

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## Gold Coast Transit District

CELEBRATING 50 YEARS

FISCAL YEAR ENDED 2023

July 1, 2022 – June 30, 2023

[www.gctd.org](http://www.gctd.org)

## **Gold Coast Transit District Board of Directors – June 30, 2023**



**Matt LaVere, Chair**  
Supervisor, 5th District, County of Ventura



**Mike Johnson, Vice Chair**  
Councilmember, City of Ventura



**Bryan A. MacDonald, Director**  
Mayor Pro Tem, City of Oxnard



**Martha McQueen-Legohn, Director (Term started January 2023)**  
Councilmember, City of Port Hueneme



**Rachel Lang, Councilmember (Term started January 2023)**  
Councilmember, City of Ojai

**GOLD COAST TRANSIT DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

## Table of Contents

Board of Directors Letter.....	8
GOLD COAST TRANSIT DISTRICT ORGANIZATIONAL INFORMATION .....	10
About Us.....	10
Our Mission .....	10
History .....	10
Statistics .....	10
Board of Directors .....	11
GCTD's Leadership.....	11
Employees .....	11
ORGANIZATIONAL CHART .....	12
BUS SYSTEM MAP .....	14
INDEPENDENT AUDITORS' REPORT.....	15
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) .....	21
ACTIVITIES AND HIGHLIGHTS .....	21
GASB STATEMENTS NO. 68 .....	23
GASB STATEMENT NO. 75 .....	23
GASB STATEMENT NO. 87 .....	23
GASB STATEMENT NO. 96 .....	24
FINANCIAL POSITION SUMMARY .....	25
GCTD PASSENGER FARES.....	26
FINANCIAL OPERATIONS HIGHLIGHTS.....	27
REVENUES.....	28
OPERATING REVENUES.....	28
Fixed Route Passenger Fares.....	28
Paratransit Fares .....	28
ADVERTISING INCOME .....	29
Other Operating Revenue .....	29
Non-Operating Revenues .....	29
Local Transportation Funds (LTF) .....	29
Federal Grants.....	29

State Funding.....	29
Other and Investment .....	30
EXPENSES.....	31
BASIC FINANCIAL STATEMENTS.....	32
CAPITAL ASSET ACQUISITION .....	32
ECONOMIC AND STRATEGIC FACTORS.....	33
REQUESTS FOR INFORMATION .....	33
BASIC FINANCIAL STATEMENTS.....	34
Statement of Net Position.....	35
Statement of Revenues, Expenses, and Change in Net Position .....	36
Statement of Cash Flows.....	37
Statement of Cash Flows.....	38
NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	40
NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS.....	45
NOTE 3 – RESTRICTED ASSETS.....	49
NOTE 4 – CAPITAL ASSETS.....	50
NOTE 5 – RIGHT-TO-USE LEASE ASSET AND RIGHT-TO-USE LEASE LIABILITY .....	51
NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES.....	53
NOTE 7 – UNEARNED – LOCAL TRANSPORTATION FUNDING .....	53
NOTE 8 – COMPENSATED ABSENCES .....	53
NOTE 9 – CERTIFICATES OF PARTICIPATION .....	53
NOTE 10 – OPEB .....	55
NOTE 11 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN .....	59
NOTE 12 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued) .....	60
NOTE 13 – NET INVESTMENT IN CAPITAL ASSETS.....	65
NOTE 14 – RESTRICTED NET POSITION .....	65
NOTE 15 – UNRESTRICTED (DEFICIT) NET POSITION.....	65
NOTE 16 – STATE TRANSIT ASSISTANCE (STA) FUNDING .....	66
NOTE 17 – OTHER STATE ASSISTANCE .....	66
NOTE 18 – DEFERRED COMPENSATION SAVINGS PLAN .....	68
NOTE 19 – RISK MANAGEMENT .....	68
NOTE 20 – COMMITMENTS.....	69
NOTE 21 – Subscription Based Information Technology Arrangements (SBITA).....	70
NOTE 22 – SUBSEQUENT EVENTS.....	71
REQUIRED SUPPLEMENTARY INFORMATION.....	73

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN .....	73
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS .....	73
REQUIRED SUPPLEMENTARY INFORMATION.....	74
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN .....	74
SCHEDULE OF CONTRIBUTIONS – PENSION PLAN FOR THE LAST EIGHT YEARS ENDED JUNE 30, 2023.....	74
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS .....	75
SCHEDULE OF CHANGES IN LOCAL TRANSPORTATION FUNDING.....	77
CONDENSED STATEMENT OF NET POSITION .....	79
CHANGE IN NET POSITION .....	80
DETAILED REVENUE AND EXPENSES .....	81
CHANGE IN REVENUE AND EXPENSES.....	82
FUNDING SOURCES .....	83
OPERATING REVENUES & OPERATING EXPENSES.....	84
POPULATION TRENDS.....	85
PRINCIPAL EMPLOYERS .....	86
BUDGETARY COMPARISON SCHEDULE .....	87
RIDERSHIP REPORT .....	88
EMPLOYEE BY MAJOR FUNCTION .....	89
CONDENSED STATEMENT OF CAPITAL ASSETS .....	90
CHANGE IN CAPITAL ASSETS .....	91

**INTRODUCTORY SECTION**  
**(UNAUDITED)**



November 30, 2023

## **Board of Directors Letter**

Gold Coast Transit District  
Oxnard, CA

Members of the Board and Community:

We are pleased to present GCTD's FY 2023 Annual Comprehensive Financial Reports. The State of California requires the Gold Coast Transit District (GCTD) to prepare annual financial statements in accordance with generally accepted accounting principles (GAAP). The financial statements are then audited by independent certified public accountants.

