



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2020

GOLD COAST TRANSIT DISTRICT

CITY OF OJAI | CITY OF OXNARD | CITY OF PORT HUENEME | CITY OF VENTURA | COUNTY OF VENTURA
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Gold Coast Transit District
Board of Directors – June 30, 2020



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Councilmember, City of Port Hueneme



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Councilman, City of Ojai



Cheryl Heitmann, Director
Councilmember, City of Ventura



Bryan A. MacDonald, Director
Councilman, City of Oxnard



John C. Zaragoza, Director
Supervisor, 5th District, County of Ventura

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GOLD COAST TRANSIT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

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**GOLD COAST TRANSIT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**INTRODUCTORY SECTION
(UNAUDITED)**

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December 30, 2020

Board of Directors
Gold Coast Transit District
Oxnard, CA

Members of the Board:

It continues to be a privilege to serve as Gold Coast Transit District's General Manager. This year, GCTD has seen unprecedented changes as a result of the COVID-19 pandemic. While the stay-at-home orders had large impacts on almost every sectors of community life, public transit remains a lifeline for seniors, people with disabilities and essential workers. In FY 2019-2020, GCTD delivered over 3 million passenger trips and over 2 million miles of revenue service in western Ventura County on our fixed-route and ACCESS services. Public transit continues to play an important part of providing access to opportunities and improving quality of life for all in the cities we serve.

Some noteworthy highlights at GCTD during FY 2019-20 include:

COVID-19 Response / Enhanced Cleaning here to say- Despite the challenges of this year, I want to take an extra moment to express my gratitude to our employees who have illustrated bravery, courage, and tenacity during these challenging, unprecedented times. With ever-changing dynamics, they have adapted and remained committed to providing transportation services - a lifeline for so many - to the communities we serve. We are so grateful for their service. In order to better serve our passengers and improve our processes, GCTD developed an online, bilingual survey, which gained great feedback as we worked to resume your riding activities amid the challenges brought on by COVID-19. Cleaning buses was listed as a top priority of passengers, to which we responded by recruiting five new facility and bus cleaners to ensure that our buses are sanitized and ready for service

COVID-19 Response - Meal Delivery Partnership with Area Agency on Aging – GCTD staff and ACCESS Paratransit services contractor (MV Transportation) partnered with the team from Ventura County Area Agency on Aging (VCAAA) to deliver meals to our most vulnerable populations, many of whom are not able to leave their home or place of shelter. Together, we delivered over 100,000 meals since the program began in March until it ended in July. We are so proud of the work that was done. We truly are stronger together.

Direct ACCESS service to Camarillo – Using a 5310 Grant for Seniors and People with Disabilities, GCTD implemented in partnership with the City of Camarillo: a new Direct trip to Camarillo service for customers who use ACCESS. This project alleviates the need for passengers to make the physical transfer between vehicles to reach their destination which was a concern cited in the VCTC 2016 Human Service Transportation Coordinated Plan.

301 Decommissioning and Redevelopment – A significant amount of work was done this year on the decommissioning of the 301 site and disposal of equipment, furniture, temporary office trailers, and other items is underway at this time. Staff has enlisted the support of a consultant team who is working to assess the site for potential future uses including possible redevelopment of the site into affordable and market rate housing located adjacent to downtown Oxnard and good public transit service.

GOLD COAST TRANSIT DISTRICT

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New Facility 1st Year in Operation – This year was the first full year of operating out of our new facility. GCTD celebrated the ribbon cutting of our new facility on July 13th, 2019 and operations beginning here on July 28th, 2019. Moving from the 301 East Third Street site, which had been GCTD’s headquarters for over 40 years, was a massive undertaking. GCTD implemented a number of transit service changes to help ensure efficient routing to and from the facility, including implementation of new blocking and scheduling processes that reduced deadhead (time that buses and relief cars spend traveling to and from the routes from the yard) so that services can be maximized.

MoreGO 2020 - Launch of Service on Ventura Road & Bus Stop Consolidation – Our planners worked together with the Cities of Oxnard and Port Hueneme to launch service on Ventura Road in July 2020. This project was a multi-year effort that has required coordination with the Cities to ensure bus stops are ready. This route will play a large role in helping us restructure our routes to provide more frequent service between the South Oxnard, the Naval Base, medical centers, and jobs in north Oxnard. In addition, our continued effort to provide faster, better, and more direct service, GCTD also implemented a series of changes to address unserved areas, bus stop balancing, underperforming routes and much more. Planning staff held multiple community input sessions to get public input and the changes were successfully implemented in July.

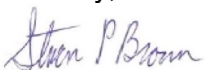
Building Transit Supportive Communities - GCTD, in partnership with the Southern California Association of Governments (SCAG), and with stakeholder input has developed a “**Building Transit Supportive Communities**” plan to identify strategies that local jurisdictions, developers, non-profits, architects and other decision makers can use to support and facilitate quality public transportation, active transportation and improved air quality in our communities. The plan involved public and stakeholder input and was presented to the Board in June, 2020.

Zero Emission Relief Cars – GCTD is going green. This past year, GCTD replaced nine (9) CNG sedans with new Zero Emission battery electric Nissan Leaf’s to help us reduce our carbon footprint. Relief cars are used by bus operators going to and from the yard and the start of route. Electric charging stations were installed and the new electric sedans are now in use.

Preparing for Bus Replacements & Zero Emissions by 2040– Our fleet is aging. With 43 out of 61 buses reaching the end of their life in the next five years, we are continuing to prepare for the eventual replacement of our fleet. In addition, staff continues to prepare for the future of zero emissions bus replacements to meet the goal of transitioning to a zero-emission fleet by 2040 which is required by CARB.

The coming year will require us to continue to be financially sustainable as we strive to provide high quality bus service to the community as we work together toward recovery as a community. Staff will continue to work hard to stretch our operational dollars (and identify new sources of funding) to enable us to provide the best service possible. The Gold Coast Transit District team is very proud of its accomplishments to date and we remain committed to upholding the organization’s mission: “to provide safe, responsive, convenient, efficient, and environmentally responsible public transportation that serves the diverse needs of our community.”

Sincerely,



Steven P. Brown
General Manager

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GOLD COAST TRANSIT DISTRICT ORGANIZATIONAL INFORMATION

About Us

Gold Coast Transit District (GCTD) provides public fixed-route and paratransit service in the cities of Ojai, Oxnard, Port Hueneme, Ventura, and the unincorporated areas of Ventura County. With 3 million passenger trips provided each year, GCTD is the largest public transportation operator in Ventura County. The fleet includes 61 buses, all powered by clean natural gas supplied by an on-site CNG fueling station and 26 paratransit vehicles with 80% powered by natural gas.

Our Mission

GCTD's mission is to provide safe, responsive, convenient, efficient, and environmentally responsible public transportation that serves the diverse needs of our community.

History

GCTD was founded in 1973 (original named "South Coast Area Transit") when the cities of Ojai, Oxnard, Port Hueneme, and San Buenaventura executed a Joint Powers Agreement that created "SCAT" to develop and operate local and intercity public transportation in western Ventura County.

Prior to 1973, Ventura Transit City Lines operated local service in Ventura and Ojai, and Oxnard Municipal Bus Lines served Oxnard and Port Hueneme. Following a national trend, the bus systems that flourished through the mid-century began to decline in the 1960's. The outlook for public transit systems in California brightened in 1971 when the State Legislature created a source of dedicated transportation funding through passage of the Transportation Development Act (TDA). The availability of TDA funds to local governments provided an impetus for forming a single regional transit entity to operate coordinated transit services across municipal boundaries and in some unincorporated areas of western Ventura County. The County of Ventura joined SCAT in October of 1977. By February of 1980 the transit functions in western Ventura County were consolidated into a single administrative, operating and maintenance facility on a three-acre site at 301 East Third Street in Downtown Oxnard.

In the 1990's SCAT began operation of ACCESS, a regional paratransit service providing curb-to-curb transportation for people with disabilities and senior citizens.

In June 2007, SCAT's Joint Powers Agreement was amended to rename the agency from South Coast Area Transit to Gold Coast Transit. The change in name was intended to help distinguish the agency from the 11 other agencies named SCAT around the nation and to better connect the service to the community it served.

In October 2013, Governor Brown signed into law Assembly Bill AB 664, which formed the Gold Coast Transit District. The district legislation was initiated in response to Senate Bill SB 716, which required that all TDA funds in Ventura County be used solely for public transit purposes. Formation of a transit district allows GCTD's Board of Directors and staff to have greater flexibility in implementing service improvements by looking beyond jurisdictional borders in order to efficiently and effectively meet the public's transit needs.

In 2014 GCTD was named Small Agency of the Year by the California Transit Association. In 2015, GCTD unveiled a new logo and bus paint scheme to coincide with the purchase of replacement buses. The new colors reflect GCTD's commitment to quality public transportation, and evokes the agency's vision of a more modern, clean, and efficient future.

During FY 2018-19 the District continued development of the new 15-acre Administration and Operations Facility in North Oxnard that will allow GCTD to better meet the growing transit needs of the community. The new facility located at 1901 Auto Center Drive in Oxnard, CA opened July 28, 2019.

Statistics

- Service Area: Ojai, Oxnard, Port Hueneme, Ventura & County of Ventura
- Population Served: 375,000
- Fixed-Route Annual Passengers: (FY 2019-20) 2.9 million
- Fixed-Route Annual Revenue Miles: (approx.) 1.9 million
- ACCESS Paratransit Annual Passengers: 95,245
- 61 - fixed-route buses
 - Fuel Type: 100% Natural Gas
- 28 - paratransit buses and vans
 - Fuel Type: 80% Natural Gas

Board of Directors

GCTD is governed by a Board of Directors. Each of GCTD's five-member agencies appoint one elected official from its governing body to serve on the Board of Directors and a second to serve as an alternate member. The Board of Directors regular monthly meetings are held on the first Wednesday of each month at 10:00 a.m.

GCTD's Leadership

GCTD's General Manager is appointed by, and reports to, the Board of Directors. The General Manager is charged with carrying out the Board's policies and directives and has full charge of the operation of GCTD's services, facilities, and administration of business affairs. GCTD's Management Team for FY 2019-20 was comprised of:

- **General Manager - Steven P. Brown**
- Assistant General Manager – vacant – (*Reed Caldwell until March 2020*)
- Director of Operations & Maintenance – James Beck
- Director of Finance – Dawn Perkins, *effective November, 2020* – (*Steve Rosenberg until November 2019*)
- Director of Planning & Marketing – Vanessa Rauschenberger
- Director of Human Resources – Debbie Williams

Employees

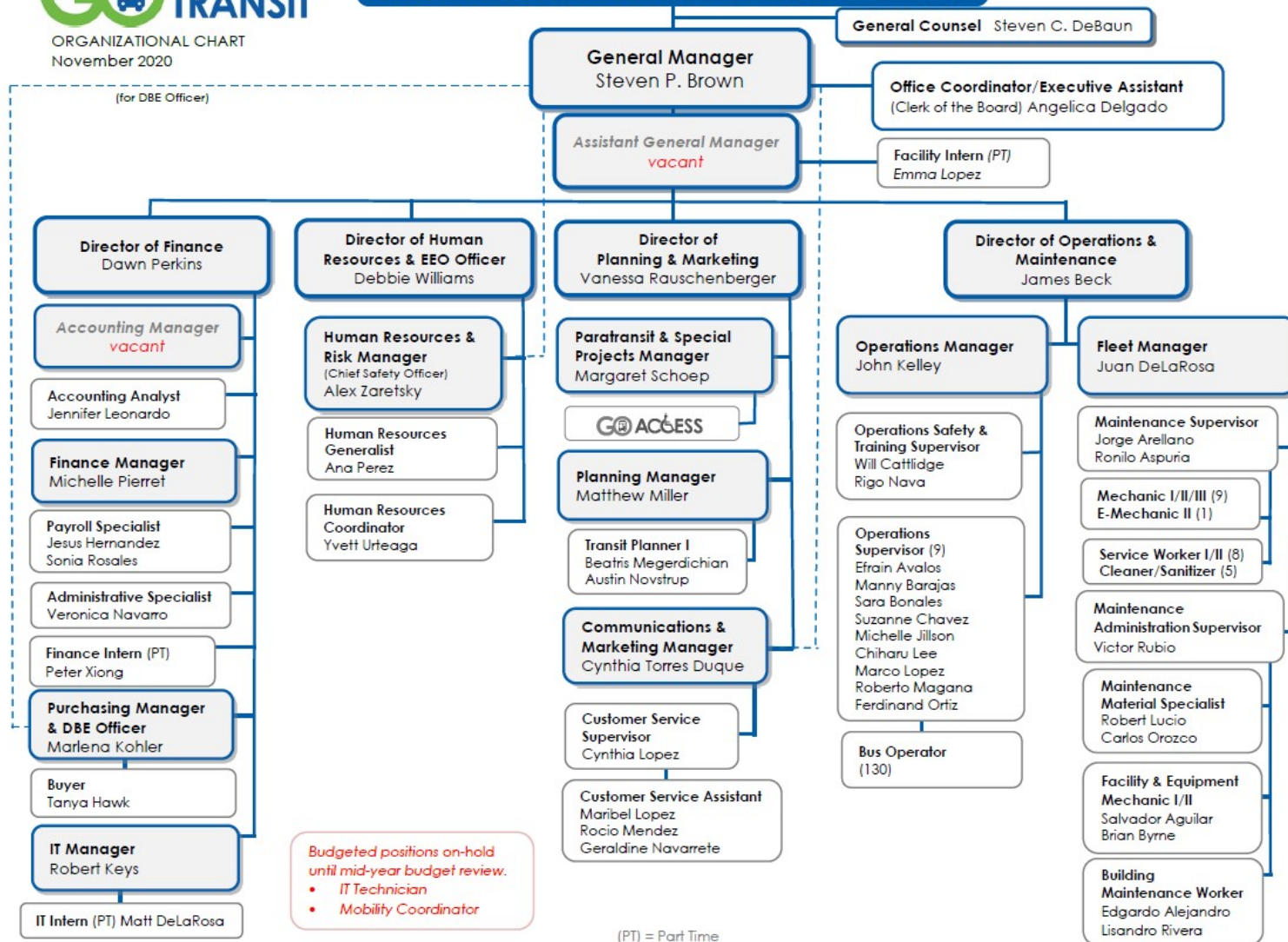
GCTD has 205 employees, the majority of whom operate or maintain buses. Service Employees International Union Local 721 represents all bus operators, most maintenance employees, and five administrative staff members. International Brotherhood of Teamsters Local 186 represents all supervisors. GCTD contracts with MV Transportation for the maintenance and operation of ACCESS Paratransit.

