

# **County of Ventura, California**

**Transportation Development Act Fund  
Article 4, Section 99260(a) of the Public Utilities Code**

## **Financial Statements and Independent Auditors' Reports**

*For the Years Ended June 30, 2017 and 2016*





**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Financial Statements**  
**For the Years Ended June 30, 2017 and 2016**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Board of Supervisors  
of the County of Ventura  
Ventura, California

### **Report on the Financial Statements**

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) fund (Transportation Development Act Fund) of the County of Ventura, California (County), which comprise of the balance sheets as of June 30, 2017 and 2016, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Transportation Development Act Fund of the County, as of June 30, 2017 and 2016, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As discussed in Note 1, the financial statements present only the Transportation Development Act Fund of the County and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2017 and 2016, the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Transportation Development Act Fund of the County. The Budgetary Comparison Schedules and Schedule of Project Status on pages 17 through 19, respectively, are presented for purposes of additional analysis and are not a required part of the 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 financial statements of the Transportation Development Act Fund of the County. This supplemental data has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2017, on our consideration of the County's internal control over financial reporting for the Transportation Development Act Fund, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*The PwC Group, LLP*

Santa Ana, California  
December 31, 2017



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditors' Report**

To the Honorable Board of Supervisors  
of the County of Ventura  
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the balance sheets of the Transportation Development Act (TDA) Article 4, Section 99260(a) fund (Transportation Development Act Fund) of the County of Ventura, California (County) as of and for the years ended June 30, 2017 and 2016, and the related statements of revenues, expenditures and changes in fund balances, and the related notes to the financial statements, which collectively comprises the Transportation Development Act Fund of the County, and have issued our report thereon dated December 31, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Honorable Board of Supervisors  
of the County of Ventura  
Ventura, California  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Transportation Development Act Fund of the County are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
December 31, 2017

## **FINANCIAL STATEMENTS**

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**County of Ventura, California**  
**Transportation Development Act – Article 4**  
**Transportation Development Act Fund**  
**Balance Sheets**  
**June 30, 2017 and 2016**

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	<b>Article 4</b>	
	<b>2017</b>	<b>2016</b>
<b><u>ASSETS</u></b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 678,873	\$ 1,129,037
Due from other governments	-	-
<b>Total assets</b>	<b>\$ 678,873</b>	<b>\$ 1,129,037</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 241,796	\$ 560,817
<b>Total liabilities</b>	<b>241,796</b>	<b>560,817</b>
<b>Fund balance:</b>		
Restricted for TDA Article 4 expenditures	437,077	568,220
<b>Total fund balance</b>	<b>437,077</b>	<b>568,220</b>
<b>Total liabilities and fund balance</b>	<b>\$ 678,873</b>	<b>\$ 1,129,037</b>

**County of Ventura, California**  
**Transportation Development Act – Article 4**  
**Transportation Development Act Fund**  
**Statements of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended June 30, 2017 and 2016**

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	<b>Article 4</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>		
Local transportation funds allocation	\$ 1,071,093	\$ 1,607,582
Interest earnings	6,443	4,101
<b>Total revenues</b>	<b>1,077,536</b>	<b>1,611,683</b>
<b>Expenditures:</b>		
Operating	1,078,307	1,385,212
Capital outlay	130,372	34,311
<b>Total expenditures</b>	<b>1,208,679</b>	<b>1,419,523</b>
Changes in fund balance	(131,143)	192,160
<b>Fund balance:</b>		
Beginning of year	568,220	376,060
End of year	<u>\$ 437,077</u>	<u>\$ 568,220</u>

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2017 and 2016**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

***General Information***

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Article 4, Section 99260(a) Transportation Development Act Fund of the County of Ventura, California (County) only and are not intended to present fairly the financial position and results of operations of the County in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the County on behalf of the Gold Coast Transit District.