The Annual Comprehensive Financial Report is designed to provide a complete financial picture of the agency and includes the independent auditors' report, a management discussion, the audited financial statements as well as supplementary information including budget results and statistical information. The preparation of this report was made possible by the dedication and hard work of GCTD's Financial Department staff, led by Chief Financial Officer/Assistant General Manager, Christine Feng who recently joined the team in May 2023, and has been leading the team to improve and streamline our processes, providing financial guidance to all departments.

As an organization we continue to use available resources to fulfill our mission to provide service to the community. Some noteworthy highlights during FY 2023 include:

### **Ridership Recovery**

This past year GCTD continued its focus on its core mission by delivering nearly 3 million passenger trips in western Ventura County on our fixed-route and ACCESS services. Transit continues to be an essential part of providing access to opportunities and improving quality of life for all in the cities we serve, including Ojai, Oxnard, Port Hueneme, Ventura, and the County of Ventura. GCTD ended the fiscal year with an increase of 30% in ridership over the previous year. This is largely attributed to the success of *Youth Ride Free*, Ventura County's new promotional free fare program. Launched in August of 2022, the program provides free rides to youth 18 years old and under, or older youth currently enrolled in high school.

### **Strategic Plan – New Mission, Vision & Values**

In July, GCTD completed a year long Strategic Planning effort with included employee listening sessions and surveys in the fall of 2022. All information was combined into general themes and included in an Organizational Assessment report shared with all employees. Additional work included staff interviews and a Board workshop with participation from all levels of staff to develop strategies and goals for the next three years. As part of this effort, we also revamped our mission statement and organizational vision to inspire and motivate staff and stakeholders. The final Strategic Plan was adopted by the Board in November of 2023.

### **Health and Wellness**

The health and wellbeing of our employees is a top priority. We understand the physical and mental demands placed upon staff, especially our frontline employees. As such, GCTD opened a health and wellness room on site, that is dedicated to supporting overall workplace health. The room features gym equipment and space for physical activity to allow staff time to stretch, exercise, and decompress.

### **Zero Emissions Transition Planning**

In October of 2022, GCTD hosted its first Ventura County Clean Air Summit and Expo, supported in part by Ventura County Transportation Commission. Opening the Summit, Congresswoman Julia Brownley spoke to the crowd of transportation professionals and key stakeholders, thanking GCTD's leadership for meeting our county's transportation needs. In December of 2022, the GCTD Board of Directors approved our final, Zero Emissions Transition Plan. Staff continues to prepare for the future of zero emissions bus replacements to meet the goal of transitioning to a zero-emission fleet by 2040 which is required by the California Air Resources Board (CARB).

### **Grant Funded Projects Underway**

To support our mission and goals, our staff proactively pursues competitive grant funding opportunities for innovative projects that enable us to stretch every dollar. Most recently, GCTD was successful in acquiring the following grant awards for projects that are currently underway:

#### Low or No Emissions Vehicle Program \$12.1 Million

Construction of a hydrogen fueling station, purchase five hydrogen fuel cell buses and support the development of a zero-emissions workforce training program.

#### Congestion Mitigation & Air Quality (CMAQ) 12.3 Million

Purchase 21 CNG replacement buses to be purchased over the next 2-5 years and funding to operate youth booster service.

#### Route Planning Restoration Program \$113 Thousand

Additional funding for development of GCTD's next Short Range Transit Plan

#### Jobs Access & Reverse Commute (JARC) \$636 Thousand

Expand the Late Night Safe Rides Demonstration Project to operate early morning service and funding for a pilot program providing employment transportation to unhoused individuals.

### **50<sup>th</sup> Anniversary**

On July 17, 2023, GCTD marked its 50<sup>th</sup> anniversary of transit service in Western Ventura County. Formed originally as a joint powers authority formerly known as South Coast Area Transit (SCAT), the agency was renamed in 2007 to Gold Coast Transit and evolved into a special district in 2014 with all but one of its original member cities. We are proud to have served this community for half a century and remain committed to doing so for decades to come.

I want to recognize the incredible work and outstanding accomplishments here at GCTD, made possible by our dedicated employees and the support of our Board of Directors and community partners. We look forward to new opportunities that will continue to make GCTD an even better place to work and, more importantly, guarantee the safe and efficient delivery of our mission – one ride at a time.

Sincerely,



Vanessa Rauschenberger  
General Manager

## **GOLD COAST TRANSIT DISTRICT ORGANIZATIONAL INFORMATION**

### ***About Us***

Gold Coast Transit District (GCTD) provides public fixed-route and paratransit service in the cities of Ojai, Oxnard, Port Hueneme, and San Buenaventura, and the unincorporated areas of Ventura County. With 2.9 million passenger trips provided in FY 2022-23, GCTD is the largest public transportation operator in Ventura County. The fleet includes 69 buses, all powered by clean natural gas supplied by an on-site CNG fueling station and 27 paratransit vehicles with 80% powered by natural gas.

### ***Our Mission***

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

### ***History***

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

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

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

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

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

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

In 2019, the District opened the new 15-acre Administration and Operations Facility at 1901 Auto Center Drive in Oxnard that will allow GCTD to better meet the growing transit needs of the community.

