

VENTURA COUNTY TRANSPORTATION COMMISSION



**Annual Comprehensive
Financial Report**
For the year ending June 30, 2023



SERVING VENTURA COUNTY, **CALIFORNIA:**

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

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VENTURA COUNTY TRANSPORTATION COMMISSION

Ventura County, California



The Ventura County Transportation Commission's (VCTC) mission is to create a more connected, resilient, equitable, and user-friendly transportation system for Ventura County

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Submitted by:
Martin Erickson, Executive Director
and
Sally DeGeorge, Finance Director

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INTRODUCTORY SECTION



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Letter of Transmittal

November 14, 2023

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

State law requires that the Ventura County Transportation Commission (VCTC or Commission) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Ventura County Transportation Commission for the Fiscal Year ended June 30, 2023.

The ACFR provides a detailed accounting of the Commission's assets, liabilities, deferred outflows/inflows of resources, revenues, and expenditures/expenses. The Commission's ACFR is presented in three sections: The Introductory Section, the Financial Section, and the Statistical Section.

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

Eide Bailly, LLP has issued opinions that the financial statements for the year ended June 30, 2023, for the Ventura County Transportation Commission are presented fairly, in all material respects. The independent auditor's report is located at the front of the Financial Section of this report.

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



Ventura County Transportation Commission

Profile of the Government

The Ventura County Transportation Commission (VCTC) was created by Senate Bill 1880 (Davis), Chapter 1136 of the Public Utilities Code in September of 1988 (effective January 1, 1989) as the successor agency to the Ventura County Association of Governments (VCAG) assuming all the assets and liabilities of that body. In 2004, the Commission was reorganized under Assembly Bill 2784, expanding the Commission to its current configuration of a 17-member board composed of five Ventura County Supervisors, 10 City Council members and two Citizen Appointees (one representing the cities and one representing the county). In addition to the above membership, the Governor appoints an Ex-Officio member to the Commission, usually the Caltrans District #7 Director.

The Commission's vision of **"To Keep Ventura County Moving"** was developed to state what the agency desired in the future. A mission statement, *"To create a more connected, resilient, equitable, and user-friendly transportation system for Ventura County"*, was developed to tell the purpose of the organization. To fulfill that mission, the Commission establishes transportation policies and priorities, ensuring an equitable allocation of federal, state, and local funds for highway, transit, rail, aviation, bicycle, and other transportation projects.



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

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



Ventura County Transportation Commission

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

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

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

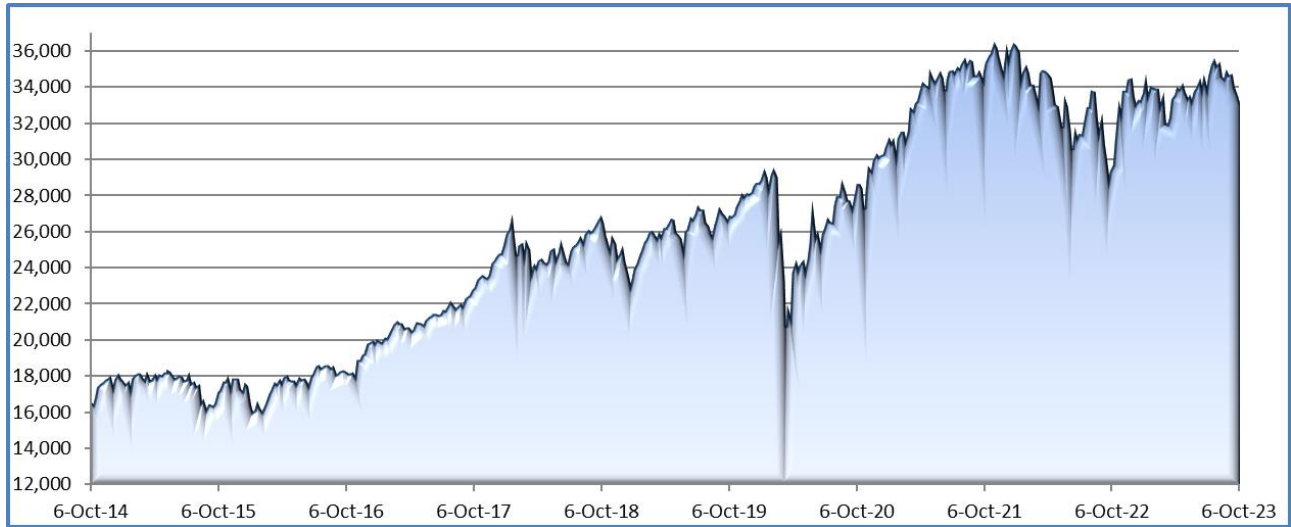
Local Economy

Ventura County along with the rest of the world, is still adjusting and returning to the new normal from the change brought about by the COVID-19 pandemic. From the initial fears of the unknown and lockdowns/shelters in place with hopes of slowing the virus spread to the disruption of the world supply chain and economic turmoil, everyone tried to hold on as they rode the unexpected rollercoaster ride of the last few years. There are also the current issues that are adding to the economic uncertainty including a tight labor market paired with inflation, the on-going war with Russia and Ukraine, the brinkmanship between political parties, bank failures, etc. The results are continued uncertainty, volatility, and instability in the economy.

The Dow Jones Industrial Average index has increased approximately 1,100 points from April's year-over-year (end of April 2022 at 32,977 to end of April 2023 at 34,098), but this increase is deceptive. The market remains volatile and the spread for the year was almost 6,000 points. Over the last ten years the market has climbed over 20,000 points (see Chart 1 - *Dow Jones Industrial Average Ten Year History*). The volatile market impacts not only the economy but also the confidence consumers have (or do not have).



Chart 1 - Dow Jones Industrial Average Ten Year History



As of September 2023, consumer confidence continues to fluctuate. Going from 108.0 in September 2022 to 103.0 in September 2023 (and from 108.7 in August 2023). This is the second month of a decline as consumers voice concerns about possible recessions, rising prices (particularly groceries and gasoline), geopolitical uncertainty and political strife (Russia-Ukraine war), higher interest rates, etc. The consumer confidence board also stated that the decline in consumer confidence was evident across all age groups, and notably among consumers with household incomes of \$50,000 or more.

As of August 2023, Ventura County's unemployment rate was 4.6% as opposed to the State's unemployment rate of 5.1%. Ventura's rate is close to the pre-pandemic rate of 3.7% in February 2020 but far from the peak in April 2020 of 16%. While some workers returned to employment in their original field, others left the hardest hit services industries (such as food services, hospitality, leisure, travel, and entertainment) leaving many employers still struggling to fill vacant positions. Ventura County, much like the nation, continues to have more job openings than available workers due to accelerated retirements of over 65 years of age workers caused by the pandemic, net negative migration, and a mismatch of job skills. Continued pressure to increase wages and a tight labor market continues to encourage higher inflation both locally and nationally.

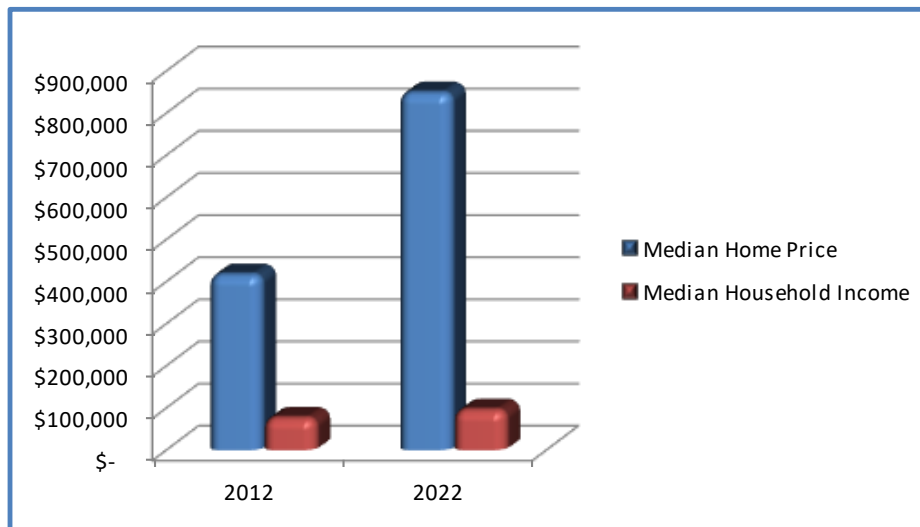
In June of 2022, inflation hit a 40-year high at 9.1%. Consumers and economists alike are worried about continued high inflation. To reduce inflation, the Federal Reserve has raised the federal funds target rate seventeen times in the last two years (the fastest pace since the Volcker era in the early 1980's). Although the nation's inflation is lower than a year ago (3.7% as of August 2023 vs. 8.3% in August 2022), it continues to remain higher than the federal government's target of 2%. High inflation is causing the younger generation to worry if their wages are keeping up with inflation, and the middle-aged generation is wondering if they can afford a home, while the older generation is wondering if their retirement portfolios will last during their golden years.

Ventura County Transportation Commission

According to the California Association of realtors, in August 2023, single-family home sales in California were down 18.9% from August 2022 and down 20.3% in Ventura County. At the same time, housing prices in California have increased 3% and in Ventura County increased 3.5%. The California median home price for single-family home in August 2023 was \$859,800 (up from \$834,740 in August 2022) and the Ventura County median home price for single-family home in August 2023 was \$915,000 (up from \$884,000 in August 2022). Ventura County's housing market inventory remains tight as the number of days on the market continues to shorten with an average of 25 days in August 2023 at 25 days, down from 31 days in August 2022.

California had the thirteenth highest median income in the U.S. in 2022, but the high costs of housing and living erode the consumers buying power. The same problem is amplified in Ventura County as housing costs remain high compared to household income (see Chart 2 - *Median Home Price to Median Household Income*). As housing prices continue to rise faster than incomes, the affordability index (percentage of households that can afford to purchase the median priced home) continues to decline. In Ventura, the affordability index at the end of 2022 was at 16% as opposed to 24% in 2021 and 56% in 2012. This imbalance of housing costs to income continues to force young families to look outside Ventura County to raise their families resulting in a loss of sales tax revenue and property tax revenue that pay for government services and allow for improvements within the County.

Chart 2 – Median Home Price to Median Household Income



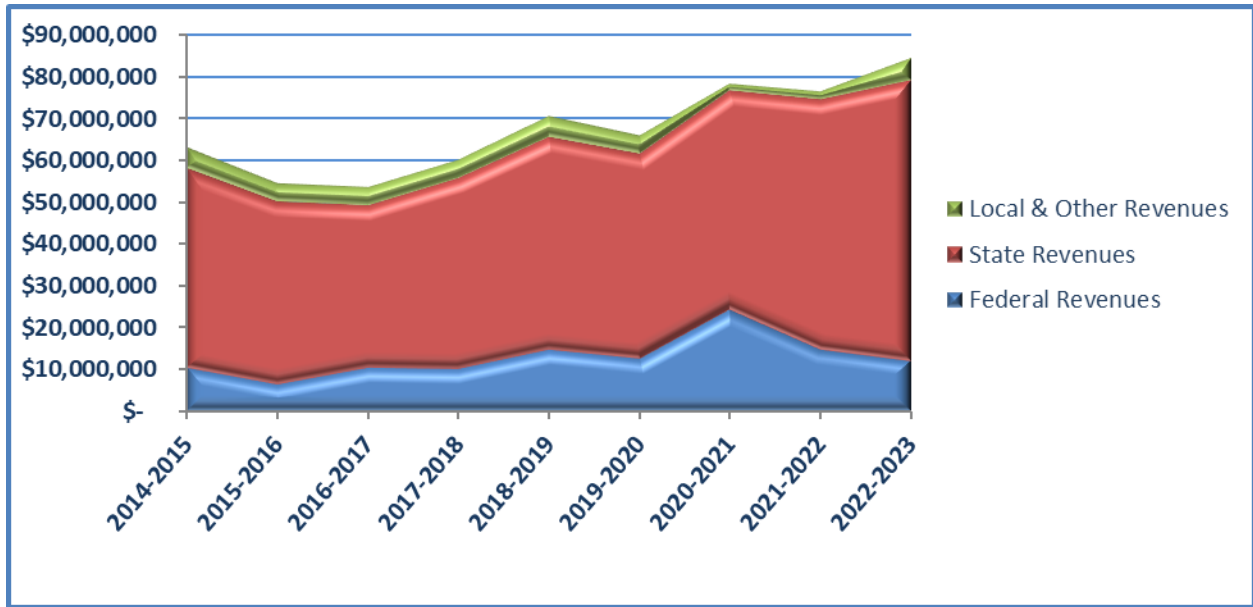
Local, state, and federal governments are dependent on revenues generated by property taxes, income taxes, and sales taxes. Although housing prices have remained strong, the associated property taxes are slow to catch up. Furthermore, State and local government agencies continue to struggle to meet the demand for services they provide and are still recovering from the costs of additional “relief” to their constituents due to the COVID-19 recession while resources are dwindling. This is especially true as most of the additional federal aid for pandemic relief has been spent by State and local agencies, leaving many still needed services to be paid locally. This is pertinent as both political parties of the Federal Government present diverse plans to deal with the debt ceiling “crisis” and pass short-term stop gaps to keep the federal government open. Cuts to federally funded spending often mean higher costs shouldered by State and local governments. VCTC is in similar circumstances and is entirely reliant on federal and state funds. Even a small cut to federal or state funds has a large impact on the services and projects VCTC provides to the County's residents.



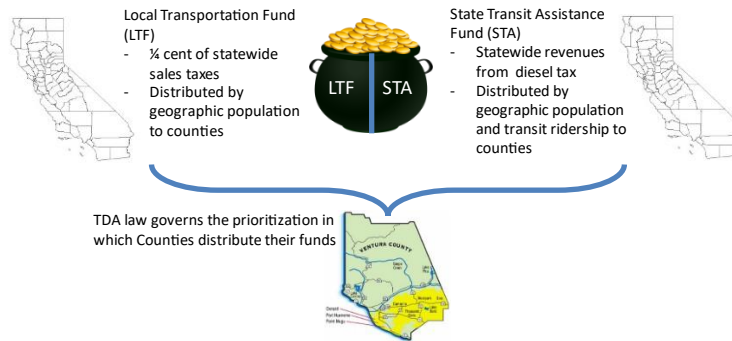
Ventura County Transportation Commission

Federal revenues comprised 12% of funds received in Fiscal Year 2022/2023. Most of the federal funds VCTC receives require a State or local match. If these State and local funds were unavailable or not eligible to be used on specific projects, VCTC would be unable to utilize federal funds that might be available causing those funds to go to other counties with the ability to provide local matching funds. Although the federal government has been providing short-term financial relief, this makes it hard to plan for long-term needs. Of the federal funds received this fiscal year, approximately 39% of the funds were passed through to local agencies. Chart 3 - *Federal, State and Local Revenues*, reflects the historical funding mix of VCTC.

Chart 3 - Federal, State and Local Revenues



VCTC receives its largest source of state funding from the Transportation Development Act (TDA). TDA is further divided into two sources: Local Transportation Funds (LTF) and State Transit Assistance (STA). Although both funds support transit and transportation, they are derived from two different sources. LTF funds are from the ¼ cent statewide sales tax while the STA funds are derived from Statewide revenues from diesel sales.

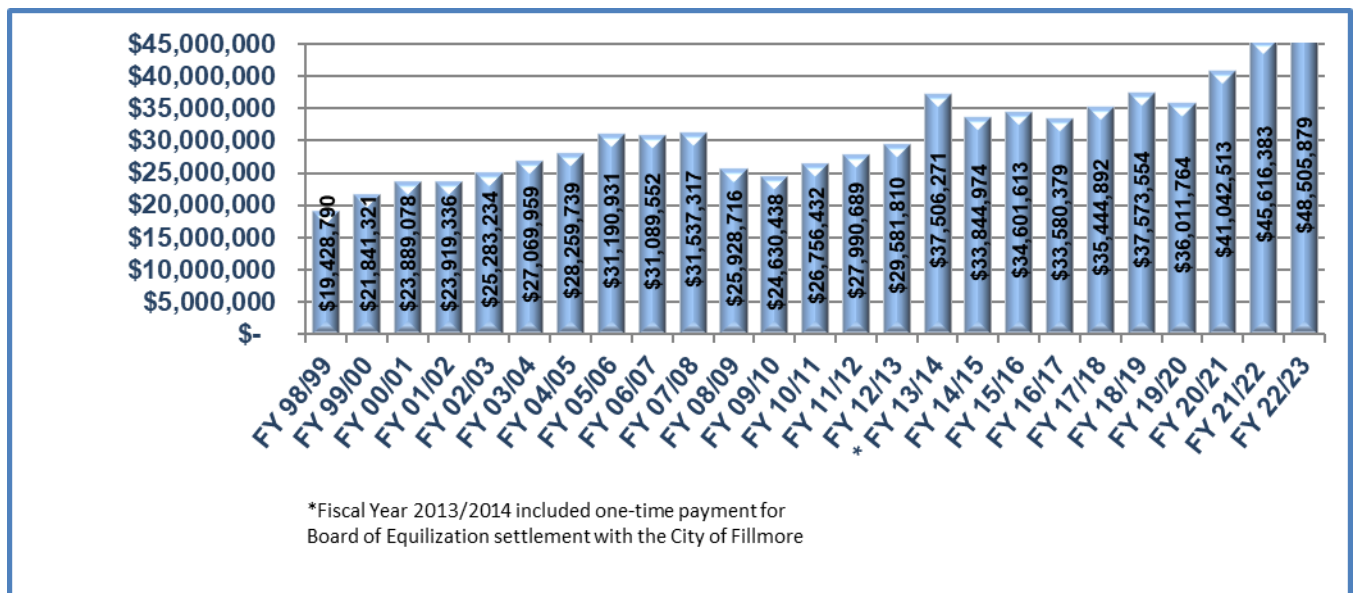


Ventura County Transportation Commission

This year VCTC received 48% of its revenue from the statewide one-quarter cent Local Transportation Fund (LTF) sales tax. VCTC passed through the majority (87% in Fiscal Year 2022/2023) of the new LTF funds to local agencies. With the passage of SB 716, SB 203, SB 508, and AB 664 a larger portion of LTF funds is used for transit. A small portion will still be used for bicycles and pedestrian projects and cities with a population under 100,000 receiving TDA allocations can use these funds for streets and roads purposes after transit needs are met. With a legislative exemption from SB 848, the City of Thousand Oaks is allowed to claim street and roads funds even though its population is over 100,000. VCTC uses the majority of its LTF funds for passenger rail with a smaller portion used for planning and administrative purposes.

The County's LTF receipts are subject to the economy (see Chart 4 - *Local Transportation Fund Revenues History*). Although the County has enjoyed periods of LTF receipt growth, sharp downturns in the economy cause disruption in the transit revenue stream. This occurred in Fiscal Year 2008/2009 during the Great Recession when it took almost five years for LTF funding to return to previous levels. Although the COVID-19 pandemic caused a temporary drop in LTF sales tax receipts, with the consumer shifting its spending from services to goods and on-line sales, the loss was minimized. In fact, spending remained strong and sales tax receipts increased.

Chart 4 - Local Transportation Fund Revenues History



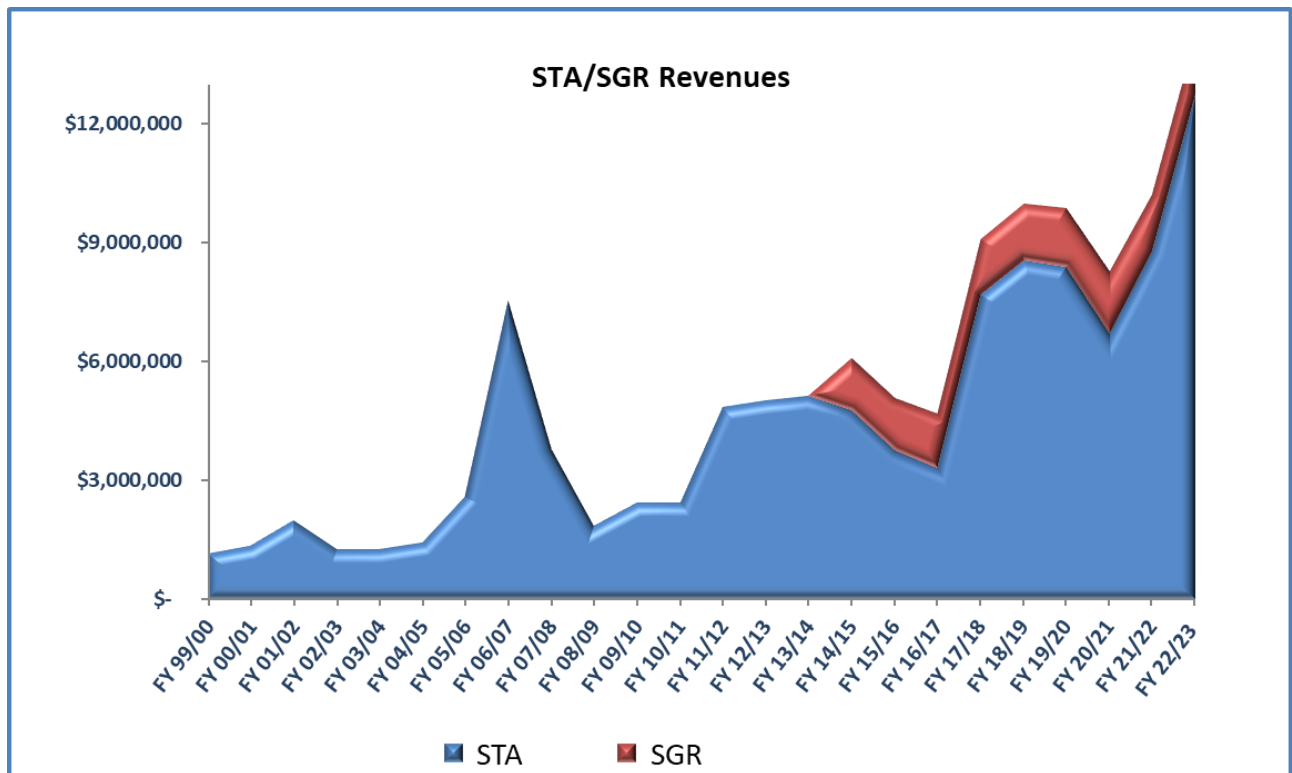
The second largest source of State TDA revenues is the State Transit Assistance (STA) funding. STA revenues were 13% of the revenues received in Fiscal Year 2022/2023. These funds are used to fund VCTC Intercity Bus Service, Metrolink Commuter rail services within the County, LOSSAN, the Santa Paula Branch Line, as well as other transit projects. VCTC also receives State of Good Repair (SGR) funds from the State which is 1% of the budget and the third highest state revenue with some funds passed through to local agencies. Although STA revenues are slowing in growth with the drop off in diesel fuel sales, the SGR funds have increased slightly as provided in the SB 1 legislation that created these funds.



Ventura County Transportation Commission

It is important to remember that STA funding was not always secure. In prior years, when the State's revenues fell short, the State Transit Assistance (STA) funds were raided by the State, but this was legislatively addressed in Fiscal Year 2006/2007 and the funds now safely flow to the Regional Transportation Planning Agencies. Later, STA revenues declined due to the reduction in the price-based portion of the diesel fuel tax as diesel prices remained low and consumption was offset by more efficient vehicles and/or vehicles that use alternative fuels. However, with the passage of Senate Bill 1 (Beal), *The Road Repair and Accountability Act of 2017*, STA revenues increased, and new funding was added with the State of Good Repair program (see Chart 5 -, *State Transit Assistance and State of Good Repair Revenues History*). SB 1 raised gas taxes and vehicle registration fees to generate funds for transit and road repairs as well as provide funding for transit improvements. These funds go to State and local governments with some funds automatically allocated and some funds allocated by a competitive grants process. VCTC also received approximately 10% of its revenues from other State funding sources.

Chart 5 - State Transit Assistance and State of Good Repair Revenues History



VCTC and local transit agencies received federal pandemic assistance in the form of Coronavirus Aid, Relief, and Economic Security Act (CARES), American Rescue Plan (ARP) and Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA) funding over the last few years that sustained transit during the pandemic, but for the most part, those funds are largely spent and will be consumed by the end of Fiscal Year 2023/2024. But with the federal debt ceiling at statutory limits and a standoff between political parties, how and when this issue will be resolved remains unknown. What will happen to the federal aid VCTC, other local agencies, and the states receive? Will the federal government take back unspent pandemic aid even though the costs of the pandemic are still impacting current operations? Will the federal government cut funding to current and new programs?



Ventura County Transportation Commission

Then there is the slow return of ridership on both buses and rail. Although local buses are picking up ridership, if higher ridership does not return soon, local transit agencies may have to reduce transit operations, delay capital expenditures, and postpone needed studies until discretionary money is once again available. Furthermore, if long-term funding shortages occur, agencies will likely need to reduce costs which will put operating and capital services at risk.

As mentioned earlier, while maintenance and capital costs are significantly increasing, on-going State and Federal funding for transportation continues to diminish or requires a local commitment (sometimes dollar for dollar) before funds are allocated. Absent local funding, these federal and state funds will go to other counties that can provide the local match. All this contributes to a transportation system which cannot meet our current or future needs. Local investment in our transportation system would enable Ventura County to compete for federal and state funds and keep the tax dollars in the County.