***Governmental Fund Financial Statements***

The accounts of the County are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County accounts for the activity of the Article 4, Section 99260(a) fund in its Transportation Development Act Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

***Measurement Focus and Basis of Accounting***

Special Revenue Funds are accounted for 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, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

***Revenue Recognition***

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the County. For the County, funds received under Transportation Development Act Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements (Continued)**  
**For the Years Ended June 30, 2017 and 2016**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***Fund Balance***

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2017 and 2016, the fund balance for the Transportation Development Act Fund of the County is Restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

**Note 2 – Cash and Investments**

The County has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The Transportation Development Act Fund's cash and investments balance as of June 30, 2017 and 2016 was \$678,873 and \$1,129,037, respectively.

The Transportation Development Act Fund's cash is deposited in the County's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the Transportation Development Act Fund are those of the County and are included in the County's basic financial statements.

**Note 3 – Restrictions**

Funds received pursuant to PUC §99260(a) may only be used for public transportation activities.

**Note 4 – Commitments and Contingencies**

As of June 30, 2017, in the opinion of the County administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.



**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements (Continued)**  
**For the Years Ended June 30, 2017 and 2016**

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**Note 5 – Transportation Development Act Compliance Requirements**

California Public Utilities Code  
Chapter 4 – Transportation Development  
Article 4 – Claims for Funds  
Section 99268.5(c) – Fare Ratio Requirement for Exclusive Services to Elderly and Disabled Persons

In a county which had less than 500,000 population as determined by the 1970 federal decennial census and more than 500,000 in population as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 ("operating cost" means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243), at least equal to one-fifth (20%) if serving an urbanized area or one-tenth (10%) if serving a non-urbanized area.

***Valley Express***

Valley Express provides transit service for the City of Fillmore, City of Santa Paula, and the County of Ventura's unincorporated area and all revenues and expenses are recorded with the Ventura County Transportation Commission (Commission).

The following information is provided from the Commission's Transportation Development Act Local Transportation Fund.

For the years ended June 30, 2017 and 2016, the fare ratio requirement was calculated as follows:

<u>Description</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>Operating revenues:</b>		
Passenger fares for transit services	<u>\$ 105,847</u>	<u>\$ 114,605</u>
Total operating revenues	<u>105,847</u>	<u>114,605</u>
<b>Operating expenses:</b>		
Operations expense	<u>1,577,117</u>	<u>1,754,367</u>
Total operating expenses	<u>\$ 1,577,117</u>	<u>\$ 1,754,367</u>
Total fare ratio	<u>7%</u>	<u>7%</u>
Total fare ratio requirement pursuant to Section 99268.5(c)	<u>10%</u>	<u>10%</u>

For purposes of the fare ratio requirement calculation, only the expenses of the bus system were included in the operating expenses. The County of Ventura pays for a share of the operations of this service.

For the years ended June 30, 2017 and 2016, the Valley Express did not comply with the fare ratio requirement. (See Findings – 2017-001, 2016-001 and 2015-001)

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements (Continued)**  
**For the Years Ended June 30, 2017 and 2016**

**Note 5 – Transportation Development Act Compliance Requirements (Continued)**

***Thousand Oaks Dial-a-Ride***

The following information is provided from the County of Ventura’s Local Transportation Development Act Fund.

For the years ended June 30, 2017 and 2016, the fare ratio requirement was calculated as follows:

<u>Description</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>Operating revenues:</b>		
Passenger fares for transit services	\$ 13,916	\$ 11,324
Total operating revenues	<u>13,916</u>	<u>11,324</u>
<b>Operating expenses:</b>		
Operations expense	<u>132,577</u>	<u>104,571</u>
Total operating expenses	<u>\$ 132,577</u>	<u>\$ 104,571</u>
 Total fare ratio	 <u>10%</u>	 <u>11%</u>
Total fare ratio requirement pursuant to Section 99268.5(c)	<u>10%</u>	<u>10%</u>

For purposes of the fare ratio requirement calculation, only the expenses of the bus system were included in the operating expenses. The County of Ventura pays for a share of the operations of this service.