### ***Statistics***

- Service Area: Cities of Ojai, Oxnard, Port Hueneme, and San Buenaventura (Ventura) as well as the County of Ventura

- Population Served: 431,144
- Total System Annual Passengers: (FY 2022-23) 2.9 million
- 61 - fixed-route buses
- Fuel Type: 100% Natural Gas
- 27 - paratransit buses and vans
- Fuel Type: 80% Natural Gas

### ***Board of Directors***

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

### ***GCTD's Leadership***

GCTD's General Manager is appointed by, and reports to, the Board of Directors (Board). The General Manager is charged with carrying out the Board's policies and directives and has full charge of the operation of GCTD's services, facilities, and administration of business affairs. GCTD's Management Team for FY 2021-22 was comprised of:

- General Manager - Vanessa Rauschenberger
- Chief Financial Officer / Assistant General Manager – Christine Feng
- Director of Finance – *vacant*
- Director of Operations & Maintenance – James Beck
- Director of Planning & Marketing – Cynthia Torres-Duque
- Director of Human Resources – Alex Zaretsky

### ***Employees***

GCTD has 191 employees, the majority of whom operate or maintain buses. Service Employees International Union Local 721 represents all bus operators, most maintenance employees, and five administrative staff members. International Brotherhood of Teamsters Local 186 represents all supervisors. GCTD contracts with MV Transportation for the maintenance and operation of ACCESS Paratransit.

**GOLD COAST TRANSIT DISTRICT  
ORGANIZATIONAL CHART**

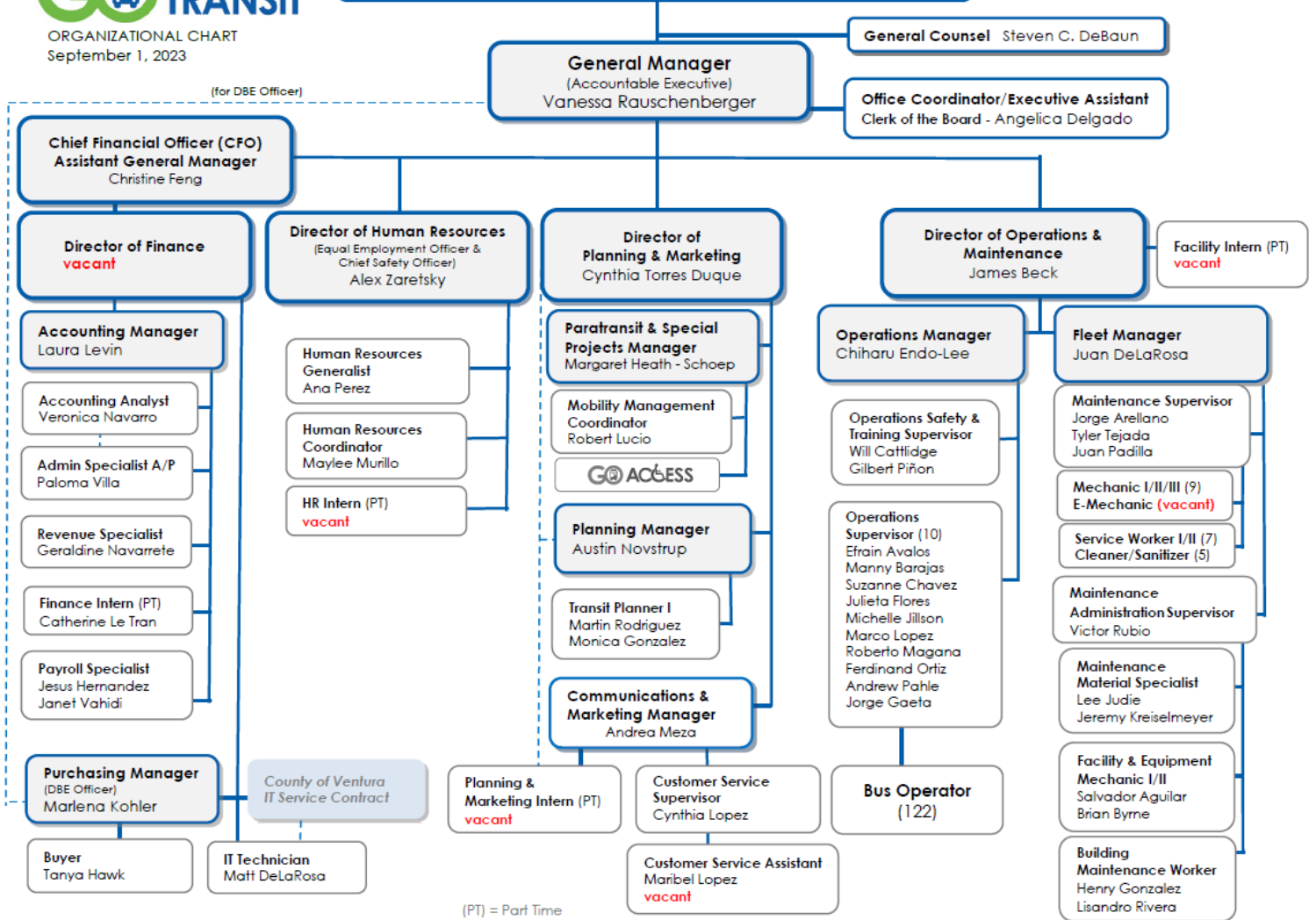
# Organization Chart as of June 30, 2023



ORGANIZATIONAL CHART  
September 1, 2023

## BOARD OF DIRECTORS

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



BUS SYSTEM MAP





## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Gold Coast Transit District  
Oxnard, California

### Opinion

We have audited the accompanying financial statements of the Gold Coast Transit District (District), which comprise the statement of net position as of June 30, 2023 and the related statements of activities and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District 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 opinion.

