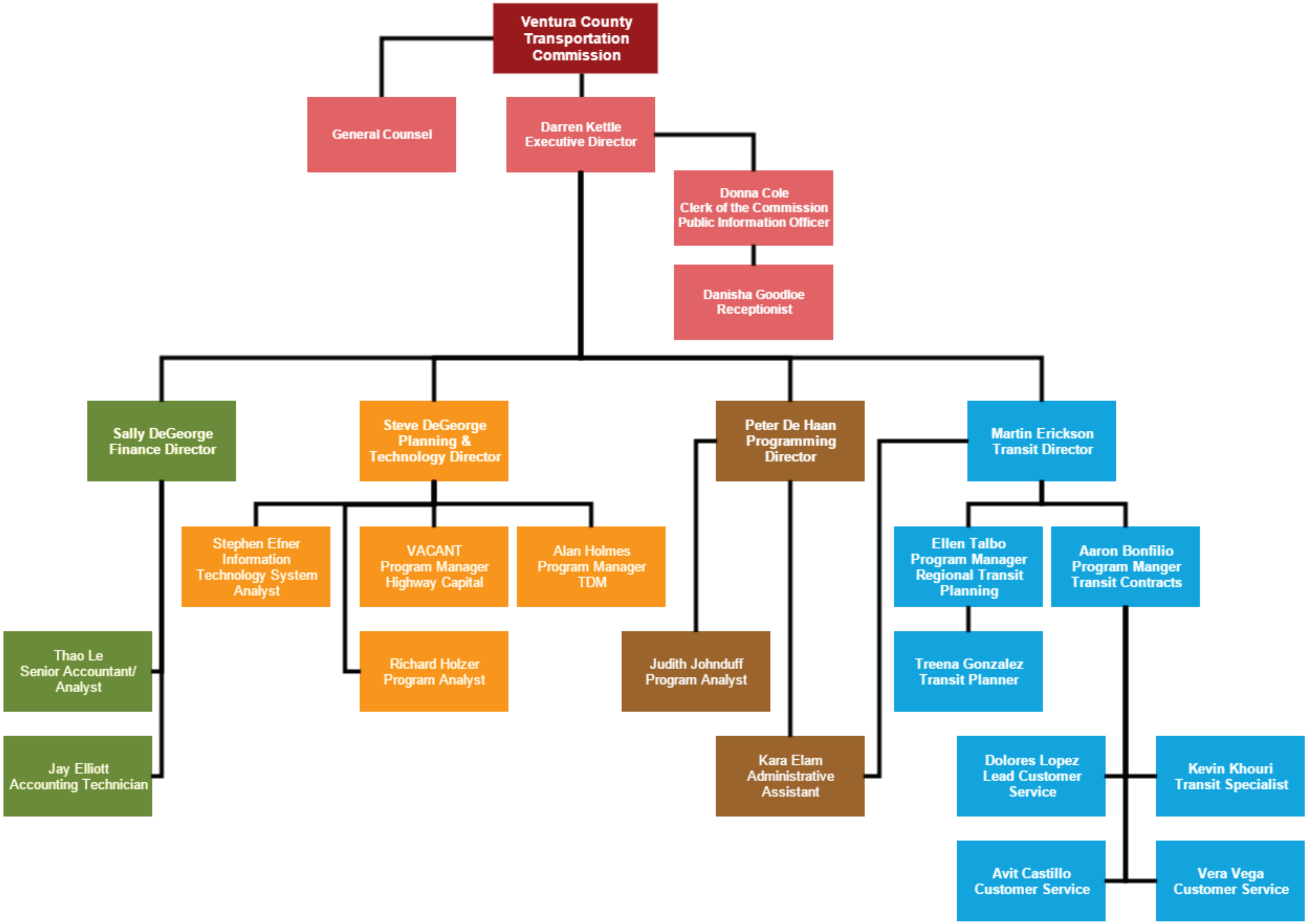
Finally, without the leadership and support of the Commission, these changes would not be possible. There may be no more dynamic a time in transportation and transportation funding than what we will experience over the next several years. VCTC must continue to test our limits of creativity and resourcefulness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

Very truly yours,

DARREN M. KETTLE
Executive Director

SALLY M. DEGEORGE
Finance Director

ORGANIZATIONAL CHART
Fiscal Year 2015/2016



VENTURA COUNTY TRANSPORTATION COMMISSION
LIST OF PRINCIPAL OFFICIALS
(As of June 30, 2016)

Board of Commissioners:

Keith Millhouse	City of Moorpark, Chair
Bryan MacDonald	City of Oxnard, Vice-Chair
Steve Bennett	County of Ventura
Claudia Bill-de la Peña	City of Thousand Oaks
Doug Breeze	City of Port Hueneme
Peter Foy	County of Ventura, Past-Chair
Ginger Gherardi	City of Santa Paula
Brian Humphrey	Citizen Representative (Cities)
Severo Lara	City of Ojai
Kathy Long	County of Ventura
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 and Technology Director
Peter De Haan	Programming Director
Martin Erickson	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, 2015

Executive Director/CEO

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of the Ventura County Transportation Commission
Ventura, 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, 2016, 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.

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, 2016, 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.

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www.pungroup.com

Other Matters

Prior Year Comparative Information

We have previously audited the Commission's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of governmental activities and each major fund in our report dated November 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, Schedule of Funding Progress for Other Postemployment Benefits, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 5 to 17 and 59 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016, 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 4, 2016

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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*

To the Board of Commissioners
of the Ventura County Transportation Commission
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Ventura County Transportation Commission ("VCTC"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise VCTC's basic financial statements, and have issued our report thereon dated November 4, 2016.

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 VCTC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pun Group, LLP

Santa Ana, California
November 4, 2016

VENTURA COUNTY TRANSPORTATION COMMISSION
Management's Discussion and Analysis
Year Ended June 30, 2016

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, 2016. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages i through xv and the audited financial statements, which begin on page 21.

Financial Highlights

- The assets and deferred outflows of resources of the Commission exceeded its' liabilities and deferred inflows of resources at the close of the most recent fiscal year by $82,693,703 (net position). The net position consisted of net investment in capital assets of $59,116,203, restricted net position of $24,807,391 and unrestricted net position (deficit) of $(1,229,891).

- The unrestricted net position (deficit) results from the recording of the net pension liability and related deferrals (previously off balance sheet and discussed in the notes to the financial statement). The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly, the Commission does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.

- The Commission's total net position decreased by $2,477,457 during Fiscal Year 2015/2016. The decrease is primarily due to a decrease in restricted funds due to consumption of prepaid items, utilization of rail funds and lower State Transit Assistance revenues collected on the diesel fuel sales tax, a decrease in net capital assets due to depreciation and pension adjustments.

- Total capital assets, net of depreciation, were $59,116,203 at June 30, 2016 representing an -0.6 percent decrease of $327,939. This decrease in capital assets is primarily due to depreciation of assets.

- At the close of the current fiscal year, the Commission's governmental funds reported combined fund balances of $25,291,794 a decrease of $2,241,262 largely due to the consumption of prepaid items and utilization of rail funds held within the General Fund balance as well as lower State Transit Assistant revenues collected on the diesel fuel sales tax. Approximately 1 percent of this amount, or $318,444, 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 21 and 22 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 (SAFE) Fund.

The Commission adopted a comprehensive annual budget for all funds on June 5, 2015. Budgetary comparison schedules have been provided for the General Fund, the Local Transportation Fund, the State Transit Assistance Fund, and the 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 24 through 27 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 28 through 55 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 its obligation to provide Pension and Other Post-Employment Benefits (OPEB) to its employees. Required supplementary information can be found on 59 through 67 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, 2016, the Commission's assets exceed liabilities by $82,693,703, a $2,477,457 decrease from June 30, 2015 primarily due to a decrease in restricted funds due to consumption of prepaid items, utilization of rail funds and lower State Transit Assistance revenues collected on the diesel fuel sales tax, a decrease in net capital assets due to depreciation and pension adjustments. The analysis below focuses on the net position and changes in net position of the Commission's governmental activities.

Net Position:

Approximately 71 percent, or $59,116,203, 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 decreased approximately 0.6 percent or $327,939 in Fiscal Year 2015/2016. The change in capital assets is primarily due to depreciation of assets and is discussed in greater detail in Note 3 of the Notes to the Basic Financial Statements.

A significant portion of the Commission's net position, $24,807,391, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities decreased by 7 percent in Fiscal Year 2015/2016. This decrease of $1,926,185 was largely due to the utilization of LTF rail funds and lower State Transit Assistance revenues.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. At June 30, 2016, the unrestricted net position from governmental activities decreased by $223,333 to a deficit of $1,229,891 largely due to the net pension liability. The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly the Commission does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.

The following table represents condensed financial data related to net position for the Fiscal Years ended June 30, 2016 and 2015:

	Governmental Activites		
	June 30, 2016	**June 30, 2015**	**Changes**
Current and other assets	$30,098,722	$33,988,232	$(3,889,510)
Capital assets not being depreciated	26,153,437	25,938,653	214,784
Capital assets, net of accumulated depreciation	32,962,766	33,505,489	(542,723)
Total assets	**89,214,925**	**93,432,374**	**(4,217,449)**
Deferred outflows of resources	163,074	139,054	24,020
Current and other liabilities	4,906,928	6,555,176	(1,648,248)
Long-term liabilities	1,203,724	1,391,281	(187,557)
Total liabilities	**6,110,652**	**7,946,457**	**(1,835,805)**
Deferred inflows of resources	573,644	453,811	119,833
Net position:			
Net investment in capital assets	59,116,203	59,444,142	(327,939)
Restricted	24,807,391	26,733,576	(1,926,185)
Unrestricted (deficit)	(1,229,891)	(1,006,558)	(223,333)
Total net position	**$82,693,703**	**$85,171,160**	**$(2,477,457)**

Governmental Activities:

The Commission's total program and general revenues were $54,466,660, while the total costs of all programs were $56,944,117. Total revenues decreased by 14 percent and the total costs of all programs increased by 1 percent for a decrease in net position of $2,477,457. Key elements are as follows:

- Charges for services were $1,681,929. The charges for services increased by $23,373, largely due to increased fare revenues on the bus routes and normal fluctuation in charges for services.