VCTC continues to aggressively seek new revenues to support the County's transportation needs. Whether residents use public transit or not, public transit benefits all Ventura County residents by reducing congestion and improving air quality. Innovative strategic plans need to be developed now. These plans need to recognize the issues of an aging population that place increased demands on transit and paratransit service and a diminishing revenue stream from taxes while educating the public on the significance of transportation in the County's overall economic health.

Long-term Financial Planning

In November 2021, President Biden signed into law the Infrastructure Investment and Jobs Act (IIJA), a landmark piece of legislation that will significantly increase investment in infrastructure in the United States over the next five years. With total anticipated spending of roughly \$1.2 trillion, the IIJA is being called the largest investment in U.S. infrastructure in at least six decades. It will provide a long-term infusion of funds to repair roads and bridges, improve public transportation and railroads, and support expansion of electric vehicle networks, among other benefits. While the IIJA will not provide enough funding to perform every needed repair and complete each new project, it is expected to go a long way toward helping states, including California, update and transform their transportation networks.

The IIJA is considered historic not only because of its size and scope, but also because it gained bipartisan support in both houses of Congress. The Senate passed the IIJA on a vote of 69-30 in August 2021, and the House of Representatives voted 228-206 in support on November 5, 2021. Hopefully, the IIJA will augur in a new spirit of bipartisanship, at least for transportation projects.

The IIJA also provides across-the-board formula funding increases for transit. The Urbanized Area Formula program (Section 5307), the primary federal transit formula program, received a 30% increase in the first year. The first-year increases for the smaller transit formula programs included 47.5% for Senior and Persons with Disabilities (Section 5310); 22.7% for Rural Formula (Section 5311); and 63.9% for State of Good Repair (Section 5337). In subsequent years all these programs will continue to receive 2% to 3% increases.

Additional State funds come to the VCTC as part of the State Transportation Improvement Program (STIP) for major freeway projects. The STIP is funded from both federal and state gas tax dollars. While STIP funds do not flow through the Commission budget, the Commission is responsible for programming these funds to priority projects. Unfortunately, this was the one program where SB 1 did not provide much funding.



Ventura County Transportation Commission

VCTC does receive one stream of locally generated revenues and that is the \$1 for each vehicle registered in Ventura County. These funds support VCTC in its role as the Service Authority for Freeway Emergencies, or SAFE. The SAFE administers motorist aid programs such as the Call Box program, the recently launched Freeway Service Patrol, and Incident Responder grant program.

Areas of Operation

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

Transit and Specialized Transportation Program

- Accessibility Services
- Regional Transit Technology
- Transit Grant Administration
- Valley Express
- VCTC Intercity Services

Highway Program

- Highway Project Management and Monitoring
- Motorist Aid Services

Rail Program

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

Commuter Assistance Program

- Regional Transit Information Center
- Rideshare Programs

Planning and Programming Program

- Airport Land Use Commission
- Regional Transit Planning
- Regional Transportation Planning
- Transportation Development Act
- Transportation Programming and Reporting

General Government Program

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



Major Initiatives

Valley Express

The Valley Express bus service serves the Santa Clara River Valley community, including the cities of Fillmore and Santa Paula, as well as the neighboring unincorporated areas of the County, such as Piru and Bardsdale. The service is managed by a policy advisory committee, which is made up of the VCTC Commissioners representing the two cities and the County. As the administrator of the service, Commission staff works with the committee and local staff to ensure the service meets the needs of the community. This includes, fixed routes, school “boosters”, general purpose dial-a-ride and Americans with Disabilities Act (ADA) paratransit services. The upcoming year will include the planning and implementation of a new fixed route connecting the cities of Fillmore and Moorpark, adjustment of fixed routes and dial-a-ride, continuing to address driver recruitment challenges, and kicking off a new community outreach program. The community outreach program will include campaigns like Youth and College Ride Free and updating rider information such as transit maps and brochures.

VCTC Intercity Transit Service

VCTC has operated intercity commuter bus service for twenty-eight years, with two of its funding partnerships lasting over twenty-three years each [one with Santa Barbara County Association of Governments (SBCAG), and the other with California State University Channel Islands (CSUCI)]. While VCTC utilizes both federal and state funding, these partnerships provide local funding for two high ridership service lines in the VCTC Intercity system. VCTC looks to continue growing partnerships such as this in the future with local organizations. Prior to the pandemic, VCTC’s overall ridership was stable and growing. After an initial decline of 75% in Spring of 2020, riders are steadily returning to the service. With approximately 55% of the ridership today compared to pre-pandemic, VCTC is looking forward to continued growth in demand and addressing recruitment challenges with its contractor with the goal of resuming suspended service due to the driver shortage. In addition, our funding partner SBCAG was awarded grant funds to increase VCTC Intercity bus service to Santa Barbara and purchase five electric buses. In the upcoming year, VCTC will be using the five new electric buses to implement the new bus service.

Highway Program Management

VCTC will continue its work on the U.S. 101 High Occupancy Vehicle (HOV)/Express Bus Lane Project Approval and Engineering Design (PAED) phase. The Commission’s decision to prioritize the use of Surface Transportation Program (STP) funds to expedite the project development work, and eventual implementation of this project, will position the County to have a major “shovel ready” project should additional funding become available. During the upcoming year VCTC expects to release the draft environmental document for public review. In compliance with new state environmental policies, the environmental analysis will evaluate the project’s effect on Vehicle Miles Traveled, and provide mitigations, if warranted and feasible. Since existing funding is inadequate to fund the entire project within the next ten years, VCTC will be developing an “Early Action” package of improvements that will provide the maximum benefit with the projected available funds.

In addition, full project funding has been approved from the Senate Bill 1 Trade Corridor Enhancement Program for the Rice Avenue Grade Separation. VCTC will continue to work with the multiple agencies that are moving forward with final design and right-of-way acquisition, to ensure that the project continues progressing towards eventually starting construction in 2024.



Ventura County Transportation Commission

Motorist Aid Services - Service Authority for Freeway Emergencies (SAFE)

For Fiscal Year 2023/2024, the Emergency Roadside Callbox system enters the first of two option years of the maintenance and management support contracts. Monitoring of the second round of Incident Responder Grant Program awards will continue and a third round of awards will be completed. Evaluation of alternative approaches to speed data collection and dissemination will continue, including integration of the Transportation Data Pilot Program.

The operation, administration, and oversight of three Freeway Service Patrol (FSP) beats will continue, including coordination with Caltrans and California Highway Patrol, and a fourth FSP beat will begin service. While the long-term impact of COVID-19 to vehicle registrations and SAFE revenues remains to be seen, the SAFE Fund includes a sizeable reserve balance that helps to insulate revenues from this program area from fluctuations in the economy.

Passenger Rail (Metrolink and LOSSAN/Pacific Surfliner)

In the upcoming Fiscal Year, VCTC will contribute revenue-mile generated federal funding to Metrolink. VCTC is also using a portion of its Transportation Development Act LTF, STA and State of Good Repair SB 1 funds. In addition to funding operations and capital rehabilitation projects, these funds will help support the Simi Valley Double Track project and the Camarillo Station ADA Improvement Project. VCTC will work with Metrolink and the member agencies on ways to rebuild ridership and meet new travel demand in hopes of exposing new riders to the Metrolink system. VCTC partnered with Metrolink and LA Metro to continue Saturday service along the Ventura County Line. Additional weekend service began in Summer 2023, which includes an additional round trip on Saturday and two round trips on Sundays. This allows for more opportunity for Ventura County residents to travel into LA County, as well as for LA County residents to travel into Ventura County.

The Amtrak Pacific Surfliner service is fully funded by the State but is locally governed by way of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency (LOSSAN) joint powers authority and the LOSSAN managing agency, of which VCTC is a member. Efforts to better integrate the Surfliner with other local and regional transit services will continue through the Transit Transfer Program, scheduling coordination, network integration planning and other measures. VCTC will continue to provide policy direction for LOSSAN staff to coordinate capital planning projects along the corridor with LOSSAN as lead managing agency such as the Leesdale Siding Extension project and the Pedestrian Undercrossing Project led by the City of Camarillo. The Coast Rail Coordinating Committee focuses on the longer distance intercity trips (such as the Amtrak Coast Starlight) and Amtrak Coast Route service between Los Angeles and San Francisco.



Ventura County Transportation Commission

Santa Paula Branch Line

With execution of the 35-year Railroad Lease and Operations Agreement with Sierra Northern Railway in December 2021, VCTC will continue to transition responsibility for operations and maintenance of the Santa Paula Branch Line (SPBL) railroad and right-of-way. Under the Agreement, Sierra Northern has responsibility for implementation of the VCTC good neighbor policy through proactive management of the SPBL right-of-way, including weed abatement, debris cleanup, right of entry permitting, trespass removal, and compliance with Federal Railroad Administration (FRA) mandated Bridge Management Plan and annual bridge inspections. VCTC staff will continue to manage and assess leases, update rate schedules, and address encroachment issues within the right-of-way to ensure fairness, meet insurance requirements, bring fees up to date, and protect the right-of-way, to include conducting a right-of-way survey. VCTC will continue efforts to achieve the Commission's goal to reinvigorate the process to complete the SPBL trail. If grant funds are awarded through the Southern California Associate of Governments (SCAG) Regional Early Action Planning (REAP) 2.0 County Transportation Commissions Partnership Program, VCTC will conduct stakeholder engagement and other planning activities to update the SPBL Trail Master Plan and Environmental Impact Report (EIR). In addition, VCTC staff will continue to support local partner efforts to implement the Trail Master Plan. VCTC will coordinate with Federal, State, and local partners to repair the Sespe Creek overflow bridge and respond to storm damage, including efforts to secure Federal and State emergency funding assistance. VCTC will also coordinate with the County of Ventura regarding possible broadband deployment along the SPBL corridor.

Airport Land Use Commission

The Airport Land Use Commission (ALUC) will continue to review development projects within defined Airport Comprehensive Land Use Plan (ACLUP) boundaries for four airports in Ventura County (Camarillo Airport, Oxnard Airport, Santa Paula Airport, and Naval Base Ventura County-Point Mugu). ALUC staff will continue to review airport-related applications submitted to the ALUC, such as heliport expansions. ALUC staff will also continue to work with the County Department of Airports and local jurisdictions to ensure appropriate development around the County's airports. ALUC staff will participate on the planning advisory committee for the Ventura County Department of Airports Part 150 Noise Compatibility Study in Fiscal Year 2023/2024. In addition, during Fiscal Year 2023/2024, VCTC staff will prepare a scope of work and request for proposals and identify potential funding to update the ACLUP. Should Caltrans funding become available to update the ACLUP and the associated Environmental Impact Report (EIR), staff will work with Caltrans, the County Department of Airports, and the Department of Defense to apply for project funding and move the update forward.

Regional Transit

Staff continue regional transit planning activities and coordination with other transit providers in the county. Traditional planning activities in this task include completing or updating required federal and state planning documents (including managing the state Unmet Transit Needs process), engagement with all Ventura County public transit operators and staffing the Transit Operators Advisory Committee (TRANSCOM).

VCTC will continue working with our consultant to complete the Transit Integration and Efficiency Study (TIES) which seeks to improve the public transit network in Ventura County. It is an important study initiated at the request of the Commissioners, and as such the Commissioners will play an integral role in its development.



Ventura County Transportation Commission

Major projects for the upcoming year are implementing the strategies recommended in the TIES and the Coordinated Plan. Additionally, staff will begin the Short-Range Transit Plan (SRTP) which will guide VCTC's investments based on current market and service information, financial resources, and performance targets. The SRTP will also compile and prioritize the strategies listed in the TIES, Coordinated Plan, Transportation Emergency Preparedness Plan (TEPP), Zero Emission Bus Plan, operator SRTPs and other planning documents.

Staff will continue the College Ride Program and Youth Ride Free Program and expand them to include select free fare days during the year.

Regional Transportation Planning

VCTC's Regional Transportation Planning staff will continue to work closely with local jurisdictions, neighboring counties, and the Southern California Association of Governments (SCAG) to provide a regional perspective on Ventura County's regional transportation planning needs through review and comment on plans, projects, and environmental documents and participation in local, regional, and statewide planning efforts. Staff will continue to use the updated Ventura County Transportation Model (VCTM) and leverage the new transportation data and analytics pilot program to enable VCTC and partner agencies to make better informed land use and transportation decisions and to assist with implementation of Senate Bill (SB) 743. Through a partnership with Ventura Council of Governments (VCOG), funded by a Regional Early Action Planning (REAP) grant from SCAG and the California Department of Housing and Community Development, VCTC staff will continue to work jointly with VCOG to develop and implement the Vehicle Miles Travelled (VMT) Adaptive Mitigation Program.

VCTC will finalize and adopt an amendment to the Comprehensive Transportation Plan, which serves as a long-range policy document, built from community-based, local priorities and community-expressed need to enhance regional connections. The Plan will ultimately inform the Commission on transportation investments to help reduce congestion, improve mobility, and support economic resilience, while encouraging robust linkages between transportation, housing, and land use. VCTC will identify and consider alternatives to and through an update to the 2009 Congestion Management Program. If grant applications are successful through the SCAG REAP 2.0 County Transportation Commissions Partnership Program, VCTC will implement strategies of the Ventura County Freight Corridors Study to create a Community Traffic Calming & Pedestrian and Bicycle Safety Program and build on the VMT Adaptive Mitigation Program to develop communication tools on the relationship between transportation, housing, and land use. Also, with support from a Caltrans Sustainable Transportation Planning grant, VCTC will partner with the National Park Service to study wildlife movements and connectivity in the U.S. 101 Conejo Pass area. Additional emphasis will be placed on active transportation planning and furthering efforts to work with sponsoring jurisdictions to fund and construct bicycle and pedestrian improvements.



Ventura County Transportation Commission

Community Outreach

The focus of the Community Outreach program in the coming year will be to provide community education about public transit and other transportation options such as ridesharing and bicycling. Outreach efforts will build on two initiatives that started in the most recent fiscal year: Spanish-language outreach and expanded youth outreach. VCTC's first Spanish-language outreach initiative, Buenas con VCTC, has already received positive response from the community and an award from the American Public Transit Association (APTA). VCTC will continue to partner with the local Boys & Girls Clubs for a youth art contest, a fun and educational project that has helped VCTC establish valuable connections with future transit riders. In addition, VCTC will fully launch a youth "roadshow," an interactive presentation for students and youth organizations that will share information about public transit, ridesharing and youth-oriented transit programs such as Youth Ride Free. These efforts are intended to support the goals of VCTC to increase public transit ridership, as well as encourage the use of public transit and other modes of transportation. Staff will continue to participate in community events, such as Earth Day festivals. Lastly, the Community Outreach program will support other projects underway across the agency, such as the Freeway Service Patrol.

State and Federal Governmental Relations

VCTC will continue to develop cooperative working relationships to carry out the annual Legislative Program and secure transportation funding in Ventura County. During the coming year, the work to advance the Legislative Program will encompass monitoring of transportation legislation and regulations under development that could affect Ventura County; briefing legislative and congressional members and staff as appropriate; and participation in various advocacy groups. At the state level, the Legislature's priorities likely will be on managing the anticipated budget shortfall, which could result in cuts to transportation programs. In addition, many of the state's transit agencies are seeking an extension of regulatory relief provided by the state during the pandemic as federal COVID-19 assistance runs out. In Washington, D.C., the focus will continue to be on the rollout and implementation of the Infrastructure Investment and Jobs Act, a historic \$1.2 trillion bill passed and signed in November 2021, as well as protection of remaining COVID-19 relief funding.

Planning for the Future

As we enter the "endemic" stage of COVID-19, the once in a century pandemic that has ravaged and re-shaped our world, the World Health Organization declared an end to the COVID global health emergency. However, some challenges and trends continue that will not only affect the way VCTC operates but are likely indicators of lasting changes in our society. While transit ridership is slowly coming back, buoyed by VCTC's successful "College Ride" and "Youth Ride Free" programs, commuter ridership, especially on Metrolink is still not even half of what it was pre-pandemic (this despite generally higher prices for gasoline). The continuation of remote work in a "hybrid" work environment appears to be a semi-permanent fixture, at least for knowledge workers. In this changing transportation environment, creative approaches will be required by VCTC to best serve the mobility patterns of Ventura County's residents.



Ventura County Transportation Commission

VCTC strives to be a “high performing” organization, as well as a “healthy” organization where staff feels valued. In March 2023, the Commission took part in VCTC’s strategic planning session, which led to the adoption of VCTC’s five-year strategic plan in April of 2023 that set out ambitious but achievable goals for the coming years. This plan was created with staff, Commission and public input and will guide many of our future projects. This plan can be found on the VCTC website under “Plans and Projects” and select VCTC Goals and Strategic Plan or <https://www.goventura.org/vctc-transit/vctc-goals-and-strategic-plan>.

In addition to the new federal funding from the IIJA, Senate Bill 1 approved by the California Legislature and signed by Governor Jerry Brown in 2017 continues to be a lifeline for transportation. SB 1 funds are especially important as the unprecedented \$100 billion State surplus of last year has turned into a growing deficit, estimated to be at least \$25 billion at the writing of this budget. SB 1 will help us maintain public transit services, such as VCTC Intercity Bus and Metrolink commuter rail, repair railroad bridges and tracks and passenger rail cars, construct a new double-track project on the Coast mainline in Simi Valley and a pedestrian undercrossing at the Camarillo Train Station that will lead to improved passenger rail service through Ventura County. Fortunately, VCTC’s strategic use of state Low Carbon Transit Operating (LCTOP) funds provides funding for both the “College Ride” and “Youth Ride Free” programs that have been a bright spot in an otherwise challenging transit environment.

While maintaining transportation infrastructure is important, so too is fixing bumper-to-bumper traffic on the 101 and 118 freeways that has already returned as the State of California reopens the economy on the heels of the pandemic, improving bus and passenger train service, and safer bicycle and pedestrian facilities. VCTC does receive Federal and State formula funds that pays for a share of these projects and services. However, those two funding streams are insufficient long term. Unlike 25 counties in California, Ventura County has not yet passed a local transportation sales tax measure. Besides not being able to leverage the Federal and State funds with local transportation funds, VCTC is also not eligible for taxpayer-funded programs specifically created to reward transportation sales tax measure counties or be competitive for grant programs that reward project sponsors that include a substantial local match. It will likely take such a measure, where the revenues generated remain in Ventura County, to pay for our most critical transportation projects and public transit services.



Ventura County Transportation Commission

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ventura County Transportation Commission for its annual comprehensive financial report for the Fiscal Year ended June 30, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

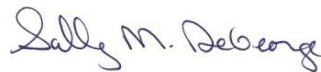
The management and finance staff are proud of the commitment to open, accountable, and transparent financial reporting and this is the fourteenth consecutive year that the Commission has received this prestigious award, which recognizes conformance with the highest standards for preparation of state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

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

Very truly yours,



MARTIN ERICKSON
Executive Director



SALLY M. DEGEORGE
Finance Director



Ventura County Transportation Commission

List of Principal Officials As of June 30, 2023

Board of Commissioners:

Bryan MacDonald	City of Oxnard, Chair
Matt LaVere	County of Ventura, Vice-Chair
Carrie Broggie	City of Fillmore
Daniel Chavez	Citizen Representative (Cities)
Jenny Crosswhite	City of Santa Paula
Chris Enegren	City of Moorpark
Bob Engler	City of Thousand Oaks
Suza Francina	City of Ojai
Jeff Gorell	County of Ventura
Mike Johnson	City of San Buenaventura
Mike Judge	City of Simi Valley
Kelly Long	County of Ventura
Vianey Lopez	County of Ventura
Martha McQueen-Legohn	City of Port Hueneme
Janice Parvin	County of Ventura
Tony Trembley	City of Camarillo, Past-Chair
Jim White	Citizen Representative (County)
Gloria Roberts	Caltrans (Ex-Officio)

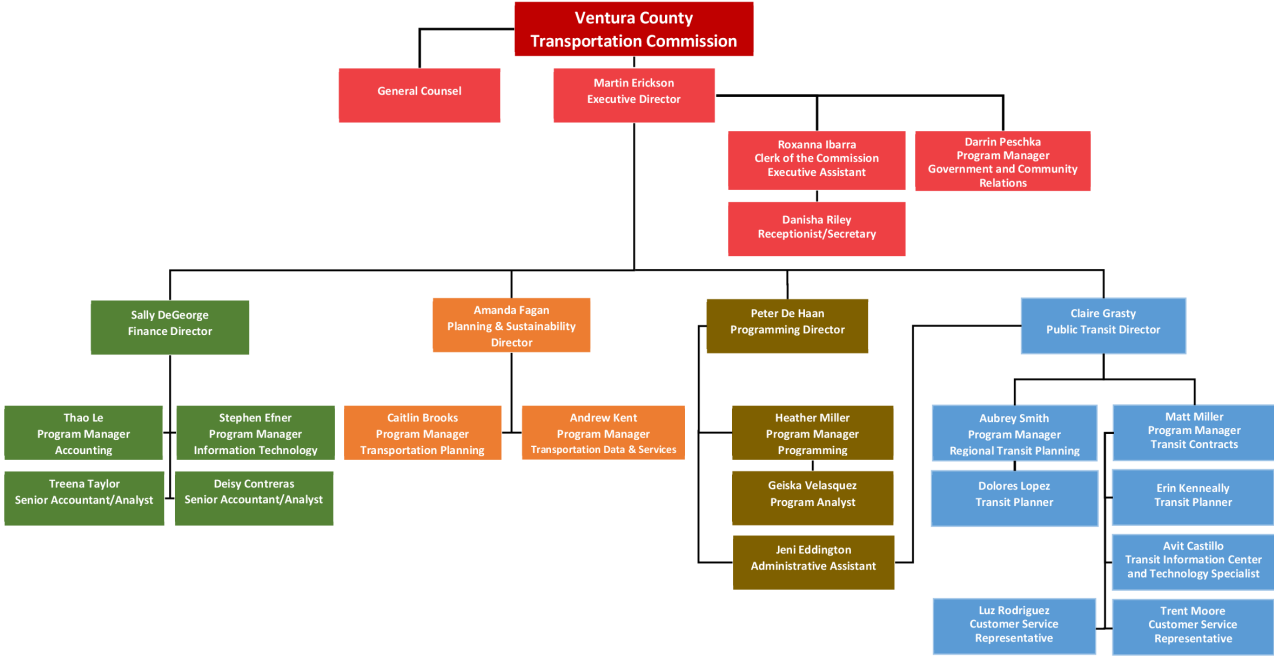
Executive Management:

Martin Erickson	Executive Director
Sally DeGeorge	Finance Director
Peter De Haan	Programming Director
Claire Grasty	Transit Director
Amanda Fagan	Planning Director



Ventura County Transportation Commission

Staff Organizational Chart
Fiscal Year 2022/2023



Certificate of Achievement for Excellence in Financial Reporting – GFOA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Ventura County Transportation Commission
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)

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Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)

Independent Auditor's Report on Financial Statements



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ventura County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 14 to the financial statements, the Commission has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund and each major special revenue fund, schedules of proportionate share of the net pension liability and pension contributions, and schedule of changes in the net OPEB liability and related ratios and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
November 14, 2023



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

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



Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)

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Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

As management of the Ventura County Transportation Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the Fiscal Year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the transmittal letter on page iii to xix and the audited financial statements, which begin on page 27.

Financial Highlights

- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$120,675,130 (net position). The net position consisted of net investment in capital assets of \$53,151,035, restricted net position of \$66,893,083 and unrestricted net position of \$631,012.
- The unrestricted net position (deficit) results from the recording of the net pension liability, net OPEB liability and related deferrals. The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). The net Other Postemployment Benefit (OPEB) is the difference between the total OPEB liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly, the Commission does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.
- The Commission's total net position increased by \$3,901,830 from the prior year. The increase is primarily due to an increase in restricted assets. LTF sales tax revenues came in higher than anticipated as online taxable sales remained strong. The STA funds were higher than anticipated due to a recovering economy and expenditures were lower due to project delays. The State of Good Repair (SGR) funds were not claimed by local agencies and therefore the net position increased.
- Total capital assets, net of depreciation, were \$53,580,960 on June 30, 2023, representing a negative 4.7% change or \$2,656,427 decrease. This decrease in capital assets is primarily due to depreciation.
- At the close of the current fiscal year, the Commission's governmental funds reported combined fund balances of \$67,338,074 an increase of \$6,799,523 largely due to higher than anticipated Local Transportation Funds and State Transit Assistance funds received and lower expenditures of State Transit Assistance funds. Furthermore, State of Good Repair fund costs were delayed which further increased the fund balance. Approximately 0.3% of the fund balance, or \$215,462 is available for spending at the government's discretion (unassigned fund balance).
- At the close of the current fiscal year, the Commission's cash and investments in the governmental funds was \$58,944,973, an increase of \$6.66 million and the Commission's cash and investments in the proprietary funds was \$1,153,669, an increase of \$422,289. Changes in cash balance are largely due to increased LTF, STA and SGR receipts, which are restricted funds of which the majority are passed through to other local agencies.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

- At the close of the current fiscal year, the Commission's proprietary funds reported a combined Net Position of \$7,633,949 which was a decrease of \$1,789,909 largely due to decreased capital assets for depreciation.

Overview of Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

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

The government-wide financial statements include financial information only for the Commission and its blended component unit. The government-wide financial statements can be found on pages 29 through 32 of this report.



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

Fund Financial Statements

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

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

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

The Commission maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the related statement of revenues, expenditures, and changes in fund balances. The Commission's major governmental funds comprised of the General Fund, Local Transportation Fund (LTF) and State Transit Assistance fund (STA). The nonmajor funds consist of the Service Authority for Freeway Emergencies (SAFE) fund, State of Good Repair fund (SGR) and Santa Paula Branch Line fund (SPBL).