GOLD COAST TRANSIT DISTRICT ORGANIZATIONAL CHART



ORGANIZATIONAL CHART
November 2020

BOARD OF DIRECTORS OJAI | OXNARD | PORT HUENEME | VENTURA | COUNTY OF VENTURA

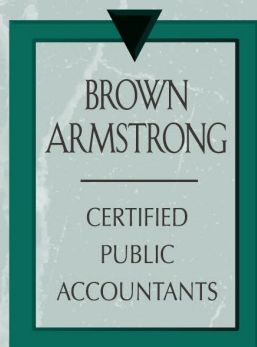


GOLD COAST TRANSIT DISTRICT BUS SYSTEM MAP



FINANCIAL SECTION

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Gold Coast Transit District
Oxnard, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Gold Coast Transit District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District'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*, issued by the Comptroller General of the United States. 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions - Pension Plan, and the Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, Schedule of Changes in Local Transportation Funding Activity of the District (supplementary information), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

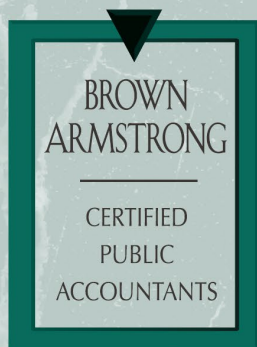
In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 30, 2020

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S 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 Directors of the
Gold Coast Transit District
Oxnard, 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 basic financial statements of the Gold Coast Transit District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 30, 2020

**GOLD COAST TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
JUNE 30, 2020**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Gold Coast Transit District (GCTD, or the District) introduces the basic financial statements of GCTD for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Financial Section.

ACTIVITIES AND HIGHLIGHTS

GCTD provides bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme, and Ventura, and in the unincorporated Ventura County areas between the cities. The service area is approximately 91 square miles with a population of approximately 375,000.

GCTD owns 87 revenue vehicles, primarily fueled with clean burning compressed natural gas (CNG) from GCTD's owned and operated CNG fueling station. In FY 2019-20, GCTD vehicles carried over 3 million passengers while traveling over 2 million miles in revenue service.

Due to COVID and the stay at home orders, all transit ridership is down significantly over the prior year.

GCTD operates a fleet of 61 fixed-route buses. In FY 2019-20, GCTD fixed-route buses operated 1.9 miles of revenue service and provided 2,958,867 passenger boardings, a decrease of 16% from the previous year's boardings.

In FY 2019-20, the ACCESS paratransit system transported 95,245 passengers, a decrease of 19% from the previous year. The GCTD ACCESS service is operated under contract by MV Transportation, Inc. GCTD owns the paratransit fleet, which consists of 28 vehicles, including 13 MV1 vans and 15 cutaway vans.

	2020	2019	Increase (Decrease)
Fixed Passenger Route	2,958,867	3,524,869	-16.06%
ACCESS Paratransit One-Way Trips	95,245	117,456	-18.91%
Total Boardings	3,054,112	3,642,325	-16.15%

GCTD is different than most transit operations in Southern California in that it provides transit service without support from a direct local sales tax measure, tax levy or dedicated general fund support. The use of Local Transportation Funds (LTF) from a quarter-cent state sales tax provided by the Transportation Development Act (TDA) of 1974 has historically been the primary funding source available to GCTD to support transit services.

LTF increased substantially through the early 2000s and peaked in FY 2006-07; it was highly impacted by the recession that followed. After decreasing 35% from FY 2006-07 to FY 2009-10, LTF funding allocated to GCTD member jurisdiction (by population) has returned to its pre-recession level. In FY 2019-20 GCTD received \$18,142,280 in gross LTF funding. Due to the impact of COVID-19 and statewide orders to remain at home, GCTD's LTF for FY 19-20 was slightly reduced from the previous year.

In FY 2014-15, Gold Coast Transit, a joint powers authority (JPA), became Gold Coast Transit District as the result of state legislation. As a transit district, GCTD directly receives all LTF funds allocated to its member jurisdictions; previously Gold Coast Transit was allocated a portion of the LTF by its members based on budget requirements. GCTD's enabling legislation also allows GCTD members to claim from the district a portion of its LTF funds for transit services (not provided by the District) that the member funds or operates. In FY 2019-20 GCTD provided to its members \$2,381,529 in net LTF funding.

GCTD's second largest source of operating revenue is the Federal Transit Administration (FTA). Federal Section 5307 grants are allocated based on a federal formula and have remained relatively stable over the past ten years. Section 5307 is the core program that provides federal funds used for GCTD operating activities. GCTD expended \$5,797,498 in Section 5307 grant funds for eligible operating activities in FY 2019-20. GCTD also used Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds for bus replacements. GCTD expended \$2,478,840 in CMAQ funds replacing five buses in FY 2019-20.

Another revenue source for GCTD is State Transportation Assistance. While STA accounts for a small percentage of GCTD revenues (1.19% in FY 2019-20), STA does provide significant funding for competing Ventura County transit priorities such as Metrolink and VCTC Intercity Transit. GCTD expended \$404,624 in STA funds for operating activities in FY 2019-20.

GASB STATEMENTS NO. 68 AND NO. 71

The Governmental Accounting Standards Board (GASB) is an independent, nonprofit, non-governmental regulatory body charged with setting accounting and financial reporting standards for state and local governments. Beginning with FY 2014-15, GASB Statements No. 68 and No. 71 required agencies to report their net pension liability in accrual-based basic financial statements. This is distinctly different than previous methods in which funding and accounting were aligned. Please note that these standards only impact the accounting and financial reporting of pension obligations for governmental employers; pension contribution rates and funding requirements are not impacted.

GCTD employees are covered by a CalPERS pension plan. GCTD's net pension liability at June 30, 2020 is \$13,210,623.

Note 10 to the basic financial statements addresses the GASB Statements No. 68 and No. 71 requirements in substantially greater detail.

GASB STATEMENTS NO. 74 AND NO. 75

GCTD provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon retirement from the District. GCTD pays the minimum employer contribution amount as prescribed by the Public Employees' Medical and Hospital Care Act (PEMHCA). The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. Retirees pay the portion of premium not paid by the District. For context, in 2020 GCTD pays \$132.05 per month per employee.

In 2013 GCTD joined the California Employers' Benefit Trust (CERBT) Fund, a Section 115 trust fund managed by CalPERS dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. GCTD has invested in CERBT each year an amount to maintain a zero net liability in accordance with the actuarial calculation required under GASB Statements No. 43 and No. 45. As of June 30, 2020, GCTD's investment in CERBT was valued at \$660,703.

Beginning with the FY 2017-2018 fiscal year public agencies are required to report OPEB liabilities in accordance with GASB Statements No. 74 and 75. The new GASB statements require public agencies to recognize a liability for OPEB obligations, known as the net OPEB liability (NOL), on the Statement of Net Position, and to recognize an OPEB expense on the Statement of Activities and Changes in Net Position. This is very similar to what is now required under GASB 67 and 68 for pensions. GCTD's NOL at June 30, 2020 is \$112,133.

Note 4 to the basic financial statements addresses the GASB Statements No. 74 and No. 75 requirements in substantially greater detail.

FINANCIAL POSITION SUMMARY

GCTD's total net position for FY 2019-2020 is \$44,435,287, a 13.96% increase from last year's net position of \$ 38,991,915.

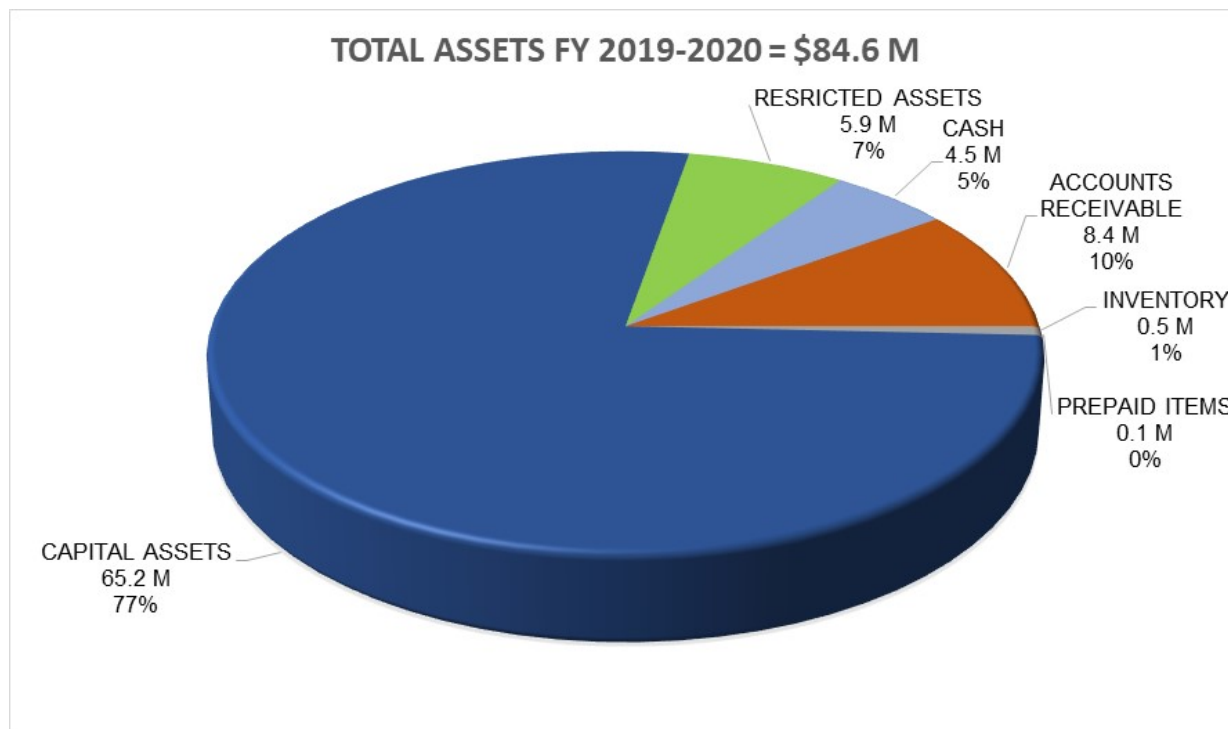
Condensed Statements of Net Position

	6/30/2020	6/30/2019
Assets		
Current Assets	\$ 13,528,315	\$ 7,644,376
Capital Assets (Net)	65,195,340	61,511,570
All other Assets	5,915,487	9,300,205
Total Assets	84,639,142	78,456,151
Deferred Outflow of Resources	3,392,613	4,719,702
Total Assets and Deferred Outflow of Resources	\$ 88,031,755	\$ 83,175,853
Liabilities		
Current Liabilities	\$ 6,624,692	\$ 6,792,702
Non-Current Liabilities	36,212,987	35,739,868
Total Liabilities	42,837,679	42,532,570
Deferred Inflows of Resources	758,789	1,651,368
Net Position		
Net Investment in Capital Assets	42,360,891	39,419,681
Restricted	5,944,030	7,849,670
Unrestricted (Defecit)	(3,869,634)	(8,277,436)
Total Net Position	44,435,287	38,991,915
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 88,031,755	\$ 83,175,853

The largest portion of GCTD's *net position* is its net investment in capital assets, such as buses, buildings, improvements, and equipment. GCTD uses these capital assets to provide services to its passengers; consequently, these assets are not available for future spending. The increase in capital assets is primarily due to work in process (WIP) on the construction of the new GCTD Operations and Administration Facility in north Oxnard.

Restricted net position are those funds set aside or specifically awarded to fund the purchase of future capital projects and transit vehicle acquisitions. The remaining *unrestricted deficit net position* is primarily the result of the net pension liability and related deferred inflows and outflows of resources recorded in accordance with GASB Statement No. 68 requirements (see Notes 10 and 13).

The following chart shows GCTD's total assets by percentage:



GCTD PASSENGER FARES

Passenger fares are set by the Board of Directors and changed when determined necessary by the Board. The most recent fare increase was approved during FY 2009-10, when the Board of Directors approved a two-phase fare increase. The first phase took effect on January 24, 2010, and the second phase took effect on August 21, 2011. The base cash fare for GCTD fixed route buses is \$1.50, and by policy the paratransit fare is automatically set at twice the amount of the fixed route fare, or \$3.00.

GCTD last restructured its multi-ride ticket and monthly pass program in October 2013. GCTD's current fare structure is as follows:

GCTD FIXED ROUTE FARES

<u>Cash Fares (One Way)</u>	<u>Fare Amount</u>	<u>Multi-Ride Ticket or Monthly Pass</u>	<u>Fare Amount</u>
Adult	\$ 1.50	Adult	
Youth (through age 18)	\$ 1.50	15-Ride	\$ 20.00
Seniors (65-74 years of age with GCTD ID or proof of age)	\$ 0.75	31-Day Pass	\$ 50.00
Medicare (with Medicare Card)	\$ 0.75	Youth	
Disabled (ADA card or GCTD ID)	\$ 0.75	15-Ride	\$ 15.00
Seniors 75+ (with GCTD ID or proof of age)	Free	31-Day Pass	\$ 40.00
Children under 45" tall (when accompanied by paid fare)	Free	Reduced Fare (Senior/Disabled)	
Day Pass (One-Day/Unlimited Boardings)	\$ 4.00	15-Ride	\$ 10.00
Day Pass for Seniors/Medicare/Disabled	\$ 2.00	31-Day Pass	\$ 25.00

GCTD ACCESS (Paratransit) FARES

<u>Cash Fares (One Way)</u>		<u>Multi-Ride Ticket or Monthly Pass</u>	
ADA Certified or Senior	\$ 3.00	Book of Ten Tickets - ADA Certified or Senior	\$ 30.00
Senior Nutrition (registered with County program)	Donation		

Financial Operations Highlights

Due to the efforts to ensure social distancing on board GCTD buses, fare collection was suspended March 2020. At the time of this report, fare revenue collection remains suspended.

Operating revenues increased 3.70%, from \$3,357,045 in FY 2018-19 to \$3,481,222 in FY 2019-20. Fixed route revenues decreased 33.26% from FY 2018-19. Paratransit fare revenues decreased 10.7% in FY 2019-20 with a 18.91% decrease in passenger boardings, offset by the fare support revenue received from the Medi-Cal Administrative Activities (MAA) program which increased 50.2% from last year. The program has ended and the final payment was received in FY2020 in the amount of \$263,521. GCTD records these funds in the year received because reimbursement data is not available in the year services are provided. GCTD nearly achieved its TDA-mandated minimum fare box recovery ratio of 15% overall or 15.3% for fixed route and 16.5% for paratransit. This year GCTD was not required to meet the minimum fare box recovery requirement due to the COVID-19 pandemic suspension of this regulation. GCTD will not face any penalty for not meeting the minimum required fare box ration.