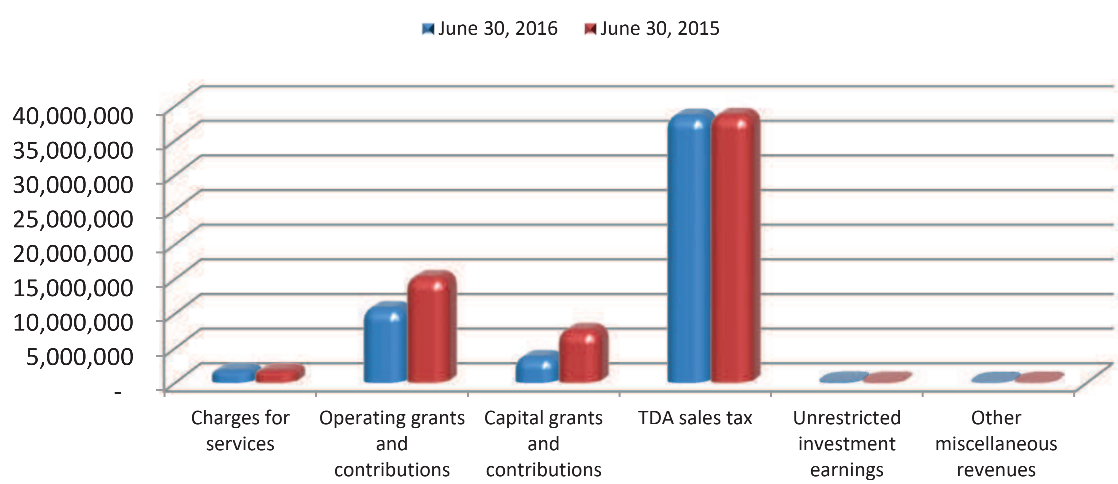
- Operating grants and contributions decreased by 29 percent, or $4,473,752, while capital grants and contributions decreased by 52 percent, or $3,921,626. The decrease in operating grants and contributions reflects the shift in types of funding sources available and projects reimbursed including pass-through projects. The decrease in capital grants and contributions reflects the purchase of busses in the previous fiscal year. The overall total of these two funding sources is a decrease of $8,395,378.

- The total Transportation Development Act sales tax receipts for LTF and STA decreased by $252,119 or 0.7 percent from the previous fiscal year. The decrease is largely due to a decrease in State Transit Assistance revenues on diesel fuel tax.

- Unrestricted investment earnings increased by $27,429 due to higher account balances.

- Other miscellaneous revenues decreased by $848 due to normal fluctuations in miscellaneous revenues.

The graph below presents the program and general revenues by source for the Commission's governmental activities for the years ending June 30, 2016 and 2015.



- Commuter Assistance activities decreased by $18,773 largely due to lower database costs for rideshare programs.

- General Government activities increased by $11,613 in Fiscal Year 2015/2016 largely due to cost associated with the new building.

- Highway expenses increased by $373,556 in Fiscal Year 2015/2016 for an increase in consultant costs associated with callbox upgrades to 3G.

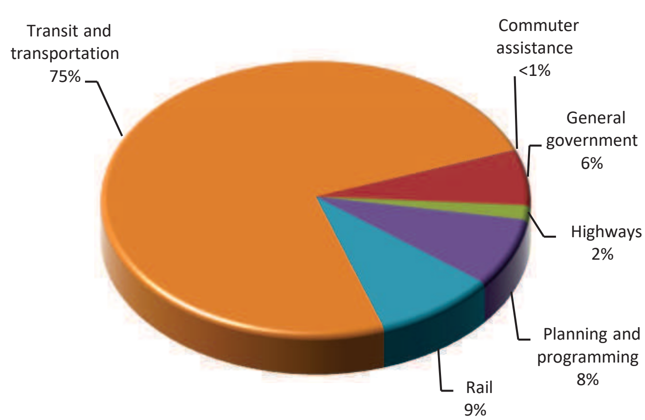
- Planning and Programming activities decreased by 1 percent or $65,647. The decrease is largely due to the reductions in consultant costs carried-over into next fiscal year.

- Rail activities increased by 44 percent, or $1,607,732, largely due to an increase in operating costs and capital improvements for Metrolink.

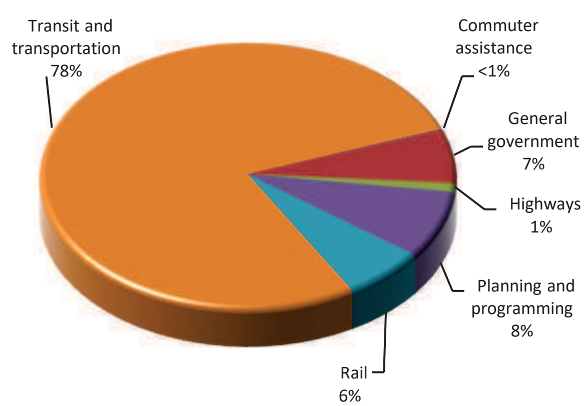
- Transit expenses decreased by 4 percent, or $1,554,401. The decrease was largely due to the purchase of buses in the prior fiscal year offset by increased pass-through revenues to local agencies.

The following graphs depict program expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2016 and June 30, 2015.

2016



2015

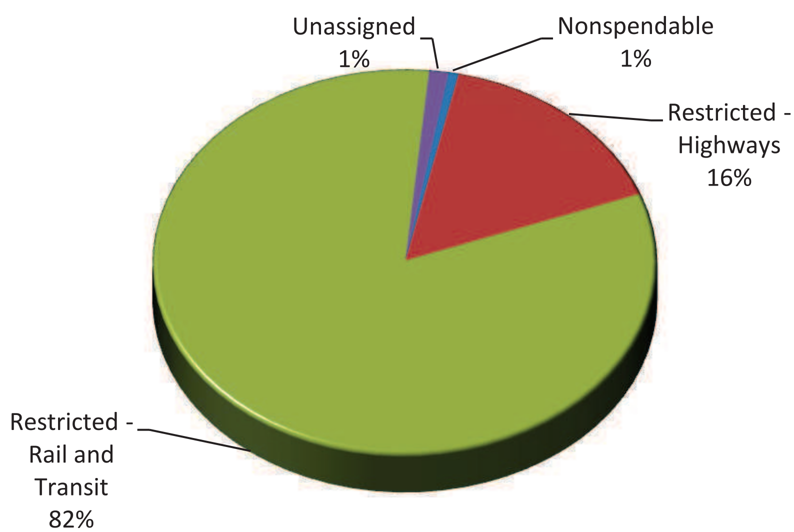


The following is a summary of the financial data related to the Statement of Activities for the Fiscal Years ended June 30, 2016 and 2015:

	Year Ending June 30, 2016	Year Ending June 30, 2015	Changes
Revenues:			
Program revenues:			
Charges for services	$ 1,681,929	$ 1,658,556	$ 23,373
Operating grants and contributions	10,703,637	15,177,389	(4,473,752)
Capital grants and contributions	3,612,756	7,534,382	(3,921,626)
General revenues:			
Transportation development act sales taxes	38,344,885	38,597,004	(252,119)
Unrestricted investment earnings	117,858	90,429	27,429
Other miscellaneous revenue	5,595	6,443	(848)
Total revenues	**54,466,660**	**63,064,203**	**(8,597,543)**
Expenses:			
Commuter assistance	16,872	35,645	(18,773)
General government	3,722,332	3,710,719	11,613
Highways	961,504	587,948	373,556
Planning and programming	4,565,821	4,631,468	(65,647)
Rail	5,221,916	3,614,184	1,607,732
Transit and transportation	42,455,672	44,010,073	(1,554,401)
Total expenses	**56,944,117**	**56,590,037**	**354,080**
Change in net position	(2,477,457)	6,474,166	(8,951,623)
Net position at beginning of year	85,171,160	80,363,526	4,807,634
Adjustment due to implementation of GASB 68	-	(1,666,532)	1,666,532
Net position at end of year	**$82,693,703**	**$85,171,160**	**$(2,477,457)**

Financial Analysis of the Commission's Funds

As of June 30, 2016, the Commission's governmental funds reported combined ending fund balances of $25,291,794, a decrease of $2,241,262 from Fiscal Year 2014/2015 largely due to the consumption of prepaid items and utilization of rail funds held within the General Fund balance as well as lower State Transit Assistance revenues collected on diesel fuel sales tax. Of the $25.3 million fund balance, 98 percent is restricted for rail, transit and highways projects, 1 percent is nonspendable for prepaid items and deposits, while the remaining 1 percent is unassigned in the General Fund and available for spending at the Commission's discretion. The graph below depicts the fund balances as of June 30, 2016.



The following table presents the fund balances for the governmental funds for Fiscal Year 2016 and 2015:

Fund Balance	Fiscal Year 2015/2016	Fiscal Year 2014/2015	% of Change
General Fund	$ 2,478,487	$ 3,537,313	-30%
Special Revenue funds:			
Local Transportation Fund	8,108,784	8,009,206	1%
State Transit Assistance Fund	10,656,447	11,902,365	-10%
Service Authority for Freeway Emergency Fund	4,048,076	4,084,172	-1%
Total Fund Balance	**$25,291,794**	**$27,533,056**	**-8%**

Key elements for the Commission's governmental funds at June 30, 2016 are:

- The balance in the General Fund decreased by $1,058,826 in Fiscal Year 2015/2016. Of the $2,478,487 fund balance, $165,959 is nonspendable for prepaid items and deposits, $1,994,084 is restricted for rail and transit purposes, and $318,444 is unassigned. The decrease is largely due to the consumption of prepaid items and utilization of rail funds held within the General Fund balance.

- The Local Transportation Fund balance increased by $99,578 in Fiscal Year 2015/2016 due to an increase in revenues for increased consumer spending.

- The State Transit Assistance Fund decreased by $1,245,918 in Fiscal Year 2015/2016 as revenues were less than anticipated due to lower collection of diesel fuel sales taxes.

- The Service Authority for Freeway Emergency Fund decreased by $36,096 as expenditures were in excess of revenues.

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 $5.9 million increase in appropriations and were largely related to the following changes:

- The General Government budget increased approximately $200,000 largely due to carried-over consultant costs associated with the new office building and staffing costs associated with converting a temporary position to a full-time position.

- The Planning program budget increased approximately $500,000 largely for carried-over consultant studies associated with the Regional Transportation Planning and Airport Land Use Commission budgets and additional expenditures for the consultant outreach, public outreach and education for support of the investment/expenditure plan.

- The Rail program budget increased approximately $850,000 largely due to additional operational costs and carry-over Proposition 1B funds for Metrolink capital pass-through projects.

- The Transit program increased approximately $4.3 million largely due to additional Proposition 1B funding to pass-through agencies, the purchase of an additional bus for the VCTC Intercity Services and increased costs for bus services.

- Budgeted intergovernmental revenues increased approximately $2.6 million and "transfers in" increased approximately $2.7 million due to the increased expenses noted above and the exchange of transfers instead of revenues.

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

General Fund Budgetary Variance	Fiscal Year 2015/2016 Final Budget	Fiscal Year 2015/2016 Actual	Variance with Final Budget
Revenues:			
Intergovernmental	$20,870,975	$13,502,016	$(7,368,959)
Charges for services	1,700,350	1,681,929	(18,421)
Investment income	-	1,307	1,307
Other revenue	-	4,024	4,024
Total revenues	**22,571,325**	**15,189,276**	**(7,382,049)**
Expenditures:			
Current			
General government	8,220,215	4,009,019	4,211,196
Programs	30,779,587	21,642,924	9,136,663
Total expenditures	**38,999,802**	**25,651,943**	**13,347,859**
Other financing sources:			
Transfers in	13,910,631	9,403,841	-4,506,790
Total other financing sources	**13,910,631**	**9,403,841**	**-4,506,790**
Net change in fund balance	**$(2,517,846)**	**$(1,058,826)**	**$(1,459,020)**

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

- The approximate $7.4 million negative variance for intergovernmental revenues occurred because these revenues are on a reimbursement basis and are received as the projects are completed and invoiced to the respective agencies.
- The approximate $18,000 negative variance for charges for services was primarily due to normal fluctuation in fare revenues on the bus service.
- The approximate $1,000 positive variance for investment income was due to investment income not being budgeted due to nominal interest rates.
- The approximate $4,000 positive variance for other revenue occurred as these revenues vary from year-to-year.