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

The Commission adopted a comprehensive annual budget for all funds on June 3, 2022. Budgetary comparison schedules are provided for the General Fund, the Local Transportation Fund, and the State Transit Assistance fund in the Required Supplemental Information section to demonstrate compliance with these budgets. Budgetary comparison schedules are provided for the Service Authority for Freeway Emergencies fund, the State of Good Repair fund, the Santa Paula Branch Line fund, the VCTC Intercity fund and the Valley Express fund in the Supplementary Information section to demonstrate compliance with these budgets. The governmental fund financial statements, including the reconciliation between the fund financial statements and the governmental financial statements, can be found on pages 35 through 39 of this report. The proprietary fund financial statements can be found on pages 41 through 44.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Notes to the Basic Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found on pages 45 through 84 of this report.

Other Information

In addition to the Basic Financial Statements and accompanying Notes are two types of supplementary reports. The Required Supplementary Information provides the Commission's budgetary results for the General Fund and two major Special Revenue Funds, Local Transportation Fund and State Transit Assistance fund with appropriated budgets and its progress in funding its obligation to provide Pension and Other Post-Employment Benefits (OPEB) to its employees and can be found on 85 through 95 of this report. The Other Supplementary Information provides the Commission's budgetary results for the nonmajor Special Revenue Funds, Service Authority for Freeway Emergencies fund, State of Good Repair and Santa Paula Branch Line, and the proprietary funds, VCTC Intercity and Valley Express and can be found on pages 97 to 107.

Government-wide Financial Analysis

Statement of Net Position:

As previously noted, Net Position may serve over time as a useful indicator of the Commission's financial position. On June 30, 2023, the Commission's assets and deferred outflows exceed liabilities and deferred inflows by \$120,675,130, an increase of \$3,901,830 from June 30, 2022. The increase is primarily due to an increase in Local Transportation Funds and State Transit Assistance Funds, lower expenditures of State Transit Assistance funds, lower than anticipated State of Good Repair expenditures as well as a decrease in capital assets for depreciation. The analysis below focuses on the net position and changes in net position of the Commission's governmental activities.



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

The following table represents condensed financial data related to net position for the Fiscal Years ended June 30, 2023, and 2022:

**Ventura County Transportation Commission
Statement of Net Position
As of June 30, 2023, and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets:						
Current and other assets	\$ 74,125,255	\$ 66,913,924	\$ 2,634,148	\$ 2,440,997	\$ 76,759,403	\$ 69,354,921
Capital assets, non-depreciable	26,016,497	25,885,133	-	-	26,016,497	25,885,133
Capital assets, depreciated, net	19,903,194	20,951,650	7,661,269	9,400,604	27,564,463	30,352,254
Net pension asset	-	214,386	-	10,055	-	224,441
Net OPEB asset	-	115,889	-	5,435	-	121,324
Total assets	120,044,946	114,080,982	10,295,417	11,857,091	130,340,363	125,938,073
Deferred outflows of resources	3,296,612	1,374,579	137,988	64,468	3,434,600	1,439,047
Liabilities:						
Current and other liabilities	7,079,066	6,635,901	2,641,938	2,454,767	9,721,004	9,090,668
Long-term liabilities	534,842	554,807	6,862	-	541,705	554,807
Net pension liability	1,802,601	-	91,087	-	1,893,688	-
Net OPEB liability	239,512	-	25,118	-	264,630	-
Total current liabilities	9,656,021	7,190,708	2,765,005	2,454,767	12,421,027	9,645,475
Deferred inflows of resources	644,356	915,411	34,451	42,934	678,807	958,345
Net position:						
Net investment in capital assets	45,489,766	46,190,473	7,661,269	9,400,604	53,151,035	55,591,077
Restricted	66,893,083	60,002,174	-	23,254	66,893,083	60,025,428
Unrestricted (deficit)	658,332	1,156,795	(27,320)	-	631,012	1,156,795
Total net position	\$ 113,041,181	\$ 107,349,442	\$ 7,633,949	\$ 9,423,858	\$ 120,675,130	\$ 116,773,300

Approximately 44%, or \$53,151,035, of the Commission's net position is investments in capital assets (e.g., land and improvements, rail stations, buses, office furniture and equipment, right to use leases and subscription-based information technology arrangements (SBITA's), etc.) less any related debt used to acquire those assets that is still outstanding, if applicable. At this time, the Commission has no debt related to capital assets except for the lease and SBITA liabilities related to the right-to-use lease for office space and mobile ticketing sales system. The Commission uses these assets to provide commuter rail, highway, and transit and transportation assistance to the residents and business community of Ventura County. Capital assets decreased approximately 4% or \$2,656,427 in Fiscal Year 2022/2023. The change in capital assets is primarily due to the depreciation of assets and is discussed in greater detail in Note 3 of the Notes to the Basic Financial Statements.

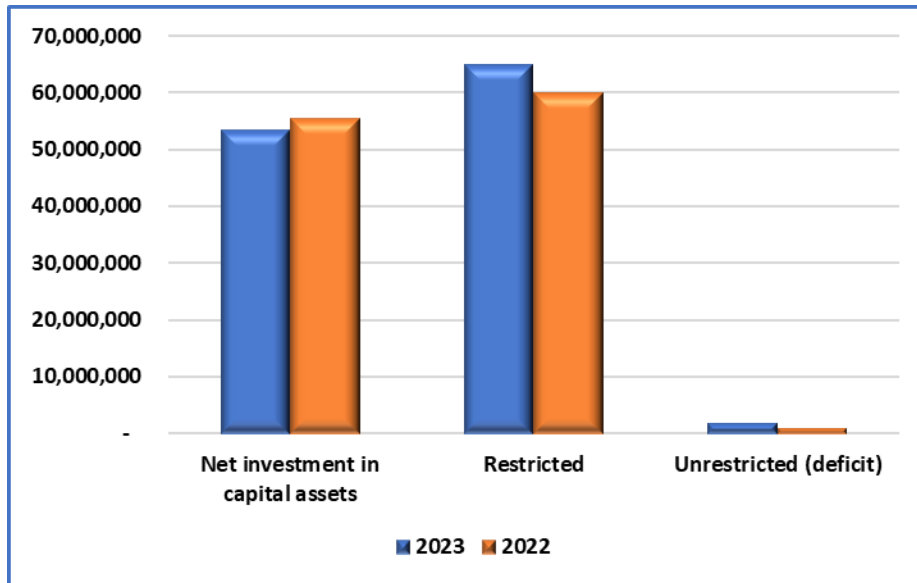
A significant portion of the Commission's net position, \$66,893,083, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities increased by 11% in Fiscal Year 2022/2023. This increase of \$6.8 million was largely due to Local Transportation Funds sales tax receipts holding strong via online sales and higher than anticipated State Transit Assistance revenues with lower expenditures than anticipated. Furthermore, the State of Good Repair funds were not claimed by the local agencies, increasing the net position.



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. On June 30, 2023, the unrestricted net position decreased by \$525,783 to \$631,012. The decrease in the net position is largely due to the pension and OPEB liabilities. The unrestricted net position (deficit) results from the recording of the net pension liability, net OPEB liability and related deferrals. Accordingly, the Commission does have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability will be funded over time with annual contributions from the Commission.

**Net Position
As of June 30, 2023, and 2022**



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

Statement of Activities:

As previously stated, Net Position can be a useful indicator of the Commission's financial position over time. The Commission's total program and general revenues were \$84,366,813 while the total costs of all programs were \$80,464,983. Total revenues increased by 10% and the total costs of all programs increased by 24%. The net position at year end was \$120,675,130. The following is a summary of the financial data related to the Statement of Activities for the Fiscal Years ended June 30, 2023, and 2022:

**Ventura County Transportation Commission
Statement of Activities
For the Fiscal Years Ended June 30, 2023, and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 435,839	\$ 368,288	\$ 2,125,906	\$ 420,934	\$ 2,561,745	\$ 789,222
Operating grants and contributions	12,606,576	13,322,748	5,955,159	7,031,808	18,561,735	20,354,556
Capital grants and contributions	332,740	1,285,243	-	9,135	332,740	1,294,378
General Revenues:						
Transportation development act sales taxes	61,232,614	54,379,213	-	-	61,232,614	54,379,213
Investment earnings	1,664,707	1,540	8,066	2,542	1,672,773	4,082
Other miscellaneous revenue	3,492	3,739	1,714	63,991	5,206	67,730
Total revenues	76,275,968	69,360,771	8,090,845	7,528,410	84,366,813	76,889,181
Expenses:						
Commuter assistance	248,908	264,684	-	-	248,908	264,684
General government	5,713,560	2,480,446	-	-	5,713,560	2,480,446
Highways	1,611,936	3,731,846	-	-	1,611,936	3,731,846
Planning and programming	8,808,445	6,094,931	-	-	8,808,445	6,094,931
Rail	8,343,147	7,152,443	-	-	8,343,147	7,152,443
Transit and transportation	42,294,676	32,454,260	13,444,311	12,455,635	55,738,987	44,909,895
Total expenses	67,020,672	52,178,610	13,444,311	12,455,635	80,464,983	64,634,245
Increase (decrease) in net position before transfers	9,255,296	17,182,161	(5,353,466)	(4,927,225)	3,901,830	12,254,936
Transfers	(3,563,557)	(3,044,562)	3,563,557	3,044,562	-	-
Change in net position	5,691,739	14,137,599	(1,789,909)	(1,882,663)	3,901,830	12,254,936
Net position at beginning of year, restated	107,349,442	93,211,843	9,423,858	11,306,521	116,773,300	104,518,364
Net position at end of year	\$ 113,041,181	\$ 107,349,442	\$ 7,633,949	\$ 9,423,858	\$ 120,675,130	\$ 116,773,300

Statement of Activities – Governmental Activities, Revenues:

The Commission's governmental program and general revenues were \$76,275,968, while the total costs of all programs were \$67,020,672. Total Governmental Activities revenues increased by 10% and the total costs of programs increased by 28% for an increase in net position of \$5,691,739. Key elements are as follows:

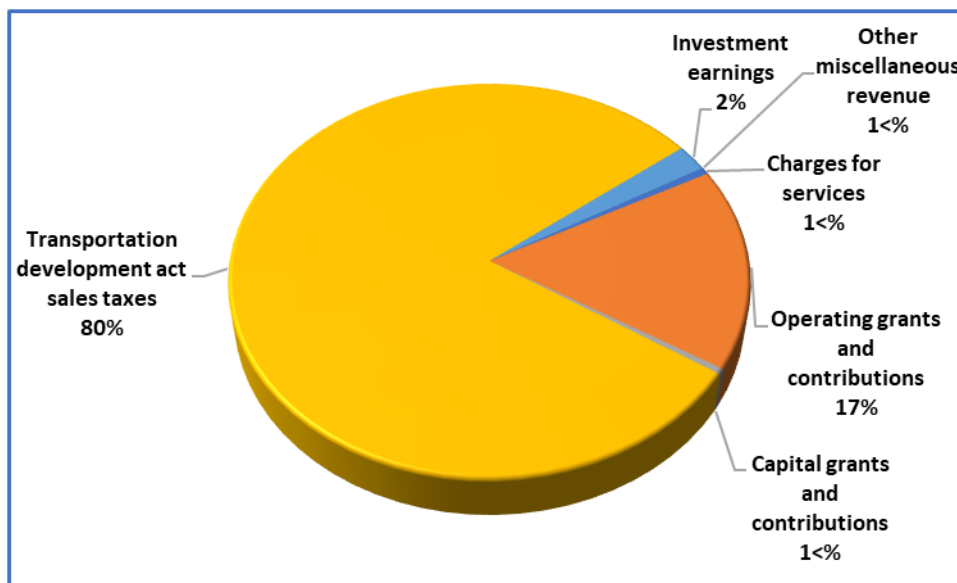
- Charges for services were \$435,839. The increase of \$67,551 is largely due to rail leases increased by CPI and one-time fees charged for filming on the Santa Paula Branch Line.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

- Operating and capital grants and contributions were \$12,939,316. The decrease of approximately \$1.69 million is largely due to decreased STP funds for the Route 101 Freeway environmental work and the prior year's exhaustion of the Proposition 1B funds for Metrolink capital projects.
- The total Transportation Development Act sales tax receipts for LTF and STA were \$61,232,614. The increase of approximately \$6.85 million is largely due to increased sales tax revenues collected for the Local Transportation Fund due to online sales and higher than anticipated State Transit Assistance funds along with lower than anticipated State Transit Assistance expenditures and transfers-out.
- Investment earnings were \$1,664,707. This increase of approximately \$1.66 million is due to much higher interest rates and larger balances.
- Other miscellaneous revenues were \$3,492. This decrease of \$247 is part of the normal fluctuations. This year's miscellaneous revenue largely consisted of forfeited FSA funds later used to pay for flexible spending account (FSA) plan fees and cash-back redemptions on credit cards.
- Transfers out of the governmental funds into the business-type funds consisted of \$3.56 million in STA funds into the VCTC Intercity business-type fund. This \$0.5 million increase was due to costs increase due to restoration of services.

Governmental Revenue Activities For the Fiscal Year Ended June 30, 2023



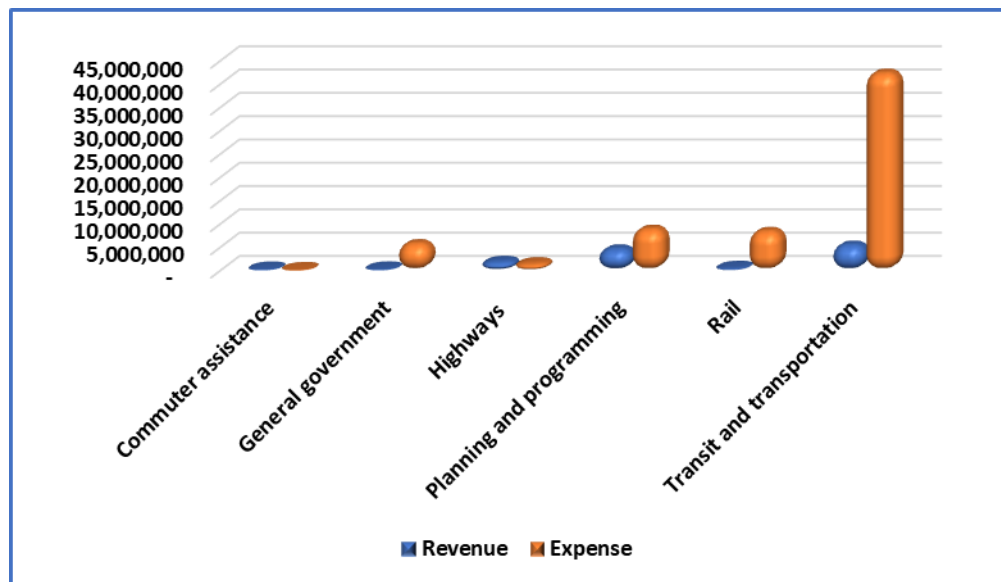
Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Statement of Activities – Governmental Activities, Expenses:

- Commuter Assistance activities were \$248,908, a decrease of approximately \$15,000 largely due to decreased costs for consultant and outreach activities.
- General Government activities were \$5,713,560, an increase of approximately \$3.2 million largely due to adjustments to pension and OPEB accrued costs, increased costs in business insurances, and the \$1 million additional discretionary payment to reduce the pension unfunded actuarial liability.
- Highway activities were \$1,611,936, a decrease of approximately \$2.1 million largely due to the delayed work on the Highway 101 project.
- Planning and Programming activities were \$8,808,445, an increase of approximately \$2.7 million largely due to the increased demand in the College and Youth ride free programs, increase to TDA Article 8a, Streets and Roads projects, and consultant costs.
- Rail activities were \$8,343,147, an increase of approximately \$1.2 million largely due to increased operational expenditures for Metrolink.
- Transit expenses were \$42,294,676, an increase of approximately \$9.8 million largely due to pass-through funding to local agencies. The pass-through funding to local agencies is a normal fluctuation based on reimbursement of projects.

The following graph depicts program revenues and expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2023.

**Governmental Activities Revenue and Expenses by Program
For the Fiscal Year Ended June 30, 2023**



**Ventura County Transportation Commission
Management’s Discussion and Analysis (unaudited)**

Statement of Activities - Proprietary Activities, Revenues:

The VCTC Intercity and Valley Express funds provide transit services for Ventura County residents. The Proprietary Activities program and general revenues were \$8,090,845, while the total costs of all programs were \$13,444,311. Transfers-in consisted of \$3.56 million from the STA fund. The ending net position for the year was \$7,633,949. Key elements are as follows:

Charges for services were \$2,125,906, which is approximately \$1.7 million higher than the previous year due to collection of fares and increasing ridership. Fares on the buses in the prior year were at half price to encourage ridership. These revenues also include route guarantees provided by outside agencies.

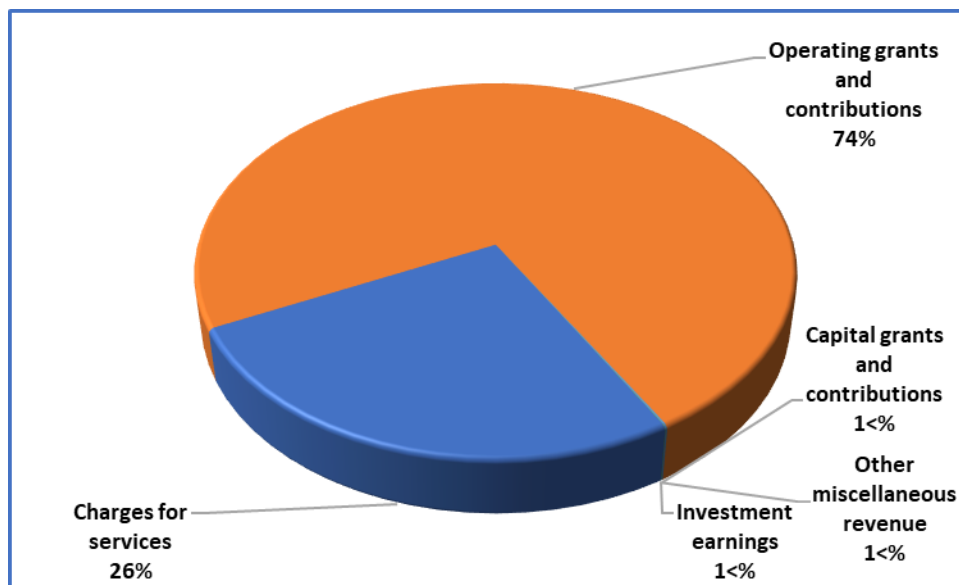
Operating and capital grant and contribution revenues were \$5,955,159 which was approximately \$1.1 million lower than the previous year due to decreased federal funding for operations during the pandemic.

Investment earnings were \$8,066, an increase of approximately \$5,500 due to higher interest rates.

Other revenues were \$1,714 (a decrease of approximately \$62,300) for fuel tax reimbursements from the Internal Revenue Service via the bus contractor as the fuel credits are now netted from the vendor invoicing.

Transfers into the VCTC Intercity fund consisted of \$3,563,557 from the STA fund which was approximately \$0.5 million higher due to the decreased Federal Transit Administration (FTA) covid funding.

**Business-Type Revenue Activities
For the Fiscal Year Ended June 30, 2023**



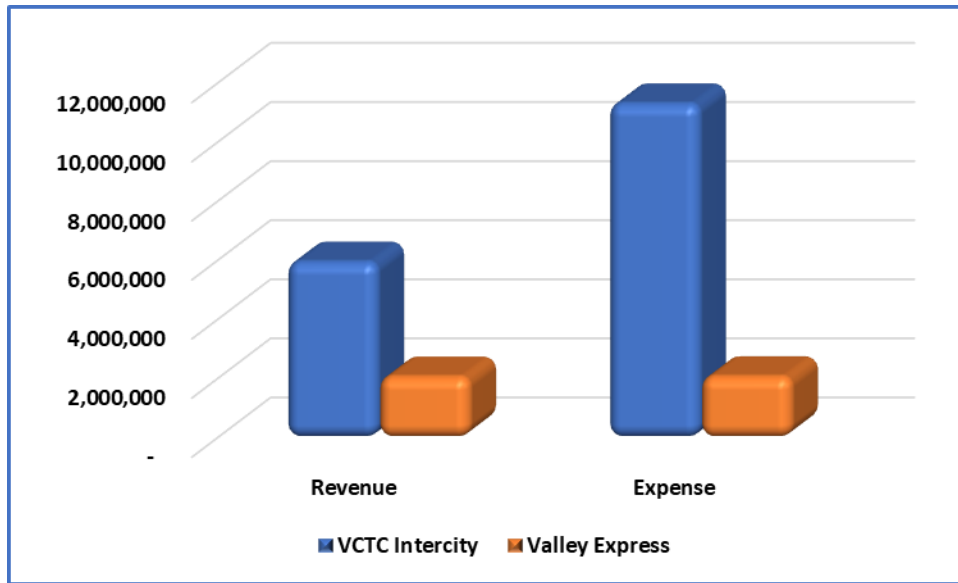
Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)

Statement of Activities - Proprietary Activities, Expenses:

VCTC Intercity activities totaled \$11,340,899, which was an increase of approximately \$0.5 million largely due to costs associated with restored operations.

Valley Express activities totaled \$2,103,412, which was an increase of approximately \$0.4 million largely due to costs associated with adjustments to routes.

**Business-type Revenue and Expense Activities by Fund
For the Fiscal Years ended of June 30, 2023**



**Ventura County Transportation Commission
Management’s Discussion and Analysis (unaudited)**

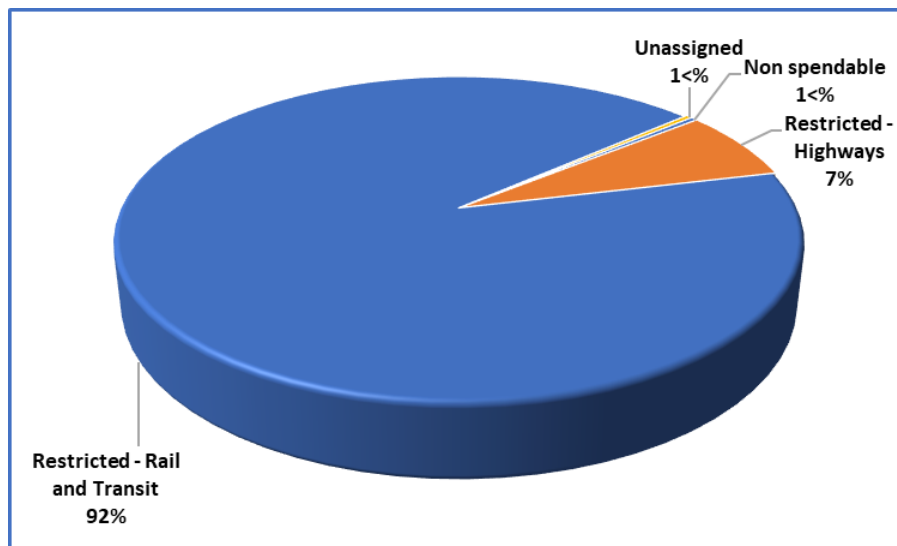
Fund Financial Statement Analysis

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

Governmental Funds:

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

As of June 30, 2023, the Commission’s governmental funds reported combined ending fund balances of \$67,338,074, an increase of \$6,799,523 from the prior year. This change is largely due to increased sales tax revenues from online sales for the Local Transportation Fund and State Transit Assistance funds with lower than anticipated State Transit Assistance expenditures and transfers-out. Of the approximately \$67.3 million fund balance, 99.3% is restricted for rail, transit, and highways projects, 0.3% is nonspendable for prepaid items and deposits, while the remaining 0.3% is unassigned in the General Fund and available for spending at the Commission’s discretion. The graph below depicts the fund balances as of June 30, 2023.



The following table presents the fund balances for the governmental funds as of June 30, 2023, and 2022:

Fund Balance	June 30, 2023	June 30, 2022	% of Change	Change
General Fund	\$ 5,102,381	\$ 2,905,671	76%	\$ 2,196,710
Major Special Revenue Funds:				
Local Transportation Fund	21,691,716	25,839,173	-16%	(4,147,457)
State Transit Assistance Fund	28,843,611	21,378,455	35%	7,465,156
Nonmajor Special Revenue Funds:				
Service Authority for Freeway Emergency	4,401,099	4,030,184	9%	370,915
State of Good Repair	7,273,900	6,359,701	14%	914,199
Santa Paula Branch Line Fund	25,367	25,367	0%	-
Total Fund Balance	\$ 67,338,074	\$ 60,538,551	11%	\$ 6,799,523



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Key elements for the Commission's governmental funds on June 30, 2023, were:

- The balance in the General Fund increased by approximately \$2.2 million in Fiscal Year 2022/2023. Of the \$5,102,381 fund balance, \$229,529 is nonspendable for prepaid and deposit items, \$4,657,390 is restricted for rail and transit purposes, and \$215,462 is unassigned. The increase in fund balance is largely due to an increase in transit/rail funds held within the General Fund balance.
- The Local Transportation Fund balance decreased by approximately \$4.1 million due to an increase in funds passed through to local agencies.
- The State Transit Assistance Fund balance increased by approximately \$7.47 million due to higher than anticipated revenues with lower than anticipated expenditures and transfers-out. Some expenditures and transfers-out were delayed.
- The Service Authority for Freeway Emergency Fund balance increased by approximately \$0.3 million due to lower than anticipated expenditures.
- The State of Good Repair fund increased by approximately \$0.9 million as projects were delayed and expenditures did not occur.
- The Santa Paula Branch Line fund balance did not change.