***Agoura Hills (Oak Park) Dial-a-Ride***

The following information is provided from the County of Ventura’s Local Transportation Development Act Fund.

For the year ended June 30, 2016, the fare ratio requirement was calculated as follows:

<u>Description</u>	<u>June 30, 2016</u>
<b>Operating revenues:</b>	
Passenger fares for transit services	\$ 13,268
Total operating revenues	<u>13,268</u>
<b>Operating expenses:</b>	
Operations expense	<u>234,322</u>
Total operating expenses	<u>\$ 234,322</u>
 Total fare ratio	 <u>6%</u>
Total fare ratio requirement pursuant to Section 99268.5(c)	<u>N/A</u>

For purposes of the fare ratio requirement calculation, only the expenses of the bus system were included in the operating expenses. The County of Ventura pays for a share of the operations of this service.

The Agoura Hills Dial-a-Ride implemented a new route (Oak Park) for the year ended June 30, 2015. As a result, the program is exempt from the fare ratio requirement through the end of the second full-year of service operation, which is through the year ended June 30, 2016. On June 30, 2016 this service was terminated.

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements (Continued)**  
**For the Years Ended June 30, 2017 and 2016**

**Note 5 – Transportation Development Act Compliance Requirements (Continued)**

***Kanan Shuttle***

On August 5, 2013, the County of Ventura began sponsoring a demonstration shuttle service named the Kanan Shuttle which is free to the community of Oak Park. However, during the summer months, the shuttle service accepts fares for trips to the beach via Kanan Road. In fiscal year 2017, the summer season *Beach Shuttle* was discontinued and the Kanan Shuttle service operates fare-free, year-round.

The following information is provided from the County of Ventura’s Local Transportation Development Act Fund.

For the years ended June 30, 2017 and 2016, the fare ratio requirement was calculated as follows:

<b>Description</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>Operating revenues:</b>		
Passenger fares for transit services	\$ -	\$ 1,298
Local fare supplementation	80,877	78,000
Total operating revenues	80,877	79,298
<b>Operating expenses:</b>		
Operations expense	396,768	386,896
Total operating expenses	\$ 396,768	\$ 386,896
Total fare ratio	20%	20%
Total fare ratio requirement pursuant to Section 99268.5(c)	20%	20%

For purposes of the fare ratio requirement calculation, only the expenses of the shuttle service were included in the operating expenses. The County of Ventura pays for the operations of this service.

***Ojai Trolley***

The following information is provided from the City of Ojai’s Transit Fund.

For the years ended June 30, 2017 and 2016, the fare ratio requirement was calculated as follows:

<b>Description</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>Operating revenues:</b>		
Passenger fares for transit services	\$ 75,860	\$ 83,728
Local support revenues		205,719
Total operating revenues	75,860	289,447
<b>Operating expenses:</b>		
Operations expense	641,870	701,764
Total operating expenses	\$ 641,870	\$ 701,764
Total fare ratio	12%	41%
Total fare ratio requirement pursuant to Section 99268.5(c)	20%	20%

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Notes to the Financial Statements (Continued)**  
**For the Years Ended June 30, 2017 and 2016**

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For purposes of the fare ratio requirement calculation, only the expenses of the City's bus system was included in the operating expenses.

For the year ended June 30, 2017, the City of Ojai did not comply with the fare ratio requirement. (See Finding – 2017-002)

## **SUPPLEMENTARY INFORMATION**

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**County of Ventura, California**  
**Transportation Development Act – Article 4**  
**Transportation Development Act Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Local transportation funds allocation	\$ 1,071,093	\$ 1,071,093	\$ -
Interest earnings	-	6,443	6,443
<b>Total revenues</b>	<u>1,071,093</u>	<u>1,077,536</u>	<u>6,443</u>
<b>Expenditures:</b>			
Operating	1,487,800	1,078,307	409,493
Capital outlay	151,513	130,372	21,141
<b>Total expenditures</b>	<u>1,639,313</u>	<u>1,208,679</u>	<u>430,634</u>
Changes in fund balance	<u>\$ (568,220)</u>	<u>(131,143)</u>	<u>\$ 437,077</u>
<b>Fund balance:</b>			
Beginning of year		<u>568,220</u>	
End of year		<u>\$ 437,077</u>	