- The approximate $4.2 million positive variance for general government was largely due delays in purchase of the new office building but also to expenses being less than budgeted for general operations, professional/consultant services that were not needed as well as unfilled positions.

- The approximately $9.1 million positive variance for program expenditures was due to several factors:

  - The Commuter expenditures were approximately $72,000 lower due to lower costs of database administration for rideshare.

  - The Highway expenditures were approximately $850,000 lower as the consultant services needed for the 101 and 118 highway projects were delayed and the Wetlands Mitigations project was transferred to another agency.

  - The Planning and Programming expenditures were approximately $810,000 less than budgeted due to unprogramed bicycle and pedestrian projects and delays in studies and consultant expenditures that were carried-over into the next fiscal year.

  - The Rail program expenditures were approximately $2.1 million less than budgeted largely due to delays in capital projects Metrolink and lower operation costs for Santa Paula Branch Line.

  - The Transit and Transportation program expenditures were approximately $5.3 million less than budgeted largely due to the delays of pass-through expenditures and the VCTC Intercity and Valley Express bus on-board monitoring systems.

- Transfers in were approximately $4.5 million less than budgeted largely because the projects utilizing STA and some LTF fund transfers were carried-over into the next fiscal year.

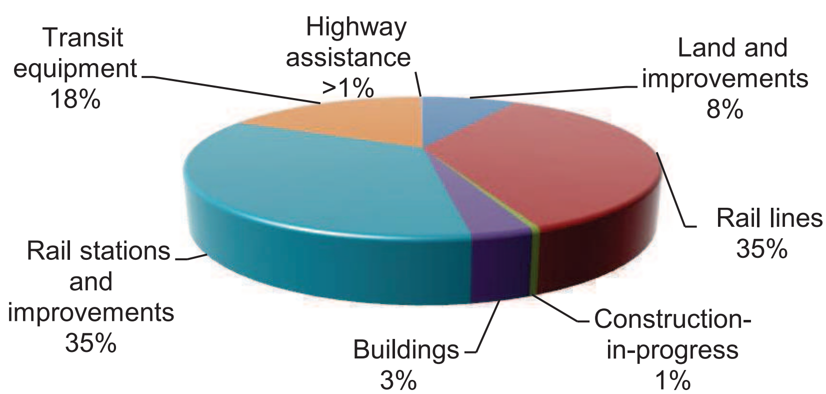
VENTURA COUNTY TRANSPORTATION COMMISSION
Management's Discussion and Analysis
Year Ended June 30, 2016

Capital Assets

As of June 30, 2016, the Commission had $59,116,203, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets decreased by 0.6 percent primarily due to deprecation. 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, 2016	Balance as of June 30, 2015
Land and improvements	$ 4,964,826	$ 4,964,826
Rail lines	20,920,307	20,920,307
Construction-in-progress	268,304	53,520
Buildings	1,948,018	1,993,336
Rail stations and improvements	20,466,282	20,995,471
Transit equipment	10,428,913	10,272,384
Highway assistance	111,332	230,236
Office furniture and equipment	8,221	14,062
Total	**$59,116,203**	**$59,444,142**

Below is a graph depicting the capital investments as of June 30, 2016:



Major capital additions and deletions during Fiscal Year 2015/2016 include:

- The addition of 1 bus in the amount of $627,163.
- The addition of Video on-bus security systems in the amount of $472,388.
- The addition of Farebox and APC equipment in the amount of $179,240.

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 2015/2016 the unassigned fund balance decreased by $169,196 to $318,444. Local Transportation Fund balance increased by $99,578 to $8,108,784 due primarily to higher than anticipated LTF revenues for increased consumer spending. The State Transit Assistance Fund balance decreased by $1,245,918 to $10,656,447 due to a decrease in revenues for lower diesel fuel sales taxes. The SAFE fund balance decreased by $36,096 to $4,048,076 as expenditures were higher.

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

The current economic factors and recent Commission studies guided the preparation of the Commission's Draft Fiscal Year 2016/2017 Budget which was presented in April 2016. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2016/2017 Budget to the Commission which was adopted in June 2016.

The Fiscal Year 2016/2017 balanced budget includes approximately $59 million in revenues which consist of $13.5 million in federal revenues, $34.5 million in LTF revenues, $3.3 million in STA revenues, $3.2 million in state revenues and $4.4 million in local and other revenues. Expenditures are expected to be approximately $18.7 million for transit and transportation, $1.4 million for highways, $5.5 million for rail, $0.5 million for commuter assistance, $32.6 million for planning and programming, and $4.4 million for general government. Within the planning and programs budget is the distribution of Local Transportation Funds for the local jurisdictions for bicycles and pedestrians, transit and local streets and roads budgeted of approximately $30.3 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 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, 2016

(With Comparative Totals for June 30, 2015)

	Governmental Activities 2016	2015
Assets:		
Cash and investments (note 2)	$20,228,532	$24,299,563
Receivables:		
Accounts	9,760	148,736
Interest	47,827	19,873
Intergovernmental	9,646,644	9,208,220
Prepaid items and deposits	165,959	311,840
Capital assets, nondepreciable (note 3)	26,153,437	25,938,653
Capital assets, depreciated, net (note 3)	32,962,766	33,505,489
Total assets	**89,124,925**	**93,432,374**
Deferred outflows of resources:		
Deferred differences between expected and actual experience	8,521	-
Deferred adjustments due to difference in proportions	-	6,273
Deferred pension employer contributions	154,553	132,781
Total deferred outflows of resources	**163,074**	**139,054**
Liabilities:		
Accounts payable	1,300,624	1,279,533
Due to other governmental agencies	969,143	1,492,936
Unearned revenue	2,536,761	3,682,307
Deposits	400	400
Noncurrent liabilities (note 5):		
Due within one year	100,000	100,000
Due beyond one year	1,203,724	1,391,281
Total liabilities	**6,110,652**	**7,946,457**
Deferred inflows of resources:		
Deferred changes in Assumptions	80,619	-
Deferred differences between actual and proportionate share of employer's contributions	115,553	-
Deferred change due to differences in proportion	337,057	-
Deferred differences between projected and actual investment earnings	40,415	453,811
Total deferred inflows of resources	**573,644**	**453,811**
Net position:		
Net investment in capital assets	59,116,203	59,444,142
Restricted for:		
Rail and transit	20,759,315	22,649,404
Highways	4,048,076	4,084,172
Unrestricted (deficit)	(1,229,891)	(1,006,558)
Total net position	**$82,693,703**	**$85,171,160**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
Statement of Activities
Year Ended June 30, 2016
(With Comparative Totals For Year Ended June 30, 2015)

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses)Revenues Governmental Activities 2016	Net (Expenses)Revenues Governmental Activities 2015
Governmental activities:						
Commuter assistance	$ 16,872	$ -	$ 358,427	$ -	$ 341,555	$ 379,962
General government	3,722,332	-	734,468	-	(2,987,864)	(3,064,710)
Highways	961,504	-	831,324	-	(130,180)	193,841
Planning and programming	4,565,821	3,450	892,369	-	(3,670,002)	(3,758,768)
Rail	5,221,916	277,741	385,476	-	(4,558,699)	(3,290,544)
Transit and transportation	42,455,672	1,400,738	7,501,573	3,612,756	(29,940,605)	(22,679,491)
Total governmental activities	**$56,944,117**	**$1,681,929**	**$ 10,703,637**	**$ 3,612,756**	**(40,945,795)**	**(32,219,710)**
General revenues:						
Transportation Development Act sales taxes					38,344,885	38,597,004
Unrestricted investment earnings					117,858	90,429
Other miscellaneous revenue					5,595	6,443
Total general revenues					**38,468,338**	**38,693,876**
Change in net position					(2,477,457)	6,474,166
Net position at beginning of year					85,171,160	80,363,526
Restatement due to implementation of GASB 68					-	(1,666,532)
Net position at end of year					**$82,693,703**	**$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 are presented in the accompanying financial statements as Required Supplementary Information:

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

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

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

VENTURA COUNTY TRANSPORTATION COMMISSION
Governmental Funds
Balance Sheet
June 30, 2016
(With Comparative Totals for June 30, 2015)

		Special Revenue Funds				
		Local	State Transit		Totals	
	General	Transportation	Assistance	SAFE	2016	2015
Assets:						
Cash and investments (note 2)	$ 4,629,615	$ 2,485,781	$ 9,142,084	$ 3,971,052	$20,228,532	$24,299,563
Receivables:						
Accounts receivables	9,760	-	-	-	9,760	148,736
Interest	1	14,903	23,755	9,168	47,827	19,873
Intergovernmental	2,084,777	5,608,100	1,809,967	143,800	9,646,644	9,208,220
Due from other funds (note 4)	319,359	-	-	-	319,359	417,600
Prepaid items and deposits	165,959	-	-	-	165,959	311,840
Total assets	**$ 7,209,471**	**$ 8,108,784**	**$10,975,806**	**$ 4,124,020**	**$30,418,081**	**$34,405,832**
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	$ 1,226,943	$ -	$ -	$ 73,681	$ 1,300,624	$ 1,279,533
Due to other government agencies	966,880	-	-	2,263	969,143	1,492,936
Due to other funds (note 4)	-	-	319,359	-	319,359	417,600
Unearned revenue	2,536,761	-	-	-	2,536,761	3,682,307
Deposits	400	-	-	-	400	400
Total liabilities	**4,730,984**	**-**	**319,359**	**75,944**	**5,126,287**	**6,872,776**
Fund balances:						
Nonspendable - prepaids and deposits	165,959	-	-	-	165,959	311,840
Restricted for:						
Highways	-	-	-	4,048,076	4,048,076	4,084,172
Rail and transit	1,994,084	8,108,784	10,656,447	-	20,759,315	22,649,404
Unassigned	318,444	-	-	-	318,444	487,640
Total fund balances	**2,478,487**	**8,108,784**	**10,656,447**	**4,048,076**	**25,291,794**	**27,533,056**
Total liabilities and fund balances	**$ 7,209,471**	**$ 8,108,784**	**$10,975,806**	**$ 4,124,020**	**$30,418,081**	**$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, 2016

Fund balances of governmental funds	**$25,291,794**
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.	154,553
Adjustments due to the difference between expected and actual experience	8,521
Deferred changes in assumptions	(80,619)
Adjustments for differences between actual and proportionate share of employer's contributions	(115,553)
Adjustments due to difference in proportions are deferred as deferred inflows of resources in the government-wide financial statements.	(337,057)
Differences between projected and actual earnings on pension plan investments are reported in the government-wide financial statements:	
Actual earnings over projected earnings	(40,415)
Capital assets net of accumulated depreciation, are not financial resources and, therefore, are not included in the governmental fund activity:	
Capital assets	71,835,169
Accumulated depreciation	(12,718,966)
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	(1,165,507)
Compensated absences	(138,217)
Net position of governmental activities	**$82,693,703**

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, 2016

(With Comparative Totals for Year Ended June 30, 2015)