Proprietary Funds:

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

General Fund Budgetary Highlights

When the original budget is prepared, the carry-in balances of continuing projects are estimated. Amendments are made throughout the year to the budget to correct beginning balances, add new projects and adjust existing projects as needed. Differences between the original budget and the final amended budget for the General Fund (as reflected in the Budgetary Comparison Schedule for the General Fund found in the Required Supplementary Information) resulted in approximately a \$3.2 million increase in appropriations and were largely related to the following changes:

- The General Government budget increased approximately \$0.24 million largely due to carried-over consultant, professional services, and audit expenditures as well as adjustments to staffing costs for additional work on special projects.
- The Highways budget increased approximately \$0.46 million largely due to carried-over consultant expenditures for the Highway 101 project.
- The Planning and Programming budgets increased approximately \$1.46 million largely for additional funds for the College and Youth Ride Free program and adjustments of carried-over consultant studies.



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

- The Rail budgets increased approximately \$0.71 million largely due to carry-over for capital rehabilitation pass-through projects and additional operational expenses for Metrolink services.
- The Transit budgets increased approximately \$0.35 million largely due to the carry-over of FTA passed-through funding to local agencies.
- Budgeted intergovernmental revenues increased approximately \$2.25 million due to the increased expenses noted above.
- “Transfers-in” increased approximately \$0.7 million due to the increased expenses noted above.

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

Year Ended June 30, 2023				
General Fund Budgetary Variance	Final Budget	Actual	Variance with Final Budget	Percentage Variance
Revenues:				
Intergovernmental	\$ 20,952,596	\$ 9,805,249	\$ (11,147,347)	-53%
Charges for services	9,400	19,231	9,831	105%
Investment income	-	62,642	62,642	-
Other revenue	-	3,492	3,492	-
Total revenues	20,961,996	9,890,614	(11,071,382)	-53%
Expenditures:				
Current				
General government	6,519,900	5,203,813	1,316,087	20%
Programs	40,261,858	15,519,222	24,742,636	61%
Debt Service	206,000	219,085	(13,085)	-6%
Total expenditures	46,987,758	20,942,120	26,045,638	55%
Other financing sources:				
Transfers in	23,811,546	13,248,216	(10,563,330)	-44%
Total other financing sources	23,811,546	13,248,216	(10,563,330)	-44%
Net change in fund balance	\$ (2,214,216)	\$ 2,196,710	\$ 4,410,926	199%

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

- The approximate \$11.1 million negative variance for intergovernmental revenues occurred because of delayed projects. As the expenditures did not occur, the reimbursement revenues were not requested. Projects were carried over into the next fiscal year.
- The \$9,831 positive variance for charges for services was primarily due to local fees charged for leases and right of entry fees on the Metrolink rail line.



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

- The \$62,642 positive variance for investment income was due to higher interest on higher balances.
- The \$3,492 positive variance for other revenue was largely due to forfeiture of FSA funds that were later used to pay for plan fees.
- The approximately \$1.3 million positive variance for general government was largely due to unpaid staffing costs due to vacant positions, outreach, legal, and consultant studies that were not needed, as well as general expenditures not utilized.
- The approximately \$24.7 million positive variance for program expenditures was due to several factors:
 - The Commuter expenditures were \$96,292 lower due to the delays in the purchase of transit information software, consultant, and outreach expenses.
 - The Highway expenditures were approximately \$5.1 million lower as the consultant services needed for the 101 and 118 highway projects were delayed.
 - The Planning and Programming expenditures were approximately \$1.2 million less than budgeted due to delays in studies, consultant, planning software, and College Ride expenditures that were not expended and carried over into the next fiscal year.
 - The Rail program expenditures were approximately \$13.9 million less than budgeted largely due to delays in Metrolink capital projects.
 - The Transit and Transportation program expenditures were approximately \$4.4 million less than budgeted largely due to the delays of pass-through expenditures.
- Transfers in were approximately \$10.5 million less than budgeted largely because the projects utilizing STA fund transfers were carried over into the next fiscal year.



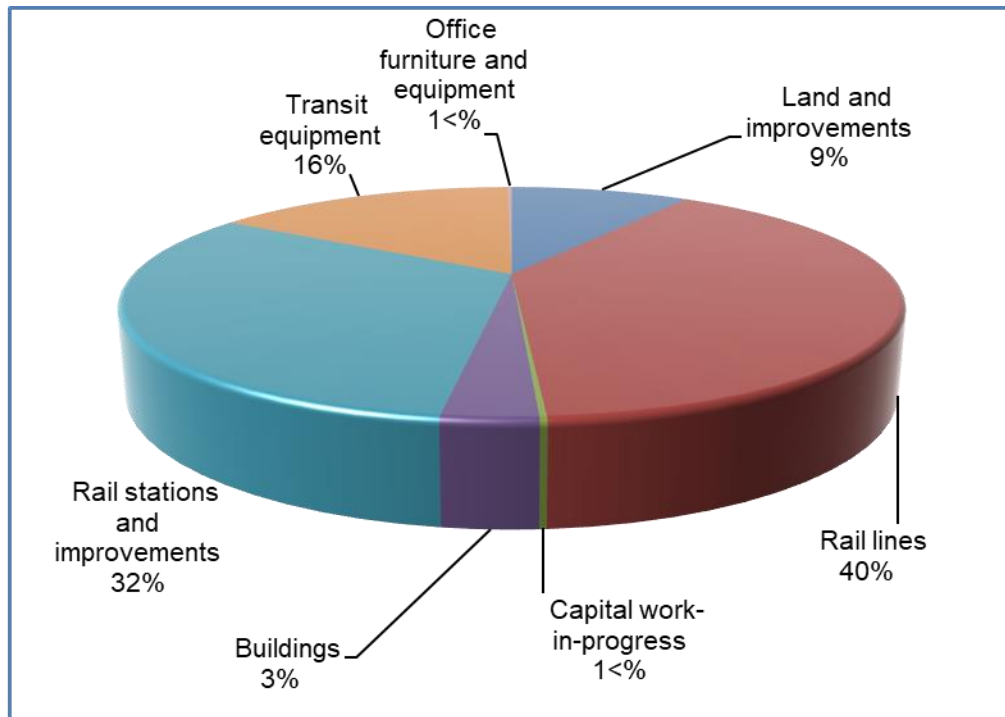
**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

Capital Assets

As of June 30, 2023, the Commission had \$53,580,960, net of accumulated depreciation and amortization, invested in a broad range of capital assets. The Commission's capital assets decreased by 5% primarily due to depreciation and amortization. Below is a comparative summary of the Commission's capital assets net of accumulated depreciation:

Capital Assets, net of accumulated depreciation	Balance as of Jun 30, 2023	Balance as of Jun 30, 2022
Land and improvements	\$ 4,964,826	\$ 4,964,826
Rail lines	20,920,307	20,920,307
Capital work-in-progress	131,364	-
Buildings	1,686,450	1,753,315
Rail stations and improvements	16,818,574	17,354,156
Transit equipment	8,320,299	10,423,810
Office furniture and equipment	133,073	192,086
Right-to-use lease	443,703	628,887
Right-to-use SBITA	162,364	-
Total	\$ 53,580,960	\$ 56,237,387

Below is a graph depicting the capital investments as of June 30, 2023:



**Ventura County Transportation Commission
Management's Discussion and Analysis (unaudited)**

Major capital additions and deletions during Fiscal Year 2022/2023 include:

- The addition of Bus sign and pass equipment – approximately \$112,000.
- The removal of Bus and farebox equipment – approximately \$31,000.
- The removal of SAFE satellite equipment – approximately \$460,000.
- The removal of Right-to-Use Lease - \$10,000.

Additional details about the Commission's capital assets are presented in Note 3, Capital Assets in the Notes to the Basic Financial Statements.

Long-term obligations

As of June 30, 2023, the Commission had \$837,611 in long-term liabilities outstanding consisting of compensated absences, leases, and SBITAs. This is a \$179,977 decrease (or 17.7%) compared to the prior year's balance, primarily due to the reduction of the Commission's lease liability. Additional details about the Commission's long-term liabilities are presented in Note 4, Long-Term Liabilities in the Notes to the Basic Financial Statements.

	Balance at	
	June 30, 2022, restated	Balance at June 30, 2023
Governmental activities:		
Compensated absences	\$ 169,025	\$ 186,486
Lease liability	645,029	473,527
SBITA liability	192,220	165,402
Total governmental activities	\$ 1,006,274	\$ 825,415
Business-type activities:		
Compensated absences	\$ 11,314	\$ 12,196
Total Business-type activities	\$ 11,314	\$ 12,196
Total government activities	\$ 1,017,588	\$ 837,611

Economic and Other Factors

In Fiscal Year 2022/2023 the General Fund fund balance increased by \$2,196,710 to \$5,102,381. The Local Transportation Fund balance decreased by \$4,147,457 to \$21,691,716 primarily due to additional funding to local agencies. The State Transit Assistance Fund balance increased by \$7,465,156 to \$28,843,611 due to higher than anticipated revenues and lower expenditures than anticipated. The SAFE fund balance increased by \$370,915 to \$4,401,099 due to lower than anticipated expenses. The State of Good Repair fund increased by \$914,199 to \$7,273,900 as expenditures were delayed. The Santa Paula Branch Line fund balance remained the same at \$25,367. The VCTC Intercity fund decreased by \$1,789,909 to \$7,633,949 largely due to depreciation of buses.



Ventura County Transportation Commission Management's Discussion and Analysis (unaudited)

Leading economic indicators remain mixed as the economy continues to struggle with economic uncertainties such as possible recessions, rising prices, geopolitical uncertainty and strife, higher interest rates, etc. Furthermore, uncertainty remains for both federal and state funding as political brinkmanship continues and long-term funding is missing, thus, impacting the projects the Commission can undertake and the services it is able to provide to its constituents. These changes are reflected in the Fiscal Year 2023/2024 budget.

The current economic factors and recent Commission studies guided the preparation of the Commission's Draft Fiscal Year 2023/2024 Budget that was presented in April 2023. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2023/2024 Budget to the Commission, which adopted it in June 2023.

The Fiscal Year 2023/2024 balanced budget includes approximately \$92 million in revenues, which consist of \$22.7 million in federal revenues, \$46 million in LTF revenues, \$11.5 million in STA revenues, \$1.5 million in SGR revenues, \$5.3 million in other state revenues and \$5.1 million in local and other revenues. Expenditures are expected to be approximately \$29.1 million for transit and transportation, \$5.6 million for highways, \$23.2 million for rail, \$0.9 million for commuter assistance, \$48.9 million for planning and programming, and \$1.6 million for general government. Within the planning and programs budget is the distribution of Transportation Development Act funds for the local jurisdictions for bicycles and pedestrians, transit and local streets and roads budgeted of approximately \$42.5 million. The full budget can be viewed on the Commission's website at www.goventura.org/about/finance.

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

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be addressed to the Finance Director, Ventura County Transportation Commission, 751 East Daily Drive, Suite 420, Camarillo, CA 93010.



Ventura County Transportation Commission
Financial Statements

Basic Financial Statements



Ventura County Transportation Commission
Financial Statements

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Ventura County Transportation Commission
Financial Statements

Government-wide Financial Statements



Ventura County Transportation Commission
Financial Statements

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**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Net Position
As of June 30, 2023**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Assets:			
Current assets:			
Cash and investments (note 2)	\$ 58,944,973	\$ 1,153,669	\$ 60,098,642
Receivables:			
Accounts	45,748	250	45,998
Interest	717,505	7,023	724,528
Intergovernmental	14,751,057	909,649	15,660,706
Internal balances	(563,557)	563,557	-
Prepaid items and deposits	229,529	-	229,529
Total current assets	74,125,255	2,634,148	76,759,403
Noncurrent assets:			
Capital assets, non-depreciable (note 3)	26,016,497	-	26,016,497
Capital assets, depreciated, net (note 3)	19,903,194	7,661,269	27,564,463
Total noncurrent assets	45,919,691	7,661,269	53,580,960
Total assets	120,044,946	10,295,417	130,340,363
Deferred outflows of resources:			
Deferred outflows - pension (note 8)	2,927,010	117,089	3,044,099
Deferred outflows - OPEB (note 9)	369,602	20,899	390,501
Total deferred outflows of resources	3,296,612	137,988	3,434,600
Liabilities:			
Current liabilities:			
Accounts payable	1,333,990	2,134,878	3,468,868
Due to other governmental agencies	2,608,221	-	2,608,221
Unearned revenue	2,777,911	501,726	3,279,637
Deposits	67,059	-	67,059
Accrued Interest	1,312	-	1,312
Noncurrent liability due within one year (note 4)	290,573	5,334	295,907
Total current liabilities	7,079,066	2,641,938	9,721,004
Noncurrent liabilities:			
Compensated absences (note 4)	104,917	6,862	111,779
Lease liability (note 4)	292,080	-	292,080
SBITA liability (note 4)	137,845	-	137,845
Net pension liability (note 8)	1,802,601	91,087	1,893,688
Net OPEB liability (note 9)	239,512	25,118	264,630
Total noncurrent liabilities	2,576,955	123,067	2,700,022
Total liabilities	9,656,021	2,765,005	12,421,026
Deferred inflows of resources:			
Deferred inflows - pension (note 8)	521,078	28,223	549,301
Deferred inflows - OPEB (note 9)	123,278	6,228	129,506
Total deferred inflows of resources	644,356	34,451	678,807
Net position:			
Net investment in capital assets	45,489,766	7,661,269	53,151,035
Restricted for:			
Highways	4,401,099	-	4,401,099
Rail and transit	62,491,984	-	62,491,984
Unrestricted (deficit)	658,332	(27,320)	631,012
Total net position	\$ 113,041,181	\$ 7,633,949	\$ 120,675,130

See accompanying notes to the basic financial statements.



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Statement of Activities
For the Fiscal Year Ended June 30, 2023**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						Total
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Primary government:							
Governmental activities:							
Commuter assistance	\$ 248,908	\$ -	\$ 409,378	\$ -	\$ 160,470	\$ -	\$ 160,470
General government	5,713,560	19,231	411,976	-	(5,282,353)	-	(5,282,353)
Highways	1,611,936	-	1,957,588	-	345,652	-	345,652
Planning and programming	8,808,445	-	4,557,837	-	(4,250,608)	-	(4,250,608)
Rail	8,343,147	416,608	218,292	-	(7,708,247)	-	(7,708,247)
Transit and transportation	42,294,676	-	5,051,505	332,740	(36,910,431)	-	(36,910,431)
Total governmental activities	67,020,672	435,839	12,606,576	332,740	(53,645,517)	-	(53,645,517)
Business-type activities:							
VCTC Intercity	11,340,899	2,060,039	3,924,441	-	-	(5,356,419)	(5,356,419)
Valley Express	2,103,412	65,867	2,030,718	-	-	(6,827)	(6,827)
Total business-type activities	13,444,311	2,125,906	5,955,159	-	-	(5,363,246)	(5,363,246)
Total primary government	\$ 80,464,983	\$ 2,561,745	\$ 18,561,735	\$ 332,740	\$ (53,645,517)	\$ (5,363,246)	\$ (59,008,763)
General and other revenues:							
Transportation Development Act sales taxes					61,232,614	-	61,232,614
Investment earnings					1,664,707	8,066	1,672,773
Other miscellaneous revenue					3,492	1,714	5,206
Total general and other revenues					62,900,813	9,780	62,910,593
Transfers (note 5)					(3,563,557)	3,563,557	-
Change in net position					5,691,739	(1,789,909)	3,901,830
Net position at beginning of year, restated					107,349,442	9,423,858	116,773,300
Net position at end of year					\$ 113,041,181	\$ 7,633,949	\$ 120,675,130

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

Fund Financial Statements



Ventura County Transportation Commission
Financial Statements

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Ventura County Transportation Commission
Financial Statements

Governmental Funds



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Balance Sheet - Governmental Funds
As of June 30, 2023**

	Special Revenue Funds					Total
	General	Local Transportation	State Transit Assistance	Other Nonmajor Governmental Funds		
Assets:						
Cash and investments (note 2)	\$ 9,516,678	\$ 12,497,614	\$ 24,980,668	\$ 11,950,013		\$ 58,944,973
Receivables:						
Accounts	14,419	-	-	31,329		45,748
Interest	76,483	204,053	296,109	140,860		717,505
Intergovernmental	1,698,959	8,990,049	3,304,362	757,687		14,751,057
Due from other funds (note 5)	367,918	-	-	163,035		530,953
Advances from other funds (note 5)	-	-	1,200,000	-		1,200,000
Prepaid items and deposits	229,529	-	-	-		229,529
Total assets	\$ 11,903,986	\$ 21,691,716	\$ 29,781,139	\$ 13,042,924		\$ 76,419,765
Liabilities and Fund Balance:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 564,935	\$ -	\$ -	769,055		1,333,990
Due to other governmental agencies	2,474,699	-	122,977	10,545		2,608,221
Due to other funds (note 5)	-	-	814,551	279,959		1,094,510
Advances to other funds (note 5)	1,200,000	-	-	-		1,200,000
Unearned revenue	2,561,971	-	-	215,940		2,777,911
Deposits	-	-	-	67,059		67,059
Total liabilities	\$ 6,801,605	\$ -	\$ 937,528	\$ 1,342,558		\$ 9,081,691
Fund balances:						
Nonspendable - prepaids and deposits	229,529	-	-	-		229,529
Restricted for:						
Highways	-	-	-	4,401,099		4,401,099
Rail and transit	4,657,390	21,691,716	28,843,611	7,299,267		62,491,984
Unassigned	215,462	-	-	-		215,462
Total fund balances	5,102,381	21,691,716	28,843,611	11,700,366		67,338,074
Total liabilities and fund balances	\$ 11,903,986	\$ 21,691,716	\$ 29,781,139	\$ 13,042,924		\$ 76,419,765

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

Ventura County Transportation Commission
Reconciliation of the Balance Sheet of Governmental Funds to the
Government-wide Statement of Net Position
As of June 30, 2023

Fund balances of governmental funds	\$ 67,338,074
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Adjustments due to deferred outflows of pensions	2,927,010
Adjustments due to deferred outflows of OPEB	369,602
Adjustments due to deferred inflows of pensions	(521,078)
Adjustments due to deferred inflows of OPEB	(123,278)
Adjustments due to pension liability	(1,802,601)
Adjustments due to OPEB liability	(239,512)
Capital assets net of accumulated depreciation and amortization, are not financial resources and, therefore, are not included in the governmental fund activity:	
Capital assets, net of depreciation	45,919,691
Long-term liabilities are not due and payable in the current period and, therefore, are not included in the governmental fund activity:	
Lease and SBITA right to use liability and interest	(640,241)
Compensated absences	(186,486)
Net position of governmental activities	<u>\$ 113,041,181</u>

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

**Ventura County Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds				Total
	General	Local Transportation	State Transit Assistance	Other Nonmajor Governmental Funds	
Revenues:					
Sales taxes	\$ -	\$ 48,505,879	\$ 12,726,735	\$ -	\$ 61,232,614
Vehicle registration fees	-	-	-	816,864	816,864
Intergovernmental	9,805,249	-	-	2,317,203	12,122,452
Charges for services	19,231	-	-	416,608	435,839
Investment income	62,642	635,176	638,301	328,588	1,664,707
Other revenue	3,492	-	-	-	3,492
Total revenues	9,890,614	49,141,055	13,365,036	3,879,263	76,275,968
Expenditures:					
Current:					
General government:					
Salaries and benefits	3,201,289	-	-	-	3,201,289
General legal services	50,013	-	-	-	50,013
Professional services	345,462	-	-	-	345,462
Other	1,607,049	-	-	-	1,607,049
Total general government	5,203,813	-	-	-	5,203,813
Programs:					
Commuter assistance	248,908	-	-	-	248,908
Highways	273,533	-	-	1,338,403	1,611,936
Planning and programming	2,420,950	5,776,297	611,198	-	8,808,445
Rail	7,309,608	-	-	584,002	7,893,610
Transit and transportation	5,266,223	36,598,575	-	62,293	41,927,091
Total programs	15,519,222	42,374,872	611,198	1,984,698	60,489,990
Debt Service:					
Principal - Lease & SBITA (note 6, 7)	198,319	-	-	-	198,319
Interest - Lease & SBITA (note 6, 7)	20,766	-	-	-	20,766
Total debt service	219,085	-	-	-	219,085
Total expenditures	20,942,120	42,374,872	611,198	1,984,698	65,912,888
Excess (deficiency) of revenues Over (under) expenditures	(11,051,506)	6,766,183	12,753,838	1,894,565	10,363,080
Other financing sources (uses):					
Transfers in (note 5)	13,248,216	-	-	281,014	13,529,230
Transfers out (note 5)	-	(10,913,640)	(5,288,682)	(890,465)	(17,092,787)
Total other financing sources (uses):	13,248,216	(10,913,640)	(5,288,682)	(609,451)	(3,563,557)
Net change in fund balances	2,196,710	(4,147,457)	7,465,156	1,285,114	6,799,523
Fund balances, beginning of year	2,905,671	25,839,173	21,378,455	10,415,252	60,538,551
Fund balances, end of year	\$ 5,102,381	\$ 21,691,716	\$ 28,843,611	\$ 11,700,366	\$ 67,338,074

See accompanying notes to the basic financial statements.



**Ventura County Transportation Commission
Financial Statements**

**Ventura County Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Government-wide Statement of
Activities
For the Fiscal Year Ended June 30, 2023**

Net change in fund balances - total governmental funds **\$ 6,799,523**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation exceeded capital outlay in the current period

Capital outlay, net of disposals	171,812	
Depreciation	(1,052,825)	
Amortization	(207,337)	
Other capital related adjustments	<u>(20,962)</u>	(1,109,312)

Changes in net pension asset and related deferrals reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. (211,707)

Changes in net OPEB asset and related deferrals reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. 32,407

Interest expenses associated with the right to use lease liability reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (31)

Debt Service Payments are reported as expenditures in the governmental funds, but are not reported as expenses in the Statement of Activities. 198,319

Compensated absences reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (17,460)

Change in net position of governmental activities \$ 5,691,739

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

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Ventura County Transportation Commission
Financial Statements

Proprietary Funds



Ventura County Transportation Commission
Financial Statements

**Ventura County Transportation Commission
Statement of Net Position –
Proprietary Funds
As of June 30, 2023**

	Business-type Activities		
	VCTC Intercity	Valley Express	Total
Assets:			
Current assets:			
Cash and investments (note 2)	\$ 486,006	\$ 667,663	\$ 1,153,669
Receivables:			
Accounts	-	250	250
Interest	2,937	4,086	7,023
Due from other funds (note 5)	563,557	-	563,557
Intergovernmental	613,457	296,192	909,649
Total current assets	1,665,957	968,191	2,634,148
Noncurrent assets:			
Capital assets, depreciated, net (note 3)	7,661,269	-	7,661,269
Total noncurrent assets	7,661,269	-	7,661,269
Total assets	9,327,226	968,191	10,295,417
Deferred outflows of resources:			
Deferred outflows - pension (note 8)	117,089	-	117,089
Deferred outflows - OPEB (note 9)	20,899	-	20,899
Total deferred outflows of resources	137,988	-	137,988
Liabilities:			
Current liabilities:			
Accounts payable	1,524,028	610,850	2,134,878
Unearned revenue	144,385	357,341	501,726
Noncurrent liability due within one year (note 4)	5,334	-	5,334
Total current liabilities	1,673,747	968,191	2,641,938
Noncurrent liabilities:			
Compensated absences (note 4)	6,862	-	6,862
Net pension liability (note 8)	91,087	-	91,087
Net OPEB liability (note 9)	25,118	-	25,118
Total noncurrent liabilities	123,067	-	123,067
Total liabilities	1,796,814	968,191	2,765,005
Deferred inflows of resources:			
Deferred inflows - pension (note 8)	28,223	-	28,223
Deferred inflows - OPEB (note 9)	6,228	-	6,228
Total deferred inflows of resources	34,451	-	34,451
Net position:			
Net investment in capital assets	7,661,269	-	7,661,269
Unrestricted (deficit)	(27,320)	-	(27,320)
Total net position	\$ 7,633,949	\$ -	\$ 7,633,949

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

Ventura County Transportation Commission
Statement of Revenues, Expenses and Change in Net Position –
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-type Activities		
	VCTC Intercity	Valley Express	Total
Operating revenues:			
Passenger fares	\$ 753,151	\$ 65,867	\$ 819,018
Route guarantee	1,306,888	-	1,306,888
Total operating revenues	2,060,039	65,867	2,125,906
Operating expenses:			
Salaries and benefits	279,042	63,343	342,385
General legal services	5,752	9,680	15,432
Professional services	214,060	101,527	315,587
Other	160,495	56,286	216,782
Contract services	8,870,524	1,872,576	10,743,100
Depreciation	1,811,026	-	1,811,026
Total operating expenses	11,340,899	2,103,412	13,444,311
Operating income (loss)	(9,280,860)	(2,037,545)	(11,318,405)
Non-operating revenues:			
Federal grants	3,889,441	1,092,730	4,982,171
Local Transportation Funds (LTF)	-	937,988	937,988
Local grants	35,000	-	35,000
Interest income	1,239	6,827	8,066
Other revenue	1,714	-	1,714
Total non-operating revenues:	3,927,394	2,037,545	5,964,939
Income (loss) before non-operating and transfers	(5,353,466)	-	(5,353,466)
Transfers in (out) (note 5)	3,563,557	-	3,563,557
Change in net position	(1,789,909)	-	(1,789,909)
Beginning of Fiscal Year	9,423,858	-	9,423,858
End of Fiscal Year	\$ 7,633,949	\$ -	\$ 7,633,949

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Financial Statements

**Ventura County Transportation Commission
Statement of Cash Flows –
Proprietary Funds
For the Fiscal Year ended June 30, 2023**

	Business-type Activities		
	VCTC Intercity	Valley Express	Total
Cash flows from operating activities:			
Receipts from passenger fares	\$ 753,893	\$ 63,406	\$ 817,299
Receipts from route guarantee	1,409,056	-	1,409,056
Payments for operating costs, net of support	(9,529,339)	(1,902,766)	(11,432,105)
Net cash used in operating activities	(7,366,390)	(1,839,360)	(9,205,750)
Cash flows from non-capital financing activities:			
Federal grants received	3,939,150	990,368	4,929,518
Local transportation fund received	-	937,988	937,988
State transit assistance fund received	4,195,753	-	4,195,753
Local contributions paid	(306,247)	(70,486)	(376,733)
Net cash provided by non-capital financing activities	7,828,656	1,857,870	9,686,526
Cash flows from capital and related financing activities			
Capital grants (paid) for acquisition of capital assets	(62,384)	-	(62,384)
Net cash provided by (used for) capital and related financing activities	(62,384)	-	(62,384)
Cash flows from investing activities			
Interest earnings (expense)	-	3,897	3,897
Net cash flows provided by investing activities	-	3,897	3,897
Net increase in cash and cash equivalents	399,882	22,407	422,289
Cash and cash equivalents, beginning of year	86,124	645,256	731,380
Cash and cash equivalents, end of year	\$ 486,006	\$ 667,663	\$ 1,153,669
Reconciliation of operating (loss) to net cash used in operating activities:			
Operating income/(loss)	\$ (9,280,860)	\$ (2,037,545)	\$ (11,318,405)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,800,163	-	1,800,163
Changes in operating assets and liabilities:			
Decrease/(increase) in receivable	742	(2,461)	(1,719)
Decrease/(increase) in prepaid expense	-	-	-
Decrease/(increase) in deferred outflows of resources	(73,520)	-	(73,520)
Increase/(decrease) in unearned revenue	102,168	-	102,168
Increase/(decrease) in accounts payable	(39,177)	200,646	161,469
Increase/(decrease) in noncurrent liabilities due within one year	(5,980)	-	(5,980)
Increase/(decrease) in deferred inflows of resources	(8,483)	-	(8,483)
Increase/(decrease) in pension liability	101,142	-	101,142
Increase/(decrease) in OPEB liability	30,553	-	30,553
Increase/(decrease) in noncurrent liabilities due beyond one year	6,862	-	6,862
Total adjustment	1,914,470	198,185	2,112,655
Net cash used in operating activities	\$ (7,366,390)	\$ (1,839,360)	\$ (9,205,750)

See accompanying notes to the basic financial statements.