### 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 District'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 opinion. 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 District'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 District'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.

## **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Schedules of Changes in Local Transportation Funding Activity of the District is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 and statistical sections 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 basic 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.

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

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 30, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California  
November 30, 2023



**INDEPENDENT AUDITORS' 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**

Board of Directors  
Gold Coast Transit District  
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Gold Coast Transit District (District), which comprise the statement of net position as of June 30, 2023, and the related statement of activities and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

Murrieta, California  
November 30, 2023

## **FINANCIAL SECTION**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Gold Coast Transit District (GCTD, or the District) introduces the basic financial statements of GCTD for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here, the transmittal letter in the Introductory Section, and the statements and related notes in the Financial Section.

### ACTIVITIES AND HIGHLIGHTS

GCTD provides bus and paratransit services in Ojai, Oxnard, Port Hueneme, Ventura, and unincorporated Ventura County. The service area is approximately 91 square miles, with a population of approximately 431,114.

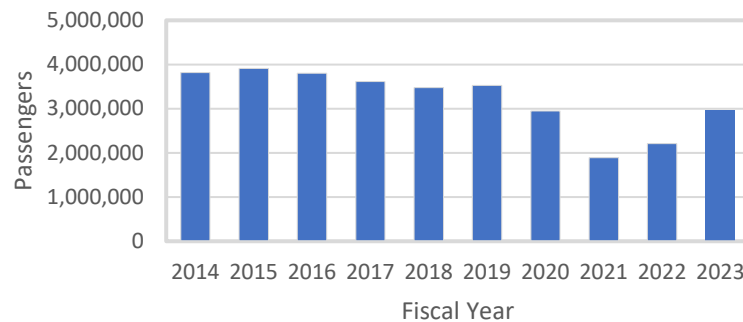
GCTD owns 88 revenue vehicles, primarily fueled with clean-burning compressed natural gas (CNG) from GCTD's fueling station. In FY 2022-23, GCTD vehicles carried approximately 2.9 million passengers while traveling over 2.1 million miles in revenue service.

GCTD operates a fleet of 61 fixed-route buses. In FY 2022-23, GCTD fixed-route buses operated 2,128,194 miles of revenue service and provided 2,958,434 passenger boardings, a 30.8% increase from the previous year's boardings.

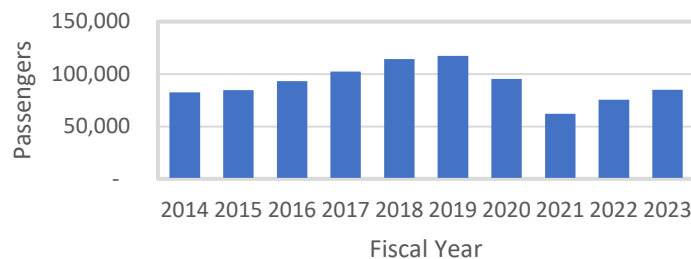
In FY 2022-23, the ACCESS paratransit system traveled 634,139 miles of revenue service and provided transportation to 84,992 passengers, an increase of 12.4% from the previous year. The GCTD ACCESS service is operated under a contract with MV Transportation, Inc. The paratransit fleet, which consists of 27 vehicles, including 13 MV1 vans, 5 gasoline Ford Transit vans, 8 cutaway vans, and 1 electric van, is owned by GCTD.

	Revenue Miles	2023	2022	Increase (Decrease)
Fixed Passenger Route	2,128,194	2,958,434	2,261,605	30.8%
ACCESS Paratransit One-Way Trips	634,139	84,992	75,596	12.4%
Total Boardings		3,043,426	2,337,201	30.2%

### Fixed Route Bus Ridership- Unliked Passenger Trips from 2014 to 2023



### Access Paratransit Ridership- One Way Trips from 2014 to 2023



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

In FY 2014-15, Gold Coast Transit, a joint powers authority (JPA), became Gold Coast Transit District as the result of state legislation. As a transit district, GCTD directly receives all LTF funds allocated to its member jurisdictions. GCTD's enabling legislation also allows GCTD members to claim from the District a portion of its LTF funds for transit services (not provided by the District) that the member funds or operates. In FY 2022-23, GCTD received \$20,832,196 in gross LTF funding and provided its members with \$1,807,938 in net LTF funding.

GCTD's second largest source of operating revenue is the Federal Transit Administration (FTA) grants. Under Federal Section 5307, public transit systems in Urbanized Areas (UZA) receive funding for capital, planning, job access, reverse commute projects, and operating expenses. The allocation of these grants is done based on a federal formula. Section 5307 is a federal program that provides funds for GCTD's operating activities. In fiscal year 2022-2023, GCTD received \$5,758,528 from the FTA Urbanized Area Formula Program (§5307). Of this amount, \$1,426,623 was utilized for capital expenses, replacing 3 CNG buses, and \$4,331,905 was eligible for operating and preventative maintenance activities. GCTD also received \$92,145 from the CARES Act Urbanized Area Program Funds (§5307) and \$1,184,961 from the American Rescue Plan Act of 2021 Urbanized Area Program Funds (§5307). GCTD expended \$6,044 from the FTA Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (§5310).

Grants for Buses and Bus Facilities Formula Program 5339 provides funding based on a formula to replace, rehabilitate, and purchase buses and related equipment and construct bus-related facilities. In addition to the formula allocation, there are two discretionary components: the Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program. GCTD had eligible expenses of \$649,485. GCTD received Federal Emergency Management Agency (FEMA) reimbursement for COVID-19 expenditures to protect the public and employees in the amount of \$54,061.86 for FY 2022-23.