Operating expenses before depreciation increased 9% from \$25,387,071 to \$27,671,728. The largest single factor for the increase was utilities. In FY 2019-20, GCTD booked charges of \$313,536. Legal expenses increased 171% from \$113,218 to \$306,797, increasing GCTD's operating expenses before depreciation expense from \$25,387,071 to \$27,671,728.

Addressing operating expense excluding the calculated pension accrual, the year-to-year increase was driven by:

1. A 4.3% increase in medical benefit contribution costs, resulting from a 5.5% increase in GCTD's medical benefit contribution for FY 2019-20.
2. A 171% increase in legal expenses, resulting from an increase in payments for investigations and deductibles for legal liabilities.
3. A 14.5% increase in insurance costs, including a 9% increase in workers' compensation insurance and a 21% increase in liability and other insurances. Both coverages continue to see substantial increases over the past few years. The transit liability insurance market conditions continued to increase in FY 2019-20; GCTD was successful in increasing its self-insured level to reduce premium growth.
4. Due to the outbreak of COVID-19, paratransit services resulted in a 32.28% increase in paratransit service revenue, with a 18.91% decrease in ridership. The revenue increase is a result of reimbursement from Medi-Cal for the purchase of fare tickets in prior years.
5. GCTD's facility maintenance costs increased 160% in FY 2019-20. The cost increase is a result of the move into the new facility.

Condensed Statement of Activities and Changes in Net Position

	2020	2019	Increase/(Decrease)
Operating Revenues	\$ 3,481,222	\$ 3,357,045	\$ 124,177
Operating Expenses	(27,671,728)	(25,387,071)	(2,284,657)
Operating Loss Before Depreciation	(24,190,506)	(22,030,026)	(2,160,480)
Depreciation	(3,384,578)	(2,569,688)	(814,890)
Operating Loss	(27,575,084)	(24,599,714)	(2,975,370)
Non-Operating Revenues/(Expenses), Net	33,018,456	21,628,134	11,390,322
Income/(loss) Before Capital Contributions	5,443,372	(2,971,580)	8,414,952
Capital Contributions	-	1,830,225	(1,830,225)
Change in Net Position	5,443,372	(1,141,355)	6,584,727
Net Position			
Beginning of Year	38,991,915	40,133,270	(1,141,355)
End of Year	\$ 44,435,287	\$ 38,991,915	\$ 5,443,372

REVENUES

A summary of revenues for the year ended June 30, 2020, including the amount of change in relation to prior year amounts, is as follows:

	2020	Percentage of Total	2019	Percentage of Total	Increase/ (Decrease)
Operating Revenues					
Fixed Route Passenger Fares	\$ 1,880,378	4.70%	\$ 2,587,393	10.50%	\$ (707,015)
Local Support - Fixed Route	267,583	0.70%	230,000	0.90%	37,583
ACCESS Paratransit Fees	481,785	1.20%	364,212	1.50%	117,573
Local Support - Paratransit	-	0.00%	175,440	0.70%	-
Other operating	851,476	2.10%	-	0.00%	851,476
Total Operating Revenues	3,481,222	8.70%	3,357,045	13.60%	299,617
Non-Operating Revenues					
Local Transportation Funds (TDA)	18,142,280	45.50%	15,384,232	62.20%	2,758,048
Federal Funding	16,723,497	42.00%	4,341,003	17.60%	12,382,494
State Funding	1,275,869	3.20%	709,242	2.90%	566,627
Other Local Revenue	218,556	0.50%	925,319	3.70%	(706,763)
Total Non-Operating Revenues	36,360,202	91.20%	21,359,796	86.40%	15,000,406
Total Revenues	\$ 39,841,424	99.90%	\$ 24,716,841	100.00%	\$ 15,300,023

Passenger fare revenues for fixed route bus service decreased significantly from FY 2018-2019 to FY 2019-2020, as the result of a 16.06% decrease in passenger boardings due to the pandemic. Paratransit fare revenues increased 32.3% as the result of an increase in local fare support for paratransit and in the form of MAA service reimbursements from Ventura County, increased by 50.21% in FY 2019-2020. This program has ended and GCTD received their last payment in FY 2019-20 in the amount of \$263,521. GCTD's FY 2019-20 boardings for fixed route and Paratransit service decreased significantly from FY2018-2019 due to the COVID-19 pandemic.

Note: In order to provide relief to transit operators, the State of California has suspended enforcement of the California regulations that require that a transit service claimant for TDA funds have a system wide ratio of fare and local revenues to operating cost of at least 20%, or that the claimant realize a farebox recovery ratio (FBRR) of 20% for fixed route service and 10% for paratransit service. Due to the suspension of this regulation, GCTD will not face any penalty for not meeting the minimum required farebox ratio.

Local Transportation Funds (LTF)

On July 1, 2014, Gold Coast Transit became Gold Coast Transit District (GCTD) as the result of state legislation signed by Governor Brown in October 2013. As a Transit District, GCTD is entitled to claim the entire amount of state Local Transportation Funds (LTF) apportioned by population to its member jurisdictions. GCTD's enabling legislation also allows GCTD members to claim from the district a portion of its LTF funds for eligible transit services (not provided by the District) that the member funds or operates.

For FY 2019-20 GCTD claimed \$17,225,656 in LTF funds; of that amount, \$2,381,529 was claimed by GCTD's members for their transit service requirements. Additionally, GCTD carried \$1,429,559 in unearned prior year LTF funds into FY 2019-20. GCTD used \$15,778,424 for current year operations and made no contribution to GCTD's Capital Reserve in FY 2019-20, leaving \$495,262 as the amount carried over for use in a future year.

Federal and State Funds

GCTD's second largest source of operating revenue is the Federal Transit Administration (FTA). GCTD was allocated \$13,412,810 in total. Federal Section 5307 funds in the FY 2019 Program of Projects approved by VCTC, with \$3,326,577 programmed for operating budget line items and \$507,831 programmed for Certificate of Participation (COP) payments. In FY 2018-19, GCTD expended \$8,539,739 in Section 5307 grant funds for operating expense line items and \$2,257,241 in ADA Assistance. In FY 19-20 GCTD used \$6.27million in Federal CARES-Act funds.

GCTD also receives State Transportation Assistance (STA). In FY 2019-20 the State Controller's Office (SCO) allocated GCTD \$404,624 in STA funds. In addition, SB1 also created a new source of funding titled State of Good Repair (SGR). SGR funds can be used for specific eligible activities. GCTD was allocated \$60,615 in SGR funds in FY 2019-20 for preventive maintenance activities.

Other Revenue

Advertising Income - GCTD has been selling commercial bus advertising since FY 2006-07 and continues to attract advertising contracts from both local and national entities. Program revenue peaked in FY 2013-14 at over \$230,000. In FY 2019-20 GCTD generated \$207,278 in advertising revenues, a decrease of \$3,571 from the previous year. GCTD anticipates some advertising revenue growth

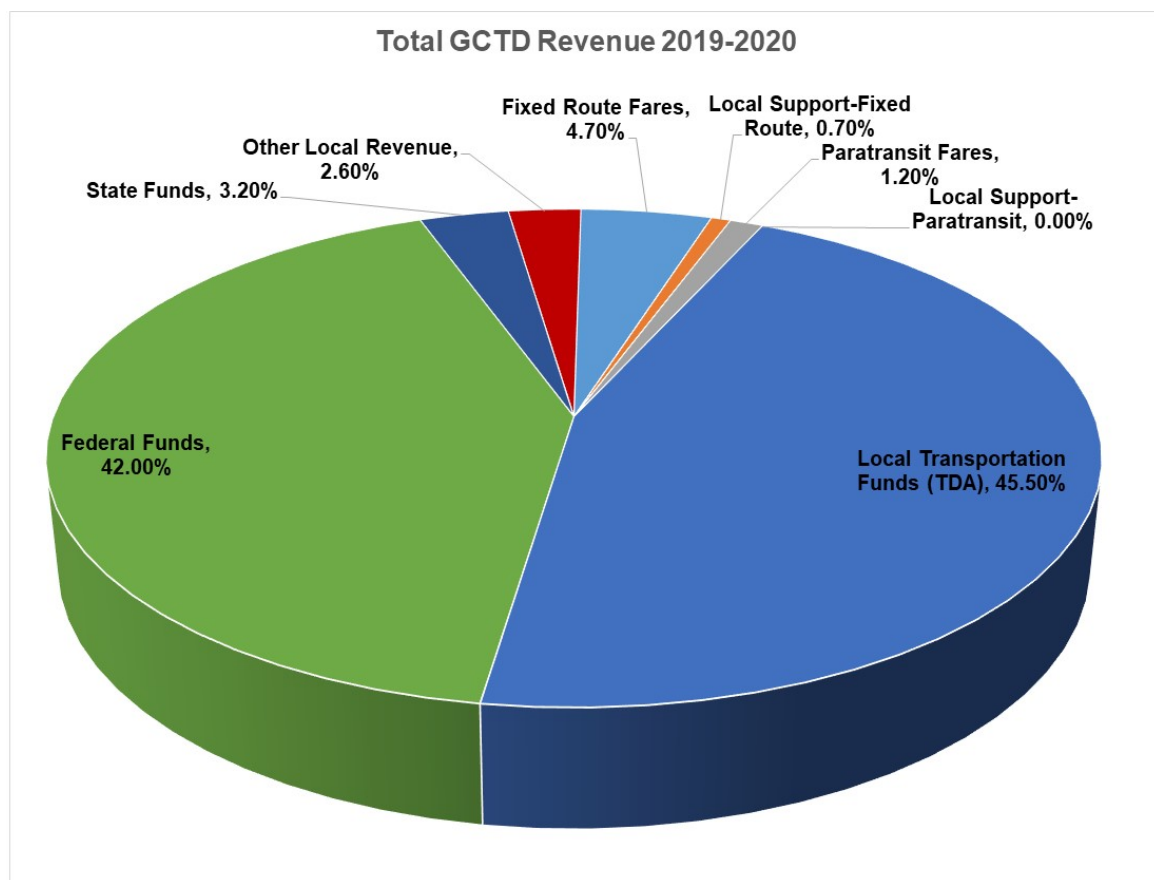
Medi-Cal Reimbursement - GCTD receives through Ventura County Public Health partial reimbursement under the Medi-Cal Administrative Activities (MAA) program for providing Medi-Cal eligible trips on the GCTD ACCESS service. Funding is based on establishing eligibility on a trip-by-trip basis and is calculated and received well in arrears; for that reason, GCTD records these funds in the year received rather than the year earned. In FY 2019-20 GCTD received \$263,521 from this program. Revenue from this program increased nearly 50% due to the program drawing to a close.

Alternative Fuel Excise Tax Credit – GCTD was receiving funds from the federal government's Alternative Fuel Excise Tax Credit program for many years based on its use of CNG as a vehicle fuel. The program was to have expired; however, additional revenue was received in FY 2019-20 in the amount of \$502,173.

Energy Credit Revenue - Commencing in FY 2014-15 GCTD generates and sells both Low Carbon Fuel Standard (LCFS) credits (State of California) and Renewable Identification Number (RIN) credits (U.S. Environmental Protection Agency) from its use of renewable natural gas to fuel the fleet. In FY 2017-18 GCTD was able to negotiate improved terms for the remaining option years of our third-party gas supply contract and realized \$409,508 from the generation and sale of state and federal credits. The market for these credits is based on regulation and demand and can be volatile, however this program has been very beneficial to GCTD.

Interest and Other Income - Interest is earned on temporary investments with the State of California Local Agency Investment Fund (LAIF) and on money market funds held at Union Bank. GCTD earned \$17,959 in interest in FY 2019-20. Other income consists primarily of sale of equipment and scrap material. GCTD earned \$35,597 in other income in FY 2019-20.

The following chart shows the major sources of operating and non-operating revenues for the year ended June 30, 2020, as a percentage of total revenues:



EXPENSES

A summary of expenses for the year ended June 30, 2020, including the amount and percentage of change in relation to prior year amounts, is as follows:

	2020	Percentage of Total	2019	Percentage of Total	Increase/ (Decrease)
Operating Expenses					
Vehicle Operation	\$ 14,343,836	46.20%	\$ 13,449,775	49.30%	\$ 894,061
Vehicle Maintenance	4,199,157	13.50%	3,198,285	11.70%	1,000,872
Planning and Marketing	1,210,785	3.90%	1,098,920	4.00%	111,865
Administration	4,664,458	15.00%	3,319,551	12.20%	1,344,907
Paratransit	3,253,492	10.50%	3,650,310	13.40%	(396,818)
Operating Expenses before Depreciation	<u>27,671,728</u>	<u>89.10%</u>	<u>24,716,841</u>	<u>90.60%</u>	<u>2,954,887</u>
Depreciation	<u>3,384,578</u>	<u>10.90%</u>	<u>2,569,688</u>	<u>9.40%</u>	<u>814,890</u>
Total Operating Expenses	<u>\$ 31,056,306</u>	<u>100.00%</u>	<u>\$ 27,286,529</u>	<u>100.00%</u>	<u>\$ 3,769,777</u>

Vehicle Operation costs for FY 2019-20 were 6.65% higher than in FY 2018-19. The largest factor of the cost increase was a 27% increase in overtime costs due to the pandemic for coverage of affected employees. This was partially offset by a 64% decrease in training costs.

Maintenance costs for FY 2019-20 were 31.29% higher than in FY 2018-19. The cost increase was primarily attributable to higher costs in utilities for the new facility as well as new procedures for disinfecting buses for ridership.