		Special Revenue Funds			Totals	
	General	Local Transportation	State Transit Assistance	SAFE	2016	2015
Revenues:						
Sales taxes	$ -	$34,601,613	$ 3,743,272	$ -	$38,344,885	$38,597,004
Vehicle registration fees	-	-	-	784,953	784,953	766,387
Intergovernmental	13,502,016	-	-	-	13,502,016	21,929,983
Charges for services	1,681,929	-	-	-	1,681,929	1,658,556
Investment income	1,307	39,891	76,660	29,424	147,282	105,830
Other revenue	4,024	-	-	1,571	5,595	6,443
Total revenues	**15,189,276**	**34,641,504**	**3,819,932**	**815,948**	**54,466,660**	**63,064,203**
Expenditures:						
Current:						
General government:						
Salaries and benefits	2,465,527	-	-	-	2,465,527	2,360,231
General legal services	18,448	-	-	-	18,448	35,272
Professional services	264,127	14,000	-	-	278,127	277,214
Office lease	147,367	-	-	-	147,367	144,396
Other	1,113,550	-	-	-	1,113,550	939,464
Total general government	**4,009,019**	**14,000**	**-**	**-**	**4,023,019**	**3,756,577**
Programs:						
Commuter assistance	16,872	-	-	-	16,872	35,645
Highways	367	-	-	842,233	842,600	453,286
Planning and programming	858,238	3,707,583	-	-	4,565,821	4,631,468
Rail	4,647,409	-	-	-	4,647,409	3,039,809
Transit and transportation	16,120,038	26,492,163	-	-	42,612,201	53,697,474
Total programs	**21,642,924**	**30,199,746**	**-**	**842,233**	**52,684,903**	**61,857,682**
Total expenditures	**25,651,943**	**30,213,746**	**-**	**842,233**	**56,707,922**	**65,614,259**
Excess (deficiency) of revenues over (under) expenditures	**(10,462,667)**	**4,427,758**	**3,819,932**	**(26,285)**	**(2,241,262)**	**(2,550,056)**
Other financing sources (uses):						
Transfers in (note 4)	9,403,841	-	-	-	9,403,841	11,020,988
Transfers out (note 4)	-	(4,328,180)	(5,065,850)	(9,811)	(9,403,841)	(11,020,988)
Total other financing sources (uses)	**9,403,841**	**(4,328,180)**	**(5,065,850)**	**(9,811)**	**-**	**-**
Net change in fund balances	(1,058,826)	99,578	(1,245,918)	(36,096)	(2,241,262)	(2,550,056)
Fund balances, beginning of year	3,537,313	8,009,206	11,902,365	4,084,172	27,533,056	30,083,112
Fund balances, end of year	**$ 2,478,487**	**$ 8,108,784**	**$10,656,447**	**$ 4,048,076**	**$25,291,794**	**$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, 2016

Net change in fund balances - total governmental funds	**$ (2,241,262)**
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	(1,827,127)
Capital outlay, net of disposals	1,499,188
Changes in net pension liability and related deferrals reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	89,121
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.	2,623
Change in net position of governmental activities	**$ (2,477,457)**

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

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

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.

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

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

Cash and Investments: The Commission maintains cash and investments in accordance with an investment policy adopted by the Board most recently approved on March 7, 2014. The investment policy complies with, or is more restrictive than, applicable State 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 market value. Changes in fair market value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair market value.

Note 1. Summary of Significant Accounting Policies (continued)

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

> **Level 1** – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
>
> **Level 2** – Inputs, other than quoted prices included in Level 1, that are observable for the asests or liabilities through corroboration with market data at the measurement date.
>
> **Level 3** – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

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

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items 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.

Note 1. Summary of Significant Accounting Policies (continued)

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 easements	life of agreement Not to exceed 40 years

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

> **Non-spendable fund balances** include amounts that are not in spendable form (ie. prepaid items) or are legally or contractually required to be maintained intact (ie. permanent endowments). These amounts are inherently nonspendable.
>
> **Restricted fund balances** include amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or enabling legislation.
>
> **Committed fund balances** include amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action which are equally binding.
>
> **Assigned fund balances** include amounts that are intended by the government to be used for specific purposes, but are neither committed nor unassigned. The Commission has designated the authority to assign amounts used for specific purposes to the Executive Director and/or the Finance Director in the fund balance policy mentioned above.
>
> **Unassigned fund balances** include the residual funds for the General Fund and all amounts not contained in the other classifications.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

GASB Statement No. 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 implemented GASB Statement No. 72.

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.

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 determined that there is no material 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 1. Summary of Significant Accounting Policies (continued)

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

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, was issued in December 2015. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. This statement is effective for the fiscal year ending June 30, 2017. The Commission has not determined the effect of this statement.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Note 2. Cash and Investments

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

Cash and investments	$20,228,532
Total cash and investments	**$20,228,532**

At June 30, 2016, cash and investments are reported at fair value based on quoted market prices. The following table presents the fair value measurements of investments recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2016:

Investment Type	Fair Value	Measurement Input
Cash on hand	$ 130	N/A
Deposits with financial institutions	4,709,453	N/A
County pooled investment fund	15,518,949	Level 2
Total cash and investments	**$20,228,532**	

Note 2. Cash and Investments (continued)

Investments Authorized by the Commission's Investment Policy: The following table 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.

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, 2016:

Investment Type	Total	Remaining Maturity - 12 Months or Less
County pooled investment fund	$15,518,949	$15,518,949
Total	**$15,518,949**	**$15,518,949**

Note 2. Cash and Investments (continued)

Disclosures Relating to Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Commission's investment policy, or debt agreements, and the actual rating as of year-end for each investment type as of June 30, 2016.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAAf
County pooled investment fund	$15,518,949	None	$15,518,949
Total	**$15,518,949**		**$15,518,949**

Concentration of Credit Risk: As of June 30, 2016, the Commission did not have any investments in any one issuer (other than the Ventura County investment pool) that represented 5 percent or more of its total investment portfolio. Information pertaining to the interest rate risk, credit risk, custodial credit risk and concentration of credit risk related to the Ventura County pooled investments can be obtained from the County of Ventura's CAFR at www.countyofventura.org.

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

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

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2016 as follows:

	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
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	214,784	-	268,304
Total capital assets not being depreciated	**25,938,653**	**214,784**	**-**	**26,153,437**
Capital assets being depreciated:				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	26,321,022	-	-	26,321,022
Transit equipment	11,030,642	1,284,404	-	12,315,046
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	216,969	-	(7,471)	209,498
Total capital assets being depreciated	**44,404,799**	**1,284,404**	**(7,471)**	**45,681,732**
Less accumulated depreciation:				
Buildings	(272,579)	(45,318)	-	(317,897)
Rail stations and improvements	(5,325,551)	(529,189)	-	(5,854,740)
Transit equipment	(758,258)	(1,127,875)	-	(1,886,133)
Highway assistance	(4,340,015)	(118,904)	-	(4,458,919)
Office furniture and equipment	(202,907)	(5,841)	7,471	(201,277)
Total accumulated depreciation	**(10,899,310)**	**(1,827,127)**	**7,471**	**(12,718,966)**
Total capital assets being depreciated, net	**33,505,489**	**(542,723)**	**-**	**32,962,766**
Capital assets, net	**$ 59,444,142**	**$ (327,939)**	**$ -**	**$ 59,116,203**

In Fiscal Year 2015/2016, depreciation expense was charged to functions as follows:

General government	$ 5,841
Highways	118,904
Buildings	45,318
Rail	529,189
Transit	1,127,875
Total	**$1,827,127**

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, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance (STA) - Special Revenue Fund	$319,359
	Total	**$319,359**

The amount due to the General Fund of $319,359 represents a temporary timing difference between when transactions are recorded in the accounting system and when payments to the General Fund were made.

Interfund Transfers: Interfund transfers consisted of the following for the year ended June 30, 2016:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund (LTF) - Special Revenue Fund	$ 4,328,180
General Fund	State Transit Assistance (STA) - Special Revenue Fund	5,065,850
General Fund	Service Authority for Freeway Emergencies (SAFE) - Special Revenue Fund	9,811
	Total	**$9,403,841**

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

The Commission is responsible for apportioning the Local Transportation Funds for the County of Ventura for transportation purposes. The General Fund is eligible to receive LTF revenues for transportation related commuter rail costs, administrative costs, 2 percent of the total apportionment for transportation planning purposes. In Fiscal Year 2015/2016, the Commission apportioned $4,328,180 as a fund transfer for these purposes. The Commission approved a transfer of $9,560,951 in STA funds, but the funds were not fully expended and thus not transferred. The Commission approved $21,500 in SAFE transfers for transit activities provided in the General Fund.

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Governmental activities:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016	Amount Due in One Year	Amount Due Beyond One Year
Net pension liability	$1,350,441	$104,668	$(289,602)	$1,165,507	$ -	$1,165,507
Compensated absences	140,840	115,657	(118,280)	138,217	100,000	38,217
Total	**$1,491,281**	**$220,325**	**$(407,882)**	**$1,303,724**	**$100,000**	**$1,203,724**

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 $1,165,507 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 $138,217 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, 2016 were $141,600. The total minimum rental commitment for office space is due as follows:

Ending	Amount
December 31, 2016	70,800
Total	**$70,800**

Note 7. Pension Plan

General Information about the Pension Plans

Plan Description - The Commission contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participant public entities within the State of California. The plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2014 and 2013 Annual Actuarial Valuation reports. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications at www.calpers.ca.gov.

Employees Covered – As of the June 30, 2014 and 2013 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2014		2013	
	Classic #1014	PEPRA #26505	Classic #1014	PEPRA #26505
Active employees	19	1	16	-
Transferred and separated employees	12	-	10	-
Retired employees and beneficiaries	13	-	12	-
Total	**44**	**1**	**38**	**-**

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

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

Note 7. Pension Plan (continued)

General Information about the Pension Plans (continued)

Benefits Provided (continued)

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

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

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

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

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

For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRA was 7.0 percent and 6.25 percent of annual pay, respectively and the employer's contribution rate was 8.435 percent and 6.25 percent of annual payroll, respectively. The Classic employer contribution also included a lump sum payment for unfunded accrued liability (UAL) of $0.

Note 7. Pension Plan (continued)

General Information about the Pension Plans (continued)

Benefits Provided (continued)

For the year ended June 30, 2016, the contributions for each plan were as follows:

	2016	
	Classic #1014	**PEPRA #26505**
Contributions employer	$132,643	$21,910
Contributions employee	90,298	21,955
Total	**$222,941**	**$43,865**

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – For the measurement period ended June 30, 2015 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability determined in the June 30, 2014 actuarial accounting valuations. The June 30, 2015 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability	
Actuarial cost method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3%
Projected salary increase	Varies[1]
Investment rate of return	7.5%[2]
Mortality rate	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. For more details on this table, please refer to the experience study.

All other actuarial assumptions used on the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increases, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Note 7. Pension Plan (continued)

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

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

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

Discount Rate – For actuarial assumptions used in the June 30, 2014 valuation date, the discount rate used to measure total pension liability was 7.65 percent. For actuarial assumptions used in the June 30, 2013 valuation date, the discount rate used to measure total pension liability was 7.50 percent, which is net of administrative expenses. An investment return excluding administrative expenses would have been 7.65 percent. Management has determined that using the lower discount rate has resulted in a slightly higher total pension liability and net pension liability and the difference was deemed immaterial to the financial statements.

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

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 [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.