Another revenue source for GCTD is State Transportation Assistance (STA). It is an important funding source for other transit priorities in Ventura County, such as Metrolink and Ventura County Transportation Commission (VCTC) Intercity Transit. In fiscal 2022-23, GCTD received STA funds \$302,056 to support operating activities.

### **GASB STATEMENTS NO. 68**

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

GCTD employees are covered by a California Public Employees Retirement System (CalPERS) pension plan. GCTD's net pension liability at June 30, 2023, is \$16,961,055.

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

### **GASB STATEMENT NO. 75**

GCTD provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon retirement from the District. GCTD pays the minimum employer contribution amount prescribed by the Public Employees Medical and Hospital Care Act (PEMHCA). The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. Retirees pay the portion of the premium not paid by the District. For context, in 2023, GCTD pays \$151.00 per month per employee.

In 2013, GCTD joined the California Employers' Retiree Benefit Trust (CERBT) Fund, a Section 115 trust fund managed by CalPERS dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. GCTD has invested in CERBT each year an amount to maintain a zero net liability in accordance with the actuarial calculation required under GASB Statements No. 43 and No. 45. As of June 30, 2023, GCTD's investment in CERBT was valued at \$754,586.

Beginning with the FY 2017-2018 fiscal year, public agencies are required to report OPEB liabilities in accordance with GASB Statement No. 75. The new GASB statements require public agencies to recognize a liability for OPEB obligations, known as the net OPEB liability (NOL), on the Statement of Net Position, and to recognize an OPEB expense on the Statement of Activities and Changes in New Position. This is very similar to what is now required under GASB Statements No. 67 and No. 68 for pensions. GCTD's NOL at June 30, 2023 is \$1,660,045.

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

### **GASB STATEMENT NO. 87**

Gold Coast Transit District (GCTD) is required to implement GASB Statement No. 87, Leases for the year ended June 30, 2023.

In June 2017, GASB issued Statement No. 87, Leases (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Implementation of this Statement significantly affected GCTD's financial statements for the year ended June 30, 2023.

GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial assets as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 87 applies to all contracts meeting this lease definition unless specifically excluded.

GCTD entered into a lease with the City of Oxnard for the Customer Service Center located at 201 E. Fourth Street, Suite 103A, on December 6, 2016. The lease term is January 1, 2017 – December 31, 2026. The base rent started the term at \$997.14 per month. There is an annual rate adjustment beginning in October 2019 equal to the Consumer Price Index (CPI-U) for the Los Angeles-Riverside-Orange County California area as published by the United States Department of Labor, Bureau of Labor Statistics for each twelve (12) month period provided that no annual increase will be greater than three percent (3%).

A second lease with the City of Oxnard for the term of September 1, 2019 – August 31, 2022, for the Bus Operator breakroom at 201 E. Fourth Street, Suite 206B on August 5, 2019. An extension of the lease was executed through August 31, 2025. The base rent at the start of the term was \$468.00 per month. There is an annual rate adjustment beginning in October 2019 equal to the Consumer Price Index (CPI-U) for the Los Angeles-Long Beach-Anaheim California area as published by the United States Department of Labor, Bureau of Labor Statistics for each twelve (12) month period provided that no annual increase will be greater than five percent (5%).

Note 5 to the basic financial statements addresses the GASB Statements No. 87 requirement in substantially greater detail.

## **GASB STATEMENT NO. 96**

Gold Coast Transit District (GCTD) is required to implement GASB Statement No. 96, agreements for the year ended June 30, 2023.

In June 2020, the Governmental Accounting Standards Board (GASB) released Statement No. 96, Subscription-Based Information Technology Arrangements (GASB Statement No. 96); the objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

To apply this statement, it is important to understand that a SBITA refers to a contract that grants control over the use of another party's IT software, either alone or in conjunction with tangible capital assets (known as the underlying IT assets). This control is granted for a specified period of time, as outlined in the contract, as part of an exchange or exchange-like transaction. It should include two key elements to determine whether a contract grants control over the right to use an underlying asset. First, the contract must specify the right to access the current service capacity through the use of the IT assets in question. Second, the contract must also specify the right to determine the nature and manner in which the IT assets are used.

The Gold Coast Transit District has four different SBITAs related to transit operations and HR management. These agreements require annual payments for a contracted amount, with remaining terms ranging from 24 to 60 months. To calculate the present value of the SBITA payable and right-to-use asset, an annual interest rate of 2.5% was assumed as the District's incremental borrowing rate.

GCTD entered into an agreement with Vector Solutions for Human Resources Training. Vector Solutions is 4890 W. Kennedy Blvd., Suite 300, Tampa, FL 33609. The term of the agreement is from June 30, 2022, to June 30, 2025, with an annual fee of \$7,296. The fee will increase by 3% each year.

GCTD entered into an agreement with Ecolane for Paratransit Scheduling and Dispatch Software. Located at 940 West Valley Road, Suite 1400, Wayne, PA 19087. The agreement term is March 01, 2023 – February 29, 2028. The annual payment is \$28,056.43.

GCTD entered into an agreement with Remix for the license of Planning and Marketing Planning Software. Located at 155 9th Street, San Francisco, CA 94103. The agreement term is from June 01, 2022, to May 30, 2024. For the first year, an annual fee of \$8,500, second year \$9,500 and third year \$10,500.

GCTD entered into an agreement with Urban Transportation Associates, Inc. (UTAAPC) for Planning and Marketing Software Service Agreement located at 4240 Airport Road, Cincinnati, Ohio 45226, on June 30, 2022. The agreement term is January 1, 2023 – January 1, 2027. The annual fee is \$17,500.