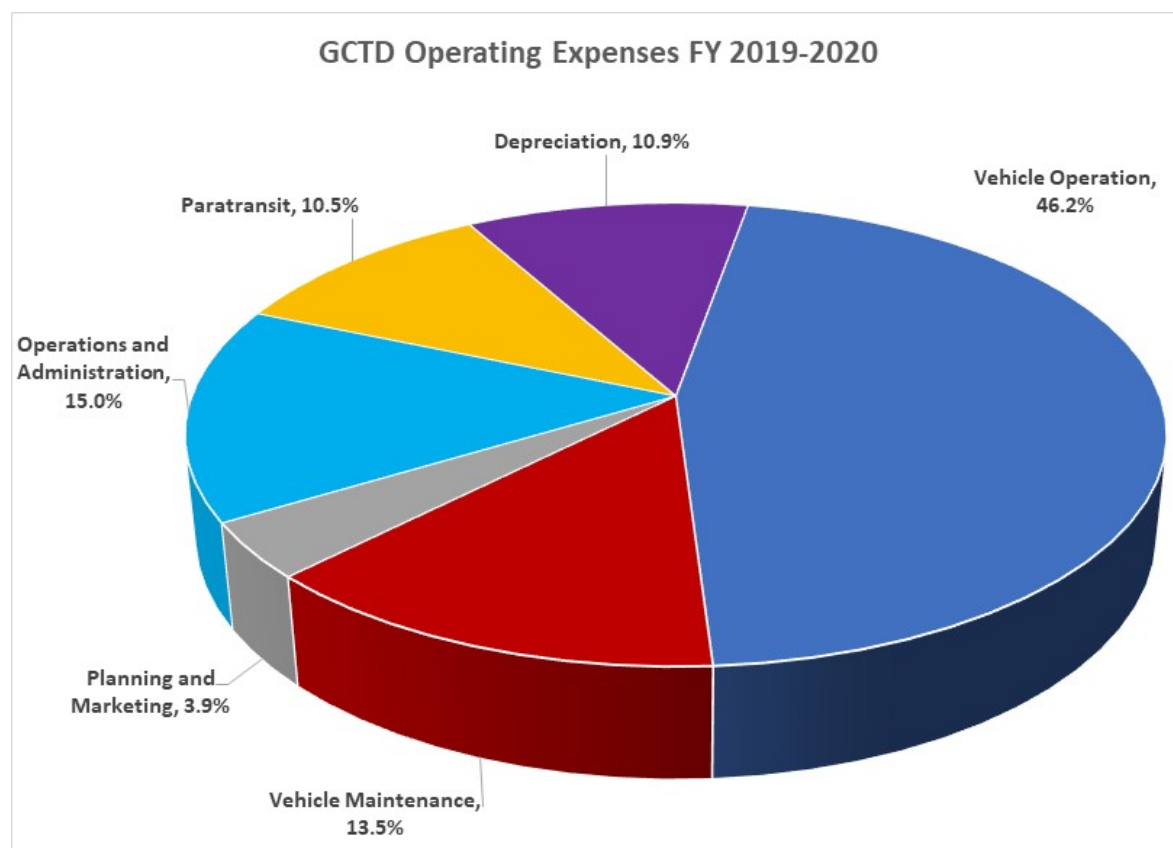
Administration Department costs for FY 2019-20 were 40.5% higher than in FY 2018-19. The cost increase is the result of a 205% increase in insurance costs, primarily the result of increased liability insurance costs and a 117.5% increase in legal costs due to investigations and deductibles for legal liabilities.

Planning and Marketing department costs for FY 2019-20 were 10.2% higher than in FY 2018-19. The increase in Planning and Marketing was driven primarily by an increase in Advertising/Promotions.

Paratransit operations costs for FY 2019-20 were 10.87% lower than in FY 2018-19. The decrease is primarily the result of a 18.91% decrease in paratransit ridership and contract repair services due to the pandemic.

Total operating expenses before depreciation were 12.0% higher driven largely by insurance and legal costs.

The following chart shows major cost categories and the percentage of operating expenses for the year ended June 30, 2020:



BASIC FINANCIAL STATEMENTS

GCTD's basic financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board. GCTD is structured as an enterprise fund with revenues normally recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and (except for land) depreciated over their estimated useful lives. See the notes to the basic financial statements for a summary of GCTD's significant accounting policies.

CAPITAL ASSET ACQUISITION

During FY 2019-2020, GCTD added \$7,122,170 in capital additions. Some of the major changes and additions included \$43,529,158 for the completion of the new GCTD Administration and Operations Facility, \$2,893,479 for 5 compressed natural gas-powered buses, \$237,018 for 8 electric powered vehicles, and \$1,936,497 for the Bus Repower initiative.

Capital asset acquisitions are capitalized at cost. Acquisitions are typically funded primarily using federal grants with matching local funds. Over the past decade GCTD has received state grants from the Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Office of Emergency Services (Cal-OES) Safety and Security programs, both of which may be used to match federal funds but neither of which require local matching funds. The ten-year window for Proposition 1B funds is nearly complete but some funds remain.

GCTD closed the fiscal year with \$71,151 in WIP; remaining items related to the new GCTD Administration and Operations Facility account for \$7,365 and the Bus Repower initiative accounts for \$63,786.

ECONOMIC AND STRATEGIC FACTORS

GCTD now operates a facility that can support both recent growth and also future growth. The commitment GCTD made in taking on long-term debt for addressing the future transit needs with the larger facility continues importance on State and Federal transit funding.

LTF, GCTD's most important funding source, appears to be not growing but has stabilized as the economy continues to grow. With the commitment the District made to future public transit needs by developing a new larger operating base, GCTD may be more vulnerable to another significant economic downturn similar to what the country experienced in 2008. Meanwhile, Ventura County remains the most populated county in California without a dedicated transportation tax. This not only limits GCTD's ability to grow and provide more robust transit service to the community but also has resulted in limiting GCTD's ability to compete for State and Federal grant funds. Ventura County voters failed in November 2016 to approve a one-half cent sales tax to fund needed road and transportation improvements; however, Measure AA received over 64% approval in the four cities GCTD serves. Other high-population counties in California have recognized the need for local funding to support the provision of transit services. GCTD will continue to have future public transit needs constrained until this issue is successfully addressed.

From a labor perspective, GCTD this year continues under the current agreement which runs through June 30, 2023. Service Employees International Union #721 (SEIU) represents approximately 80% of GCTD's employees. The three MOU's with SEIU run through June 30, 2021.

Since 1995 GCTD has used CNG to fuel its entire bus and paratransit fleet and most of its service vehicles. GCTD owns and operates a natural gas compression station, as it will in its new facility. GCTD continued to realize benefit from its contract with GHI Energy that provides GCTD renewable natural gas at a discount from the published commodity price and revenue from GCTD's sale of LCFS credits (State of California) and RIN credits (U.S. EPA) generated from its use of CNG as a fuel.

GCTD has ordered an additional five (5) CNG buses for delivery next year and is currently in the first phase of refurbishing and repowering fourteen (14) New Flyer CNG buses. GCTD will be running its CNG bus fleet for many years. It is apparent from California legislative activity as well as Federal grants programs, however that the industry is swiftly heading toward a future with zero emission buses.

GCTD's Board of Directors is looking toward the future and recently made the commitment to move the agency toward zero emission buses for future fleet purchases.

Throughout its history, GCTD (and its predecessor agencies Gold Coast Transit and South Coast Area Transit) has been constrained from growth by the limitations of its revenue. Increased revenue, from the additional LTF funds available to GCTD when it became a District in 2014 allowed the District to proceed with debt funding to complete and move into a new facility to prepare for future growth. GCTD will seek new or additional revenue sources to increase the level of service to the people of Western Ventura County.

GCTD actively pursues all relevant grant opportunities. It is important to note that discretionary grants do not provide recurring revenue. GCTD has undertaken several initiatives to increase revenues, such as on-board advertising sales, reimbursement for Medi-Cal eligible paratransit transportation and the generation and sale of LCFS and RIN credits. GCTD will continue to aggressively seek revenue opportunities from initiatives such as these – SB1 has the potential to fill the gap. It is important that a means of local financial support for Ventura County transit is identified and implemented.

REQUESTS FOR INFORMATION

This financial report is designed to provide GCTD's members, customers, stakeholders and other interested parties with an overview of GCTD's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Reed Caldwell, Assistant General Manager, at Gold Coast Transit District, 1901 Auto Center Drive, Oxnard, California, 93036.

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BASIC FINANCIAL STATEMENTS

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**GOLD COAST TRANSIT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS

Current assets:

Cash and Investments	\$ 4,537,523
Receivables	398,963
Due from Other Governments	7,978,048
Inventories	539,141
Prepaid Items	74,640
Total Current Assets	<u>13,528,315</u>

Noncurrent assets:

Restricted cash and investments:

Cash with fiscal agent	5,915,487
Total restricted assets	<u>5,915,487</u>

Capital assets:

Land	8,981,061
Buildings and improvements	50,529,426
Machinery and equipment	37,533,698
Less accumulated depreciation	<u>(31,848,845)</u>
Total capital assets (net)	<u>65,195,340</u>

Intangible assets	39,401
Less accumulated amortization	<u>(39,401)</u>
Total intangible assets (net)	<u>-</u>
Total noncurrent assets	<u>71,110,827</u>
Total assets	<u>84,639,142</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related deferred outflows	3,365,556
OPEB related deferred outflows	27,057
Total deferred outflows of resources	<u>3,392,613</u>

LIABILITIES

Current liabilities:

Accounts payable	2,321,930
Unearned revenue	2,882,703
Accrued interest payable	505,031
Accrued compensated absences	485,405
Certificates of participation payable-current	429,623
Total current liabilities	<u>6,624,692</u>

Noncurrent liabilities:

Accrued compensated absences	485,405
Certificates of participation payable	22,404,826
Net pension liability	13,210,623
Net OPEB liability	112,133
Total noncurrent liabilities	<u>36,212,987</u>
Total liabilities	<u>42,837,679</u>

DEFERRED INFLOWS OF RESOURCES

Pension related deferred inflows	387,962
OPEB related deferred inflows	370,827
Total deferred inflows of resources	<u>758,789</u>

NET POSITION

Net investment in capital assets	42,360,891
Restricted for capital acquisition	3,646,868
Restricted for debt service	2,297,162
Unrestricted (deficit)	<u>(3,869,634)</u>
Total net position	<u>\$ 44,435,287</u>

See accompanying notes to the basic financial statements.

**GOLD COAST TRANSIT DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Operating Revenues

Passenger Fares:

Fixed Route	\$ 1,880,378
Paratransit	481,785
Advertising revenue	207,378
Other operating	911,681

Total Operating Revenues	<u>3,481,222</u>
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Operating Expenses

Vehicle Operation	14,343,836
Vehicle Maintenance	4,199,157
Planning and Marketing	1,210,785
Operations and Administration	4,664,458
Paratransit	3,253,492
Depreciation	3,384,578

Total Operating Expenses	<u>31,056,306</u>
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Operating Income/(Loss)	<u>(27,575,084)</u>
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Nonoperating revenues (expenses):

Local Transportation Funding	18,142,280
Federal grants	16,723,497
State Transit Assistance	404,624
State and local grants	544,875
Low Carbon Transit Operations Program (LCTOP)	326,370
Investment Earnings	92,631
Local Assistance to Other Agencies	(2,381,529)
Interest Expense	(960,217)
Other Revenue	125,925

Total Nonoperating revenue/(expense)	<u>33,018,456</u>
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Change in Net Position	5,443,372
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Total net position, beginning	38,991,915
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Total net position, ending	<u><u>\$ 44,435,287</u></u>
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See accompanying notes to the basic financial statements.

**GOLD COAST TRANSIT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CASH FLOW FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 2,237,248
Payments to suppliers	(8,586,191)
Payments to employees	(17,777,056)
Other operating revenues	1,119,059
Net cash (used) by operating activities	<u>(23,006,940)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from local transportation funding	17,207,982
Proceeds from federal funding	7,096,861
Proceeds from state transit assistance	404,624
Proceeds from other state funding	881,568
Payments to other agencies	(2,381,529)
Proceeds from other noncapital funding	91,825
Net cash provided by noncapital financing activities	<u>23,301,331</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on loans, bonds, and capital leases	(355,000)
Proceeds from capital grants	4,838,260
Interest paid on loans, bonds and capital leases	(1,028,403)
Proceeds from the sale of capital assets	87,922
Purchase of capital assets	(7,122,170)
Net cash (used) by capital and related financing activities	<u>(3,579,391)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends on investments	<u>177,742</u>
Net cash provided by investing activities	<u>177,742</u>
Net (decrease) in cash and cash equivalents	(3,107,258)
Cash and cash equivalents-beginning of year	13,560,268
Cash and cash equivalents-end of year	<u>\$ 10,453,010</u>

Reconciliation of operating income to net cash provided/(used) by operating activities:

Operating (loss)	<u>\$ (27,575,084)</u>
Adjustments to reconcile operating income	
to net cash provided (used) by operating activities	
Depreciation/amortization expense	3,384,578
(Increase)/decrease in accounts receivable	(124,915)
(Increase)/decrease in inventories	74,519
(Increase)/decrease in prepaids	14,890
(Increase)/decrease in deferred outflows - pension	1,332,928
(Increase)/decrease in deferred outflows - OPEB	(5,839)
Increase/(decrease) in accounts payable	(156,017)
Increase/(decrease) in accrued compensated absences	79,575
Increase/(decrease) in net pension liability	1,189,958
Increase/(decrease) in net OPEB liability	(328,954)
Increase/(decrease) in deferred outflows - pension	(1,261,175)
Increase/(decrease) in deferred outflows - OPEB	368,596
Total adjustments	<u>4,568,144</u>
Net cash (used) by operating activities	<u>\$ (23,006,940)</u>

Noncash investing, capital, and financing activities:

During the year there were no noncash activities.

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**GOLD COAST TRANSIT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The principal business activity of Gold Coast Transit District (District) is to provide public transportation service to customers in the geographic area known as western Ventura County located in Southern California. As of July 1, 2014, Gold Coast Transit became known as Gold Coast Transit District.

The District was previously a joint powers authority created in 1973 by the Cities of Ojai, Oxnard, Port Hueneme, and San Buenaventura for the purpose of operating a public transportation system within and about western Ventura County. Subsequent to the initial creation of the District, the City of Santa Paula and County of Ventura (the County) were added as participating members. Each of these governments is represented on the District's Board of Directors (the Board).

On October 5, 1994, the City of Santa Paula withdrew from the joint powers authority agreement and surrendered its representation on the Board. Santa Paula's member equity was reallocated to the other members during the fiscal year ended June 30, 1995.

B. Basis of Accounting, Measurement Focus, and Financial Reporting

The basic financial statements (i.e., the statement of net position, the statement of activities and changes in net position, and statement of cash flows) report information on all the activities of the primary government. The District accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The basic 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 all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as *operating income* in the statement of activities and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

B. Basis of Accounting, Measurement Focus, and Financial Reporting (Continued)

Deferred Outflows of Resources represent 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 a revenue until that time.

The District reports the following funds:

Operating Fund accounts for all revenues and other receipts that are not allocated by law or contractual agreements to some other funds. General operating costs and capital improvement costs that are not paid through other funds are paid from this fund.