**County of Ventura, California**  
**Transportation Development Act – Article 4**  
**Transportation Development Act Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2016**

	<b>Original Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Local transportation funds allocation	\$ 1,607,582	\$ 1,607,582	\$ -
Interest earnings	-	4,101	4,101
<b>Total revenues</b>	<u>1,607,582</u>	<u>1,611,683</u>	<u>4,101</u>
<b>Expenditures:</b>			
Operating	1,833,349	1,385,212	448,137
Capital outlay	150,293	34,311	115,982
<b>Total expenditures</b>	<u>1,983,642</u>	<u>1,419,523</u>	<u>564,119</u>
Changes in fund balance	<u>\$ (376,060)</u>	192,160	<u>\$ 568,220</u>
<b>Fund balance:</b>			
Beginning of year		<u>376,060</u>	
End of year		<u>\$ 568,220</u>	



**County of Ventura, California**  
**Transportation Development Act – Article 4**  
**Transportation Development Act Fund**  
**Schedules of Project Status**  
**For the Fiscal Years Ended June 30, 2017 and 2016**

*For the Years Ended June 30, 2017*

Project Description	Local Transportation			Interest	Expenditures	Ending Balance
	Beginning Balance	Funds Allocation	Allocation Adjustments	Earnings Allocation		
Operating:						
Valley Express	\$ 169,626	\$ 469,320	\$(183,822)	\$ 2,113	\$ 255,139	\$ 202,098
Thousand Oaks Dial-a-Ride	12,507	74,473	31,523	158	118,661	-
Agoura Hills (Oak Park) Dial-a-Ride	16,710	-	(16,907)	197	-	-
Kanan Shuttle	252,864	145,440	-	1,707	315,890	84,121
Ojai Trolley	-	231,860	-	769	219,310	13,319
County Transit Services Management and Over	-	-	169,206	101	169,307	-
Total operating	451,707	921,093	-	5,045	1,078,307	299,538
Capital:						
Upgrade bus stops and shelters	116,513	150,000	-	1,398	130,372	137,539
Total capital	116,513	150,000	-	1,398	130,372	137,539
Total	\$ 568,220	\$ 1,071,093	\$ -	\$ 6,443	\$ 1,208,679	\$ 437,077

*For the Years Ended June 30, 2016*

Project Description	Local Transportation			Interest	Expenditures	Ending Balance
	Beginning Balance	Funds Allocation	Allocation Adjustments	Earnings Allocation		
Operating:						
Valley Express	\$ 80,680	\$ 550,000	\$ (95,845)	\$ 986	\$ 366,195	\$ 169,626
Thousand Oaks Dial-a-Ride	15,527	90,000	38	189	93,247	12,507
Agoura Hills (Oak Park) Dial-a-Ride	-	250,000	(12,253)	17	221,054	16,710
Kanan Shuttle	204,560	450,000	(95,995)	1,897	307,598	252,864
Ojai Trolley	-	192,582	12,826	311	205,719	-
County Transit Services Management and Over	-	-	191,399	-	191,399	-
Total operating	300,767	1,532,582	170	3,400	1,385,212	451,707
Capital:						
Upgrade bus stops and shelters	75,293	75,000	(170)	701	34,311	116,513
Total capital	75,293	75,000	(170)	701	34,311	116,513
Total	\$ 376,060	\$ 1,607,582	\$ -	\$ 4,101	\$ 1,419,523	\$ 568,220

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Findings and Recommendations**  
**For the Years Ended June 30, 2017 and 2016**

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**Finding – 2017-001 and 2016-001**

*Fare Ratio Requirement*

During the years ended June 30, 2017 and 2016, the fare ratio calculation for the Valley Express was 7% and 7%, respectively, which is lower than the fare ratio requirement of 10% for the type of transit service provided.