Note 7. Pension Plan (continued)

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Commission's proportionate share of the net pension liability for each Plan as of the measurement date at June 30, 2015 calculated using the discount rate of 7.65 percent for each Plan, as well as what the Commission's' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate			
Measurement Date	1% Decrease	Assumed Rate	1% Increase
	6.65%	**7.65%**	**8.65%**
June 30, 2015	$2,295,250	$1,165,507	$232,773

Pension Plan Fiduciary Net Position – Detailed information about each pension plans fiduciary net position is available in the separately issued CalPERS financial reports and can be obtained from CalPERS' website under Forms and Publications.

Net Pension Liabilities – The following table shows the change in plan's proportionate share of the Commission's aggregate net pension liability for the measurement period at June 30, 2015:

Measurement Date	Proportionate Share of Net Pension Liability
June 30, 2015	$1,165,507
June 30, 2014	1,350,441
Change in aggregate net pension liability	$(184,934)

Note 7. Pension Plan (continued)

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

The Commission's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015 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, 2014 and rolled forward a year using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined by CalPERS. The Commission's proportionate share of the net pension liability for each Plan as of June 30, 2016 as follows:

	2016	
	Classic #1014	PEPRA #26505
Proportion – June 30, 2014	0.02170%	0.00000%
Proportion – June 30, 2015	0.04249%	0.00000%
Change – Increase (Decrease)	(0.02079%)	0.00000%

For the year ended June 30, 2016, the Commission recognized pension expense of $65,432.
The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-year straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2015 measurement period is 3.8 years.

Note 7. Pension Plan (continued)

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

At June 30, 2016, the Commission reported in aggregate deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ (80,619)
Differences between expected and actual experience	8,521	-
Differences between actual and proportionate share of employer's contributions	-	(115,553)
Change in proportion	-	(337,057)
Difference between projected and actual investment earnings	-	(40,415)
Contributions after the measurement date	154,553	-
Total	**$ 163,074**	**$(573,644)**

The $154,553 in contributions reported as deferred outflows of resources subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 20, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2017	$(217,287)
2018	(217,734)
2019	(181,762)
2020	51,660
2021	-
Thereafter	-
	$(565,123)

Note 8. Postemployment Benefit Plan

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

Commission's Funding Policy: The contribution requirements of the Commission were established per a Board Resolution dated September 1, 1985 and later amended on May 14, 2010 when the Commission adopted a Health Reimbursement Arrangement (HRA) that modified VCTC's post-employment health benefits for its retirees effective 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 $125 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For "Grandfathered" employees/retirees hired before July 1, 2010, the Health Reimbursement Arrangement will supplement the retiree health care contribution up to the entire cost of the individual health benefit (currently up to an additional $571) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to $283 per month) for individual health coverage. As of June 30, 2016, the Commission had ten "Grandfathered" retirees that were receiving OPEB benefits. "Grandfathered" Plan members are not required to contribute to the plan. Employees hired after July 1, 2010 will only receive the minimum contribution required by CalPERS health rules.

The Commission's contribution to the OPEB plan may be amended by the Board of Commissioners. The contribution required to be made is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded liabilities of the plan. For Fiscal Year 2015/2016, the Commission contributed $107,000 to the plan, including $53,092 for current premiums and HRA payments (100 percent of total premiums).

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

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 2016 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
2014	$152,000	100%	$-
2015	$107,000	100%	$-
2016	$107,000	100%	$-

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

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

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 percent; Medicare eligible HMO and PPO premiums were initially 9.4 percent. The trend rate was reduced by decrements to an ultimate rate of 5.0 percent after ten years. Both rates included a 3 percent inflation assumption. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level of percentage of projected payroll on a closed basis over 30 years. The remaining amortization period is 13 years. It is assumed the Commission's payroll will increase 3.25 percent per year.

Note 9. Joint Ventures

SCRRA - The Commission is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority, the San Bernardino Associated Governments, and the Riverside County Transportation Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for VCTC's pro rata share of rail lines servicing the County. The Commission expended $4,103,300 from the budget during Fiscal Year 2015/2016 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's website at www.metrolinktrains.com.

Note 9. Joint Ventures (continued)

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

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

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. 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, 2016 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. 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, 2016, the Commission distributed $30,199,746 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2015/2016
City of Camarillo	$ -	$ 5,293	$ 2,343,540	$ 2,348,833
City of Fillmore	395,662	7,622	143,198	546,482
City of Moorpark	535,000	101,694	711,801	1,348,495
City of Ojai	-	90,847	-	90,847
City of Oxnard	-	43,634	-	43,634
City of Port Hueneme	-	10,798	-	10,798
City of San Buenaventura	-	68,176	-	68,176
City of Santa Paula	557,299	6,352	509,044	1,072,695
City of Simi Valley	4,414,003	75,407	-	4,489,410
City of Thousand Oaks	4,514,020	66,352	-	4,580,372
County of Ventura	-	127,525	-	127,525
Gold Coast Transit	15,472,479	-	-	15,472,479
Total allocations	**$25,888,463**	**$603,700**	**$ 3,707,583**	**$30,199,746**

Note 13. Subsequent Event

After reviewing VCTC's accounting and financial reporting including its measurement focus and basis of accounting and researching industry practice, Governmental Accounting Standards Board (GASB) 34, and other related pronouncements, the Commission made the decision to include in the Fiscal Year 2016/2017 budget two new proprietary funds for its bus services: VCTC Intercity Service and Valley Express. VCTC management has determined that VCTC should present its financial statements of its bus services using the economic resources measurement focus and the accrual basis of accounting.

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REQUIRED SUPPLEMENTARY INFORMATION

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VENTURA COUNTY TRANSPORTATION COMMISSION
Required Supplementary Information
Year Ended June 30, 2016

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 diesel fuel 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, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Fiscal Year 2015/2016 Original Budget	Fiscal Year 2015/2016 Final Budget	Fiscal Year 2015/2016 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2014/2015 Actual
Revenues:					
Intergovernmental	$18,287,409	$20,870,975	$13,502,016	$(7,368,959)	$21,929,983
Charges for services	1,776,900	1,700,350	1,681,929	(18,421)	1,658,556
Investment income	-	-	1,307	1,307	2,462
Other revenue	-	-	4,024	4,024	3,863
Total revenues	**20,064,309**	**22,571,325**	**15,189,276**	**(7,382,049)**	**23,594,864**
Expenditures:					
Current:					
General government:					
Salaries and benefits	3,082,700	3,136,100	2,465,527	670,573	2,360,231
General legal services	30,700	30,700	18,448	12,252	35,272
Professional services	983,900	1,108,900	264,127	844,773	263,214
Office lease	152,200	152,200	147,367	4,833	144,396
Other	3,769,300	3,792,315	1,113,550	2,678,765	939,464
Total general government	**8,018,800**	**8,220,215**	**4,009,019**	**4,211,196**	**3,742,577**
Programs:					
Commuter assistance	85,800	88,600	16,872	71,728	35,645
Highways	852,300	852,300	367	851,933	-
Planning and programming	1,163,294	1,667,381	858,238	809,143	482,526
Rail	5,868,852	6,715,857	4,647,409	2,068,448	3,039,809
Transit and transportation	17,121,412	21,455,449	16,120,038	5,335,411	25,271,393
Total programs	**25,091,658**	**30,779,587**	**21,642,924**	**9,136,663**	**28,829,373**
Total expenditures	**33,110,458**	**38,999,802**	**25,651,943**	**13,347,859**	**32,571,950**
Excess (deficiency) of revenues over (under) expenditures	**(13,046,149)**	**(16,428,477)**	**(10,462,667)**	**5,965,810**	**(8,977,086)**
Other financing sources (uses):					
Transfers in	11,151,449	13,910,631	9,403,841	(4,506,790)	11,020,988
Total other financing sources (uses)	**11,151,449**	**13,910,631**	**9,403,841**	**(4,506,790)**	**11,020,988**
Net change in fund balances	(1,894,700)	(2,517,846)	(1,058,826)	1,459,020	2,043,902
Fund balances, beginning of year	360,000	360,000	3,537,313	3,177,313	1,493,411
Fund balances (deficit), end of year	**$ (1,534,700)**	**$ (2,157,846)**	**$ 2,478,487**	**$ 4,636,333**	**$ 3,537,313**

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, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Fiscal Year 2015/2016 Original Budget	Fiscal Year 2015/2016 Final Budget	Fiscal Year 2015/2016 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2014/2015 Actual
Revenues:					
Sales taxes	$34,400,000	$34,400,000	$34,601,613	$ 201,613	$33,844,974
Investment income	38,000	38,000	39,891	1,891	37,285
Total revenues	**34,438,000**	**34,438,000**	**34,641,504**	**203,504**	**33,882,259**
Expenditures:					
Current:					
General government:					
Professional services	14,000	14,000	14,000	-	14,000
Total general government	**14,000**	**14,000**	**14,000**	**-**	**14,000**
Programs:					
Planning and programming	5,195,544	5,195,544	3,707,583	1,487,961	4,148,942
Transit and transportation	25,233,796	25,233,796	26,492,163	(1,258,367)	28,426,081
Total programs	**30,429,340**	**30,429,340**	**30,199,746**	**229,594**	**32,575,023**
Total expenditures	**30,443,340**	**30,443,340**	**30,213,746**	**229,594**	**32,589,023**
Excess (deficiency) of revenues over (under) expenditures	**3,994,660**	**3,994,660**	**4,427,758**	**433,098**	**1,293,236**
Other financing sources (uses):					
Transfer out	(4,328,180)	(4,328,180)	(4,328,180)	-	(4,539,417)
Total financing sources (uses)	**(4,328,180)**	**(4,328,180)**	**(4,328,180)**	**-**	**(4,539,417)**
Net change in fund balances	(333,520)	(333,520)	99,578	433,098	(3,246,181)
Fund balances, beginning of year	3,371,520	4,299,960	8,009,206	3,709,246	11,255,387
Fund balances (deficit), end of year	**$ 3,038,000**	**$ 3,966,440**	**$ 8,108,784**	**$ 4,142,344**	**$ 8,009,206**

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, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Fiscal Year 2015/2016 Original Budget	Fiscal Year 2015/2016 Final Budget	Fiscal Year 2015/2016 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2014/2015 Actual
Revenues:					
Sales taxes	$ 4,761,919	$ 4,761,919	$ 3,743,272	$(1,018,647)	$ 4,752,030
Investment income	35,000	35,000	76,660	41,660	50,682
Total revenues	**4,796,919**	**4,796,919**	**3,819,932**	**(976,987)**	**4,802,712**
Expenditures:					
Current:					
Programs:					
Transit and transportation	-	-	-	-	-
Total programs	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	**4,796,919**	**4,796,919**	**3,819,932**	**(976,987)**	**4,802,712**
Other financing sources (uses):					
Transfer out	(6,801,769)	(9,560,951)	(5,065,850)	4,495,101	(6,435,944)
Total financing sources (uses)	**(6,801,769)**	**(9,560,951)**	**(5,065,850)**	**4,495,101**	**(6,435,944)**
Net change in fund balances	(2,004,850)	(4,764,032)	(1,245,918)	3,518,114	(1,633,232)
Fund balances, beginning of year	9,600,000	9,600,000	11,902,365	2,302,365	13,535,597
Fund balances (deficit), end of year	**$ 7,595,150**	**$ 4,835,968**	**$10,656,447**	**$ 5,820,479**	**$11,902,365**