Local Transportation funding, Article No. 4, received by the County from the State of California and then subsequently distributed to the District and its member entities based on their requested appropriation throughout the fiscal year is also accounted for in the Operating fund.

Proposition 1B Grant funding, advanced grant funding received by the District from the State of California Proposition 1B funds for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and the Low Carbon Transit Operations Program (LCTOP) are also accounted for in the Operating fund.

C. Use of Estimates

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing cash accounts. The District considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

E. Investments

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment earnings comprise interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Governmental Accounting Standards Board (GASB) Statement No. 72, *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, recorded at fair value on the statement of net position, are categorized based upon the level of judgment 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 and liabilities in active markets at the measurement date.

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

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E. Investments (Continued)

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.

F. Materials and Supplies Inventory

Materials and supplies inventory consist primarily of bus replacement parts, supplies for vehicle maintenance, tires, and oil. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

G. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

H. Bond Premiums and Issuance Costs

Premiums are amortized over the respective lives of debt using the straight-line method.

I. Capital Assets

Capital assets are stated at cost, net of accumulated depreciation, except for the portions acquired by contribution, which are recorded at fair value at the time received. The capitalization threshold for any reporting capital assets is \$5,000. Depreciation is based on the estimated useful lives of the assets, which range from 3 to 30 years, using the straight-line method.

The estimated useful lives of the assets are as follows:

Revenue vehicles – fixed route – 12 years
Facilities – 15 to 30 years
Equipment and furniture – 3 to 10 years
Revenue vehicles – paratransit – 4 to 5 years
Paratransit equipment – 3 to 5 years

J. Compensated Absences

District policy is to permit employees to accumulate earned vacation and sick leave up to a defined maximum amount. Accumulated vacation time is accrued at year-end to account for the District's obligation to the employees for the amount owed. Sick leave can be accumulated, but, under District policy, is not paid until retirement, death, or voluntary termination with a minimum of ten years of service. Payment shall be made in an amount of 50% of accrued sick leave upon retirement, death, or voluntary termination of the qualified employee. Accordingly, 50% of the accumulated sick leave for qualified employees is accrued at year-end to account for the District's obligation for the amount owed.

K. Pensions

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

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

K. Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Measurement period	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

U.S. GAAP requires that the reported results pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2018
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

M. Unearned – Local Transportation Funding

Authorized and received Local Transportation Funds (LTF) that exceed current year expenditure requirements are deferred to future periods.

N. Grant Funding

Grants for operating assistance and capital acquisitions are included in their respective non-operating sections of the statement of activities and changes in net position. Grant funds are claimed on a reimbursement basis and receivables for grant funds are recorded as the related obligations are incurred. Grant funds advanced but not yet earned are treated as unearned revenue until the respective obligations these grants were funded for are incurred.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

O. Nonoperating Revenues

The District receives LTF under provisions of the State of California's Transportation Development Act of 1971 (TDA). This act provides that a portion of state sales tax proceeds be made available for support and development of public transportation. These funds are generated within the County and are allocated based on annual claims filed by the District and approved by the Ventura County Transportation Commission (VCTC). A portion of these proceeds (at the discretion of the District's Board) may be set aside to fund capital acquisitions and is classified as local transportation funding in the nonoperating section of the statement of activities and changes in net position. The remaining portion of local transportation funding is used to subsidize current operations and is also included in the nonoperating revenue section of the statement of activities and changes in net position.

Under provisions of the Fixing America's Surface Transportation (FAST) Act, signed into law on December 4, 2015, Federal planning and capital assistance grants (under Section 5307) are made available to local urbanized mass transportation systems on a formula basis. Federal operating and matching grants provided to the District under this act are included in the non-operating revenue section of the statement of activities and changes in net position.

Federal, state, and local operating and capital grants are included in the nonoperating revenue section of the statement of activities and changes in net position.

P. Net Position

In the statement of net position, net position is categorized in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position – This amount consists of net position with constraints placed on its use through external constraints imposed by external creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount consists of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources for the purposes intended, then unrestricted resources as they are needed.

Q. Newly Implemented Accounting Pronouncements

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this standard are effective immediately. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. There was no effect on the District's accounting and financial reporting as a result of implementing this standard

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

R. Future Governmental Accounting Standards Board Statements

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2018. The District will implement GASB Statement No. 84 if and when applicable.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for periods beginning after December 15, 2019. The District will implement GASB Statement No. 87 if and when applicable.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The requirements of this statement are effective for periods beginning after December 15, 2019. The District will implement GASB Statement No. 89 if and when applicable.

GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The requirements of this statement are effective for periods beginning after December 15, 2018. The District will implement GASB Statement No. 90 if and when applicable.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for periods beginning after December 15, 2020. The District will implement GASB Statement No. 91 if and when applicable.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement for paragraphs related to Statement No. 87 and implementation guide 2019-3, reinsurance recoveries, to implement with GASB Statement No. 87; all others are effective fiscal years beginning June 15, 2022. Early application is encouraged. The District will implement GASB Statement No. 92 if and where applicable.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Early application is encouraged. The District will implement GASB Statement No. 93 if and where applicable.

GASB Statement No. 94 – *Public-Private and Public-Private Partnership and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2020, and all reporting periods thereafter. Early application is encouraged. The District will implement GASB Statement No. 94 if and where applicable.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. The District will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans*. The requirements in paragraph 4 as it applies to defined contribution plans, defined contribution OPEB plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for fiscal years beginning after June 15, 2021. The District will implement GASB Statement No. 97 if and where applicable.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and investments as June 30, 2020 are classified in the accompanying financial statements as follows:

Cash, cash equivalents, and investments	\$ 4,537,523
Restricted - cash, cash equivalents, and investments	5,915,487
	<hr/>
Total cash, cash equivalents, and investments	<u>\$ 10,453,010</u>

Cash, cash equivalents, and investments as of June 30, 2020 consisted of the following:

Cash on hand	\$ 500
Demand deposits held with financial institutions	983,053
Investments	9,469,457
	<hr/>
Total cash, cash equivalents, and investments	<u>\$ 10,453,010</u>

A. Demand Deposits

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

B. Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government 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 District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty 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 District's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**B. Custodial Credit Risk** (Continued)

generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools, such as Local Agency Investment Fund (LAIF) and Ventura County Pooled Investment Fund (VCPIF).

As of June 30, 2020 none of the District's deposits and investments were exposed to disclosable custodial credit risk.

C. Investments

The District's investments as of June 30, 2020, are as follows:

Investment Type	Measurement Input	Credit Rating	Fair Value	Remaining Maturity in (Months) 12 Months or Less
LAIF	Uncategorized	N/A	\$ 100,318	\$ 100,318
Money market accounts held with financial institutions	Level 2	AAA	3,453,652	3,453,652
Money market accounts held in trust with debt trustee	Level 2	AAA	2,584,951	2,584,951
VCPIF	Level 2	AAAF/S-1+	3,330,536	3,330,536
Total			<u>\$ 9,469,457</u>	<u>\$ 9,469,457</u>

D. Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the following areas:

External Investment Pools:

LAIF

VCPIF

Non-negotiable certificates of deposit

Governmental agency securities

E. Investment in California Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: <https://www.treasurer.ca.gov/pmia-laif/laif.asp>.

The District's investments with LAIF at June 30, 2020 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

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

The District had \$100,318 invested in LAIF, which had invested 3.37% of the pooled investment funds as of June 30, 2020, in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF as of June 30, 2020.

F. Ventura County Pooled Investment Fund (VCPIF)

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

The County's Treasurer has indicated to the District that as of June 30, 2020 the value of the County's portfolio was approximately \$2.75 billion. As of June 30, 2020 the District has investment in the VCPIF \$3,330,536. The VCPIF fair value factor of 1.0039 was used to calculate the fair value of the investments in VCPIF as of June 30, 2020.

G. Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by U.S. GAAP. The District has presented its measurement inputs as noted in the table above.

H. Credit Risk

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. As of June 30, 2020 the District's investment in the LAIF was not rated as noted in the table above.

I. 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. The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

J. Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in LAIF or the VCPIF.

NOTE 3 – RESTRICTED ASSETS

Restricted assets as June 30, 2020 were classified in the accompanying basic financial statements as follows:

Restricted - cash and investments	\$ 5,915,487
Total restricted assets	<u>\$ 5,915,487</u>

Restricted assets as of June 30, 2020 consisted of the following:

Proceeds from debt issuance	\$ 2,584,951
Ventura County pooled investment fund	<u>3,330,536</u>
Total restricted assets	<u>\$ 5,915,487</u>

NOTE 4 – OPEB

A. General Information about the OPEB Plan

Plan Description – The District provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon retirement from the District. The District's OPEB Plan is a single-employer plan. Eligible retirees and dependents may elect lifetime coverage through the District's healthcare plans. The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. Retirees pay the portion of premium not paid by the District.

The District has elected to use the entry age normal cost method with unfunded liabilities amortized over 30 years, and continues to fund on a pay-as-you-go basis.

Employees Covered – As of the June 30, 2019 valuation, the following current and former employees were covered by the benefit terms for the OPEB Plan:

Active employees	190
Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to by not yet receiving benefits	<u>-</u>
	<u>200</u>

NOTE 4 – OPEB (Continued)**A. General Information about the OPEB Plan** (Continued)

Contributions – The contribution requirements are established and amended by the District. The contribution is based on pay-as-you-go financing requirements. For the fiscal year ended June 30, 2020 the District contributed \$0 to the California Employers' Retiree Benefit Trust Fund (CERBT) irrevocable trust and \$21,218 for member expenses as the pay-as-you-go portion, resulting in total payments of \$21,218.

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was the plan fiduciary net position of the CERBT held with CalPERS. The following actuarial methods and assumptions were used:

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.75%
Salary increases	2.75% per annum, in aggregate
Investment rate of return	7.00%
Mortality rate table	Derived using CalPERS' membership data for all funds ⁽¹⁾
Post retirement benefit increases	Derived using CalPERS' membership data for all funds ⁽²⁾

(1) The mortality assumptions are based on the 2014 CalPERS Active mortality for miscellaneous employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporated mortality projections as deemed appropriate based on CalPERS analysis.

(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.gov under Forms and Publications.

The long-term expected rate of return on OPEB Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap	43%	7.675%
US Small Cap	23%	7.675%
Long Term Corporate Bonds	12%	5.175%
Long-Term Government Bonds	6%	4.380%
Treasury Inflation Protected Securities	5%	7.675%
US Real Estate	8%	7.795%
All Commodities	3%	7.675%
Total	100%	7.675%

NOTE 4 – OPEB (Continued)**A. General Information about the OPEB Plan** (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 34-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 25 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries.

Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability – The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018	\$ 1,063,500	\$ 622,413	\$ 441,087
Changes in the Year:			
Service Cost	54,778	-	54,778
Interest on the Total OPEB Liability	75,574	-	75,574
Contribution - Employer	-	21,218	(21,218)
Expected Investment Income	-	43,564	(43,564)
Investment Gains/Losses	-	(5,141)	5,141
Experience Gains/Losses	(398,490)	-	(398,490)
Administrative Expenses	-	(133)	133
Benefit Payments	(21,218)	(21,218)	-
Other	(1,308)		(1,308)
Net Changes	(290,664)	38,290	(328,954)
Balance at June 30, 2019	\$ 772,836	\$ 660,703	\$ 112,133

NOTE 4 – OPEB (Continued)**A. General Information about the OPEB Plan** (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2019:

	Discount Rate		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 226,313	\$ 112,133	\$ 19,439

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend		
	1% Lower	Valuation	1% Higher
Net OPEB liability	\$ 18,677	\$ 112,133	\$ 224,585

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

Recognition of Deferred Outflows and Deferred Inflows of Resources – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal years ended June 30, 2020 the District recognized OPEB expense of \$58,421. As of fiscal year ended June 30, 2020, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 24,618	\$ -
Investment (Gains)/Losses	2,439	
Experience (Gains)/Losses	-	(370,827)
Total	\$ 27,057	\$ (370,827)

NOTE 5 – CAPITAL ASSETS

Summary of change in capital assets for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 8,981,061	\$ -	\$ -	\$ -	\$ 8,981,061
Construction in Progress	43,876,566	7,483,772	(696,643)	(50,663,695)	-
Total capital assets not being depreciated	52,857,627	7,483,772	(696,643)	(50,663,695)	8,981,061
Capital assets, being depreciated:					
Buildings and improvements	7,000,268	-	(19,819)	43,548,977	50,529,426
Vehicles and equipment	30,830,711	327,384	(778,517)	7,154,120	37,533,698
Total capital assets being depreciated	37,830,979	327,384	(798,336)	50,703,097	88,063,124
Less accumulated depreciation for					
Buildings and improvements	(6,733,575)	(935,745)	18,637		(7,650,683)
Vehicles and equipment	(22,443,461)	(2,448,833)	733,534	(39,402)	(24,198,162)
Total accumulated depreciation	(29,177,036)	(3,384,578)	752,171	(39,402)	(31,848,845)
Total capital assets being depreciated, net	8,653,943	(3,057,194)	(46,165)	50,663,695	56,214,279
Intangible assets, being amortized	39,401				39,401
Less accumulated amortization	(39,401)				(39,401)
Intangible assets, being amortized, net	-	-	-	-	-
Capital assets, net	\$ 61,511,570	\$ 4,426,578	\$ (742,808)	\$ -	\$ 65,195,340

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2020 consists of the following amounts:

Accounts Payable-vendors	\$ 1,768,603
Accrued wages and benefits	553,327
Total	\$ 2,321,930

NOTE 7 – UNEARNED – LOCAL TRANSPORTATION FUNDING

In accordance with TDA statutes and the California Code of Regulations, Title 21, Chapter 3, Subchapter 2, Article 5, Section 6649(b), LTF received for operating assistance in excess of the amount that the District is eligible to receive is recorded as an unearned revenue and is to be recognized as revenue and a reduction of eligible LTF during the following fiscal years.

Unearned – Local Transportation Funding for the fiscal year ended June 30, 2020:

Year Received	Amount Authorized	Unearned LTF Amount	Year to be Recognized
2018-2019	\$13,416,790	\$1,143,183	2020-2021
2019-2020	\$14,844,127	495,262	2021-2022
		\$1,638,445	

NOTE 8 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave, sick leave, and compensated time off which is accrued as earned. The District's liability for compensated absences is determined annually. Changes in the compensated absences balance for the fiscal year ended June 30, 2020 is as follows:

Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Current Balance	Long-Term Balance
<u>\$ 891,235</u>	<u>\$ 1,343,653</u>	<u>\$ (1,264,078)</u>	<u>\$ 970,810</u>	<u>\$ 485,405</u>	<u>\$ 485,405</u>

NOTE 9 – CERTIFICATES OF PARTICIPATION

On March 2, 2017, the District issued Series 2017 Certificates of Participation (2017 COPs) in the par amount of \$22,000,000 for the construction of its new operations and maintenance facility. The District pledged farebox revenues for the repayment of the certificates. The 2017 COPs were issued with coupon interest rates ranging between 4.00% to 5.25% and a net premium on the issuance of \$1,716,093 which is being amortized over the life of the debt service. The 2017 COPs are scheduled to mature on July 1, 2047. Interest payments are due on July 1st and January 1st while principal payments ranging between \$340,000 to \$1,350,000 are due on July 1st each year.