Ventura County Transportation Commission
Notes to the Basic Financial Statements

Notes to the Basic Financial Statements



Ventura County Transportation Commission
Notes to the Basic Financial Statements

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Ventura County Transportation Commission
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity: The Ventura County Transportation Commission (Commission) was created in January 1989 under Senate Bill No. 1880 as the successor agency to the Ventura County Association of Governments assuming all the assets and liabilities of that Association. The Commission was reorganized in 2004 under Assembly Bill 2784. The Commission is a transit planning agency governed by a 17-member Board of Commissioners (Board) consisting of one representative from each city in the County, all five County Supervisors, two citizens, and one nonvoting state representative.

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

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

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

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

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

Government-wide Financial Statements: These financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Commission accompanied by a total column. The governmental fund activities are supported by taxes and intergovernmental revenues. The business-type activities rely to a significant extent on fees and charges for services. Eliminations are made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated); however, the interfund services provided and used are not eliminated in the process of consolidation.

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

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Fund Financial Statements, continued: The Commission reports the following major governmental funds:

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

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

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

The Commission reports the following nonmajor governmental funds:

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

State of Good Repair (SGR) Fund: This special revenue fund is used to account for the revenues received from the provisions of SB1, which apportions funding by formula for any transit-related capital maintenance purposes, including repair, refurbishment and replacement of existing transit vehicles and infrastructure.

Santa Paula Branch Line (SPBL) Fund: This fund is used to account for the revenues received in support of the Santa Paula Branch Line for the restricted purpose of preserving the rail right-of-way for future rail expansion and development of a recreational trail.

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

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting: The government-wide financial statements and proprietary fund financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the Commission’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position and demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

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

Proprietary fund financial statements are reported using the “economic resources” measurement focus in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

Federal Revenues:

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

Federal Transit Administration (FTA) - The Federal Transit Administration revenues provide funding for transit related programs in a variety of areas. FTA funds generally require the lead agency to match the federal funds with state or local funds. These funds provide revenue for transit operations, planning studies, capital, capital lease and maintenance, paratransit services, etc. Included in this category are the COVID-19 relief CARES, CRSSA, and ARPA funds.

Surface Transportation Program (STP) – The federal Surface Transportation Program revenues provide funding for federal-aid highways, bridge projects on public roads, and transit capital projects, as well as local streets and road improvement projects.

State Revenues:

Freeway Service Patrol (FSP) – The Freeway Service Patrol (FSP) revenues are funded from the State Highway Account (SHA). The FSP funds are divided into funding from the SHA and SB1. These funds are to be used for traffic-congested urban freeways throughout the state to provide emergency roadside assistance.

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

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

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Major Revenue Sources, continued:

State of Good Repair (SGR) – The State of Good Repair revenues are received from the provisions of SB1 which apportions funding by formula for any transit-related capital maintenance purposes, including repair, refurbishment and replacement of existing transit vehicles and infrastructure.

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

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

Cash and Investments: The Commission maintains cash and investments in accordance with an investment policy adopted by the Board most recently approved on April 7, 2023. The investment policy complies with, or is more restrictive than, applicable state statutes.

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

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

Fair Value Measurement: In accordance with 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, are recorded at fair value in the basic financial statements, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

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

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

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

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

The right-to-use leased assets are recognized at the lease commencement date and represent VCTC's right to use an underlying asset for the lease term longer than one year. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. The right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using.

The right-to-use subscription-based information technology arrangement (SBITA) assets are recognized at the subscription commencement date and represent VCTC's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. The right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset.

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Capital Assets (continued):

The Commission uses the straight-line method in the government-wide and proprietary fund financial statements for depreciating buildings, rail stations, rail improvements, equipment, and furniture. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective Statement of Net Position. A summary of useful lives for depreciation purposes are listed below. For full details see the Commission’s Capital Asset Policy approved on May 7, 2021.

<u>Item</u>	<u>Useful Life</u>
Buildings	50 years
Bus Fare Equipment	10 years
Buses – Large	10-12 years
Buses – Medium	5-7 years
Bus Camera	5 years
Callboxes	10 years
Equipment and furniture	5 years
Land	Not depreciated
Leasehold improvements	Life of the lease term
Rail improvements	15-50 years
Rail stations	50 years
Software	3-5 years

Compensated Absences: The Commission’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability is reported in the government-wide financial statements and the liability will be liquidated from the General Fund resources. The employee’s entitlement to these balances is attributable to services already rendered and it is probable that virtually all these balances will be liquidated by either paid time off or payments upon separation or retirement. Vacation leaves in governmental funds that are due and payable at year-end is reported as an expenditure. Earned vacation leave that is not currently due is reported as a long-term liability in the government-wide financial statements. On July 2, 2021, the Commission revised their vacation policy to allow vacation accrual to exceed 320 hours, but to automatically buy out any vacation accrued over 320 hours with the last payroll in December. Accumulated sick leave lapses when the employee leaves the employment of the government and, upon separation from service, is not eligible for payment upon separation. There is no cap on sick leave.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Long-Term Obligations: In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. The net pension and net OPEB liabilities are also reported as long-term liabilities in the governmental activities.

Lease liabilities represent VCTC's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by VCTC.

Subscription liabilities represent VCTC's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by VCTC.

Deferred Outflows/Inflows of resources: The Commission reports deferred outflows and inflows of resources related to pensions and other postemployment benefits on the government wide statement of net position and the proprietary funds statement of net position, under the full accrual basis of accounting. Refer to notes 8 and 9 for items identified as deferred inflows and outflows related to pension and other postemployment benefits, respectively, as of June 30. The Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represents a consumption of net assets that applies to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represents an acquisition of net assets that applies to future periods and that, therefore, are not recognized as revenues until that time.

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

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

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

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

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

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

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

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

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

Use of Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

Pensions: For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for CalPERS pension reporting:

Valuation date	June 30, 2021
Measurement date	June 20, 2022
Measurement period	July 1, 2021 to June 30, 2022

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

Other Post-Employment Benefits: For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9).

The following timeframes are used for OPEB reporting:

Valuation date	June 30, 2021
Measurement date	June 20, 2022
Measurement period	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expenses. 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 five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. The objective of this statement is to provide a single method of reporting conduit debt obligations by issue and eliminate diversity in practice. Application of this statement was originally effective for the fiscal year ending June 30, 2022. In accordance with GASB 95, this standard is delayed, and the new effective date is for fiscal years ending December 31, 2022, and subsequent (or June 30, 2023 fiscal year). The Commission has implemented and determined that there is no material effect of this statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. The objective of this statement is improving financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The statement is effective for reporting periods beginning after June 15, 2022 (or June 30, 2023 fiscal year). The Commission has implemented and determined that there is no material effect of this statement.

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, was issued May 2020. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The statement is effective for reporting periods beginning after June 15, 2022 (or June 30, 2023 fiscal year). The Commission has implemented this statement (see Notes 3, 4, 7, and 14).

GASB Statement No. 99, *Omnibus 2022*, – was issued April 2022. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. The requirements of this Statement related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Commission has determined that there was no material impact on the Commission's financial statements.

In addition, the requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Commission has not determined the effect on the financial statements.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 1. Summary of Significant Accounting Policies, continued

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

GASB Statement No. 100, Accounting Changes and Error Corrections, An Amendment of GASB Statement No. 62, was issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Commission has not determined the effect on the financial statements.

GASB Statement No. 101, Compensated Absences, was issued June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Commission has not determined the effect on the financial statements.

Note 2. Cash and Investments

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Investment Type	Government-Wide Statement of Net Position		
	Governmental	Proprietary	Total
	Funds	Funds	
Local Agency Investment Fund (LAIF)	\$ 9,749,470	\$ 732,536	\$ 10,482,006
Deposits with financial institutions	623,324	421,133	1,044,457
Ventura County pooled investment fund	48,572,179	-	48,572,179
Total cash and investments	\$ 58,944,973	\$ 1,153,669	\$ 60,098,642

Deposits and withdrawals in the Ventura County Pooled Investment Fund (VCPPIF) and Local Agency Investment Fund (LAIF) are made on the basis of \$1 and not fair value. Accordingly, the Commission’s measurement of fair value of its investments with LAIF is based on uncategorized inputs, not defined as a level 1, level 2, or level 3 input.

External Investment Pools: VCTC holds a position in two external investment pools (LAIF and VCPPIF) that are not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 2. Cash and Investments, continued

Local Agency Investment Fund (LAIF): VCTC is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Local Agency Investment Fund is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with state statute. The fair value of VCTC's investment in this pool is reported in the accompanying financial statements at amounts based upon the agencies' pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Furthermore, LAIF is a special fund of the California State Treasury through which local governments may pool investments. VCTC may invest up to \$75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif/laif/index.asp.

VCTC's investments with LAIF on June 30, 2023, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

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

VCTC had \$10,482,006 invested in LAIF, which had invested 0.0408% of the pooled investment fund as of June 30, 2023, in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 0.984828499 was used to calculate the fair value of the investments in LAIF as of June 30, 2023.

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

The County's Treasurer has indicated to VCTC that as of June 30, 2023, the value of the County's portfolio was approximately \$4.3 billion. As of June 30, 2023, VCTC has investment in the VCPIF \$48,572,179. The VCPIF fair value factor of 0.99116627 was used to calculate the fair value of the investments in VCPIF as of June 30, 2023.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 2. Cash and Investments, continued

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

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

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

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission’s investments by maturity as of June 30, 2023:

Investment Type	Total	Remaining Maturity - 12 Months or Less
Local Agency Investment Fund (LAIF)	\$10,482,006	\$ 10,482,006
Ventura County Pooled Investment Fund (VCPIF)	48,572,179	48,572,179
Total	\$ 59,054,185	\$ 59,054,185



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 2. Cash and Investments, continued

Disclosures Relating to Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Commission’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type as of June 30, 2023.

Investment Type	Total	Minimum Legal Rating	Unrated	Rating as of Year End AAAF
Local Agency Investment Fund	\$10,482,006	None	\$10,482,006	\$ -
County pooled investment fund	48,572,179	None	-	48,572,179
Total	\$ 59,054,185		\$ 10,482,006	\$ 48,572,179

Concentration of Credit Risk: As of June 30, 2023 the Commission did not have any investments in any one issuer (other than the Ventura County investment pool) that represented 5% or more of its total investment portfolio. Information pertaining to the interest rate risk, credit risk, custodial credit risk and concentration of credit risk related to the Ventura County pooled investments can be obtained from the County of Ventura’s ACFR at: www.ventura.org.

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

The Commission has deposits with financial institutions where the first \$250,000 of the deposit balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 3. Capital Assets

Government-wide Financial Statements: On June 30, 2023, the Commission's capital assets consisted of the following:

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated:			
Land and improvements	\$ 4,964,826	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	20,920,307
Capital work-in-progress	131,364	-	131,364
Total capital assets not being depreciated	26,016,497	-	26,016,497
Capital assets being depreciated/amortized:			
Buildings	2,380,828	-	2,380,828
Rail stations and improvements	26,403,596	-	26,403,596
Transit equipment	3,935,626	19,254,581	23,190,207
Highway assistance	4,109,616	-	4,109,616
Office furniture and equipment	303,762	-	303,762
Right-to-use lease	798,665	-	798,665
Right-to-use SBITA, restated	192,220	-	192,220
Total capital assets being depreciated/amortized	38,124,313	19,254,581	57,378,894
Less accumulated depreciation/amortization:			
Buildings	(694,378)	-	(694,378)
Rail stations and improvements	(9,585,022)	-	(9,585,022)
Transit equipment	(3,276,596)	(11,593,312)	(14,869,908)
Highway assistance	(4,109,616)	-	(4,109,616)
Office furniture and equipment	(170,689)	-	(170,689)
Right-to-use lease	(354,962)	-	(354,962)
Right-to-use SBITA	(29,856)	-	(29,856)
Total accumulated depreciation/amortization	(18,221,119)	(11,593,312)	(29,814,431)
Total capital assets being depreciated/amortized, net	19,903,194	7,661,269	27,564,463
Capital assets, net	\$ 45,919,691	\$ 7,661,269	\$ 53,580,960



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 3. Capital Assets, continued

Governmental Activities: The following is a summary of capital assets for governmental activities for the fiscal year ending June 30, 2023

	Balance at July 1, 2023, restated	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land and improvements	\$ 4,964,826	\$ -	\$ -	\$ 4,964,826
Rail lines	20,920,307	-	-	20,920,307
Capital work-in-progress	-	131,364	-	131,364
Total capital assets not being depreciated	25,885,133	131,364	-	26,016,497
Capital assets being depreciated/amortized:				
Buildings	2,380,828	-	-	2,380,828
Rail stations and improvements	26,403,596	-	-	26,403,596
Transit equipment	3,915,489	40,448	(20,311)	3,935,626
Highway assistance	4,570,251	-	(460,635)	4,109,616
Office furniture and equipment	303,762	-	-	303,762
Right-to-use lease	808,622	-	(9,957)	798,665
Right-to-use SBITA	192,220	-	-	192,220
Total capital assets being depreciated/amortized	38,574,768	40,448	(490,903)	38,124,313
Less accumulated depreciation/amortization:				
Buildings	(627,513)	(66,865)	-	(694,378)
Rail stations and improvements	(9,049,440)	(535,582)	-	(9,585,022)
Transit equipment	(2,892,283)	(391,365)	7,052	(3,276,596)
Highway assistance	(4,570,251)	-	460,635	(4,109,616)
Office furniture and equipment	(111,676)	(59,013)	-	(170,689)
Right-to-use lease	(179,735)	(177,481)	2,254	(354,962)
Right-to-use SBITA	-	(29,856)	-	(29,856)
Total accumulated depreciation/amortization	(17,430,898)	(1,260,162)	469,941	(18,221,119)
Total capital assets being depreciated/amortized, net	21,143,870	(1,219,714)	(20,962)	19,903,194
Capital assets, net	\$ 47,029,003	\$ (1,088,350)	\$ (20,962)	\$ 45,919,691

Depreciation and amortization expense for the fiscal year ended June 30, 2023 was charged to programs of the governmental activities as follows:

Governmental Activities:	Total
General government	\$ 236,494
Rail	602,447
Transit	421,221
Total	\$ 1,260,162



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 3. Capital Assets, continued

Business-type Activities: The following is a summary of capital assets for business-type activities for the fiscal year ending June 30, 2023

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets being depreciated:				
Transit equipment	\$ 19,193,753	\$ 71,691	\$ (10,863)	\$ 19,254,581
Total capital assets being depreciated	19,193,753	71,691	(10,863)	19,254,581
Less accumulated depreciation:				
Transit equipment	(9,793,149)	(1,811,026)	10,863	(11,593,312)
Total accumulated depreciation	(9,793,149)	(1,811,026)	10,863	(11,593,312)
Capital assets, net	\$ 9,400,604	\$ (1,739,335)	\$ -	\$ 7,661,269

Depreciation expense for the fiscal year ended June 30, 2023 was charged to functions/programs of the governmental activities as follows:

Business-type Activities:	Total
Transit	\$ 1,811,026
Total	\$ 1,811,026

Note 4. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance at July 1, 2022, restated	Additions	Deletions	Balance at June 30, 2023	Amount Due in One Year	Amount Due Beyond One Year
Governmental activities:						
Compensated absences	\$ 169,025	\$ 164,520	\$ (147,059)	\$ 186,486	\$ 81,569	\$ 104,917
Lease liability	645,029	-	(171,502)	473,527	181,447	292,080
SBITA liability, restated	192,220	-	(26,818)	165,402	27,557	137,845
Total governmental activities	\$ 1,006,274	\$ 164,520	\$ (345,379)	\$ 825,415	\$ 290,573	\$ 534,842
Business-type activities:						
Compensated absences	\$ 11,314	\$ 8,313	\$ (7,431)	\$ 12,196	\$ 5,334	\$ 6,862
Total Business-type activities	\$ 11,314	\$ 8,313	\$ (7,431)	\$ 12,196	\$ 5,334	\$ 6,862
Total government activities	\$ 1,017,588	\$ 172,833	\$ (352,810)	\$ 837,611	\$ 295,907	\$ 541,704

See GASB 87 & 96 amortization schedules and Vacation accrual schedule

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 4. Long-Term Liabilities, continued

Lease: The Commission’s lease deferral, right of use and associated interest are discussed in detail in Note 6, *Leases*.

SBITA: The Commission’s subscription-based information technology arrangements (SBITA) deferral, right of use and associated interest are discussed in detail in Note 7, *Subscription-Based Information Technology Arrangements (SBITA)*.

Note 5. Interfund Transactions

Due From - Due to Other Funds: The composition of balances related to due from other funds and due to other funds on June 30, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance	\$ 87,959
General Fund	State of Good Repair	279,959
Santa Paula Branch Line	State Transit Assistance	163,035
VCTC Intercity	State Transit Assistance	563,557
Total		<u>\$ 1,094,510</u>

The amount due to the General Fund, Special Revenue Funds and Proprietary Funds represent a temporary timing difference between when transactions are recorded in the accounting system and when payments are made.

Long-Term Advances to Other Funds: The composition of balances related to long-term advance balances between funds on June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
State Transit Assistance	General Fund	\$ 1,200,000
Total		<u>\$ 1,200,000</u>

On September 7, 2018, the Commission approved, via Agenda Item 8K, an internal cash flow loan of State Transit Assistance funds to the General Fund for cash flow management of the U.S. 101 HOV (PAED) project. This loan is non-interest bearing and will be repaid when the project is completed, and expenses are reimbursed by the state. Unfortunately, delays continue with the project and it is anticipated that the full funds will be returned to STA in 2024.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 5. Interfund Transactions, continued

Interfund Transfers: Interfund transfers consisted of the following for the year ended June 30, 2023:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund	\$ 10,826,840
General Fund	State Transit Assistance	1,530,911
General Fund	State of Good Repair	723,252
General Fund	Service Authority for Freeway Emergencies	53,015
General Fund	Santa Paula Branch Line	114,198
Santa Paula Branch Line	Local Transportation Fund	86,800
Santa Paula Branch Line	State Transit Assistance	194,214
VCTC Intercity	State Transit Assistance	3,563,557
Total		<u>\$ 17,092,787</u>

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

The Commission is responsible for apportioning the Local Transportation Funds for the County of Ventura for transportation purposes. The General Fund is eligible to receive LTF revenues for transportation, commuter rail costs, administrative costs, and two percent of the total apportionment for transportation planning purposes. In Fiscal Year 2022/2023, the Commission apportioned \$10,927,540 of Local Transportation Funds as a fund transfer to the General Fund and Santa Paula Branch Line for these purposes. The Commission approved a transfer of \$11,246,303 in State Transit Assistance funds to the General Fund, Santa Paula Branch Line, and the VCTC Intercity Funds, but the funds were not fully expended and thus not all funds were transferred. The Commission approved \$7,786,197 in State of Good Repair transfers for transit activities provided to the General Fund, but the funds were not fully expended and thus not all funds were transferred. The Commission approved \$83,400 in Service Authority for Freeway Emergency fund transfers for highway activities provided in the General Fund, but the funds were not fully expended and thus not all funds were transferred. The Commission approved \$144,200 in SPBL transfers for rail activities provided in the General Fund, but the funds were not fully expended and thus not all funds were transferred.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 6. Leases

The Commission is committed under an office lease which is considered an operating lease. On April 1, 2020, the Commission entered into a lease for new office space at 751 East Daily Drive in Camarillo for a term of five years and four months (64 months). The lease terminates in December 2025. Under the terms of the lease, the Commission pays a monthly base fee of \$14,656.50 increasing 3.0% annually on the anniversary of the agreement. The Commission also pays a share of operating expense of 7.13%, which are not included in the measurement of the lease liability as they are variable in nature. The Commission paid \$10,386 during the year toward these variable costs. The operating expense shall not exceed 6% per year over the base year on a cumulative and compounded basis. The Commission has an option to extend the term of the lease after 64 months, which the Commission does not believe it will exercise with reasonable certainty.

At June 30, 2023, the Commission recorded one right-to-use asset with an asset value of \$443,703 and a lease liability of \$473,527. During the fiscal year, the Commission recorded \$177,481 in amortization expense and \$13,843 in interest expense for the right to use the office space. A disposal of Lease asset was recorded in the net amount of \$7,703. The Commission used a discount rate of 2.5%, based on estimated U.S. Treasury borrowing rates for a security with comparable maturity.

Remaining obligations associated with these leases are as follows:

Fiscal year ended June 30,	Principal	Interest
2024	181,447	9,446
2025	191,863	4,747
2026	100,217	540
Total	\$ 473,527	\$ 14,733



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 7. Subscription-based information technology arrangement (SBITA)

The Commission is committed under a subscription-based information technology arrangement (SBITA). On December 9, 2020, the Commission entered into an arrangement for bus pass mobile ticketing and fare collection for an initial term of five years and five one-year options. VCTC anticipates exercising three of the optional years. The lease terminates in December 2025. Under the terms of the SBITA, the Commission pays a monthly base fee of \$2,500 plus a monthly unit fee of \$20 per unit for 13 units subject to a 5% escalation annually.

At July 1, 2022, the Commission recorded a right-to-use SBITA assets with an asset value of \$162,364 and a SBITA liability of \$165,402 related to this agreement with the implementation of GASB 96, *Subscription-based information technology arrangements*. During the fiscal year, the Commission recorded \$29,856 in amortization expense and \$6,924 in interest expense for the right to use SBITA. The Commission used a discount rate of 3.9%, based on estimated U.S. Treasury borrowing rates for a security with comparable maturity.

Remaining obligations associated with these leases are as follows:

Fiscal year ended June 30,	Principal	Interest
2024	27,557	5,921
2025	28,848	4,804
2026	30,183	3,652
2027	31,581	2,446
2028	33,042	1,187
Thereafter	14,191	108
Total	\$ 165,402	\$ 18,118



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan

General Information about the Pension Plans

Plan Description: The Commission contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participant public entities within the State of California. The plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 Annual Actuarial Valuation reports. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications at: www.calpers.ca.gov.

Employees Covered: In 2013, the State implemented the CalPERS Public Employee Pension Reform Act (PEPRA) that created a second retirement tier for VCTC. Overtime, as CalPERS classic employees separate or retire, the Classic active employees will decrease and the PEPRA active, transferred and separated and retired employees will increase. As of the June 30, 2021 (valuation date) the following employees were covered by the benefit terms for each Plan:

	2021	
	Classic #1014	PEPRA #26505
Active employees	11	10
Transferred and separated employees	14	4
Retired employees and beneficiaries	<u>19</u>	<u>1</u>
Total	<u>44</u>	<u>15</u>

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

General Information about the Pension Plans, continued

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

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

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

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

For the measurement period ended June 30, 2022 (the measurement date), the active employee contribution rate for Miscellaneous Classic and PEPRA was 7.0% and 6.75% of Fiscal Year 2022/2023 annual pay, respectively and the employer's contribution rate was 9.120% and 7.470% of annual payroll, respectively. The Classic employer contribution for Fiscal Year 2022/2023 also included a lump sum payment for unfunded accrued liability (UAL) of \$1,000,000.