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, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Fiscal Year 2015/2016 Original Budget	Fiscal Year 2015/2016 Final Budget	Fiscal Year 2015/2016 Actual	Variance with Final budget Positive (Negative)	Fiscal Year 2014/2015 Actual
Revenues:					
Vehicle registration fees	$ 735,000	$ 735,000	$ 784,953	$ 49,953	$ 766,387
Intergovernmental	-	-	-	-	-
Investment income	9,000	9,000	29,424	20,424	15,401
Other revenue	-	-	1,571	1,571	2,580
Total revenues	**744,000**	**744,000**	**815,948**	**71,948**	**784,368**
Expenditures:					
Current:					
Programs:					
Highways	1,137,000	1,137,000	842,233	294,767	453,286
Total programs	**1,137,000**	**1,137,000**	**842,233**	**294,767**	**453,286**
Total expenditures	**1,137,000**	**1,137,000**	**842,233**	**294,767**	**453,286**
Excess (deficiency) of revenues over (under) expenditures	**(393,000)**	**(393,000)**	**(26,285)**	**366,715**	**331,082**
Other financing sources (uses):					
Transfer out	(21,500)	(21,500)	(9,811)	11,689	(45,627)
Total financing sources (uses)	**(21,500)**	**(21,500)**	**(9,811)**	**11,689**	**(45,627)**
Net change in fund balances	(414,500)	(414,500)	(36,096)	378,404	285,455
Fund balances, beginning of year	3,900,000	3,900,000	4,084,172	184,172	3,798,717
Fund balances (deficit), end of year	**$3,485,500**	**$3,485,500**	**$4,048,076**	**$ 562,576**	**$4,084,172**

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Schedule of Funding Progress for Other Postemployment Benefits

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

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Schedule of Proportionate Share of the Net Position Liability

Last Ten Fiscal Years*

Plan	2016	2015
Proportion of the net pension liability	0.04248%	0.02170%
Proportionate share of the net pension liability	$1,165,507	$1,350,441
Covered- employee payroll	$1,608,856	$1,484,068
Proportionate share of the net pension liability as a percentage of covered-employee payroll	72.44%	91.00%
Plan's fiduciary net position as percentage of the total pension liability	78.40%	83.03%
Proportionate share of aggregate employer contribution	$154,553	$132,781

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

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Schedule of Contributions

Last Ten Fiscal Years*

Plan	2016	2015	2014
Actuarial determined contribution	$154,553	$132,450	$135,690
Contributions in relation to the actuarially determined contribution	-154,553	-132,450	-135,690
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$1,641,257	$1,608,856	$1,484,068
Contributions as a percentage of covered-employee payroll	9.42%	8.44%	9.14%

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

See accompanying notes to the required supplementary information.

Note 1. Budgetary Data

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

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

A preliminary budget document is prepared by Commission staff and first presented to the Commission's Finance Committee for review and approval. Once approved, the budget is presented to the full 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 budget. Amendments that result in an increase to the total expenditures would require Commission approval and would be brought to the Commission in a formal agenda item.

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

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

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

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

Note 3. Schedule of Contributions

The Schedule of Contributions shows the Commission's actuarial pension contributions and covered-employee payroll. Fiscal Year 2013/2014 information is based on the June 30, 2012 actuarial valuations performed by CalPERS. Fiscal Years 2014/2015 and 2015/2016 information are based on the June 30, 2013 and 2014, respectively; and actuarial valuations are performed by CalPERS. For all years the Actuarial cost method was normal entry age with an amortization method of a level percent of payroll. See Notes to Basic Financial Statements, Note 7. Pension Plan for additional information.

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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.

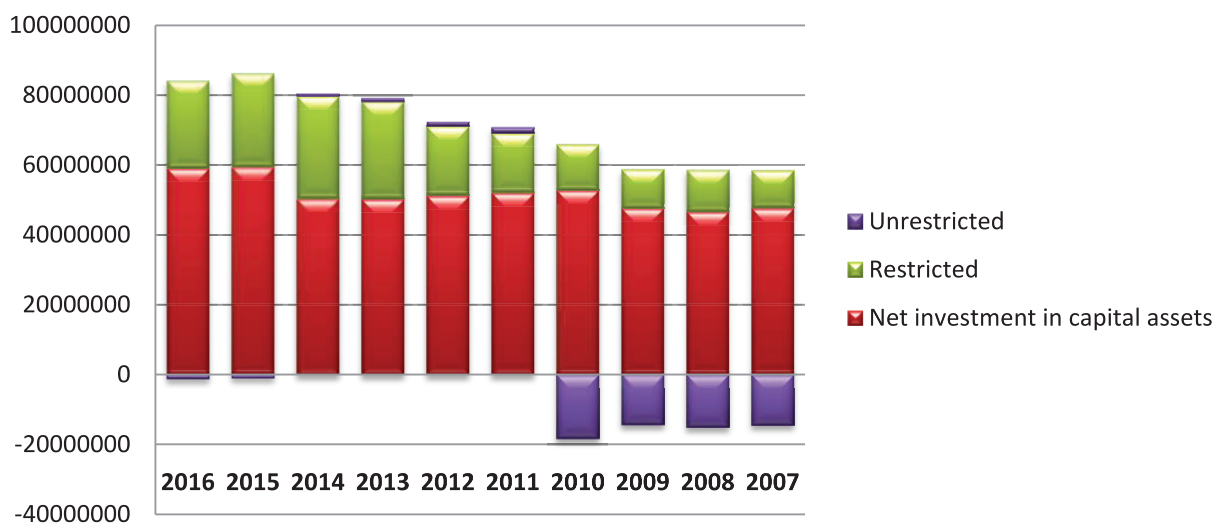
Contents **Page**

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

	Fiscal Year									
	2016	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Governmental Activities:										
Net investment in capital assets	$59,116,203	$59,444,142	$50,418,869	$50,338,553	$51,295,078	$52,146,346	$52,788,888	$47,625,208	$46,633,276	$47,769,480
Restricted	24,807,391	26,733,576	29,266,276	27,849,939	19,809,273	16,992,131	13,134,570	11,053,667	11,960,588	10,618,995
Unrestricted	(1,229,891)	(1,006,558)	678,381	931,968	1,441,328	1,780,449	(18,332,776)	(14,339,223)	(15,077,173)	(14,472,601)
Total governmental activities net position	**$82,693,703**	**$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**

GASB 68 implemented in 2015
Source: Commission Finance Department

Net Position by Component



Ventura County Transportation Commission

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis)

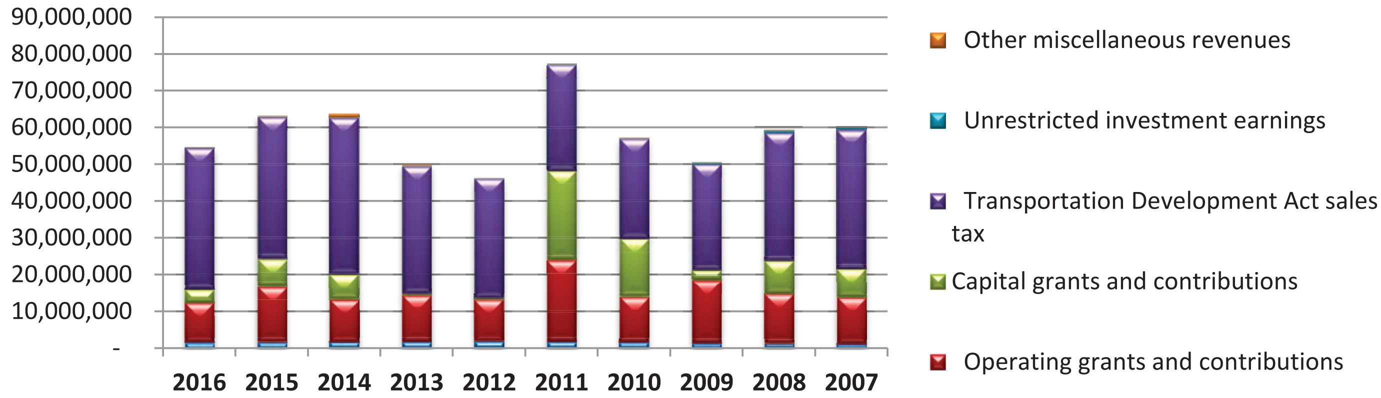
	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Commuter assistance	$ 16,872	$ 35,645	$ 65,215	$ 54,283	$ 48,742	$ 56,640	$ 86,969	$ 152,977	$ 152,433	$ 106,959
General government	3,722,332	3,710,719	3,666,862	3,206,934	3,709,351	3,349,076	3,207,254	3,528,518	3,189,455	2,851,224
Highways	961,504	587,948	593,920	597,348	727,464	3,998,426	13,874,782	965,082	4,574,935	16,213,009
Planning and Programming	4,565,821	4,631,468	17,783,779	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	17,085,955	20,331,207
Rail	5,221,916	3,614,184	3,880,448	3,557,084	2,435,079	6,541,532	4,486,811	8,920,697	7,161,257	6,897,121
Transit and transportation	42,455,672	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
Interest	-	-	-	-	-	763,938	948,456	951,456	242,091	989,497
Total governmental activities expenses	**56,944,117**	**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**
Program Revenues:										
Governmental activities:										
Charges for services										
General government	-	-	-	30,000	50,000	50,000	60,021	45,521	130,964	84,553
Highways	-	-	-	-	-	4,488	-	-	-	4,796
Planning and Programming	3,450	-	500	-	500	-	1,000	-	-	-
Rail	277,741	292,600	308,070	331,041	339,873	387,636	336,771	334,229	325,731	319,300
Transit and transportation	1,400,738	1,365,956	1,388,217	1,419,494	1,515,280	1,389,416	1,181,047	1,043,382	827,172	764,755
Operating grants and contributions	10,703,637	15,177,389	11,653,613	12,644,310	11,363,227	22,252,200	12,493,812	17,132,386	13,523,471	12,753,467
Capital grants and contributions	3,612,756	7,534,382	6,761,699	511,399	380,681	24,271,855	15,711,797	2,663,238	9,004,070	7,696,836
Total governmental activities program revenues	**15,998,322**	**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**
Net Revenues (Expenses)										
Governmental activities	(40,945,795)	(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)
General Revenues:										
Governmental activities:										
Transportation Development Act sales tax	38,344,885	38,597,004	42,629,270	34,608,784	32,518,069	28,717,326	27,230,132	28,896,209	34,826,816	37,894,721
Unrestricted investment earnings	117,858	90,429	74,862	38,516	81,743	145,864	99,754	378,390	662,964	502,671
Other miscellaneous revenues	5,595	6,443	799,525	215,023	16,115	24,864	10,062	28,793	64,068	9,828
Total governmental activities general revenues	**38,468,338**	**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**
Changes in Net Position										
Governmental activities:	**$ (2,477,457)**	**$ 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)**