Note 20 to the basic financial statements addresses the GASB Statements No. 96 requirement in substantially greater detail.

## FINANCIAL POSITION SUMMARY

GCTD's total net position for FY 2022-23 is \$41,839,945 a 9.51% decrease from last year's net position of \$46,239,478.

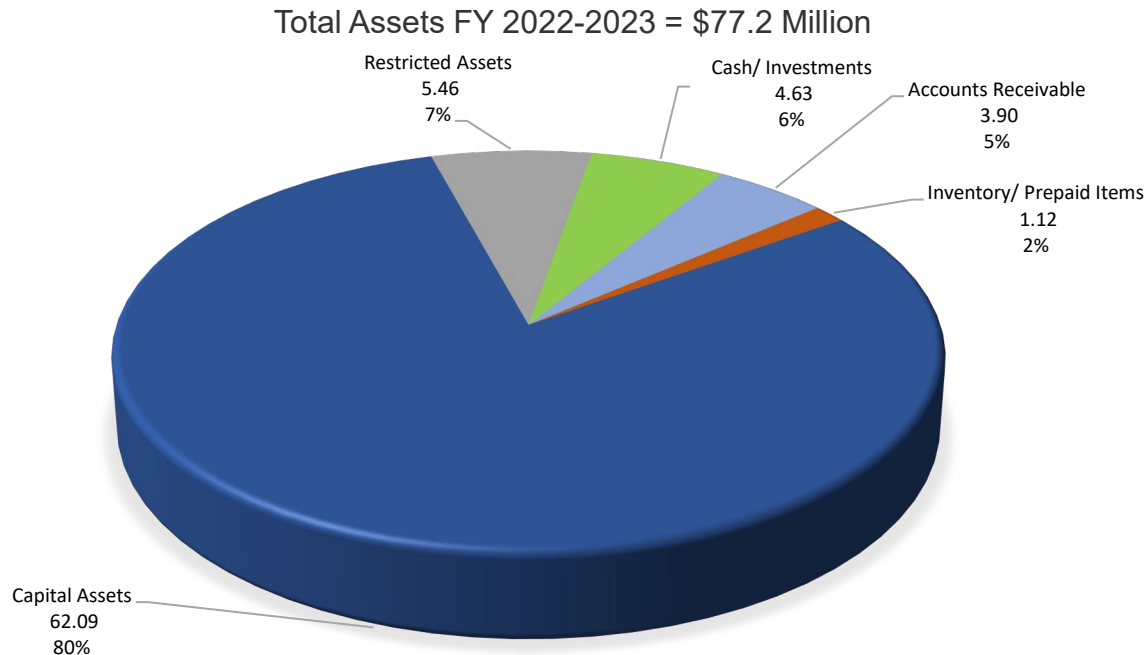
### Condensed Statements of Net Position

	6/30/2023	6/30/2022
<b>Assets</b>		
Current Assets	\$ 9,610,320	\$ 12,529,170
Capital Assets (Net)	62,089,979	63,733,870
All Other Assets	5,460,561	5,483,819
<b>Total Assets</b>	<b>77,160,860</b>	<b>81,746,859</b>
<b>Deferred Outflows of Resources</b>	<b>9,692,621</b>	<b>5,328,340</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 86,853,481</b>	<b>\$ 87,075,199</b>
<b>Liabilities</b>		
Current Liabilities	\$ 3,645,424	\$ 4,296,971
Non-Current Liabilities	39,854,316	31,078,369
<b>Total Liabilities</b>	<b>43,499,741</b>	<b>35,375,340</b>
<b>Deferred Inflows of Resources</b>	<b>1,513,795</b>	<b>5,869,851</b>
<b>Net Position</b>		
Net Investment in Capital Assets	40,644,537	41,772,869
Restricted	4,984,006	5,163,333
Unrestricted (Deficit)	(3,748,467)	(696,724)
<b>Total Net Position</b>	<b>41,880,076</b>	<b>46,239,478</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 86,853,481</b>	<b>\$ 87,484,669</b>

The most significant portion of GCTD's **net position** is its net investment in capital assets, such as buses, buildings, improvements, and equipment. GCTD uses these capital assets to provide services to its passengers; consequently, these assets are not available for future spending.

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

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



## GCTD PASSENGER FARES

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

As of June 30, 2023, youths (up to the age of 18) are allowed to ride for free.

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

### GCTD FIXED ROUTE FARES

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

### GCTD ACCESS (Paratransit) FARES

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

## FINANCIAL OPERATIONS HIGHLIGHTS

In FY 2022-23, GCTD operating revenues decreased by 24.10% from \$4,459,112 to \$3,384,914 while it has significant increase of 30.8% in passenger boardings from FY 2021-22. It is due to the key factor of the program -“youths ride free”. However, fixed route revenues increased by 2.2% or \$44,580. Additionally, the paratransit fare revenues increased by 38.6% or \$51,726 in FY 2022-23, with a 12.4% increase in passenger boardings. The decrease in operating revenues was primarily due to a 34% decrease in advertising revenue from \$411,945 to \$306,53 and a 136% decrease in other revenues (Alternative Fuel exercise tax credit and energy credits) from \$1,847,818 to \$782,721.