*Criteria*

Section 99268.S(c) of the TDA Act indicates that an operator in Ventura County providing specialized service for elderly and handicapped persons and regular public transportation shall be eligible for Local Transportation Funds if it maintains for the fiscal year, a ratio of fare revenue to operating costs at least equal to 10.00%.

During the years ended June 30, 2017 and 2016 the funds received from the Local Transportation Fund did not comply with the above provision.

Valley Express did not meet the TDA Act required farebox recovery ratio during the years ended June 30, 2017 and 2016. During the year ended June 30, 2015, significant changes were made to Valley Express including major route changes (including new fixed route services) and fare structure adjustments.

Pursuant to TDA Section 6633.8(a) of the California Code of Regulation, a claimant is allowed two full years after the end of the year in which the extension of services were put into operation. The years ending June 30, 2016 and 2017 are considered the "two full years". If the required farebox recovery ratio is not met for the year ending June 30, 2018, TDA regulations require that year be deemed a "non-compliant year" and Section 6634 will apply.

If the year ended June 30, 2018 is deemed a non-compliant year, Section 6634 requires that the claimant (for Valley Express it would be the County of Ventura, City of Fillmore, and City of Santa Paula) be penalized in a future year (the year ended June 30, 2019). This will result in the claimants' TDA funds being reduced by the difference between the required farebox revenues and the actual revenues. Additionally, pursuant to Section 6633.9(4), the claimant shall be required to demonstrate how it will achieve the required farebox recovery ratio during any penalty year.

*Recommendation*

We recommend that the Commission and the Heritage Valley Policy Advisory Committee (consisting of the City of Fillmore, City of Santa Paula and the County of Ventura unincorporated area) take the necessary steps to comply with the fare ratio requirement pursuant to Section 99268.5(c). of the TDA Act.

**Finding – 2015-001**

*Fare Ratio Requirement*

During the year ended June 30, 2015, the fare ratio calculation for the Valley Express was 9%, which is lower than the fare ratio requirement of 10% for the type of transit service provided.

*Recommendation*

We recommend that the Commission and the Heritage Valley Policy Advisory Committee (consisting of the City of Fillmore, City of Santa Paula and the County of Ventura unincorporated area) take the necessary steps to comply with the fare ratio requirement pursuant to Section 99268.5(c). of the TDA Act.

**County of Ventura, California**  
**Transportation Development Act Fund**  
**Article 4, Section 99260(a) of the Public Utilities Code**  
**Findings and Recommendations**  
**For the Years Ended June 30, 2017 and 2016**

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**Finding – 2017-002**

*Fare Ratio Requirement*

For the year ended June 30, 2017, the fare ratio calculation for the City of Ojai was 12% which is lower than the fare ratio requirement of 20% for the type of transit service provided.

*Criteria*

Section 99268.5(c) of the TDA Act indicates that an operator in Ventura County providing regular public transportation service shall be eligible for Local Transportation Funds if it maintains for the fiscal year, a ratio of fare revenue to operating costs at least equal to 20.00%.

During the year ended June 30, 2017 the funds received from the Local Transportation Fund did not comply with the above provision.

City of Ojai did not meet the TDA Act required farebox recovery ratio during the year ended June 30, 2017.

If the year ended June 30, 2018 is deemed a non-compliant year, Section 6634 requires that the claimant be penalized in a future year (the year ended June 30, 2020). This will result in the claimants' TDA funds being reduced by the difference between the required farebox revenues and the actual revenues. Additionally, pursuant to Section 6633.9(4), the claimant shall be required to demonstrate how it will achieve the required farebox recovery ratio during any penalty year.

*Recommendation*

We recommend that the City of Ojai take the necessary steps to comply with the fare ratio requirement pursuant to Section 99268.5(c). of the TDA Act.