GASB 68 implemented in 2015. Prior years information not restated

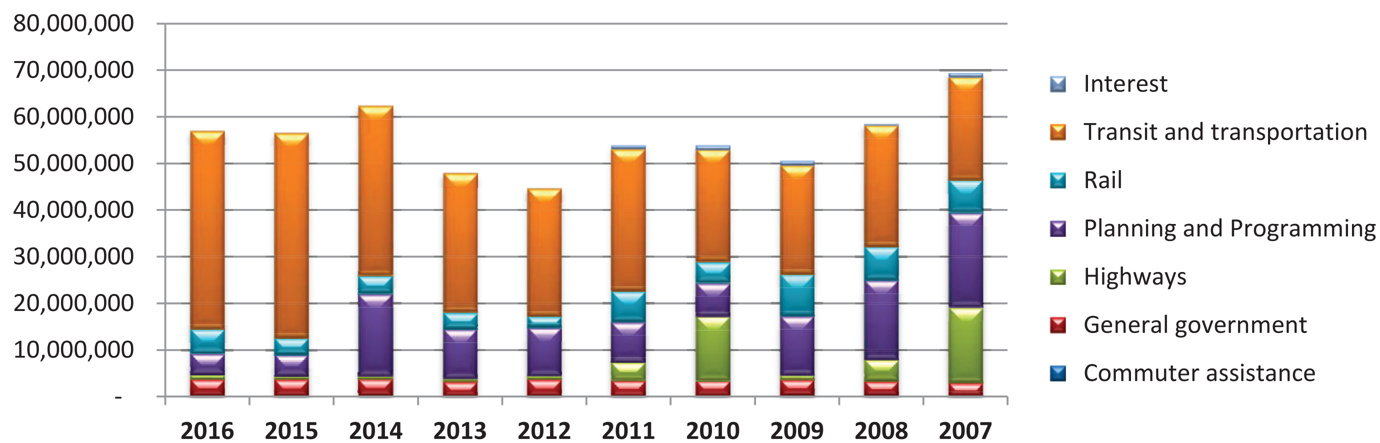
Source: Commission Finance Department

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

Revenues by Source



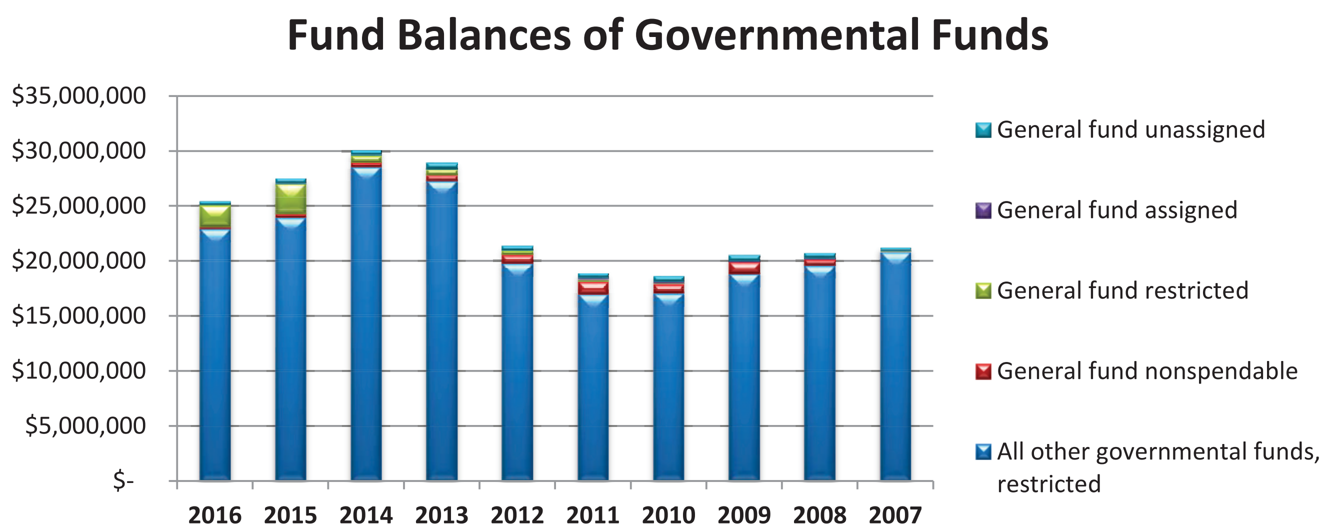
Expenses by Function



Ventura County Transportation Commission
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year 2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Nonspendable	$ 165,959	$ 311,840	$ 375,386	$ 524,229	$ 819,593	$ 1,152,462	$ 832,323	$ 1,098,319	$ 546,088	$ 29,530
Restricted	1,994,084	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
Unassigned	318,444	487,640	441,450	544,159	423,365	448,159	535,960	527,030	430,535	257,016
Total general fund	**$ 2,478,487**	**$ 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**
All other governmental funds:										
Restricted	$22,813,307	$23,995,743	$28,589,701	$27,325,710	$19,809,273	$16,992,131	$17,107,070	$18,843,222	$19,648,306	$20,843,094
Total all other governmental funds	**$22,813,307**	**$23,995,743**	**$28,589,701**	**$27,325,710**	**$19,809,273**	**$16,992,131**	**$17,107,070**	**$18,843,222**	**$19,648,306**	**$20,843,094**

Source: Commission Finance Department



Ventura County Transportation Commission

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Sales taxes	$38,344,885	$38,597,004	$42,629,270	$34,608,784	$32,518,069	$28,717,326	$27,230,132	$28,896,209	$34,826,816	$37,894,721
Vehicle registration user fees	784,953	766,387	761,141	744,145	769,635	703,393	723,873	737,139	742,312	737,885
Intergovernmental	13,502,016	21,929,983	17,644,600	12,407,378	10,961,169	45,796,520	27,453,910	18,926,282	21,342,498	18,749,885
Charges for services	1,681,929	1,658,556	1,696,787	1,780,535	1,905,653	1,831,540	1,578,839	1,423,132	1,283,867	1,168,606
Investment Income	147,282	105,830	84,432	42,702	94,847	170,007	127,580	510,593	1,105,695	1,420,264
Other revenue	5,595	6,443	231,448	10,781	16,115	24,864	10,062	28,793	64,068	9,828
Total revenues	**54,466,660**	**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**
Expenditures										
Current:										
General Government	4,023,019	3,756,577	3,666,206	3,219,917	3,691,581	3,317,757	4,195,014	4,588,977	3,495,046	3,022,619
Programs:										
Commuter assistance	16,872	35,645	65,215	54,283	48,742	56,640	86,969	152,977	152,433	106,959
Highways	842,600	453,286	448,028	450,763	502,657	3,771,194	13,583,971	681,839	2,520,358	17,104,600
Planning and programming	4,565,821	4,631,468	16,215,526	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	16,461,212	20,331,207
Rail	4,647,409	3,039,809	3,545,504	2,985,311	1,909,076	6,063,617	8,714,873	9,084,627	7,891,487	7,160,573
Transit and specialized transportation	42,612,201	53,697,474	37,942,414	29,479,736	27,287,232	30,619,241	24,207,548	23,403,112	26,520,761	23,025,462
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
Bond issuance costs	-	-	-	-	-	-	-	-	146,187	-
Total expenditures	**56,707,922**	**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**
Excess (deficiency) of revenues over (under) expenditures	**(2,241,262)**	**(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)**
Other financing sources (uses):										
Transfers in	9,403,841	11,020,988	7,737,555	4,474,242	3,610,158	5,792,721	3,918,629	5,214,874	3,986,809	4,776,823
Transfers out	(9,403,841)	(11,020,988)	(7,737,555)	(4,474,242)	(3,610,158)	(5,792,721)	(3,918,629)	(5,214,874)	(3,986,809)	(4,776,823)
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	23,795,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(23,795,000)	-
Discounts on revenue bond	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	204,242	-	-	-	-	56,000	-
Total other financing sources	**-**	**-**	**-**	**204,242**	**-**	**-**	**-**	**-**	**56,000**	**-**
Net change in fund balances	**$(2,241,262)**	**$(2,550,056)**	**$ 1,164,785**	**$ 2,952,877**	**$ 2,481,369**	**$ 237,979**	**$(1,898,553)**	**$(1,024,089)**	**$(1,085,945)**	**$(11,734,729)**
Debt service as a percentage of noncapital expenditures	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**32.0%**	**1.8%**	**1.9%**	**5.6%**	**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	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Apparel stores	$ 917,802	$ 907,629	$ 863,178	$ 813,037	$ 754,565	$ 699,760	$ 597,268	$ 595,751	$ 574,387	$ 524,642
General merchandise stores	1,136,469	1,136,487	1,112,454	1,083,396	1,044,770	1,008,611	1,225,854	1,267,235	1,272,068	1,256,308
Specialty stores	294,158	296,249	287,960	363,203	350,548	347,727	522,333	658,538	1,086,692	1,052,798
Food stores	586,114	573,416	548,619	530,624	514,100	517,783	476,367	489,538	476,843	456,139
Eating and Drinking	1,331,182	1,250,941	1,193,290	1,115,328	1,053,007	1,025,568	1,063,774	1,074,200	1,030,726	973,348
Household	497,577	479,315	460,407	464,412	468,896	475,039	396,275	358,289	372,984	388,956
Building materials	718,975	684,286	641,660	599,430	569,099	567,675	600,326	788,485	879,041	929,663
Automotive	3,160,254	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
All other retail stores	304,445	301,383	282,115	193,280	179,073	174,894	632,231	676,042	434,443	410,154
Business and personal services	454,077	425,013	349,963	315,144	303,656	301,095	418,671	482,832	525,815	510,795
All other outlets	3,965,575	3,722,859	3,258,250	2,863,777	2,678,528	2,670,248	2,827,988	2,924,527	2,889,196	2,616,548
Total Taxable Sales	**$13,366,628**	**$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**
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 2014.

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

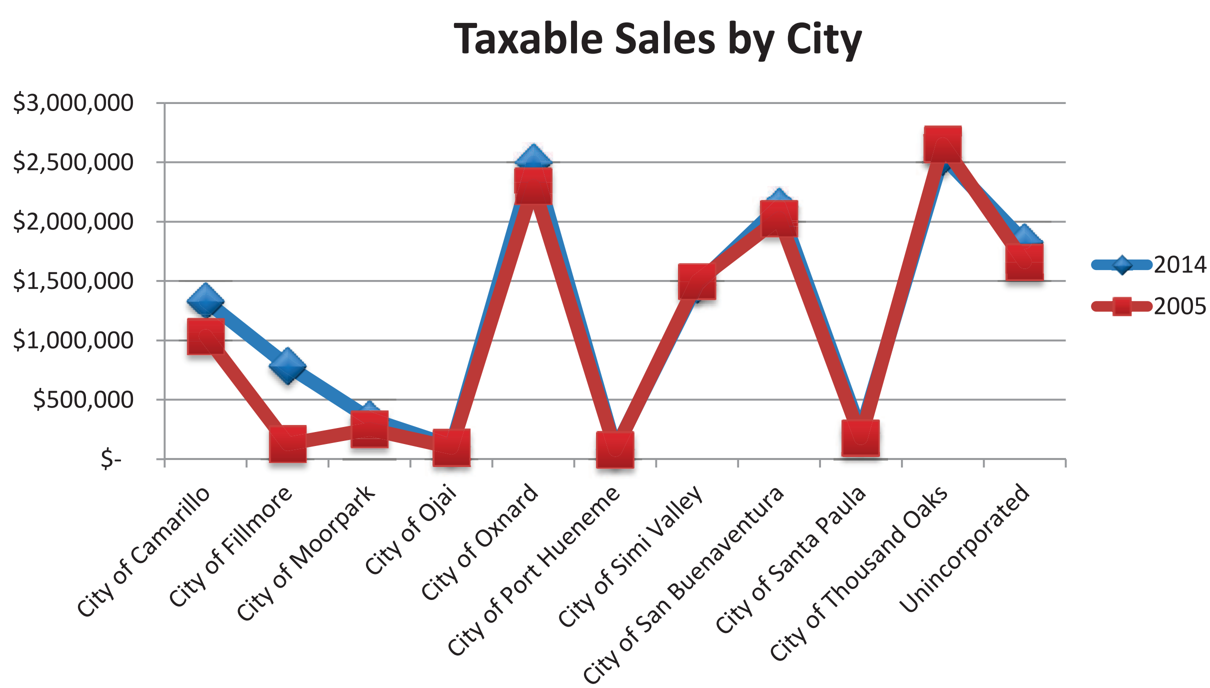
Fiscal Year	Transportation Development Act (TDA) Direct Rate	County of Ventura
2016	0.25%	7.50%
2015	0.25%	7.50%
2014	0.25%	7.50%
2013	0.25%	7.50%
2012	0.25%	7.25%
2011	0.25%	7.25%
2010	0.25%	8.25%
2009	0.25%	8.25%
2008	0.25%	7.25%
2007	0.25%	7.25%