California regulations require that a transit service claimant for TDA funds have a system-wide ratio of fare and local revenues to operating cost of at least 20% or that the claimant realize a farebox recovery ratio (FBRR) of 20% for fixed route service and 10% for paratransit service. In July 2021, Governor Newsom signed State Assembly Bill 149 (AB149). AB149 temporarily protects transit agencies against financial penalties for not making its FRR Target due to the pandemic through Fiscal Year 2023. AB149 also includes several permanent changes to the FRR calculation. These changes benefit transit agencies and exclude certain costs related to demand response and Microtransit services, security expenses, ticketing improvements, and government mandates. AB149 also allows the exclusion of costs for new or significantly altered routes. If the FRR target is still not met after the above cost exclusions, AB149 includes additional provisions that allow for free and discounted fares to be valued at full fare and for the inclusion of all non-state grant revenue in the FRR calculation. GCTD achieved its mandated minimum fare box recovery ratio of 20% combined for FY 2022-23, with fixed route and paratransit both at 20%.

Operating loss before depreciation increased \$4,689,545 or 19% from \$24,681,507 to \$29,371,052. The most significant factors for the increase were higher employee benefit costs, including the Federal Insurance Contribution Act (FICA), pensions, long-term disability, life insurance, workers' compensation, sick leave, and health insurance.

	2023	2022	Increase/ (Decrease)
Operating Revenues	\$3,384,914	\$4,459,112	\$(1,074,198)
Operating Expenses	(31,837,718)	(28,198,097)	(3,639,620)
Operating Loss Before Depreciation	(28,452,804)	(23,738,985)	(4,713,818)
Depreciation	(3,554,028)	(3,393,698)	(160,330)
Operating Loss	(32,006,832)	(27,132,683)	(4,874,148)
Non-Operating Revenues/(Expenses), Net	27,647,431	29,488,435	(1,841,004)
Change in Net Position	(4,359,401)	2,355,751	(6,715,152)
Net Position			
Beginning of Year	46,239,477	43,883,726	2,355,751
End of Year	\$ 41,880,076	\$ 46,239,477	\$(4,359,401)

## REVENUES

A summary of revenues for the year ended June 30, 2023, which includes the change from the prior year, is as follows:

	<u>2023</u>	<u>Percentage of Total</u>	<u>2022</u>	<u>Percentage of Total</u>
Operating Revenues				
Fixed Route Passenger Fares	\$2,110,093	6.80%	\$2,065,513	5.90%
Paratransit Fees	185,562	0.60%	133,836	0.40%
Advertising	306,538	0.99%	411,945	1.20%
Other Operating	<u>782,721</u>	<u>2.52%</u>	<u>1,847,818</u>	<u>5.30%</u>
Total Operating Revenues	<u>3,384,914</u>	<u>10.91%</u>	<u>4,459,112</u>	<u>12.80%</u>
Non-Operating Revenues				
Local Transportation Funds, net	20,832,196	67.13%	15,272,757	43.80%
Federal Grants	7,745,225	24.96%	15,497,082	44.40%
State Funding	1,250,043	4.03%	1,251,201	3.60%
Other and Investment	<u>(2,180,033)</u>	<u>-7.03%</u>	<u>(1,590,083)</u>	<u>-4.60%</u>
Total Non-Operating Revenues	<u>27,647,431</u>	<u>89.09%</u>	<u>30,430,957</u>	<u>87.20%</u>
Total Revenues	<u>\$31,032,345</u>	<u>100.00%</u>	<u>\$34,890,069</u>	<u>100.00%</u>

## OPERATING REVENUES

### Fixed Route Passenger Fares

Passenger fare revenues for fixed route bus service slightly increased \$44,580 from FY 2021-22 to FY 2022-23 due to a 30.8% increase in passenger boardings and the resumption of fares after the pandemic, with new program of "Youths ride free" in place.

### Paratransit Fares

Paratransit fare revenues increased by \$51,726 or 38.7% due to an increase of ridership in the Demand Response program. GCTD's FY 2022-23 boardings for paratransit service increased 30.2% from FY 2021- 22.

Note: To provide relief to transit operators, the State of California has suspended enforcement of the California regulations that require that a transit service claimant for TDA funds have a system-wide ratio of fare and local revenues to operating cost of at least 20% or that the claimant realize a fare box recovery ratio (FBRR) of 20% for fixed route passenger service and 10% for paratransit service. GCTD Met both fare box recovery ratios with 20% for fixed route and 20% for paratransit. The combined fare box ratio was 20%.

## **ADVERTISING INCOME**

GCTD has been selling commercial bus advertising since FY 2006-07 and continues attracting advertising contracts from local and national entities. In the fiscal year 2022-23, GCTD generated \$306,538 in advertising revenues, 25.6% less than the previous year. Despite the decline, GCTD is optimistic about the growth of advertising revenue in the future.

## **Other Operating Revenue**

### Alternative Fuel Excise Tax Credit

GCTD has received funds from the federal Alternative Fuel Excise Tax Credit program for several years due to its use of CNG as a vehicle fuel. The program's revenue for FY 2022-23 is \$430,609.

Energy Credit Revenue - Commencing in FY 2014-15, GCTD generates and sells both Low Carbon Fuel Standard (LCFS) credits (State of California) and Renewable Identification Number (RIN) credits (U.S. Environmental Protection Agency) from its use of renewable natural gas to fuel the fleet. The market for these credits can be volatile and is based on regulation and demand; however, GCTD has benefited from the program. In the fiscal year of 2022-23, GCTD received \$352,113 from the generation and sale of state and federal credits.