For the year ended June 30, 2023, the contributions for each plan were as follows:

	2023		Total
	Classic #1014	PEPRA #26505	
Employer Contributions	\$1,255,082	\$80,811	\$1,335,893
Total	<u>\$1,255,082</u>	<u>\$80,811</u>	<u>\$1,335,893</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability: For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability determined in the June 30, 2021 actuarial accounting valuations. The June 30, 2023, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability	
Actuarial cost method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary Increases	Varies ¹
Mortality rate	Varies ²
Post Retirement Benefit Increase	Up to 2.30%

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

² The mortality table used was developed based on CalPERS' specific membership data. The table includes 15 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the experience study.

Discount Rate: For actuarial assumptions used in the June 30, 2021 (valuation date) the discount rate used to measure total pension liability was 6.90%. CalPERS lowered the discount rate from 7.15% as triggered by the Funding Risk Mitigation Policy. The policy lowers the discount rate in years of good investment returns to reduce risk in the portfolio.

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

The following table reflects the 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.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

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

Asset Class	Strategic Allocation	Real Return Years 1-10 ^{1,2}
Global Equity – cap-weighted	30.00%	4.45%
Global Equity – non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Estate	15.00%	3.21%
Leverage	-5.00%	-0.59%

1. An expected inflation of 2.3% used for this period.
2. The figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Commission’s proportionate share of the net pension liability for the Plan as of June 30, 2022 (measurement date for Fiscal Year 2022/2023) calculated using the discount rate of 6.9% for the Plan, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate			
Measurement Date	1% Decrease	Assumed Rate	1% Increase
	5.90%	6.90%	7.90%
June 30, 2022	\$3,774,994	\$1,893,688	\$345,839



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

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

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

Net Pension Liabilities – The following table shows the change in plan’s proportionate share of the Commission’s aggregate net pension liability for the measurement period on June 30, 2022:

Measurement Date	Proportionate Share of Net Pension Liability
June 30, 2022	\$1,893,688
June 30, 2021	<u>(224,441)</u>
Change in aggregate net pension liability	<u>\$2,118,129</u>

The Commission’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward a year using standard update procedures. The Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined by CalPERS. The Commission’s proportionate share of the net pension liability for each Plan as of June 30, 2022, as follows:

Measurement Date	Proportionate Share
June 30, 2022	0.01639 %
June 30, 2021	<u>(0.00415%)</u>
Change – Increase (Decrease)	<u>0.02054 %</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

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

For the year ended June 30, 2023, the Commission recognized pension expense of \$1,588,046.

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

The Expected Average Remaining Service Lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2022 measurement period is 3.7 years.

On June 30, 2023, the Commission reported in aggregate deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,029	\$ (25,470)
Changes in assumptions	194,048	-
Net Difference between projected and actual investment earnings	346,873	-
Change in employer's proportion	755,928	(295,471)
Differences between actual and proportionate share of employer's contributions	373,328	(228,360)
Contributions after the measurement date	<u>1,335,893</u>	<u>-</u>
Total	<u>\$3,044,099</u>	<u>\$(549,301)</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 8. Pension Plan, continued

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

The \$1,335,893 in contributions reported as deferred outflows of resources subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Contributions made after the measurement date of the net pension liability but before VCTC's reporting period will be recognized as a reduction of the net pension liability in subsequent fiscal years rather than in the current fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 382,346
2025	355,819
2026	208,581
2027	212,159
Thereafter	-
Total	<u>\$1,158,905</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 9. Other Postemployment Benefit Plan

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

Commission’s Funding Policy: The contribution requirements of the Commission were established per a Board Resolution dated September 1, 1985, and later amended on May 14, 2010, when the Commission adopted a Health Reimbursement Arrangement (HRA) that modified VCTC’s post-employment health benefits for its retirees effective June 1, 2010. The modifications included reducing the Commission’s required CalPERS retiree health care contribution to the minimum amount required by CalPERS health rules adjusted for inflation each year (currently \$151 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For “Grandfathered” employees and retirees hired before July 1, 2010, the Health Reimbursement Arrangement will supplement the retiree health care contribution up to the entire cost of the individual health benefit (currently up to an additional \$863 per month) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to an additional \$269 per month) for individual health coverage. As of June 30, 2023, VCTC had eleven “Grandfathered” retirees that were receiving OPEB benefits. “Grandfathered” Plan members are not required to contribute to the plan. Employees hired after July 1, 2010, will only receive the minimum contribution required by CalPERS health rules upon direct retirement from VCTC and VCTC had one retiree with this OPEB benefit. Below is the information based on the last valuation:

	Participants as of	
	June 30, 2022	June 30, 2021
Current retirees and surviving spouses	13	14
Active employees eligible for benefits	<u>20</u>	<u>21</u>
Total	<u>33</u>	<u>35</u>

The Commission’s contribution to the OPEB plan may be amended by the Board of Commissioners. The contribution required to be made is the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded liabilities of the plan. For Fiscal Year 2022/2023, the Commission contributed \$92,255 to the plan, including \$22,047 current premiums, \$35,831 HRA payments, \$28,122 trust contributions, \$6,000 implied retiree subsidy and \$255 in fees.

The Commission established an irrevocable trust in May 2009 (administered by CalPERS) for the purpose of holding assets accumulated for plan benefits. It is the Commission’s policy to contribute 100% of the Annual Required Contribution as determined by the actuary and not based on pay like the pension. Accordingly, the Commission’s contributions to this trust have been accounted for as reductions of the Commission’s liability for its obligation. CalPERS publishes a separate financial statement conforming to GASB Statement No. 74 in separately issued financial statements for the CalPERS OPEB Trust. Copies of the CalPERS annual financial reports for its OPEB Trust may be obtained from its website at www.calpers.ca.gov.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 9. Other Postemployment Benefit Plan, continued

Net OPEB Liability: VCTC's net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The net OPEB liability on June 30, 2023, was:

	Valuation Date June 30, 2023
Total OPEB Liability (TOL)	\$1,956,752
Fiduciary Net Position (FNP)	<u>1,692,122</u>
Net OPEB Liability (NOL)	<u>\$264,630</u>
Funded status (FNP/TOL)	86.50%

Actuarial Methods and Assumptions: The net OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability	
Actuarial cost method	Entry Age Normal, Level % of Pay
Actuarial Assumptions:	
Discount rate	5.75%
Expected rate of return	6.75% per annum. This discount rate assumes the Commission contributions projected to keep sufficient plan assets to pay all benefits from trust.
Inflation	2.50%
Mortality, Retirement, Disability & Termination	CalPERS 1997 – 2015 experience study
Mortality improvement	Mortality improvement scale MP - 2020
Salary increases	2.75% aggregate. Merit – CalPERS 1997 – 2015 experience study
Medical trend	Non-Medicare – 6.75% and Medicare – 5.85% for 2022 decreasing to an ultimate rate of 3.75% in 2076
Mortality rate	Varies
Post Retirement Benefit Increase	4.00%

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2019, to June 30, 2021.



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 9. Other Postemployment Benefit Plan, continued

Discount Rate: The discount rate used to measure the net OPEB liability was 5.75%. This discount rate assumes the Commission continues to fully fund for its retiree health benefits through the California Employer's Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1.

The table below reflects the 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 Component	Target Allocation CERBT Strategy 1	Long-term Expected Real Rate of Return ¹
Global Equity	34.00%	4.56%
Fixed Income	41.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	17.00%	4.06%
¹ Long-term expected real rate of returns are presented as geometric means.		
Assumed Long-term Rate of Inflation		2.50%
Expected Long-term net Rate of Return, Rounded		5.75%

Change in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/Asset (c) = (a) - (b)
Balance at June 30, 2022	\$ 1,770,542	\$ 1,891,866	\$ (121,324)
Changes Recognized for the Measurement Period:			
Service Cost	48,535	-	48,535
Interest on the total OPEB liability	110,975	-	110,975
Assumption changes	113,650	-	113,650
Employer contributions	-	136,257	(136,257)
Net investment income	-	(248,316)	248,316
Benefit payments, including refunds of member contributions	(86,950)	(86,950)	-
Administrative expenses	-	(735)	735
Net changes	186,210	(199,744)	385,954
Balance at June 30, 2023	<u>\$ 1,956,752</u>	<u>\$ 1,692,122</u>	<u>\$ 264,630</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 9. Other Postemployment Benefit Plan, continued

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

	Plan's Net OPEB Liability/(Asset)		
	Discount Rate -1%	Current Discount	Discount Rate +1%
	4.75%	5.75%	6.75%
Balance at June 30, 2023	\$ <u>527,210</u>	\$ <u>264,630</u>	\$ <u>47,363</u>

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

	Plan's Net OPEB Liability/(Asset)		
	Healthcare Trend	Healthcare Trend	Healthcare Trend
	Rate -1%	Rate Current	Rate +1%
Balance at June 30, 2023	\$ <u>7,393</u>	\$ <u>264,360</u>	\$ <u>583,017</u>

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

CERBT Trust	ADC
Employer Contributions	\$ <u>92,255</u>



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 9. Other Postemployment Benefit Plan, continued

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB: For the year ended June 30, 2023, the Commission recognized OPEB expense of \$69,094 for the Commission's Plan. On June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 99,259
Changes in assumptions	166,788	30,247
Net difference between projected and actual investment earnings	131,458	-
Contributions made after measurement date	92,255	-
Total	\$ 390,501	\$ 129,506

The \$92,255 reported above as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Contributions made after the measurement date of the net OPEB liability but before VCTC's reporting period will be recognized as a reduction of the net OPEB liability in subsequent fiscal years rather than in the current fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Deferred Outflow/(Inflow) of Resources
2024	\$ 29,713
2025	28,488
2026	19,399
2027	76,400
2028	(278)
Thereafter	15,018
Total	\$ 168,740



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 10. Joint Ventures

SCRRA - The Commission is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority, the San Bernardino Associated Governments, and the Riverside County Transportation Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for VCTC's pro rata share of rail lines servicing the County. The Commission expended \$7,039,161 from the budget this fiscal year for its share of Metrolink capital and operating costs. Additional funding is programmed directly to SCRRA and is not reflected in the Commission's financial statements. Separate financial statements are prepared by and available from SCRRA's website at: www.metrolinktrains.com.

LOSSAN - The Commission is one of 13 agency members of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency (LOSSAN), a joint powers agency created in 1989 and most recently amended in 2013. The LOSSAN's board consists of two members from the Los Angeles County Metropolitan Transportation Authority, two members from the Orange County Transportation Authority, one member from the Riverside County Transportation Commission, one member from the San Diego Metropolitan Transit System, one member from the North County Transit District, one member from the San Diego Association of Governments, one member from the Ventura County Transportation Commission, one member from the Santa Barbara County Association of Governments, one member from San Luis Obispo Council of Governments, one Caltrans Director or designee, one member from the Southern California Association of Governments, one member of the National Railroad Passenger Corporation (Amtrak), and one member from the California High-Speed Rail Authority. The LOSSAN agency provides local input to the State Division of Rail on LOSSAN intercity passenger rail operations. As a member of LOSSAN, the Commission works with other counties and SCRRA on efforts to better integrate commuter and Amtrak intercity services within the LOSSAN corridor. The Commission paid \$2,500 in dues this fiscal year. LOSSAN is currently administered by Orange County Transportation Authority (OCTA), and separate financial statements are available on its website at: www.octa.net/lossan/LOSSAN-rail-corridor-agency.

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 11. Risk Management

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

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

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

Note 12. Contingencies

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

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



**Ventura County Transportation Commission
Notes to the Basic Financial Statements**

Note 13. Disbursements to Local Agencies

The LTF accounts for the one-quarter percent state sales tax collected within the County. The funds can be used for various programs, including administration, planning, and programming for the Transportation Development Act; bicycle and pedestrian projects; commuter rail; streets and roads; and transit operations. The Commission's governing board approves an annual allocation that includes funding for local agencies to spend in accordance with the TDA guidelines. During the fiscal year ended June 30, 2023, the Commission allocated \$42,360,372 of LTF funds to local agencies as shown below.

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2022/2023
City of Camarillo	\$ 1,435,741	\$ 11,957	\$ 1,954,811	\$ 3,402,509
City of Fillmore	479,769	15,272	315,987	811,028
City of Moorpark	1,210,424	6,522	500,000	1,716,946
City of Ojai	-	49,762	-	49,762
City of Oxnard	-	12,881	-	12,881
City of Port Hueneme	-	15,517	-	15,517
City of San Buenaventura	-	89,187	-	89,187
City of Santa Paula	387,155	1,487,769	1,105,498	2,980,422
City of Simi Valley	6,039,077	36,958	-	6,076,035
City of Thousand Oaks	4,120,088	183,506	1,900,000	6,203,594
County of Ventura	-	170,296	-	170,296
Gold Coast Transit	20,832,195	-	-	20,832,195
Total allocations	<u>\$ 34,504,449</u>	<u>\$ 2,079,627</u>	<u>\$ 5,776,296</u>	<u>\$ 42,360,372</u>

Note 14. Net Position Restatement

As of July 1, 2022, VCTC implemented Government Accounting Standards Board (GASB) 96, *Subscription-based information technology arrangements (SBITA)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. As part of the implementation, certain accounts required a restatement of the Government-wide financial statements. Within the financial statements a new category, SBITA, was added under the Right to Use Asset and Right to Use Liability added as follow:

	Governmental Activities
Net Position at July 1, 2022, as previously reported	\$ 107,349,442
Recognition of right to use subscription IT asset	\$ 192,220
Recognition of subscription IT liabilities	<u>\$ (192,220)</u>
Net Position at July 1, 2022, as restated	<u>\$ 107,349,442</u>



Ventura County Transportation Commission
Required Supplementary Information

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Ventura County Transportation Commission
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Ventura County Transportation Commission
Required Supplementary Information

**Ventura County Transportation Commission
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 18,700,116	\$ 20,952,596	\$ 9,805,249	\$ (11,147,347)
Charges for services	9,400	9,400	19,231	9,831
Investment income	-	-	62,642	62,642
Other revenue	-	-	3,492	3,492
Total revenues	18,709,516	20,961,996	9,890,614	(11,071,382)
Expenditures:				
Current:				
General government:				
Salaries and benefits	3,569,000	3,663,250	3,201,289	461,961
General legal services	67,500	67,500	50,013	17,487
Professional services	385,000	463,800	345,462	118,338
Other	1,710,700	1,775,550	1,607,049	168,501
Total general government	5,732,200	5,970,100	5,203,813	766,287
Programs:				
Commuter assistance	330,200	345,200	248,908	96,292
Highways	4,950,700	5,409,705	273,533	5,136,172
Planning and programming	2,212,500	3,668,501	2,420,950	1,247,551
Rail	20,502,789	21,216,178	7,309,608	13,906,570
Transit and transportation	9,272,400	9,622,274	5,266,223	4,356,051
Total programs	37,268,589	40,261,858	15,519,222	24,742,636
Debt service:				
Principal - lease (note)	206,000	206,000	198,319	7,681
Interest - lease (note)	-	-	20,766	(20,766)
Total debt service	206,000	206,000	219,085	(13,085)
Total expenditures	43,206,789	46,437,958	20,942,120	25,495,838
Excess (deficiency) of revenues over (under) expenditures	(24,497,273)	(25,475,962)	(11,051,506)	14,424,456
Other financing sources (uses):				
Transfers in	23,114,823	23,811,546	13,248,216	(10,563,330)
Total other financing sources (uses)	23,114,823	23,811,546	13,248,216	(10,563,330)
Net change in fund balances	(1,382,450)	(1,664,416)	2,196,710	3,861,126
Fund balances, beginning of year	1,493,343	1,714,309	2,905,671	1,191,362
Fund balances (deficit), end of year	\$ 110,893	\$ 49,893	\$ 5,102,381	\$ 5,052,488

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule
Local Transportation Fund
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Sales taxes	\$ 42,300,000	\$ 42,300,000	\$ 48,505,879	\$ 6,205,879
Investment income	30,000	30,000	635,176	605,176
Total revenues	42,330,000	42,330,000	49,141,055	6,811,055
Expenditures:				
Current:				
Programs:				
Planning and programming	-	-	5,776,297	(5,776,297)
Transit and transportation	42,383,246	42,383,246	36,598,575	5,784,671
Total programs	42,383,246	42,383,246	42,374,872	8,374
Total expenditures	42,383,246	42,383,246	42,374,872	8,374
Excess (deficiency) of revenues over (under) expenditures	(53,246)	(53,246)	6,766,183	6,819,429
Other financing sources (uses):				
Transfer out	(10,913,640)	(10,927,540)	(10,913,640)	13,900
Total other financing sources (uses)	(10,913,640)	(10,927,540)	(10,913,640)	13,900
Net change in fund balances	(10,966,886)	(10,980,786)	(4,147,457)	6,833,329
Fund balances, beginning of year	15,047,451	15,047,451	25,839,173	10,791,722
Fund balances, end of year	\$ 4,080,565	\$ 4,066,665	\$ 21,691,716	\$ 17,625,051

See accompanying notes to the required supplementary information.



Ventura County Transportation Commission
Required Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule
State Transit Assistance Fund
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Sales taxes	\$ 9,038,926	\$ 9,038,926	\$ 12,726,735	\$ 3,687,809
Investment income	40,000	40,000	638,301	598,301
Total revenues	9,078,926	9,078,926	13,365,036	4,286,110
Expenditures:				
Current:				
Programs:				
Planning and programming	445,919	622,665	611,198	11,467
Total programs	445,919	622,665	611,198	11,467
Total expenditures	445,919	622,665	611,198	11,467
Excess (deficiency) of revenues over (under) expenditures	8,633,007	8,456,261	12,753,838	4,297,577
Other financing sources (uses):				
Transfer out	(9,601,945)	(11,246,303)	(5,288,682)	5,957,621
Total other financing sources (uses)	(9,601,945)	(11,246,303)	(5,288,682)	5,957,621
Net change in fund balances	(968,938)	(2,790,042)	7,465,156	10,255,198
Fund balances, beginning of year	18,334,530	18,334,530	21,378,455	3,043,925
Fund balances, end of year	\$ 17,365,592	\$ 15,544,488	\$ 28,843,611	\$ 13,299,123

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information**

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

Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.01639%	-0.00415%	0.02212%	0.02092%	0.02006%	0.02062%	0.01984%	0.01698%	0.02170%
Proportionate share of the net pension liability	\$ 1,893,688	\$ (224,441)	\$ 2,406,909	\$ 2,143,432	\$ 1,933,376	\$ 2,045,090	\$ 1,716,672	\$ 1,165,507	\$ 1,350,441
Covered payroll	\$ 2,084,942	\$ 2,097,175	\$ 1,943,393	\$ 1,941,449	\$ 1,799,645	\$ 1,768,289	\$ 1,641,257	\$ 1,608,856	\$ 1,484,068
Proportionate share of the net pension liability as a percentage of covered payroll	90.83%	-10.70%	123.85%	110.40%	107.43%	115.65%	104.59%	72.44%	91.00%
Plan's fiduciary net position as percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	83.03%
Proportionate share of aggregate employer contribution	\$ 617,635	\$ 517,427	\$ 439,661	\$ 383,935	\$ 331,699	\$ 302,164	\$ 266,767	\$ 195,821	\$ 132,450

*Fiscal Year 2015 was the first year of implementation of GASB 68.

The reported figures have a measurement date of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 respectively.

The discount rate changed from 7.65% used for the June 30, 2016 measurement date to 7.15% used for the June 30, 2017 measurement date to 6.9% used for the June 30, 2022 measurement date.

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information**

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

Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial determined contribution	\$ 335,893	\$ 293,658	\$ 329,963	\$ 285,377	\$ 250,835	\$ 204,627	\$ 182,833	\$ 154,553	\$ 132,450	\$ 135,690
Contributions in relation to the actuarially determined contribution	(1,335,893)	(349,208)	(1,329,963)	(285,377)	(292,835)	(267,259)	(212,833)	(154,553)	(132,450)	(135,690)
Contribution deficiency (excess)	\$ (1,000,000)	\$ (55,550)	\$ (1,000,000)	\$ -	\$ (42,000)	\$ (62,632)	\$ (30,000)	\$ -	\$ -	\$ -
Covered payroll	\$ 2,297,499	\$ 2,084,942	\$ 2,097,175	\$ 1,943,393	\$ 1,941,449	\$ 1,799,645	\$ 1,768,289	\$ 1,641,257	\$ 1,608,856	\$ 1,484,068
Contributions as a percentage of covered payroll	58.15%	16.75%	63.42%	14.68%	15.08%	14.85%	12.04%	9.42%	8.23%	9.14%
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Actuarial cost method	Entry age normal cost method									
Amortization method	Level of percentage of payroll									
Remaining amortization period	Varies by plan, not more than 30 years									
Asset valuation method	Market value of assets									
Inflation	2.50%									
Projected salary increases	Varies by entry age and service									
Discount Rate	6.9% (net of administrative expenses)									
Retirement age	60 years classic, 62 years PEPRA									
Mortality	CalPERS Experience Study MP 2016									

see notes to required supplementary information

*Fiscal Year 2015 was the first year of implementation of GASB 68.

The reported figures have a measurement date of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014 and 2013 respectively.

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information**

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

Plan Fiscal Year	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 48,535	\$ 54,772	\$ 53,519	\$ 48,715	\$ 47,296	\$ 45,918
Interest	110,975	121,242	118,173	108,313	102,621	97,184
Differences between expected and actual experience	-	(83,466)	-	(79,713)	-	-
Changes of assumptions	113,650	(14,233)	(32,648)	144,171	-	-
Benefit payments, including refunds of member contributions	(86,950)	(98,349)	(91,314)	(69,141)	(64,863)	(63,007)
Net change in total OPEB liability	186,210	(20,034)	47,730	152,345	85,054	80,095
Total OPEB liability - beginning	1,770,542	1,790,576	1,742,846	1,590,501	1,505,447	1,425,352
Total OPEB liability - ending (a)	\$ 1,956,752	\$ 1,770,542	\$ 1,790,576	\$ 1,742,846	\$ 1,590,501	\$ 1,505,447
OPEB fiduciary net position						
Contributions - employer	\$ 136,257	\$ 134,285	\$ 109,252	\$ 108,172	\$ 109,000	\$ 109,000
Net investment income	(248,316)	400,354	49,301	80,452	91,480	106,598
Benefit payments, including refunds of member contributions	(86,950)	(98,349)	(91,314)	(69,141)	(64,863)	(63,007)
Administrative expense	(735)	(837)	(938)	(447)	(2,123)	(541)
Net change in plan fiduciary net position	(199,744)	435,453	66,301	119,036	133,494	152,050
Plan fiduciary net position - beginning	1,891,866	1,456,413	1,390,112	1,271,076	1,137,582	985,532
Plan fiduciary net position - ending (b)	1,692,122	1,891,866	1,456,413	1,390,112	1,271,076	1,137,582
Plan net OPEB liability - ending (a) - (b)	\$ 264,630	\$ (121,324)	\$ 334,163	\$ 352,734	\$ 319,425	\$ 367,865
Plan fiduciary net position as a percentage of the total OPEB liability	86.5%	106.9%	81.3%	79.8%	79.9%	75.6%
Covered-employee payroll	\$ 2,150,939	\$ 2,099,722	\$ 1,956,673	\$ 1,943,932	\$ 1,814,482	\$ 1,774,491
Plan net OPEB liability as a percentage of covered-employee payroll	12.3%	-5.8%	17.1%	18.1%	17.6%	20.7%

*Fiscal Year 2018 was the first year of implementation of GASB 75; therefore, only six years are shown. The reported figures have a measurement date of June 30, 2022, 2021, 2020, 2019, 2018 and 2017.

See accompanying notes to the required supplementary information.



**Ventura County Transportation Commission
Required Supplementary Information**

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

Plan Fiscal Year	2023	2022	2021	2020	2019	2018
Actuarial determined contribution	\$ 92,000	\$ 136,000	\$ 134,000	\$ 109,000	\$ 108,000	\$ 109,000
Contributions in relation to the actuarially determined contribution	92,255	136,257	134,285	109,252	108,172	109,000
Contribution deficiency (excess)	<u>\$ (255)</u>	<u>\$ (257)</u>	<u>\$ (285)</u>	<u>\$ (252)</u>	<u>\$ (172)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,297,954	\$ 2,150,939	\$ 2,099,722	\$ 1,956,673	\$ 1,943,932	\$ 1,814,482
Contributions as a percentage of covered-employee payroll	4.0%	6.3%	6.4%	5.6%	5.6%	6.0%
Valuation date:	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2015
Actuarial cost method	Entry age normal					
Amortization method	Level of percentage of payroll					
Amortization period	5 year fixed period for 2022/23					
Asset valuation method	Investment gains and losses 5-year rolling period					
Inflation	2.50%					
Projected salary increases	varies by entry age and service					
Discount Rate	5.50%					
Retirement age	60 years Classic, 62 years PEPRA					
Mortality	CalPERS Experience Study 1997-2015					

*Fiscal Year 2018 was the first year of implementation of GASB 75, therefore, only six years are shown.