If any Event of Default occurs and is continuing, the Trustee by notice to the District, or the Owners of at least 25% in principal amount of the Certificates by notice to the District and the Trustee (except for an Event of Default as described under clause (c) of Section 8.01 of the Lease Agreement, for which no such notice is required), may declare the principal and accrued interest with respect to the Certificates to be due and payable immediately. Upon a declaration, the principal and accrued interest to the date of the Trustee's declaration of acceleration on the Certificates shall be due and payable. The Trustee may, and upon the request of Owners of a majority in principal amount of the Certificates shall, rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, if the rescission would not conflict with any judgment or decree, if all payments due the Trustee have been made.

Changes in the certificates of participation balance for the year were as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year	Due in more than One Year
Certificates of Participation	\$ 21,660,000	\$ -	\$ (355,000)	\$ 21,305,000	\$ 375,000	\$ 20,930,000
Deferred amount: Premium	1,584,072	-	(54,623)	1,529,449	54,623	1,474,826
Total	<u>\$ 23,244,072</u>	<u>\$ -</u>	<u>\$ (409,623)</u>	<u>\$ 22,834,449</u>	<u>\$ 429,623</u>	<u>\$ 22,404,826</u>

Fiscal Year End	Principal	Interest	Total
2021	375,000	1,010,063	1,385,063
2022	390,000	990,937	1,380,937
2023	410,000	970,938	1,380,938
2024	435,000	949,813	1,384,813
2025	455,000	929,269	1,384,269
2026-2030	2,620,000	4,296,995	6,916,995
2031-2035	3,360,000	3,559,955	6,919,955
2036-2040	4,140,000	2,779,225	6,919,225
2041-2045	5,265,000	1,648,125	6,913,125
2046-2048	3,855,000	295,625	4,150,625
Total	<u>\$ 21,305,000</u>	<u>\$ 17,430,945</u>	<u>\$ 38,735,945</u>

NOTE 10 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description

The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit or the Optional Settlement 2W Death Benefit. The COLAs for each plan are applied as specified by the California Public Employees' Retirement Law (PERL).

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.7% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. For employees hired on or after January 1, 2013, who are current members of CalPERS or a reciprocal agency as of December 31, 2012 and have not been separated from service from such agency for more than six months, the retirement benefit is 2.7% at 55 years of age, highest annual average compensation during any consecutive 36-month period (3-year final compensation). For all other employees hired on or after January 1, 2013, the retirement benefit is 2.0% at 62 years of age, 3-year final compensation.

However, California Assembly Bill (AB) 1222 (Chapter 527, Statutes 2013) was signed by Governor Brown on Friday, October 4, 2013. This bill exempted California transit employees of public employers from all of the provisions of PEPRA, until January 1, 2015, or until a court determined that the provisions of PEPRA do not violate specified federal transit labor laws, whichever is sooner. This legislation allowed for a PEPRA exemption for eligible transit employees from public agencies subject to Section 13(c) of the Federal Transit Act.

The eventual decision in the State of California v. United States Department of Labor (E.D.Cal. Dec. 30, 2014, Civ. No. 2:13-cv-2069 KJM DAD) ended the exemption from PEPRA for transit workers resulting from AB 1222 (codified in Government Code Section 7522.02, subsection (a)(3)).

In its December 30, 2014 decision, the court concluded that the U.S. Department of Labor erred in determining that PEPRA prevented certification under Section 13(c) of the Uniform Mass Transportation Act. Under Section 7522.02(a)(3)(A), the court's decision triggers the end of the exemption.

All transit employees with appointments starting on or after January 1, 2013 through December 29, 2014, were to retain their classic retirement benefits for that period of time. CalPERS created new transit employee PEPRA appointments using a December 30, 2014 effective date for those employees. All new members hired on or after December 30, 2014, will be subject to PEPRA retirement benefits.

NOTE 10 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued)**A. General Information about the Pension Plans** (Continued)***Benefits Provided*** (Continued)

The District has engaged with CalPERS to administer the following pension plan for its employees (members).

The Plan's provisions and benefits in effect at June 30, 2019, (Measurement Date) are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2.7%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50-55	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	6.750%
Required Employer Contribution Rates	10.260%	10.260%

Employees Covered

At June 30, 2020, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	\$ 112
Active and inactive employees not currently receiving benefits	<u>357</u>
Total	<u><u>469</u></u>

Contributions

Section 20814(c) of the 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 CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

As of the fiscal years ended June 30, 2020, the contributions for the Plan were as follows:

Contributions - employer	\$ 2,112,002
Contributions - employee member	<u>795,811</u>
Total	<u><u>\$ 2,907,813</u></u>

NOTE 10 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service ⁽¹⁾
Payroll Growth	3.00%
Investment Rate of Return	7.38% ⁽²⁾
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds ⁽³⁾
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾ Depending on age, service, and type of employment.

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation.

⁽³⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, refer to the December 2017 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years.

NOTE 10 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued)**B. Net Pension Liability** (Continued)**Discount Rate** (Continued)

The tables below reflect 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 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.920% used for this period.

C. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the year ended June 30, 2019 measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018 (Valuation Date)	\$ 55,225,001	\$ 43,204,336	\$ 12,020,665
Changes Recognized for the Measurement Period			
Service Cost	1,878,369	-	1,878,369
Interest on the Total Pension Liability	3,988,180	-	3,988,180
Differences between Actual and Expected Experience	856,414	-	856,414
Changes in Assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	1,899,815	(1,899,815)
Contribution - Employee	-	798,356	(798,356)
Net Investment Income	-	2,865,566	(2,865,566)
Administrative Expenses	-	(30,832)	30,832
Benefit Payments, Including Refunds of Employee Contributions	(2,483,737)	(2,483,737)	-
Other	-	100	(100)
Net Changes	4,239,226	3,049,268	1,189,958
Balance at June 30, 2019 (Measurement Date)	\$ 59,464,227	\$ 46,253,604	\$ 13,210,623

NOTE 10 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued)**D. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
<u>\$ 21,128,342</u>	<u>\$ 13,210,623</u>	<u>\$ 6,654,715</u>

E. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

F. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the District incurred a pension expense of \$3,373,713 for the Plan. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions to pension plan made after the measurement date	\$ 2,112,002	\$ -
Differences between projected and actual earnings on pension plan investments	711,048	-
Changes in assumptions	542,506	(162,994)
Net differences between projected and actual experience	-	(224,968)
Total	<u>\$ 3,365,556</u>	<u>\$ (387,962)</u>

The \$2,112,002 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement years ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	
2020	\$ 846,080
2021	(192,447)
2022	145,342
2023	66,617
2024	-
Thereafter	-
Total	<u>\$ 865,592</u>

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets balance consisted of the following balances:

Net Investment in capital assets:	
Capital assets - not being depreciated	\$ 8,981,061
Capital assets, net - being depreciated	56,214,279
Certificates of participation	<u>(22,834,449)</u>
Total net investment in capital assets	<u>\$ 42,360,891</u>

NOTE 12 – RESTRICTED NET POSITION

LTF granted for operating assistance is to be used to purchase new buses, fareboxes, coach equipment, facility and other improvements as part of a service expansion program, and related interest earnings included in restricted net position at June 30, 2020, are as follows:

Amounts held for capital grants	\$ 316,332
Restricted for capital acquisition	<u>3,330,536</u>
	3,646,868
Restricted for debt service	<u>2,297,162</u>
Total Restricted Net Position	<u>\$ 5,944,030</u>

NOTE 13 – UNRESTRICTED (DEFICIT) NET POSITION

As of June 30, 2020, the District has an unrestricted net position deficit of \$3,869,634. Due to the nature of the deficit from the net pension liability of \$13,210,623, the District will continue to make its annual required contributions to CalPERS and annually review its outstanding net pension obligation funding requirements for future periods to reduce the deficit position.

NOTE 14 – STATE TRANSIT ASSISTANCE (STA) FUNDING

STA funding comes from the Public Transportation Act (PTA) which derives its revenue from the state sales tax on gasoline. These funds are designated as discretionary or formula. The former is appropriated by the legislature. The latter is a formula based upon population and fares generated. The District utilizes STA funding to fund a combination of operations and capital asset purchases. The STA funding was utilized by the District as follows:

State transit assistance revenue received to fund operations	<u>\$ 404,624</u>
--	-------------------

NOTE 15 – OTHER STATE ASSISTANCE**A. Proposition 1B Grant (Prop. 1B)**

The California Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), approved by the voters as Proposition 1B (Prop. 1B) in November 2006, authorized the issuance of \$19.9 billion in general obligation bonds for the purpose of improving highway safety, traffic reduction, air quality, and port security. The District utilizes this funding for various operating and capital asset projects.

NOTE 15 – OTHER STATE ASSISTANCE (continued)**B. Public Transportation Modernization, Improvement, and Service Enhancement Account**

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement. The District utilizes this funding for various operating capital asset projects.

C. Low Carbon Transit Operations Program (LCTOP)

LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP, beginning in fiscal year 2015-16. The District requested and received funding for a project in the year ended June 30, 2016.

D. State of Good Repair (SGR)

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. SGR funding received by the District for fiscal year 2019-2020 was \$60,615 and was used for engine replacements.

Other State Assistance received and utilized for the fiscal year ended June 30, 2020, was as follows:

A. Proposition 1B Grant (Prop. 1B)

B. Public Transportation Modernization, Improvement, and Service Enhancement Account

C. Low Carbon Transit Operations Program (LCTOP)

D. State of Good Repair (SGR)

	Prop. 1B Grant	PTMISEA	LCTOP	SGR	Total
Beginning net position - July 1 2019	\$ 177,718	\$ 368,830	\$ 13,155	\$ -	\$ 559,703
Proceeds received	-	-	58,787	60,615	119,402
Capital assets program purchases:					
New facility	-	(51,750)	-	-	(51,750)
Replacement buses/engine replacements	-	(237,019)	-	(60,615)	(297,634)
Fare Support - Token Transit	-	-	(13,659)	-	(13,659)
Total capital asset program purchases	-	(288,769)	(13,659)	(60,615)	(363,043)
Investment earnings allocated	-	239	31	-	270
Change in net position	-	(288,530)	45,159	-	(243,371)
Ending net position - June 30, 2020	\$ 177,718	\$ 80,300	\$ 58,314	\$ -	\$ 316,332

NOTE 16 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in three 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. The three program trustees are Nationwide, Mass Mutual, and ICMA Retirement Corp.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for these Programs, the assets and related liabilities are not presented in the accompanying basic financial statements.

NOTE 17 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources.

The District participates in the California Transit Indemnity Pool (CalTIP), a joint powers agency created to provide liability and physical damage insurance to its members through an insurance pool. The District holds property insurance and general and automotive liability with CalTIP up to \$25 million on liability with a \$25,000 self-insurance retention.

The District purchases blanket insurance coverage from commercial brokers for the following:

Insurance coverage limits:

CNG fueling station	\$ 9,550,600
Buildings and structures	20,173,999
Business and property	5,339,000
Boiler and machinery	2,084,501

The District's employee practices liability insurance coverage is \$2.0 million and handled through Navigators Insurance. Also, the District participates in the California State Association of Counties Excess Insurance Authority (CSAC-EIA), a joint powers agency created to provide workers' compensation insurance to its members through a risk retention insurance pool. The District holds workers' compensation insurance coverage with CSAC-EIA up to statutory limits. Some of the above insurance policies are subject to various deductibles.

Settled claims have not exceeded any of the coverage amounts in any of the last five fiscal years and there were no reductions in the District's insurance coverage during those years. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

NOTE 18 – COMMITMENTS

A. Operating Lease

In fiscal year 2018, the District finalized a 10-year extension of the Oxnard Transit Center lease that commenced on January 1, 2017. Future estimated lease payments are as follows:

<u>Fiscal Year Ended</u>	<u>Estimated Rent</u>
2021	\$ 12,715
2022	13,096
2023	13,489
2024	13,894
2025	14,311
2026-27	<u>22,219</u>
Total	<u>\$ 89,724</u>

B. Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

C. Grant Funding

Grant funds received by the District are subject to review by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. The management of the District believes that such disallowances, if any, would not be significant.