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

	2014			2005		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	$ 1,332,082	6	10.0%	$ 1,036,247	6	8.7%
City of Fillmore	785,258	7	5.9%	128,469	9	1.1%
City of Moorpark	339,979	8	2.5%	251,076	7	2.1%
City of Ojai	110,605	10	0.8%	96,770	10	0.8%
City of Oxnard	2,502,372	2	18.7%	2,299,725	2	19.3%
City of Port Hueneme	86,007	11	0.6%	80,337	11	0.7%
City of San Buenaventura	2,129,830	3	15.9%	2,028,969	3	17.0%
City of Santa Paula	227,321	9	1.7%	178,609	8	1.5%
City of Simi Valley	1,473,823	5	11.0%	1,498,185	5	12.6%
City of Thousand Oaks	2,551,014	1	19.1%	2,649,502	1	22.2%
Incorporated	11,538,291		86.3%	10,247,889		86.1%
Unincorporated	1,828,337	4	13.7%	1,661,179	4	13.9%
Countywide	$ 13,366,628		100.0%	$ 11,909,068		100.0%
California	$615,821,874			$536,904,428		

Source: California State Board of Equalization, Taxable Sales in California Report with the most current information available from 2014.



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)
2016	$34,601,613	$3,743,885
2015	33,844,974	4,752,030
2014	37,506,271	5,122,999
2013	29,581,810	5,026,974
2012	27,679,989	4,838,080
2011	26,289,532	2,427,794
2010	24,802,338	2,427,794
2009	27,052,017	1,844,192
2008	31,371,117	3,455,699
2007	31,039,152	6,855,569
Tax Type:	1/4 cent General Sales Tax	Diesel Fuel 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]
2015	856,508	*	*	5.7%
2014	848,073	$42,651,306	50,292	6.7%
2013	842,967	42,406,474	50,306	7.8%
2012	835,436	40,826,909	48,869	9.0%
2011	832,970	38,141,164	45,789	10.1%
2010	828,383	36,858,409	44,494	10.8%
2009	844,713	36,863,041	43,640	10.0%
2008	836,080	37,185,120	44,476	7.2%
2007	831,587	36,210,471	43,544	4.9%
2006	825,512	33,940,408	41,114	4.3%

* Data is unavailable.

Source:

1. California Department of Finance, Demographic Research Unit

2. U.S Bureau of Economic Analysis, most current information available is 2014.

3. California Employment Development Department, Labor Market Information Division

Ventura County Transportation Commission

Principal Employers

Current Year and Nine Years Ago

	2016 [1]			2007 [2]		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Naval Base	14,210	1	4.46%	15,000	1	4.67%
County of Ventura	8,833	2	2.77%	7,320	3	2.28%
Amgen, Inc.	5,250	3	1.65%	10,600	2	3.30%
Wellpoint Inc.	2,863	4	0.90%	3,764	5	1.17%
Simi Valley Unified School District	2,436	5	0.76%	2,382	8	0.74%
Community Memorial Hospital	2,000	6	0.63%	1,900	*	0.59%
Conejo Unified School District	1,958	7	0.61%	2,601	6	0.81%
Dignity Health	1,904	8	0.60%	1,957	*	0.61%
Ventura Unified School District	1,885	9	0.59%	2,138	10	0.67%
Ventura Community College District	1,701	10	0.53%		*	
	43,040		13.51%	47,662		14.84%
Total Employment	318,500			321,100		

* Data is unavailable.

Source:

1 2016 Ventura County Economic Outlook as of January 2016

2 County of Ventura/UCSB Economic Forecast Project February 2007

Ventura County Transportation Commission

Full-Time Equivalent Employees by Function

Last Ten Fiscal Years

	Fiscal Year									
Programs	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
General government	5.5	4.8	4.3	5.2	5.2	5.2	5.5	5.7	5.0	4.5
Planning and Programming	6.0	5.0	4.0	4.4	4.0	3.1	2.7	2.2	0.8	0.8
Commuter assistance	2.3	3.2	2.4	2.8	2.5	2.5	2.4	3.0	3.9	3.9
Rail	0.9	0.8	1.0	1.0	0.9	0.8	0.9	0.8	1.2	1.2
Highways	0.1	0.1	0.1	0.1	0.2	1.0	0.8	1.1	2.2	2.2
Transit and specialized transportation	5.6	4.9	4.2	4.0	3.5	3.3	3.8	4.5	5.9	5.9
Total Full-time equivalent	**20.4**	**18.8**	**16.0**	**17.5**	**16.3**	**15.9**	**16.1**	**17.3**	**19.0**	**18.5**

Source: Commission Finance Department

Ventura County Transportation Commission

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Transit and Specialized Transportation Program										
Bus Transit Operations										
Ridership:										
Intercity 101	97,758	113,149	118,630	120,739	120,670	112,705	105,588	113,382	89,493	84,804
Intercity Conejo	28,376	29,295	33,059	41,269	39,633	43,582	37,228	42,320	34,629	32,627
Intercity 126	199,374	216,098	220,011	228,803	234,145	222,723	199,043	196,750	165,343	163,441
Intercity East	67,043	69,935	76,015	84,216	81,711	74,889	76,321	67,144	57,860	56,699
Intercity CSUCI - Combined [8]		96,914	108,779	95,866	81,368	63,743	84,552	89,093	77,946	67,780
Intercity CSUCI - Camarillo	61,736									
Intercity CSUCI - Oxnard	46,849									
Intercity Coastal	285,625	256,990	226,507	272,913	311,827	285,314	276,449	277,105	209,694	179,301
Valley Express DAR - SP [8]		56,917	89,433	101,063	98,616	99,912	104,267	98,346	106,252	113,066
Valley Express DAR - F [8]		64,873	100,212	108,236	105,965	105,780	112,633	107,705	104,025	106,118
Valley Express Fixed - SP [8]		12,722								
Valley Express Fixed _ F [8]		8,443								
Valley Express Fixed - P [8]		8,663								
Valley Express Fixed	96,994									
Valley Express Dial-a-ride	31,487									
Farebox recovery ratio:										
Intercity 101	9.79%	19.17%	28.05%	26.58%	32.40%	29.93%	28.99%	30.20%	24.12%	24.26%
Intercity Conejo	13.94%	18.76%	32.64%	30.55%	48.52%	57.88%	51.79%	50.52%	30.26%	31.01%
Intercity 126	18.21%	34.57%	47.63%	48.38%	61.15%	58.09%	48.67%	43.61%	36.18%	41.18%
Intercity East	10.35%	16.24%	23.42%	21.82%	26.97%	26.09%	26.42%	23.23%	20.48%	21.32%
Intercity CSUCI - Combined [8]		91.05%	111.07%	102.69%	102.73%	102.73%	102.73%	102.58%	102.73%	103.15%
Intercity CSUCI - Camarillo	78.57%									
Intercity CSUCI - Oxnard	64.13%									
Intercity Coastal	29.34%	49.70%	70.24%	59.43%	82.10%	79.15%	69.09%	61.40%	65.74%	64.93%
Valley Express DAR - SP [8]		8.46%	11.53%	13.11%	12.47%	13.04%	12.62%	12.83%	13.95%	17.15%
Valley Express DAR - F [8]		11.16%	14.82%	13.77%	15.21%	15.60%	14.96%	15.70%	15.82%	16.97%
Valley Express Fixed - SP [8]		4.82%								
Valley Express Fixed _ F [8]		6.05%								
Valley Express Fixed - P [8]		9.78%								
Valley Express Fixed	7.07%									
Valley Express Dial-a-ride	5.84%									

Ventura County Transportation Commission

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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
GoVentura Pass Sales Amount		$198,854	$232,806	$217,047	$263,183	$257,518	$237,815	$245,437	$201,545	$186,272
GoVentura Pass Boardings		149,551	172,413	164,871	203,340	223,572	235,566	226,323	191,114	181,264
GoVentura E-Purse Sales Volume		5,390	6,761	5,863	7,049	6,456	5,857	5,502	4,386	3,235
GoVentura E-Purse Sales Amount		$236,791	$298,653	$261,716	$343,466	$327,291	$272,816	$227,038	$175,583	$124,948
GoVentura E-Purse Boardings		128,977	155,702	131,306	178,210	168,128	161,540	152,357	114,217	90,391
Intercity Pass Sales Volume	3,240	665								
Intercity Pass Sales Amount	$206,023	$ 49,635								
Intercity Pass Boardings	58,553	1,381								
Intercity 10-Trip Sales Volume	13,243	2,015								
Intercity 10-Trip Sales Amount	$307,208	$ 43,838								
Intercity 10-Trip Boardings	121,111	7,735								
One Ride Pass Sales Volume	21,346									
One Ride Pass Sales Amount	$ 21,908									
One Ride Pass Boardings [7]	6,991									
Valley Express Pass Sales Volume	1,942	271								
Valley Express Pass Sales Amount	$ 36,970	$ 3,450								
Valley Express Pass Boardings	38,071	4,320								
Senior and Disabled										
Telephone Information[1]	13,709	16,844	16,557	4,858	5,015	5,911				
Applications Received	1,519	1,558	1,254	1,114	1,158	1,278				
Certifications Issued	1,314	1,116	794	803	763	773				
Applicant Interviews	479	922	661	643	604	609				
Functional Assessments	370	414	390	444	353	336				
Highway Program										
Motorist Assistance										
Callboxes	564	564	564	564	547	553	564	562	556	546
Calls made	2,565	3,046	2,792	3,326	3,294	3,543	3,747	3,889	4,791	5,467
Rail Program										
Commuter Rail Operations Valley Express Ventura Line										
Train miles	247,204	247,054	286,850	250,976	283,985	270,384	292,147	292,147	290,906	289,724
Passenger Boardings	1,029,351	1,015,242	1,061,161	1,024,464	1,001,043	1,012,409	1,038,375	1,218,163	1,182,463	1,096,963
Farebox recovery ratio	25.30%	27.60%	28.80%	33.70%	29.10%	29.10%	27.80%	32.00%	31.80%	31.80%