See accompanying notes to the required supplementary information.



Notes to the Required Supplementary Information

Note 1. Budgetary Data

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

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

A preliminary budget document is prepared by Commission staff and first presented to the Commission's Finance Committee for review and approval. Once approved, the budget is presented to the full Commission for adoption. After the budget is adopted, staff has the on-going responsibility to monitor actual revenues and expenditures of the budget. Management has the discretion to transfer budgeted amounts that do not result in an increase in the overall budget. Amendments that result in an increase to the total expenditures at the fund level would require Commission approval and would be brought to the Commission in a formal agenda item. Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year. Supplemental budget appropriations were necessary during the year.

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

Note 2. Pension Plan

Schedule of Proportionate Share of Net Pension Liability - The schedule provides the proportion (percentage) of the collective net pension liability, proportionate share (amount) of the collective net pension liability, the Commission's covered payroll, proportionate share (amount) of the collective net pension liability as a percentage of Commission's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Pension Contributions - The schedule provides the Commission's actuarially determined contributions to the pension plan, the Commission's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

Ventura County Transportation Commission
Required Supplementary Information

Note 3. Postemployment Benefits Other Than Pensions

Schedule of Changes in the Net OPEB Liability and Related Ratios – The schedule provides the schedule of changes in the net OPEB liability (asset), the plan fiduciary net position as a percentage of the total OPEB liability (asset), the Commission’s covered-employee payroll (as VCTC pays the dollar amount determined by the actuary and is not based on pay), and the net OPEB liability (asset) as a percentage of covered payroll.

Schedule of OPEB Contributions – The schedule provides the Commission’s actuarially determined contributions to the OPEB plan, the Commission’s actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered employee payroll. VCTC uses covered-employee payroll because VCTC pays the dollar amount determined by the actuary and is not based on pay.



Ventura County Transportation Commission
Required Supplementary Information

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Other Supplementary Information



**Ventura County Transportation Commission
Other Supplementary Information**

Nonmajor Governmental Funds – Special Revenue Funds

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

State of Good Repair (SGR) Fund: This fund is used to account for the revenues received from the provisions of SB1 which apportions funding by formula for any transit-related capital maintenance purposes, including repair, refurbishment and replacement of existing transit vehicles and infrastructure.

Santa Paula Branch Line (SPBL) Fund: This fund is used to account for the revenues received in support of the Santa Paula Branch Line for the restricted purpose of preserving the rail right-of-way for future rail expansion and development of a recreational trail.



Ventura County Transportation Commission
Other Supplementary Information

**Ventura County Transportation Commission
Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2023**

	Special Revenue			Total Nonmajor Governmental Funds
	SAFE	State of Good Repair	Santa Paula Branch Line	
Assets:				
Cash and investments (note 2)	\$ 4,064,517	\$ 7,220,491	\$ 665,005	\$ 11,950,013
Receivables:				
Accounts	-	-	31,329	31,329
Interest	49,190	88,851	2,819	140,860
Intergovernmental	502,625	255,062	-	757,687
Due from other funds (note 5)	-	-	163,035	163,035
Prepaid items and deposits	-	-	-	-
Total assets	\$ 4,616,332	\$ 7,564,404	\$ 862,188	\$ 13,042,924
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 215,233	\$ -	\$ 553,822	\$ 769,055
Due to other government agencies	-	10,545	-	10,545
Due to other funds (note 5)	-	279,959	-	279,959
Unearned revenue	-	-	215,940	215,940
Prepays and Deposits	-	-	67,059	67,059
Total liabilities	215,233	290,504	836,821	1,342,558
Fund balances:				
Restricted for:				
Highways	4,401,099	-	-	4,401,099
Rail and transit		7,273,900	25,367	7,299,267
Total fund balances	4,401,099	7,273,900	25,367	11,700,366
Total liabilities and fund balances	\$ 4,616,332	\$ 7,564,404	\$ 862,188	\$ 13,042,924

See accompanying notes to the other supplementary information.



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue			Total Nonmajor Governmental
	SAFE	State of Good Repair	Santa Paula Branch Line	
Revenues:				
Vehicle registration fees	\$ 816,864	\$ -	\$ -	\$ 816,864
Intergovernmental	825,776	1,491,427	-	2,317,203
Charges for services	-	-	416,608	416,608
Interest revenue	119,693	208,317	578	328,588
Total revenues	1,762,333	1,699,744	417,186	3,879,263
Expenditures:				
Programs:				
Highways	1,338,403	-	-	1,338,403
Rail	-	-	584,002	584,002
Transit and transportation	-	62,293	-	62,293
Total programs	1,338,403	62,293	584,002	1,984,698
Total expenditures	1,338,403	62,293	584,002	1,984,698
Excess (deficiency) of revenues over (under) expenditures	423,930	1,637,451	(166,816)	1,894,565
Other financing sources (uses):				
Transfers in (note 5)	-	-	281,014	281,014
Transfers out (note 5)	(53,015)	(723,252)	(114,198)	(890,465)
Total other financing sources (uses)	(53,015)	(723,252)	166,816	(609,451)
Net change in fund balances	370,915	914,199	-	1,285,114
Fund balances, beginning of year	4,030,184	6,359,701	25,367	10,415,252
Fund balances, end of year	\$ 4,401,099	\$ 7,273,900	\$ 25,367	\$ 11,700,366

See accompanying notes to the other supplementary information.



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule – Nonmajor Fund
Service Authority for Freeway Emergencies
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Vehicle registration fees	\$ 810,000	\$ 810,000	\$ 816,864	\$ 6,864
Intergovernmental	1,016,900	1,016,900	825,776	(191,124)
Investment income	10,000	10,000	119,693	109,693
Total revenues	1,836,900	1,836,900	1,762,333	(74,567)
Expenditures:				
Current:				
Programs:				
Highways	1,840,500	2,114,300	1,338,403	775,897
Total programs	1,840,500	2,114,300	1,338,403	775,897
Total expenditures	1,840,500	2,114,300	1,338,403	775,897
Excess (deficiency) of revenues over (under) expenditures	(3,600)	(277,400)	423,930	701,330
Other financing sources (uses):				
Transfer out	(53,400)	(83,400)	(53,015)	30,385
Total other financing sources (uses)	(53,400)	(83,400)	(53,015)	30,385
Net change in fund balances	(57,000)	(360,800)	370,915	731,715
Fund balances, beginning of year	3,887,427	3,887,427	4,030,184	142,757
Fund balances, end of year	\$ 3,830,427	\$ 3,526,627	\$ 4,401,099	\$ 874,472

See accompanying notes to the other supplementary information.



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule – Nonmajor Fund
State of Good Repair Fund
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,488,778	\$ 1,488,778	\$ 1,491,427	\$ 2,649
Investment income	10,000	10,000	208,317	198,317
Total revenues	1,498,778	1,498,778	1,699,744	200,966
Expenditures:				
Current:				
Programs:				
Planning and Programming	73,446	94,017	62,293	31,724
Total programs	73,446	94,017	62,293	31,724
Total expenditures	73,446	94,017	62,293	31,724
Excess (deficiency) of revenues over (under) expenditures	1,425,332	1,404,761	1,637,451	232,690
Other financing sources (uses):				
Transfer out	(7,944,132)	(7,786,197)	(723,252)	7,062,945
Total other financing sources (uses)	(7,944,132)	(7,786,197)	(723,252)	7,062,945
Net change in fund balances	(6,518,800)	(6,381,436)	914,199	7,295,635
Fund balances, beginning of year	6,782,374	6,782,374	6,359,701	(422,673)
Fund balances, end of year	\$ 263,574	\$ 400,938	\$ 7,273,900	\$ 6,872,962

See accompanying notes to the other supplementary information.



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule – Nonmajor Fund
Santa Paula Branch Line Fund
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Revenues:				
Charges for services	\$ 385,000	\$ 385,000	\$ 416,608	\$ 31,608
Investment income	-	-	578	578
Total revenues	385,000	385,000	417,186	32,186
Expenditures:				
Current:				
Programs:				
Rail	501,500	1,286,100	584,002	702,098
Total programs	501,500	1,286,100	584,002	702,098
Total expenditures	501,500	1,286,100	584,002	702,098
Excess (deficiency) of revenues over (under) expenditures	(116,500)	(901,100)	(166,816)	734,284
Other financing sources (uses):				
Transfer in	203,300	1,045,300	281,014	(764,286)
Transfer out	(86,800)	(144,200)	(114,198)	30,002
Total other financing sources (uses)	116,500	901,100	166,816	(734,284)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	25,367	25,367	25,367	-
Fund balances, end of year	\$ 25,367	\$ 25,367	\$ 25,367	\$ -

See accompanying notes to the other supplementary information.



**Ventura County Transportation Commission
Other Supplementary Information**

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

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

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



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule – Proprietary Fund
VCTC Intercity
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Operating revenues:				
Passenger fares	\$ 395,000	\$ 395,000	\$ 753,151	\$ 358,151
Route guarantee	1,427,517	1,427,517	1,306,888	(120,629)
Total operating revenues	1,822,517	1,822,517	2,060,039	237,522
Operating expenses				
Salaries and benefits	270,100	270,100	279,042	(8,942)
General legal services	37,000	37,000	5,752	31,248
Professional services	440,000	473,500	214,060	259,440
Other	254,100	269,600	160,495	109,105
Contract services	10,118,800	10,118,800	8,870,524	1,248,276
Depreciation	1,813,000	1,813,000	1,811,026	1,974
Total operating expenses	12,933,000	12,982,000	11,340,899	1,641,101
Operating income (loss)	(11,110,483)	(11,159,483)	(9,280,860)	1,878,623
Non-operating revenues:				
Federal grants	4,030,689	4,030,689	3,889,441	(141,248)
Local grants	35,000	35,000	35,000	-
Other	-	-	1,239	1,239
Interest income	-	-	1,714	1,714
Total non-operating Revenues	4,065,689	4,065,689	3,927,394	(138,295)
Income (loss) before contributed capital and transfers	(7,044,794)	(7,093,794)	(5,353,466)	1,740,328
Non-operating expenses:				
Equipment	50,000	50,000	-	50,000
Total non-operating expenses:	50,000	50,000	-	50,000
Transfers in/(out) (note 5)	5,281,794	5,330,794	3,563,557	(1,767,237)
Change in net position	(1,813,000)	(1,813,000)	(1,789,909)	23,091
Beginning of fiscal year	9,332,650	9,332,650	9,423,858	91,208
End of fiscal year	\$ 7,519,650	\$ 7,519,650	\$ 7,633,949	\$ 114,299

See accompanying notes to the other supplementary information.



Ventura County Transportation Commission
Other Supplementary Information

Ventura County Transportation Commission
Budgetary Comparison Schedule – Proprietary Fund
Valley Express
For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022/2023 Original Budget	Fiscal Year 2022/2023 Final Budget	Fiscal Year 2022/2023 Actual	Variance with Final budget Positive (Negative)
Operating revenues:				
Passenger fares	\$ 38,700	\$ 38,700	\$ 65,867	\$ 27,167
Route guarantee	190,740	190,740	-	(190,740)
Total operating revenues	229,440	229,440	65,867	(163,573)
Operating expenses:				
Salaries and benefits	60,000	60,000	63,343	(3,343)
General legal services	12,000	12,000	9,680	2,320
Professional services	150,000	150,000	101,527	48,473
Other	66,400	66,400	56,286	10,114
Contract Services	2,006,000	2,006,000	1,872,576	133,424
Total operating expenses	2,294,400	2,294,400	2,103,412	190,988
Total operating income/(loss)	(2,064,960)	(2,064,960)	(2,037,545)	27,415
Non-operating revenues:				
Federal grants	1,288,926	1,288,926	1,092,730	(196,196)
Local Transportation Fund (LTF)	776,034	776,034	937,988	161,954
Interest income	-	-	6,827	6,827
Total non-operating revenues	2,064,960	2,064,960	2,037,545	(27,415)
Change in net position	-	-	-	-
Beginning of Fiscal Year	-	-	-	-
End of Fiscal Year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the other supplementary information.



Notes to the Other Supplementary Information

Note 1. Budgetary Data

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

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

A preliminary budget document is prepared by Commission staff and first presented to the Commission's Finance Committee for review and approval. Once approved, the budget is presented to the full Commission for adoption. After the budget is adopted, staff has the on-going responsibility to monitor actual revenues and expenditures of the budget. Management has the discretion to transfer budgeted amounts that do not result in an increase in the overall budget. Amendments that result in an increase to the total expenditures at the fund level would require Commission approval and would be brought to the Commission in a formal agenda item. Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year. Supplemental budget appropriations were necessary during the year.

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

Ventura County Transportation Commission
Other Supplementary Information

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STATISTICAL SECTION



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Ventura County Transportation Commission
Statistical Section

Statistical Section

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

Contents:

Financial Trends

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

Revenue Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.



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Financial Trends



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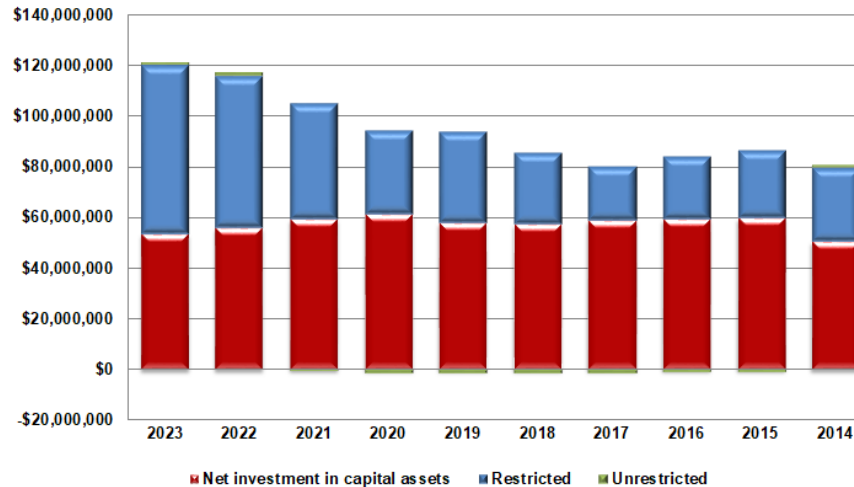
Ventura County Transportation Commission
Statistical Section

Net Position by Component
Last Ten Fiscal Years

	2023	2022	2021	2020	Fiscal Year		2017	2016	2015	2014
					2019	2018				
Governmental Activities:										
Net investment in capital assets	\$ 45,489,766	\$ 46,190,473	\$ 47,793,156	\$ 47,821,489	\$ 48,409,152	\$ 48,742,298	\$ 49,150,086	\$ 59,116,203	\$ 59,444,142	\$ 50,418,869
Restricted	66,893,083	60,002,174	45,630,116	33,336,199	35,869,346	28,233,039	21,680,879	24,807,391	26,733,576	29,266,276
Unrestricted	658,332	1,156,795	(234,474)	(1,240,284)	(1,384,064)	(1,433,735)	(1,310,863)	(1,229,891)	(1,006,558)	678,381
Total governmental activities net position	\$ 113,041,181	\$ 107,349,442	\$ 93,188,798	\$ 79,917,404	\$ 82,894,434	\$ 75,541,602	\$ 69,520,102	\$ 82,693,703	\$ 85,171,160	\$ 80,363,526
Business-type Activities:										
Net investment in capital assets	\$ 7,661,269	\$ 9,400,604	\$ 11,205,749	\$ 13,071,486	\$ 9,412,537	\$ 8,323,629	\$ 9,373,125	\$ -	\$ -	\$ -
Restricted	-	23,254	100,772	-	-	-	-	-	-	-
Unrestricted	(27,320)	-	-	(166,450)	(118,770)	(133,379)	(87,747)	-	-	-
Total business-type activities net position	\$ 7,633,949	\$ 9,423,858	\$ 11,306,521	\$ 12,905,036	\$ 9,293,767	\$ 8,190,250	\$ 9,285,378	\$ -	\$ -	\$ -
Primary government:										
Net investment in capital assets	\$ 53,151,035	\$ 55,591,077	\$ 58,998,905	\$ 60,892,975	\$ 57,821,689	\$ 57,065,927	\$ 58,523,211	\$ 59,116,203	\$ 59,444,142	\$ 50,418,869
Restricted	66,893,083	60,025,428	45,730,888	33,336,199	35,869,346	28,233,039	21,680,879	24,807,391	26,733,576	29,266,276
Unrestricted	631,012	1,156,795	(234,474)	(1,406,734)	(1,502,834)	(1,567,114)	(1,398,610)	(1,229,891)	(1,006,558)	678,381
Total primary government activities net position	\$ 120,675,130	\$ 116,773,300	\$ 104,495,319	\$ 92,822,440	\$ 92,188,201	\$ 83,731,852	\$ 78,805,480	\$ 82,693,703	\$ 85,171,160	\$ 80,363,526

GASB 68 implemented in 2015, GASB 75 implemented in 2018 and GASB 87 implemented in 2022. GASB 96 implemented in 2023. Prior year's information not restated.
Source: Ventura County Transportation Commission Finance Department.

Net Position by Component



Ventura County Transportation Commission
Statistical Section

Changes in Net Position
Last Ten Fiscal Years

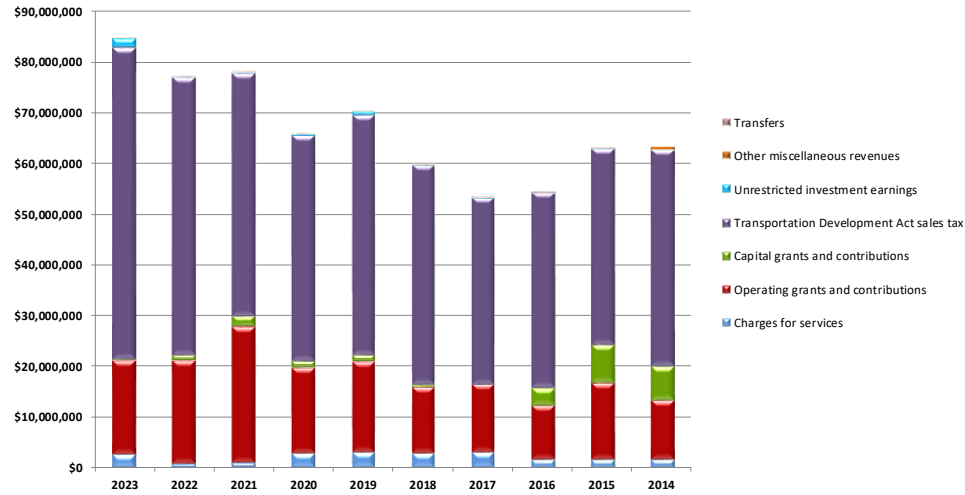
	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Commuter assistance	\$ 248,908	\$ 264,684	\$ 220,861	\$ 226,410	\$ 238,779	\$ 191,453	\$ 61,354	\$ 16,872	\$ 35,645	\$ 65,215
General government	5,713,560	2,480,446	4,257,407	3,789,586	3,284,884	3,385,624	3,526,219	3,722,332	3,710,719	3,666,862
Highways	1,611,936	3,731,846	4,953,643	5,812,163	3,000,459	385,116	561,319	961,504	587,948	593,920
Planning and Programming	8,808,445	6,094,931	7,028,282	7,681,693	6,230,382	4,173,975	4,446,225	4,565,821	4,631,468	17,783,779
Rail	8,343,147	7,152,443	5,337,151	5,074,356	4,691,330	3,911,208	6,594,505	5,221,916	3,614,184	3,880,448
Transit and transportation	42,294,676	32,454,260	33,569,615	30,504,098	31,759,935	30,751,007	30,502,299	42,455,672	44,019,073	36,382,466
Total governmental activities expenses	67,020,672	52,178,610	55,366,959	53,088,306	49,205,769	42,798,383	45,691,921	56,944,117	56,599,037	62,372,690
Business-type activities:										
VCTC Intercity	11,340,899	10,759,816	9,520,476	10,572,618	10,993,096	10,208,470	10,138,496	-	-	-
Valley Express	2,103,412	1,695,819	1,511,657	1,679,394	1,685,580	1,688,129	1,577,117	-	-	-
Total business-type activities expenses	13,444,311	12,455,635	11,032,133	12,252,012	12,678,676	11,896,599	11,715,613	-	-	-
Total primary government expenses	80,464,983	64,634,245	66,399,092	65,340,318	61,884,445	54,694,982	57,407,534	56,944,117	56,599,037	62,372,690
Program revenues:										
Governmental activities:										
Charges for services:										
General government	19,231	-	-	-	-	-	-	-	-	-
Highways	-	-	-	-	-	3,797	-	-	-	-
Planning and Programming	-	1,000	3,225	500	-	-	500	3,450	-	500
Rail	416,608	367,288	349,352	344,697	392,256	442,540	355,080	277,741	292,600	308,070
Transit and transportation	-	-	-	44,928	-	-	-	1,400,738	1,365,956	1,388,217
Operating grants and contributions	12,606,576	13,322,748	18,504,953	12,924,310	11,113,869	7,630,891	7,350,668	10,703,637	15,177,389	11,653,613
Capital grants and contributions	332,740	1,285,243	2,283,279	1,316,844	1,356,834	374,498	-	3,612,756	7,534,382	6,761,699
Total governmental activities program revenues	13,375,155	14,976,279	21,140,809	14,631,279	12,862,959	8,451,726	7,706,248	15,998,322	24,370,327	20,112,099
Business-type activities:										
Charges for services transit	2,125,906	420,934	753,815	2,379,855	2,590,510	2,399,120	2,634,588	-	-	-
Operating grants and contributions	5,955,159	7,031,808	8,100,582	4,058,871	6,907,710	5,538,914	6,170,768	-	-	-
Capital grants and contributions	-	9,135	-	-	-	188,189	-	-	-	-
Total business-type activities revenues	8,081,065	7,461,877	8,854,397	6,438,726	9,498,220	8,126,223	8,805,356	-	-	-
Total primary government revenues	21,456,220	22,438,156	29,995,206	21,070,005	22,361,179	16,577,949	16,511,604	15,998,322	24,370,327	20,112,099
Net primary government revenues/(expenses)										
Governmental activities	(53,645,517)	(37,202,331)	(34,226,150)	(38,457,027)	(36,342,810)	(34,346,657)	(37,985,673)	(40,945,795)	(32,228,710)	(42,260,591)
Business-type activities	(5,363,246)	(4,993,758)	(2,177,736)	(5,813,286)	(3,180,456)	(3,770,376)	(2,910,257)	-	-	-
Total net primary government revenues/(expenses)	(59,008,763)	(42,196,089)	(36,403,886)	(44,270,313)	(39,523,266)	(38,117,033)	(40,895,930)	(40,945,795)	(32,228,710)	(42,260,591)
General revenues and other changes in net position:										
Governmental activities:										
Transportation Development Act sales tax	61,232,614	54,379,213	47,751,367	44,399,557	47,227,802	43,111,953	36,885,745	38,344,885	38,597,004	42,629,270
Investment earnings	1,664,707	1,540	37,639	462,992	717,899	259,523	120,592	117,858	90,429	74,862
Other miscellaneous revenues	3,492	3,739	59,729	2,255	1,061	1,281	788	5,595	6,443	799,525
Transfers	(3,563,557)	(3,044,562)	(351,191)	(9,384,807)	(4,251,120)	(2,884,461)	(3,218,347)	-	-	-
Contributions capital, net	-	-	-	-	-	188,189	(8,976,706)	-	-	-
Total governmental activities general revenues	59,337,256	51,339,930	47,497,544	35,479,997	43,695,642	40,676,485	24,812,072	38,468,338	38,693,876	43,503,657
Business-type activities:										
Investment earnings	8,066	2,542	564	23,364	32,853	1,468	582	-	-	-
Other miscellaneous revenues	1,714	63,991	227,466	16,384	-	-	-	-	-	-
Transfers	3,563,557	3,044,562	351,191	9,384,807	4,251,120	2,884,461	3,218,347	-	-	-
Contributions capital, net	-	-	-	-	-	(188,189)	8,976,706	-	-	-
Total business-type activities general revenues	3,573,337	3,111,095	579,221	9,424,555	4,283,973	2,697,740	12,195,635	-	-	-
Total primary government general revenues	62,910,593	54,451,025	48,076,765	44,904,552	47,979,615	43,374,225	37,007,707	38,468,338	38,693,876	43,503,657
Changes in net position:										
Governmental activities	5,691,739	14,137,599	13,271,394	(2,977,030)	7,352,832	6,329,828	(13,173,601)	(2,477,457)	6,465,166	1,243,066
Business-type activities	(1,789,909)	(1,882,663)	(1,598,515)	3,611,269	1,103,517	(1,072,636)	9,285,378	-	-	-
Total primary government changes in net position	\$ 3,901,830	\$ 12,254,936	\$ 11,672,879	\$ 634,239	\$ 8,456,349	\$ 5,257,192	\$ (3,888,223)	\$ (2,477,457)	\$ 6,465,166	\$ 1,243,066

GASB 68 implemented in 2015, GASB 75 implemented in 2018 and GASB 87 implemented in 2022. GASB 96 implemented in 2023. Prior year's information not restated.
Source: Ventura County Transportation Commission Finance Department.