D. Operating Fare Revenue Ratio

The District is required to maintain a ratio of fares to operating costs of at least 20% for either the combined service of fixed route and paratransit service or meeting the goals separately (i.e., 20% for fixed route and 10% for paratransit service) to continue to be eligible for LTF. For the fiscal years ended June 30, 2020, the District was not required to meet the minimum fare box recovery requirement due to the COVID-19 pandemic suspension of this regulation. GCTD will not face any penalty for not meeting the minimum, required fare box recovery.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 30, 2020, the date these basic financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring certain non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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**GOLD COAST TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST SIX YEARS ENDED JUNE 30, 2019***

Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total Pension Liability						
Service Cost	\$ 1,878,369	\$ 1,830,138	\$ 1,829,423	\$ 1,569,279	\$ 1,569,756	\$ 1,439,195
Interest on Total Pension Liability	3,988,180	3,701,748	3,498,403	3,299,586	3,107,585	2,955,928
Differences between Expected and Actual Experience	856,414	131,794	5,749	(243,014)	(621,259)	-
Changes in Assumptions	-	(344,098)	2,867,527	-	(742,987)	-
Benefit Payments, Including Refunds of Employee Contributions	(2,483,737)	(2,329,043)	(2,214,742)	(1,935,932)	(1,912,604)	(1,860,423)
Net Change in Total Pension Liability	4,239,226	2,990,539	5,986,360	2,689,919	1,400,491	2,534,700
Total Pension Liability - Beginning	55,225,001	52,234,462	46,248,102	43,558,183	42,157,692	39,622,992
Total Pension Liability - Ending (a)	<u>\$ 59,464,227</u>	<u>\$ 55,225,001</u>	<u>\$ 52,234,462</u>	<u>\$ 46,248,102</u>	<u>\$ 43,558,183</u>	<u>\$ 42,157,692</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,899,815	\$ 1,721,226	\$ 1,635,904	\$ 1,585,400	\$ 1,301,520	\$ 1,192,180
Contributions - Employee	798,356	786,067	722,714	731,597	660,103	629,617
Net Plan to Plan Resource Movement	-	(100)	-	-	-	-
Net Investment Income	2,865,566	3,391,187	4,019,509	171,677	782,090	5,116,686
Benefit Payments, including Refunds of Employee Contributions	(2,483,737)	(2,329,043)	(2,214,742)	(1,935,932)	(1,912,604)	(1,860,423)
Administrative Expenses	(30,832)	(62,043)	(52,715)	(21,436)	(39,582)	-
Other Miscellaneous Income/(Expense)	100	(117,820)	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,049,268	3,389,474	4,110,670	531,306	791,527	5,078,060
Plan Fiduciary Net Position - Beginning	43,204,336	39,814,862	35,704,192	35,172,886	34,381,359	29,303,299
Plan Fiduciary Net Position - Ending (b)	<u>\$ 46,253,604</u>	<u>\$ 43,204,336</u>	<u>\$ 39,814,862</u>	<u>\$ 35,704,192</u>	<u>\$ 35,172,886</u>	<u>\$ 34,381,359</u>
Net Pension Liability - Ending [(a) - (b)]	<u>\$ 13,210,623</u>	<u>\$ 12,020,665</u>	<u>\$ 12,419,600</u>	<u>\$ 10,543,910</u>	<u>\$ 8,385,297</u>	<u>\$ 7,776,333</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.78%	78.23%	76.22%	77.20%	80.75%	81.55%
Covered Payroll	\$ 10,526,023	\$ 10,177,043	\$ 9,898,406	\$ 9,268,128	\$ 8,714,571	\$ 7,827,241
Net Pension Liability as a Percentage of Covered Payroll	125.50%	118.12%	125.47%	113.77%	96.22%	99.35%

* Fiscal year 2015 was the 1st year of implementation; therefore, only six years are shown.

Notes to Schedule:

Benefit changes. In 2019 and 2018, there were no benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014.

Changes in assumptions. In 2019 and 2018, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

**GOLD COAST TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS – PENSION PLAN
FOR THE LAST SEVEN YEARS ENDED JUNE 30, 2019***

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contributions	\$ 2,112,002	\$ 1,899,815	\$ 1,721,225	\$ 1,653,604	\$ 1,585,400	\$ 1,301,199	\$ 1,192,180
Contributions in Relation to the Actuarially Determined Contributions	(2,112,002)	(1,899,815)	(1,721,225)	(1,653,604)	(1,585,400)	(1,301,199)	(1,192,180)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,526,023	\$ 10,177,043	\$ 9,898,406	\$ 10,040,567	\$ 9,268,128	\$ 8,714,571	\$ 7,827,241
Contributions as a Percentage of Covered Payroll	20.06%	18.67%	17.39%	16.47%	17.11%	14.93%	15.23%

* Fiscal year 2015 was the 1st year of implementation; therefore, only seven years are shown.

**GOLD COAST TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OTHER
POSTEMPLOYMENT (OPEB) LIABILITY AND RELATED RATIOS
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2019**

	Measurement Period June 30,		
	2019	2018	2017
Total OPEB Liability			
Total OPEB Liability Beginning	\$ 1,063,500	\$ 960,816	\$ 865,567
Changes in the Year:			
Service Cost	54,778	53,312	51,885
Interest on the Total OPEB Liability	75,574	68,455	61,713
Experience Gains/Losses	(398,490)		
Benefit Payments	(22,526)	(19,083)	(18,349)
Net Changes	(290,664)	102,684	95,249
Total OPEB Liability Ending (a)	\$ 772,836	\$ 1,063,500	\$ 960,816
Plan Fiduciary Net Position			
Plan Fiduciary Net Position Beginning	\$ 622,413	\$ 514,825	\$ 399,368
Changes in the Year:			
Contribution - Employer	21,218	86,292	92,280
Net Investment Income	43,564	38,357	41,882
Investment Gains/Losses	(5,141)	2,789	-
Administrative Expenses	(133)	(957)	(356)
Benefit Payments	(21,218)	(19,083)	(18,349)
Other	-	190	-
Net Changes	38,290	107,588	115,457
Plan Fiduciary Net Position Ending (b)	\$ 660,703	\$ 622,413	\$ 514,825
Net OPEB Liability ending [(a) - (b)]	\$ 112,133	\$ 441,087	\$ 445,991
Plan fiduciary net position as a percentage of the total OPEB liability	85.49%	58.52%	53.58%
Covered Payroll	\$ 11,414,708	\$ 10,244,305	\$ 9,904,665
Net OPEB liability as a percentage of covered payroll	0.98%	4.31%	4.50%

Notes to the Schedule:

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTARY INFORMATION

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**GOLD COAST TRANSIT DISTRICT
SCHEDULE OF CHANGES IN LOCAL TRANSPORTATION
FUNDING ACTIVITY OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		<u>Balance</u>
Local Transportation Funding		
Beginning balance:		
Liability:		
Unearned local transportation funding - June 30, 2019	\$2,572,742	
Net position:		
Restricted for capital acquisitions - June 30, 2019	<u>5,854,930</u>	
Total Beginning balance	<u>\$ 8,427,672</u>	\$ 8,427,672
Current year operating revenue		
Local Transportation funding	\$ 14,844,127	14,844,127
Fiscal year 2017-2018 unearned local transportation funding portion recognized as revenue	1,429,559	
Fiscal year 2019-2020 unearned local transportation funding portion	<u>(512,935)</u>	
Fiscal Year 2019-2020 local transportation funds revenue recognized	<u>\$ 15,760,751</u>	(15,760,751)
Current year capital revenue:		
Local capital grants - interest earnings	\$ 77,625	
Local capital grants - market valuation of investment	<u>(19,304)</u>	
Fiscal year 2019-2020 local capital grants revenue recognized	<u>\$ 58,321</u>	58,321
Current year capital acquisitions:		
Capital acquisitions - current year use of local transportation funds	<u>\$ 2,284,056</u>	(2,284,056)
Total ending balance		<u>\$5,285,313</u>
Ending balance:		
Liability:		
Unearned local transportation funding - June 30, 2020	\$ 1,638,445	
Net position:		
Restricted for capital acquisitions - June 30, 2020	<u>3,646,868</u>	
Total ending balance	<u>\$ 5,285,313</u>	<u>\$ 5,285,313</u>

**STATISTICAL SECTION
(UNAUDITED)**

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**GOLD COAST TRANSIT DISTRICT
FINANCIAL RATIOS
JUNE 30, 2014 TO JUNE 30, 2020**

Current Ratio:

Measures the District's ability to meet short-term commitments by dividing current assets by current liabilities.

			<u>Ratio</u>
2020	Current Assets	\$ 13,528,315	2.04:1
	Current Liabilities	\$ 6,624,692	
2019	Current Assets	\$ 7,084,673	1.71:1
	Current Liabilities	\$ 6,046,565	
2018	Current Assets	\$ 8,364,115	0.62:1
	Current Liabilities	\$ 13,600,652	
2017	Current Assets	\$ 9,882,036	0.99:1
	Current Liabilities	\$ 9,983,839	
2016	Current Assets	\$ 11,335,824	1.09:1
	Current Liabilities	\$ 10,432,628	
2015	Current Assets	\$ 15,531,471	2.10:1
	Current Liabilities	\$ 7,406,526	
2014	Current Assets	\$ 19,413,868	1.41:1
	Current Liabilities	\$ 13,743,038	

Quick Ratio:

This variation of the current ratio is an indicator of the District's liquidity by including only those current assets that could be converted readily to cash and receivables due within 30 days.

			<u>Ratio</u>
2020	Cash and Cash Equivalents plus	\$ 4,537,523	0.68:1
	Receivables Within 30 days	\$ 8,377,011	
	Current Liabilities	\$ 6,624,692	
2019	Cash and Cash Equivalents plus	\$ 3,777,364	0.57:1
	Receivables Within 30 days	\$ 2,604,119	
	Current Liabilities	\$ 7,084,673	
2018	Cash and Cash Equivalents plus	\$ 7,125,279	0.57:1
	Receivables Within 30 days	\$ 646,912	
	Current Liabilities	\$ 13,600,652	
2017	Cash and Cash Equivalents plus	\$ 5,378,788	0.93:1
	Receivables Within 30 days	\$ 3,923,512	
	Current Liabilities	\$ 9,983,839	
2016	Cash and Cash Equivalents plus	\$ 5,856,275	1.02:1
	Receivables Within 30 days	\$ 4,755,284	
	Current Liabilities	\$ 10,432,628	
2015	Cash and Cash Equivalents plus	\$ 12,430,280	2.00:1
	Receivables Within 30 days	\$ 2,409,984	
	Current Liabilities	\$ 7,406,526	
2014	Cash and Cash Equivalents plus	\$ 18,334,940	1.36:1
	Receivables Within 30 days	\$ 390,815	
	Current Liabilities	\$ 13,743,038	

Debt Ratio:

Reflects the long-term solvency risk, in assessing the District's financial capacity to meet long-term debts and similar obligations, by dividing total liabilities by total assets.

			Ratio
2020	Total Liabilities	\$ 42,837,679	50.61%
	Total Assets	\$ 84,639,142	
2019	Total Liabilities	\$ 41,786,433	53.64%
	Total Assets	\$ 77,896,448	
2018	Total Liabilities	\$ 50,278,180	58.79%
	Total Assets	\$ 85,524,381	
2017	Total Liabilities	\$ 44,616,846	61.33%
	Total Assets	\$ 72,743,765	
2016	Total Liabilities	\$ 19,198,398	43.28%
	Total Assets	\$ 44,362,326	
2015	Total Liabilities	\$ 15,501,839	40.86%
	Total Assets	\$ 37,940,533	
2014	Total Liabilities	\$ 13,743,038	42.10%
	Total Assets	\$ 32,662,192	

**GOLD COAST TRANSIT DISTRICT
REVENUES AND EXPENSES – TEN YEAR COMPARISON
FISCAL YEARS 2011 TO 2020**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Operations:					
Passenger Fares	\$ 3,041,669	\$ 3,303,563	\$ 3,148,100	\$ 3,714,914	\$ 4,022,983
Operating Expenses	(15,141,244)	(16,404,321)	(16,642,267)	(18,531,482)	(19,381,448)
Depreciation Expense	(3,054,738)	(3,016,832)	(2,924,100)	(2,519,756)	(2,405,787)
Operating Loss	<u>(15,154,313)</u>	<u>(16,117,590)</u>	<u>(16,418,267)</u>	<u>(17,336,324)</u>	<u>(17,764,252)</u>
Non-Operating Revenues:					
Local Transportation Funds	7,348,445	8,595,776	8,976,087	9,631,812	8,869,456
Other Local Funds	-	-	-	-	-
State Funds	188,222	220,821	196,076	192,000	174,425
Federal Funds	4,378,878	4,042,074	4,074,383	4,733,271	5,469,611
Investment Earnings	13,901	14,540	15,758	13,885	12,449
Other Income, Net	<u>170,130</u>	<u>227,547</u>	<u>231,864</u>	<u>245,601</u>	<u>832,524</u>
Total Non-Operating Revenues	<u>12,099,576</u>	<u>13,100,758</u>	<u>13,494,168</u>	<u>14,816,569</u>	<u>15,358,465</u>
Net Loss	<u>\$ (3,054,737)</u>	<u>\$ (3,016,832)</u>	<u>\$ (2,924,099)</u>	<u>\$ (2,519,755)</u>	<u>\$ (2,405,787)</u>

Operating Expenses - Actual Dollars Compared to Constant Dollars (Over Ten Year Period)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actual Dollars	\$ 15,141,244	\$ 16,404,321	\$ 16,642,267	\$ 18,531,482	\$ 19,381,448
Constant Dollars (2007)	\$ 14,160,082	\$ 15,101,011	\$ 15,115,249	\$ 16,533,584	\$ 17,155,881
CPI Percent Change	2.9%	1.6%	1.4%	1.8%	0.8%
Index Number (1982 = 100)	232.3	236.0	239.2	243.5	245.5
Cumulative Percent	6.9%	8.6%	10.1%	12.1%	13.0%

**GOLD COAST TRANSIT DISTRICT
REVENUES AND EXPENSES – TEN YEAR COMPARISON (Continued)
FISCAL YEARS 2011 TO 2020**

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Operations:					
Passenger Fares	\$ 3,369,769	\$ 3,482,127	\$ 3,403,877	\$ 3,357,045	\$ 3,481,222
Operating Expenses	(20,547,884)	(22,113,345)	(23,853,669)	(24,716,841)	(27,671,728)
Depreciation Expense	<u>(2,843,634)</u>	<u>(2,919,180)</u>	<u>(2,801,731)</u>	<u>(2,569,688)</u>	<u>(3,384,578)</u>
Operating Loss	<u>(20,021,749)</u>	<u>(21,550,398)</u>	<u>(23,251,523)</u>	<u>(23,929,484)</u>	<u>(27,575,084)</u>
Non-Operating Revenues:					
Local Transportation Funds	10,601,709	13,338,152	13,804,353	16,130,369	18,142,280
Other Local Funds	-	-	-	-	-
State Funds	207,973	153,094	180,450	382,972	1,275,869
Federal Funds	4,930,720	4,335,128	4,347,696	4,341,003	16,723,497
Investment Earnings	15,816	22,295	43,227	44,887	92,631
Other Income, Net	<u>1,421,897</u>	<u>465,139</u>	<u>2,074,064</u>	<u>1,206,702</u>	<u>(3,215,821)</u>
Total Non-Operating Revenues	<u>17,178,115</u>	<u>18,313,808</u>	<u>20,449,790</u>	<u>22,105,933</u>	<u>33,018,456</u>
Net Loss	<u>\$ (2,843,634)</u>	<u>\$ (3,236,590)</u>	<u>\$ (2,801,733)</u>	<u>\$ (1,823,551)</u>	<u>\$ 5,443,372</u>

Operating Expenses - Actual Dollars Compared to Constant Dollars (Over Ten Year Period)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Actual Dollars	\$ 20,547,881	\$ 22,113,345	\$ 23,853,668	\$ 24,716,841	\$ 27,671,728
Constant Dollars (2007)	\$ 17,861,786	\$ 18,821,400	\$ 20,115,016	\$ 20,170,016	\$ 24,033,895
CPI Percent Change	1.8%	2.1%	4.0%	3.8%	6.0%
Index Number (1982 = 100)	249.9	255.3	265.5	274.4	257.8
Cumulative Percent	15.0%	17.5%	18.6%	22.5%	15.1%

**GOLD COAST TRANSIT DISTRICT
PASSENGER COST BY MODE – TEN YEAR COMPARISON
FISCAL YEARS 2011 TO 2020**

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Bus - Fixed Route					
Total Passengers	3,353,639	3,476,408	3,566,470	3,817,758	3,908,847
Passenger Fare Revenue	\$ 2,581,811	\$ 2,689,740	\$ 2,708,046	\$ 2,996,373	\$ 3,211,258
Local Government Fare Revenue	\$ 217,000	\$ 370,000	\$ 200,000	\$ 390,000	\$ 350,000
Total Operating Cost	\$ 13,136,934	\$ 14,367,128	\$ 14,408,626	\$ 16,019,298	\$ 16,723,757
Revenue per Passenger	\$ 0.770	\$ 0.774	\$ 0.759	\$ 0.785	\$ 0.822
Cost per Passenger	\$ 3.917	\$ 4.133	\$ 4.040	\$ 4.196	\$ 4.278
Farebox Recovery %	19.7%	18.7%	18.8%	20.2%	19.2%
Adjusted Farebox Recovery %	21.3%	21.3%	20.2%	22.6%	26.4%
Subsidy per Passenger	\$ 3.147	\$ 3.359	\$ 3.281	\$ 3.411	\$ 3.457
Subsidy %	80.3%	81.3%	81.2%	81.3%	80.8%
Bus - Paratransit					
Total Passengers	76,730	68,618	70,927	82,495	84,604
Passenger Fare Revenue	\$ 164,858	\$ 168,823	\$ 170,054	\$ 202,324	\$ 207,375
Local Government Fare Revenue	\$ 78,000	\$ 75,000	\$ 70,000	\$ 126,217	\$ 254,350
Total Operating Cost	\$ 2,004,310	\$ 2,037,193	\$ 2,233,641	\$ 2,512,184	\$ 2,657,691
Revenue per Passenger	\$ 2.149	\$ 2.460	\$ 2.398	\$ 2.453	\$ 2.451
Cost per Passenger	\$ 26.122	\$ 29.689	\$ 31.492	\$ 30.453	\$ 31.413
Farebox Recovery %	8.2%	8.3%	7.6%	8.1%	7.8%
Adjusted Farebox Recovery %	12.1%	12.0%	10.7%	13.1%	17.8%
Subsidy per Passenger	\$ 23,973.000	\$ 27.229	\$ 29.095	\$ 28.000	\$ 28.962
Subsidy %	91.8%	91.7%	92.4%	91.9%	92.2%
All Mode - Total					
Total Passengers	3,430,269	3,545,026	3,637,397	3,900,253	3,993,451
Passenger Fare Revenue	\$ 2,746,669	\$ 2,858,563	\$ 2,878,100	\$ 3,198,697	\$ 3,418,633
Total Operating Cost	\$ 15,141,244	\$ 16,404,321	\$ 16,642,267	\$ 18,531,482	\$ 19,381,448
Revenue per Passenger	\$ 0.801	\$ 0.806	\$ 0.791	\$ 0.820	\$ 0.856
Cost per Passenger	\$ 4.414	\$ 4.627	\$ 4.575	\$ 4.751	\$ 4.853
Farebox Recovery %	18.1%	17.4%	17.3%	18.5%	17.6%
Adjusted Farebox Recovery %	20.1%	20.1%	18.9%	21.3%	25.1%
Subsidy per Passenger	\$ 3.613	\$ 3.821	\$ 3.784	\$ 3.931	\$ 3.997
Subsidy %	81.9%	82.6%	82.7%	82.7%	82.4%

**GOLD COAST TRANSIT DISTRICT
PASSENGER COST BY MODE – TEN YEAR COMPARISON (Continued)
FISCAL YEARS 2011 TO 2020**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Bus - Fixed Route					
Total Passengers	3,800,673	3,616,386	3,474,161	3,524,869	2,958,867
Passenger Fare Revenue	\$ 3,068,465	\$ 2,936,328	\$ 2,808,293	\$ 2,817,393	\$ 1,880,378
Local Government Fare Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Cost	\$ 17,770,454	\$ 18,949,465	\$ 20,331,655	\$ 21,066,532	\$ 24,418,236
Revenue per Passenger	\$ 0.807	\$ 0.812	\$ 0.815	\$ 0.734	\$ 0.636
Cost per Passenger	\$ 4.660	\$ 5.240	\$ 5.850	\$ 5.980	\$ 8.25
Farebox Recovery %	17.3%	15.5%	13.9%	12.3%	7.7%
Adjusted Farebox Recovery %	24.8%	20.9%	25.3%	20.3%	14.2%
Subsidy per Passenger	\$ 3.850	\$ 4.430	\$ 5.040	\$ 5.240	\$ 7.620
Subsidy %	82.7%	84.5%	86.1%	87.7%	92.3%
Bus - Paratransit					
Total Passengers	93,274	102,424	114,229	117,456	95,245
Passenger Fare Revenue	\$ 255,046	\$ 268,530	\$ 303,830	\$ 364,212	\$ 481,785
Local Government Fare Revenue	\$ 46,258	\$ 277,269	\$ 291,754	\$ 175,440	\$ 263,521
Total Operating Cost	\$ 2,847,427	\$ 3,163,880	\$ 3,522,013	\$ 3,650,309	\$ 3,253,492
Revenue per Passenger	\$ 2.730	\$ 2.620	\$ 2.660	\$ 3.100	\$ 5.060
Cost per Passenger	\$ 30.530	\$ 30.890	\$ 30.830	\$ 31.080	\$ 34.160
Farebox Recovery %	9.0%	8.5%	8.6%	10.0%	14.8%
Adjusted Farebox Recovery %	16.9%	19.3%	17.4%	14.8%	22.6%
Subsidy per Passenger	\$ 27.790	\$ 28.270	\$ 28.170	\$ 27.980	\$ 29.100
Subsidy %	91.0%	91.5%	91.4%	90.0%	85.2%
All Mode - Total					
Total Passengers	3,893,947	3,718,810	3,588,390	3,642,325	3,054,112
Passenger Fare Revenue	\$ 3,323,511	\$ 3,204,858	\$ 3,133,573	\$ 3,181,605	\$ 2,362,163
Total Operating Cost	\$ 20,547,881	\$ 22,113,345	\$ 23,853,668	\$ 24,716,841	\$ 27,671,728
Revenue per Passenger	\$ 0.850	\$ 0.860	\$ 0.870	\$ 0.870	\$ 0.770
Cost per Passenger	\$ 5.280	\$ 5.950	\$ 6.650	\$ 6.790	\$ 9.060
Farebox Recovery %	16.2%	14.5%	13.1%	12.9%	8.5%
Adjusted Farebox Recovery %	23.7%	20.7%	24.1%	19.5%	14.7%
Subsidy per Passenger	\$ 4.420	\$ 5.080	\$ 5.770	\$ 5.910	\$ 8.290
Subsidy %	83.8%	85.5%	86.9%	87.1%	91.5%

**GOLD COAST TRANSIT DISTRICT
SERVICE COST BY MODE – TEN YEAR COMPARISON
FISCAL YEARS 2011 TO 2020**

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Bus - Fixed Route					
Revenue Miles	1,605,651	1,752,942	1,850,676	2,044,386	2,111,023
Revenue Hours	145,228	168,491	181,417	196,925	199,418
Total Operating Cost	\$ 13,136,934	\$ 14,367,128	\$ 14,408,626	\$ 16,019,298	\$ 16,723,757
Cost per Revenue Mile	\$ 8.18	\$ 8.20	\$ 7.79	\$ 7.84	\$ 7.92
Cost per Revenue Hour	\$ 90.46	\$ 85.27	\$ 79.42	\$ 81.35	\$ 83.86
Bus - Paratransit					
Revenue Miles	501,280	462,927	482,005	552,342	581,041
Revenue Hours	32,717	29,524	30,649	36,210	36,876
Total Operating Cost	\$ 2,004,310	\$ 2,037,193	\$ 2,233,641	\$ 2,512,184	\$ 2,657,691
Cost per Revenue Mile	\$ 4.00	\$ 4.40	\$ 4.63	\$ 4.55	\$ 4.57
Cost per Revenue Hour	\$ 61.26	\$ 69.00	\$ 72.88	\$ 69.38	\$ 72.07
All Mode - Total					
Revenue Miles	2,106,931	2,215,869	2,332,681	2,596,728	2,692,064
Revenue Hours	177,945	198,015	212,066	233,135	236,294
Total Operating Cost	\$ 15,141,244	\$ 16,404,321	\$ 16,642,267	\$ 18,531,482	\$ 19,381,448
Cost per Revenue Mile	\$ 7.19	\$ 7.40	\$ 7.13	\$ 7.14	\$ 7.20
Cost per Revenue Hour	\$ 85.09	\$ 82.84	\$ 78.48	\$ 79.49	\$ 82.02

GOLD COAST TRANSIT DISTRICT
SERVICE COST BY MODE – TEN YEAR COMPARISON (Continued)
FISCAL YEARS 2011 TO 2020

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Bus - Fixed Route					
Revenue Miles	2,168,198	2,185,626	2,163,750	2,165,288	1,990,876
Revenue Hours	201,903	202,938	201,970	201,630	186,905
Total Operating Cost	\$ 17,700,454	\$ 18,949,465	\$ 20,331,655	\$ 21,066,532	\$ 24,418,236
Cost per Revenue Mile	\$ 8.16	\$ 8.67	\$ 9.40	\$ 9.73	\$ 12.27
Cost per Revenue Hour	\$ 87.67	\$ 93.38	\$ 100.67	\$ 104.48	\$ 130.65
Bus - Paratransit					
Revenue Miles	663,954	735,001	802,841	777,043	619,952
Revenue Hours	43,007	49,188	61,006	50,704	39,935
Total Operating Cost	\$ 2,847,427	\$ 3,613,880	\$ 3,522,013	\$ 3,650,309	\$ 3,253,592
Cost per Revenue Mile	\$ 4.29	\$ 4.92	\$ 4.39	\$ 4.70	\$ 5.25
Cost per Revenue Hour	\$ 66.21	\$ 73.47	\$ 57.73	\$ 71.99	\$ 81.47
All Mode - Total					
Revenue Miles	2,832,152	2,920,627	2,966,591	2,942,331	2,610,828
Revenue Hours	244,910	252,126	262,976	252,334	226,840
Total Operating Cost	\$ 20,547,881	\$ 22,563,345	\$ 23,853,668	\$ 24,716,841	\$ 27,671,828
Cost per Revenue Mile	\$ 7.26	\$ 7.73	\$ 8.04	\$ 8.40	\$ 10.60
Cost per Revenue Hour	\$ 83.90	\$ 89.49	\$ 90.71	\$ 97.95	\$ 121.99

**GOLD COAST TRANSIT DISTRICT
RIDERSHIP AND SERVICE – TEN YEAR COMPARISON
FISCAL YEARS 2011 TO 2020**

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Passengers					
Fixed Route	3,353,539	3,476,408	3,566,470	3,817,758	3,908,847
Paratransit	76,730	68,618	70,927	82,495	84,604
Total	3,430,269	3,545,026	3,637,397	3,900,253	3,993,451
Revenue Miles					
Fixed Route	1,605,651	1,752,942	1,850,676	2,044,386	2,111,023
Paratransit	501,280	462,927	482,005	552,342	581,041
Total	2,106,931	2,215,869	2,332,681	2,596,728	2,692,064
Revenue Hours					
Fixed Route	145,228	168,491	181,417	196,925	199,418
Paratransit	32,717	29,524	30,649	36,210	36,876
Total	177,945	198,015	212,066	233,135	236,294
Passengers per Mile					
Fixed Route	2.09	1.98	1.93	1.87	1.85
Paratransit	0.15	0.15	0.15	0.15	0.15
Total	1.63	1.60	1.56	1.50	1.48
Passengers per Hour					
Fixed Route	23.09	20.63	19.66	19.39	19.60
Paratransit	2.35	2.32	2.31	2.28	2.29
Total	19.28	17.90	17.15	16.73	16.90
Bus - Fixed Route					
Cost per Boarding	\$ 3.92	\$ 4.13	\$ 4.04	\$ 4.20	\$ 4.28
Bus - Paratransit					
Cost per Boarding	\$ 26.12	\$ 29.69	\$ 31.49	\$ 30.45	\$ 31.41

**GOLD COAST TRANSIT DISTRICT
RIDERSHIP AND SERVICE – TEN YEAR COMPARISON (Continued)
FISCAL YEARS 2011 TO 2020**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Passengers					
Fixed Route	3,800,673	3,616,386	3,474,161	3,524,869	2,958,867
Paratransit	93,274	102,424	114,229	117,456	95,245
Total	<u>3,893,947</u>	<u>3,718,810</u>	<u>3,588,390</u>	<u>3,642,325</u>	<u>3,054,112</u>
Revenue Miles					
Fixed Route	2,168,198	2,185,626	2,163,750	2,165,288	1,990,876
Paratransit	663,954	735,001	802,841	777,043	619,952
Total	<u>2,832,152</u>	<u>2,920,627</u>	<u>2,966,591</u>	<u>2,942,331</u>	<u>2,610,828</u>
Revenue Hours					
Fixed Route	201,903	202,938	201,970	201,630	186,905
Paratransit	43,007	49,188	61,006	50,704	39,935
Total	<u>244,910</u>	<u>252,126</u>	<u>262,976</u>	<u>252,334</u>	<u>226,840</u>
Passengers per Mile					
Fixed Route	1.75	1.65	1.61	1.63	1.49
Paratransit	0.14	0.14	0.14	0.15	0.15
Total	<u>1.37</u>	<u>1.27</u>	<u>1.21</u>	<u>1.24</u>	<u>1.17</u>
Passengers per Hour					
Fixed Route	18.82	17.82	17.20	17.48	15.83
Paratransit	2.17	2.08	1.87	2.32	2.39
Total	<u>15.90</u>	<u>14.75</u>	<u>13.65</u>	<u>14.43</u>	<u>13.46</u>
Bus - Fixed Route					
Cost per Boarding	<u>\$ 4.66</u>	<u>\$ 5.24</u>	<u>\$ 5.85</u>	<u>\$ 5.98</u>	<u>\$ 8.25</u>
Bus - Paratransit					
Cost per Boarding	<u>\$ 30.53</u>	<u>\$ 30.89</u>	<u>\$ 30.83</u>	<u>\$ 31.08</u>	<u>\$ 34.16</u>

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