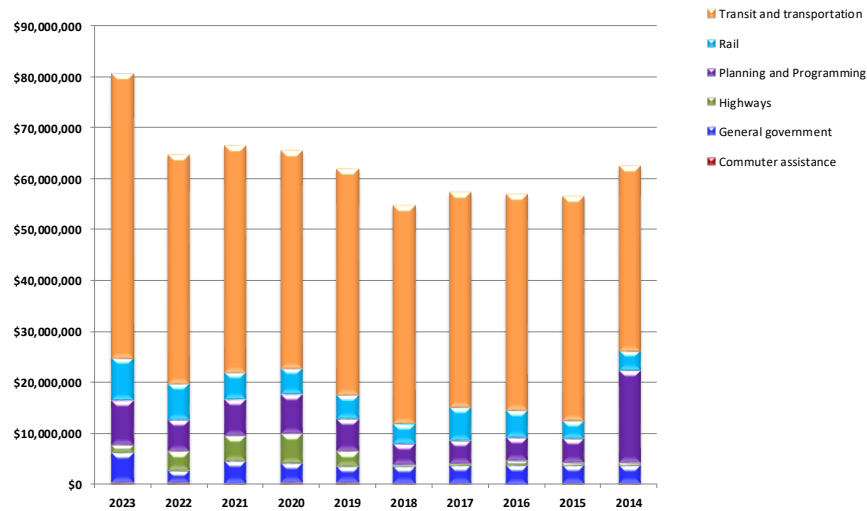


Ventura County Transportation Commission Statistical Section

Revenues by Source



Expenses by Function



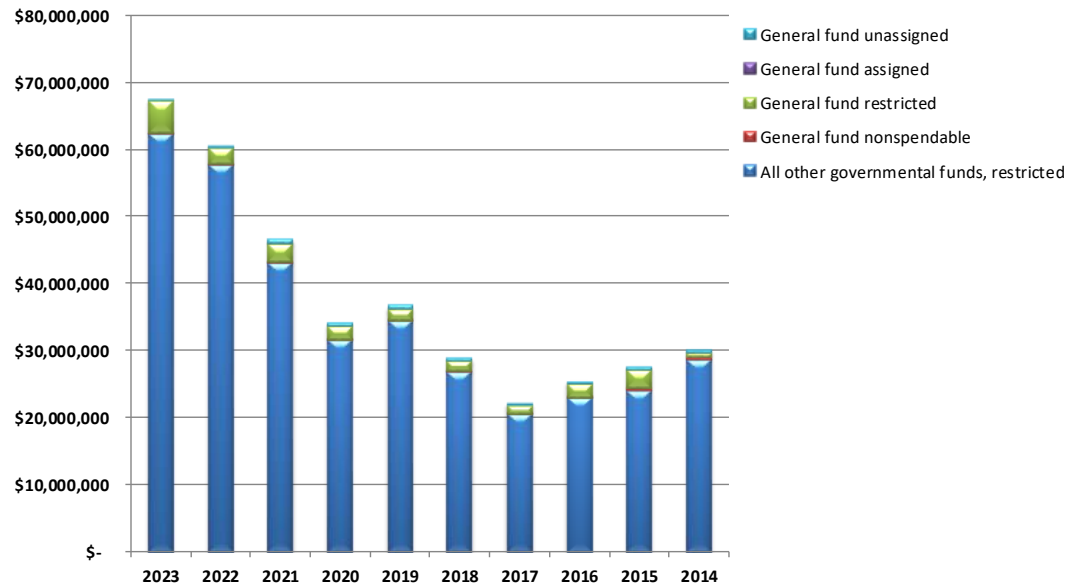
Ventura County Transportation Commission
Statistical Section

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 229,529	\$ 208,584	\$ 303,897	\$ 138,504	\$ 99,163	\$ 96,681	\$ 48,230	\$ 165,959	\$ 311,840	\$ 375,386
Restricted	4,657,390	2,369,294	2,650,683	1,913,578	1,564,268	1,552,567	1,283,972	1,994,084	2,737,833	676,575
Unassigned	215,462	327,793	680,155	546,665	633,736	475,407	291,854	318,444	487,640	441,450
Total General Fund	\$ 5,102,381	\$ 2,905,671	\$ 3,634,735	\$ 2,598,747	\$ 2,297,167	\$ 2,124,655	\$ 1,624,056	\$ 2,478,487	\$ 3,537,313	\$ 1,493,411
All other governmental funds:										
Restricted	\$62,235,693	\$57,632,880	\$42,979,433	\$31,422,621	\$34,305,078	\$26,680,472	\$20,396,907	\$22,813,307	\$23,995,743	\$28,589,701
Total all other governmental funds	\$62,235,693	\$57,632,880	\$42,979,433	\$31,422,621	\$34,305,078	\$26,680,472	\$20,396,907	\$22,813,307	\$23,995,743	\$28,589,701

Source: Ventura County Transportation Commission Finance Department.

Fund Balances of Governmental Funds



Ventura County Transportation Commission
Statistical Section

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Sales taxes	\$61,232,614	\$54,379,213	\$47,751,367	\$44,399,557	\$47,227,802	\$43,111,953	\$36,885,745	\$38,344,885	\$38,597,004	\$42,629,270
Vehicle registration user fees	816,864	808,250	829,696	806,744	817,104	802,797	800,633	784,953	766,387	761,141
Intergovernmental	12,122,452	13,799,741	19,958,536	13,434,410	11,653,599	7,202,592	6,550,035	13,502,016	21,929,983	17,644,600
Charges for services	435,839	368,288	352,577	390,125	392,256	446,337	355,580	1,681,929	1,658,556	1,696,787
Investment Income	1,664,707	1,540	37,639	462,992	717,899	259,523	120,592	147,282	105,830	84,432
Other revenue	3,492	3,739	59,729	2,255	1,061	1,281	788	5,595	6,443	231,448
Total revenues	76,275,968	69,360,771	68,989,544	59,496,083	60,809,721	51,824,483	44,713,373	54,466,660	63,064,203	63,047,678
Expenditures										
Current:										
General Government	5,203,813	4,017,860	5,308,690	3,604,122	3,429,243	3,128,782	3,587,162	4,023,019	3,756,577	3,666,206
Programs:										
Commuter assistance	248,908	264,684	220,861	226,410	238,779	191,453	61,354	16,872	35,645	65,215
Highways	1,611,936	3,731,846	4,953,643	5,812,163	3,000,459	382,883	452,220	842,600	453,286	448,028
Planning and programming	8,808,445	6,094,931	7,028,282	7,681,693	6,230,382	4,173,975	4,446,225	4,565,821	4,631,468	16,215,526
Rail	7,893,610	6,571,543	4,740,091	4,493,314	4,115,890	3,337,044	6,020,341	4,647,409	3,039,809	3,545,504
Transit and specialized transportation	41,927,091	31,530,687	33,793,986	30,874,451	31,746,730	30,941,721	30,189,555	42,612,201	53,697,474	37,942,414
Debt service:										
Principal payment ¹	198,319	163,593	-	-	-	-	-	-	-	-
Interest and other fiscal charges ¹	20,766	16,682	-	-	-	-	-	-	-	-
Total expenditures	65,912,888	52,391,826	56,045,553	52,692,153	48,761,483	42,155,858	44,756,857	56,707,922	65,614,259	61,882,893
Excess (deficiency) of revenues and expenditures	10,363,080	16,968,945	12,943,991	6,803,930	12,048,238	9,668,625	(43,484)	(2,241,262)	(2,550,056)	1,164,785
Other financing sources (uses):										
Transfers in	13,529,230	7,755,511	8,200,223	9,089,892	5,522,390	5,006,976	6,784,575	9,403,841	11,020,988	7,737,555
Transfers out	(17,092,787)	(10,800,073)	(8,551,414)	(18,474,699)	(9,773,510)	(7,891,437)	(10,002,922)	(9,403,841)	(11,020,988)	(7,737,555)
Contributed capital, net	-	-	-	-	-	-	(9,000)	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources	(3,563,557)	(3,044,562)	(351,191)	(9,384,807)	(4,251,120)	(2,884,461)	(3,227,347)	-	-	-
Net change in fund balances	\$ 6,799,523	\$13,924,383	\$12,592,800	\$ (2,580,877)	\$ 7,797,118	\$ 6,784,164	\$ (3,270,831)	\$ (2,241,262)	\$ (2,550,056)	\$ 1,164,785
Debt service as a percentage of noncapital expenditure	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Ventura County Transportation Commission Finance Department.

¹ GASB 87 Lease first implemented in Fiscal Year 2021/2022 and GASB 96 SBITA is in Fiscal Year 2022/2023



Ventura County Transportation Commission
Statistical Section

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Fiscal Year	Governmental Activities		Total Outstanding Debt	Percentage of Personal Income ²	Population ³	Debt per Capita ⁴
	Right-to-use Lease Debt ¹	Right-to-use SBITA Debt ¹				
2023	\$ 473,527	\$ 165,402	\$ 638,929	**	**	**
2022	645,029	192,220	\$ 837,249	**	825,653	1.01

* Fiscal Year 2022 was the first year of Right to use Lease debt and Fiscal Year 2023 is SBITA debt is implemented; therefore, only two years of debt is shown.

** Data is unavailable.

Sources:

¹ GASB 87 Right to Use Lease implemented in Fiscal Year 2022 and GASB 96 SBITA implemented in Fiscal Year 2023.

² Personal Income is disclosed on Demographic and Economic Statistics table

³ California Department of Finance, Demographic Research Unit, estimate population

⁴ Debt per Capita is Total Outstanding Debt divided by Population.



Revenue Capacity



Ventura County Transportation Commission
Statistical Section

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**Ventura County Transportation Commission
Statistical Section**

**Sources of County of Ventura Taxable Sales by Business Type
Last Ten Fiscal Years
(In Thousands)**

Sources	Calendar Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Motor vehicle & parts dealers	\$ 2,761,857	\$ 2,631,821	\$ 2,178,154	\$ 2,210,474	\$ 2,232,770	\$ 2,303,096	\$ 2,219,586	\$ 2,164,303	\$ 1,985,028	\$ 1,838,611
Home furnishings & appliance stores	747,864	716,186	551,777	512,837	594,961	573,488	553,807	536,773	497,577	479,315
Building materials	1,184,780	1,223,712	1,069,181	934,966	911,005	844,236	780,831	774,857	718,975	684,286
Food & beverage stores	808,635	771,318	756,745	704,400	687,283	647,962	612,455	605,334	586,114	573,416
Gasoline stations	1,428,800	1,131,534	748,734	1,098,983	1,085,834	945,053	918,266	1,020,472	1,175,226	1,208,107
Clothing & accessories stores	1,017,453	1,001,272	704,392	1,013,617	1,005,545	977,483	979,664	939,280	917,802	907,629
General merchandise stores	1,344,395	1,290,885	1,127,733	1,185,402	1,154,120	1,136,542	1,110,644	1,128,848	1,136,469	1,136,487
Food services & drinking places	1,985,266	1,773,096	1,337,815	1,682,963	1,581,533	1,570,033	1,492,702	1,434,389	1,331,182	1,250,941
Other retail group	2,621,513	2,051,943	2,045,836	1,357,868	1,225,866	1,203,494	1,196,850	1,103,165	1,052,680	1,022,645
All other outlets	5,239,696	4,738,870	3,861,269	4,078,081	3,833,350	3,799,308	3,971,071	4,168,976	3,965,575	3,722,859
Total Taxable Sales	\$ 19,140,259	\$ 17,330,637	\$ 14,381,636	\$ 14,779,591	\$ 14,312,267	\$ 14,000,695	\$ 13,835,876	\$ 13,876,397	\$ 13,366,628	\$ 12,824,296
Local transportation fund tax	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Source:

California Department of Tax and Fee Administration (CDTFA), Taxable Sales in California Report - Most current data available is 2015 - 2022
 California State Board of Equalization, Taxable Sales in California Report - Data is from 2013-2014
 Some categories from 2014 and previous years are restated to align with new California Board of Equalization (BOE) format.



Ventura County Transportation Commission
Statistical Section

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Transportation Development Act		
Fiscal Year	(TDA) Direct Rate	County of Ventura
2023	0.25%	7.25%
2022	0.25%	7.25%
2021	0.25%	7.25%
2020	0.25%	7.25%
2019	0.25%	7.25%
2018	0.25%	7.25%
2017	0.25%	7.25%
2016	0.25%	7.50%
2015	0.25%	7.50%
2014	0.25%	7.50%

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

Source: California State Board of Equalization



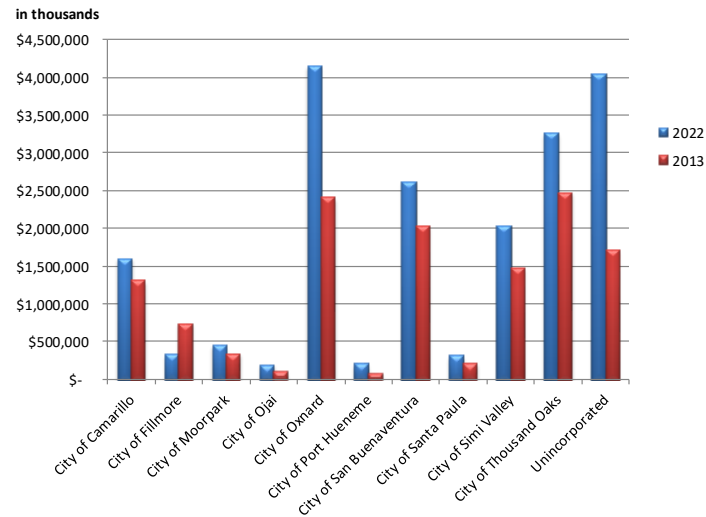
Ventura County Transportation Commission
Statistical Section

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

	2022			2013		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	\$ 1,591,843	6	8.3%	\$ 1,301,651	6	10.1%
City of Fillmore	326,813	8	1.7%	731,971	7	5.7%
City of Moorpark	445,149	7	2.3%	339,152	8	2.6%
City of Ojai	189,600	11	1.0%	106,142	10	0.8%
City of Oxnard	4,143,235	1	21.6%	2,395,169	2	18.7%
City of Port Hueneme	203,647	10	1.1%	79,194	11	0.6%
City of San Buenaventura	2,609,201	4	13.6%	2,019,722	3	15.7%
City of Santa Paula	309,026	9	1.6%	207,454	9	1.6%
City of Simi Valley	2,025,415	5	10.6%	1,463,415	5	11.4%
City of Thousand Oaks	3,254,673	3	17.0%	2,471,308	1	19.3%
Incorporated	15,098,602		78.9%	11,115,178		86.7%
Unincorporated	4,041,657	2	21.1%	1,709,118	4	13.3%
Countywide	19,140,259		100.0%	12,824,296		100.0%
California	<u>\$ 951,775,364</u>			<u>\$ 586,839,618</u>		

Source: California Department of Tax and Fee Administration (CDTFA), Taxable Sales in California Report. Most current data available is 2022

Taxable Sales by City



Ventura County Transportation Commission
Statistical Section

**General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified accrual)**

Fiscal Year	Transportation Development Act (TDA) Local Transportation Fund (LTF)	Transportation Development Act (TDA) State Transit Assistance (STA)
2023	\$48,505,879	\$12,726,735
2022	45,616,382	8,762,831
2021	41,042,513	6,708,854
2020	36,011,764	8,387,793
2019	37,573,554	9,654,248
2018	35,444,892	7,667,061
2017	33,580,379	3,305,366
2016	34,601,613	3,743,885
2015	33,844,974	4,752,030
2014	37,506,271	5,122,999

Tax Type: 1/4 cent General Sales Tax Gas & Diesel Sale Tax
Source: Ventura County Transportation Commission Finance Department.



Demographic and Economic Information



Ventura County Transportation Commission
Statistical Section

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Ventura County Transportation Commission
Statistical Section

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

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ³
2022	825,653	*	*	3.7%
2021	833,652	61,619,080	73,375	6.2%
2020	835,223	56,728,142	67,422	8.6%
2019	842,886	54,749,053	64,715	3.6%
2018	856,598	52,515,048	61,307	3.8%
2017	859,073	50,550,958	58,844	4.5%
2016	857,386	47,397,620	55,282	5.2%
2015	856,508	46,060,353	53,777	5.7%
2014	848,073	42,651,306	50,292	6.7%
2013	842,967	42,406,474	50,306	7.8%

* Data is unavailable.

Sources:

¹ California Department of Finance, Demographic Research Unit

² U.S Bureau of Economic Analysis, most current information available is 2021.

³ California Employment Development Department, Labor Market Information Division



Ventura County Transportation Commission
Statistical Section

Principal Employers
Current Year and Nine Years Ago

Employer	2022 ¹			2013 ²		
	Employees	Rank	Percentage of Total County Employment ³	Employees	Rank	Percentage of Total County Employment
United States Naval Base	19,000	1	4.79%	20,060	1	6.66%
County of Ventura ⁴	9,837	2	2.49%	8,485	2	2.82%
Amgen, Inc.	5,400	3	1.37%	6,000	3	1.99%
Bank of America	2,910	4	0.74%	*	*	*
Anthem Inc. (previously Wellpoint Inc.)	2,500	5	0.63%	2,913	4	0.97%
Simi Valley Unified School District	2,500	5	0.63%	2,320	5	0.77%
Conejo Valley Unified School District	2,100	7	0.53%	1,849	8	0.61%
Community Memorial Hospital	2,000	8	0.51%	2,021	6	0.97%
Ventura County Community College District	1,777	9	0.45%	*	*	*
California Lutheran University	1,550	10	0.39%	*	*	*
	<u>49,574</u>		<u>12.53%</u>	<u>43,648</u>		<u>14.79%</u>

* Data unavailable.

Source:

County of Ventura - Auditor-Controller Office

¹ 2022 The List, Ventura County Employers, Pacific Coast Business Times, December, 2021

² 2013 Ventura County Real Estate and Economic Outlook as of January, 2013

³ Employment Development Department, State of California, June 2022 Ventura County, retrieved from <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>, updated 11/2022

⁴ 2022 Ventura County actual payroll employee count as of June 30, 2022



Ventura County Transportation Commission
Statistical Section

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

Programs	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	7.1	7.3	6.6	5.9	6.3	6.1	6.2	5.5	4.8	4.3
Planning and Programming	6.7	5.6	6.4	5.7	5.4	5.0	5.3	6.0	5.0	4.0
Commuter assistance	1.3	1.4	1.7	1.6	1.5	1.7	2.4	2.3	3.2	2.4
Rail	0.8	0.8	1.2	0.9	0.9	0.9	0.8	0.9	0.8	1.0
Highways	0.4	0.3	0.5	0.5	0.4	0.3	0.2	0.1	0.1	0.1
Transit and specialized transportation	5.2	4.4	4.7	5.3	5.7	5.4	4.5	5.6	4.9	4.2
Total Full-time equivalent	21.5	19.8	21.1	19.9	20.2	19.4	19.4	20.4	18.8	16.0

Source: Ventura County Transportation Commission Finance Department.



Ventura County Transportation Commission
Statistical Section

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Operating Information



Ventura County Transportation Commission
Statistical Section

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Ventura County Transportation Commission
Statistical Section

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Transit and Specialized Transportation Program										
Bus Transit Operations										
Ridership¹:										
VCTC Intercity	365,989	310,050	219,421	507,268	646,880	639,516	715,098	786,761	782,381	783,001
Valley Express	52,920	55,832	33,838	65,319	89,296	83,391	97,812	128,481	151,618	189,645
Farebox recovery ratio^{1&4}:										
VCTC Intercity (VISTA 2015-2017 combined)	20.00%	10.20%	10.28%	28.56%	27.76%	31.53%	33.13%	26.00%	21.07%	23.00%
Valley Express (VISTA 2015-2017 combined)	10.00%	10.00%	0.00%	11.26%	14.38%	11.80%	6.93%	6.53%	¹	¹
Bus Passes^{2&3}:										
GoVentura Pass Sales Volume									5,112	6,155
GoVentura Pass Sales Amount									\$ 198,854	\$ 232,806
GoVentura Pass Boardings									149,551	172,413
GoVentura E-Purse Sales Volume									5,390	6,761
GoVentura E-Purse Sales Amount									\$ 236,791	\$ 298,653
GoVentura E-Purse Boardings									128,977	155,702
VCBuspass 31-Day Pass Sales Volume	1,608	804	41	2,604	3,478	4,038	3,863	3,240	665	
VCBuspass 31-Day Pass Sales Amount	\$ 84,320	\$ 36,780	\$ 3,030	\$ 154,620	\$ 196,375	\$ 217,899	\$ 215,295	\$ 206,023	\$ 49,635	
VCBuspass 31-Day Pass Boardings	72,874	33,297	-	97,446	143,462	151,132	57,461	58,553	1,381	
VCTC 10-Trip Pass Sales Volume	-	-	180	5,876	9,608	11,332	13,162	13,243	2,015	
VCTC 10-Trip Pass Sales Amount	\$ -	\$ -	\$ 6,029	\$ 158,714	\$ 236,241	\$ 253,664	\$ 299,148	\$ 307,208	\$ 43,838	
VCTC 10-Trip Pass Boardings	4,342	4,594	-	54,716	88,026	99,551	123,570	121,111	7,735	
Single Ride Pass Sales Volume	10,410	10,360	1,300	45,968	34,470	36,652	36,964	21,346		
Single Ride Pass Sales Amount	\$ 11,904	\$ 9,401	\$ 1,625	\$ 40,183	\$ 33,468	\$ 36,094	\$ 37,658	\$ 21,908		
Single Ride Pass Boarding	9,810	16,288	-	15,595	6,636	6,532	7,798	6,991		
College Ride Volume	238,915	115,933	-	394,154	427,704					
College Ride Amount	\$ 391,498	\$ 148,175	\$ -	\$ 433,569	\$ 470,475					
Youth Ride Volume	846,204									
Youth Ride Amount	\$ 1,270,046									
Valley Express Pass Sales Volume	322	1,556	-	595	1,561	1,501	1,696	1,942	271	
Valley Express Pass Sales Amount	\$ 7,740	\$ 15,066	\$ -	\$ 12,570	\$ 34,415	\$ 31,365	\$ 33,115	\$ 36,970	\$ 3,450	
Valley Express Pass Boardings	6,349	11,687	-	20,122	31,430	28,214	30,372	38,071	4,320	
Stored Value Pass Sales Amount	\$ 206,292	\$ 96,984	\$ 2,935							



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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Transit and Specialized Transportation Program										
Senior and Disabled:										
Telephone Information	9,506	7,880	5,824	6,281	8,607	11,419	12,208	13,709	16,844	16,557
Applications Received	1,498	1,949	1,446	1,405	1,502	1,407	1,389	1,519	1,558	1,254
Certifications Issued	1,413	1,848	1,415	1,369	1,410	1,310	1,246	1,314	1,116	794
Applicant Interviews	294	148	808	239	266	322	399	479	922	661
Functional Assessments	-	-	-	172	223	248	312	370	414	390
Highway Program										
Motorist Assistance:										
Callboxes	425	428	428	428	428	428	429	564	564	564
Calls made	1,224	1,303	1,137	1,209	2,176	2,256	2,865	2,565	3,046	2,792
Freeway Service Patrol ⁵:										
Beat 101-1 VC/LA Co. Border to Camarillo Springs Rd	3,062	1,476	608							
Beat 101-2 Camarillo Springs Rd. to Rice/Central Ave.	2,432	1,175	344							
Beat 118-3 Route 23 to VC/LA Co. Line/Rocky Peak	2,430	1,480	144							
Rail Program										
Commuter Rail Operations Metrolink Ventura Line:										
Train miles	246,866	200,016	109,345	227,992	252,772	246,334	285,343	247,204	247,054	286,850
Passenger Boardings	407,375	257,587	127,413	854,611	1,097,325	1,087,227	1,085,453	1,029,351	1,015,242	1,061,161
Farebox recovery ratio	7.50%	5.50%	2.90%	20.50%	21.70%	21.10%	22.20%	25.30%	27.60%	28.80%
Commuter Assistance										
Rideshare Programs:										
Surveys Processed	18,682	12,141	14,310	10,376	17,940	9,489	14,255	18,308	14,556	11,808
Rideguides produced	2,294	1,536	1,739	2,007	2,344	1,405	1,876	1,785	2,648	2,759
GRH registered patrons	41,537	35,477	30,256	31,378	33,028	29,982	27,647	28,094	30,173	30,082
GRH Usage	-	-	-	3	6	27	29	47	53	46
Transit Information Center:										
Telephone Assistance	9,055	6,899	15,985	28,118	30,364	30,962	35,304	48,523	47,787	34,060
In-Person Assistance	53	n/a	n/a	1,966	3,434	3,975	3,956	4,178	4,508	4,304

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

² The GoVentura Smartcard pass was discontinued in Fiscal Year 2014/2015; GFI Pass sales began in May 2015, Valley Express pass sales in March 2015, Stored value in June 2021

³ College Ride program started in Fiscal Year 2018/2019. Youth Ride program started in Fiscal Year 2022/2023

⁴ Fares not collected in FY 2020/2021 due to COVID-19 pandemic; therefore, no pass boarding. However, pass sales continued at the request of customers.

⁵ Freeway Service Patrol started on March 1, 2021 for Beat 101-1, April 6, 2021 for Beat 101-2, and June 1, 2021 for Beat 118-3

Source: Ventura County Transportation Departments and SCRRA.



Ventura County Transportation Commission
Statistical Section

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commuter Rail Operations:										
Buildings	1	1	1	1	1	1	1	1	1	1
Acres of commuter rail land and easements	558	558	558	558	558	558	558	558	558	558
Stations and platforms	4	4	4	4	4	4	4	4	4	4
Motorist Assistance:										
Callboxes	425	428	428	428	428	428	429	564	564	564

Source: Ventura County Transportation Departments.