## **Non-Operating Revenues**

### **Local Transportation Funds (LTF)**

In July 2014, Gold Coast Transit became Gold Coast Transit District (GCTD) after Governor Brown signed state legislation in October 2013. As a Transit District now, GCTD is entitled to claim the entire amount of state Local Transportation Funds (LTF) apportioned by population to its member jurisdictions. GCTD's enabling legislation also allows GCTD members to claim from the District a portion of its LTF funds for eligible transit services (not provided by the District) that the member funds or operates. For FY 2022-23, GCTD claimed \$20,832,195 in LTF funds, out of which \$1,807,939 was claimed by GCTD's members for their transit service requirements.

### **Federal Grants**

GCTD's second largest source of operating revenue is the Federal Transit Administration (FTA) grants. Federal Section 5307 grants are allocated based on a federal formula and have remained relatively stable over the past ten years. Section 5307 is the core program providing federal funds for GCTD operating activities.

GCTD expended \$3,035,075 in Section 5307 grant funds for eligible operating activities in FY 2022-23. \$6,044 was expended for Enhanced Mobility of Seniors and Individuals with Disabilities. GCTD also used Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds for Ventura Road (Route 23) operations. GCTD expended \$814,830 towards Ventura Road (Route 23) operations in FY 2022-23. Section 5339 provides capital funding to replace, rehabilitate and purchase buses and facilities. GCTD expended \$1,131,485 in 5339 funds towards the Certificates of Participation (COP) repayment of debt service. GCTD expended \$1,426,623 in 5307 CMAQ funds towards the replacement of 3 buses. GCTD expended \$92,145 in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in FY 2022-23. GCTD expended \$1,184,961 in American Rescue Plan (ARP) Act funding in FY 2022-23. GCTD received Federal Emergency Management Agency (FEMA) reimbursement for COVID expenditures to protect the public and employees in FY 2022-23 in the amount of \$54,062.

### **State Funding**

STA and SGR - GCTD receives funding from the State Transportation Assistance (STA) and State of Good Repair (SGR) programs. In FY 2022-23, the State Controller's Office (SCO) allocated GCTD \$359,186 in STA funds and \$45,381 in SGR funds. These funds can be used for eligible activities, such as local matching for Federal grants, operating activities, and preventive maintenance.

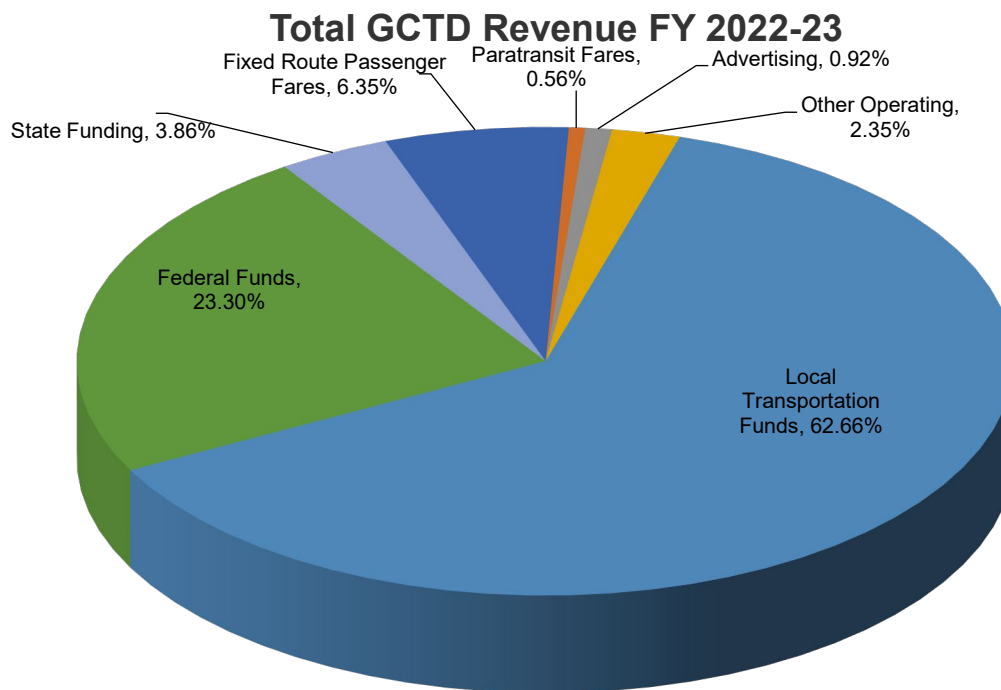
GCTD participates in the Low Carbon Transit Operations Program (LCTOP) and receives funding for approved mobility projects. Additionally, GCTD receives grant funding through Proposition 1B for various operating and capital asset projects of which no new funds were received in FY'23. In FY'23, LCTOP received \$72,092 in funding for Route 23 operations. As of June 30, 2023, the net position was \$0 due to all funds being exhausted.

### Other and Investment

Investment earnings include interest earnings and fair market adjustments on temporary investments held in the State of California Local Agency Investment Fund (LAIF) and money market funds at US Bank. GCTD lost \$7,176 in FY 2022-23 compared to a gain of \$49,110 in FY 2021-22, a decrease of \$57k from the previous year due to unfavorable market changes.

Other revenue consists primarily of the sale of equipment, scrap material, and insurance proceeds. GCTD earned \$432,663 in FY 2022-23, an increase of \$285,966 from the prior year, primarily due to an increase in the sale of equipment and reimbursement from Southern California Gas Company. The reimbursement was for a deposit GCTD made in September 2018 for a high-pressure gas line installation for its new facility.

The following chart shows the major sources of operating and non-operating revenues for the year ended June 30, 2023, as a percentage of total revenues:



## EXPENSES

A summary of expenses for the year ended June 30, 2023, including the amount and percentage of change from the prior year, is shown below:

### Expenses

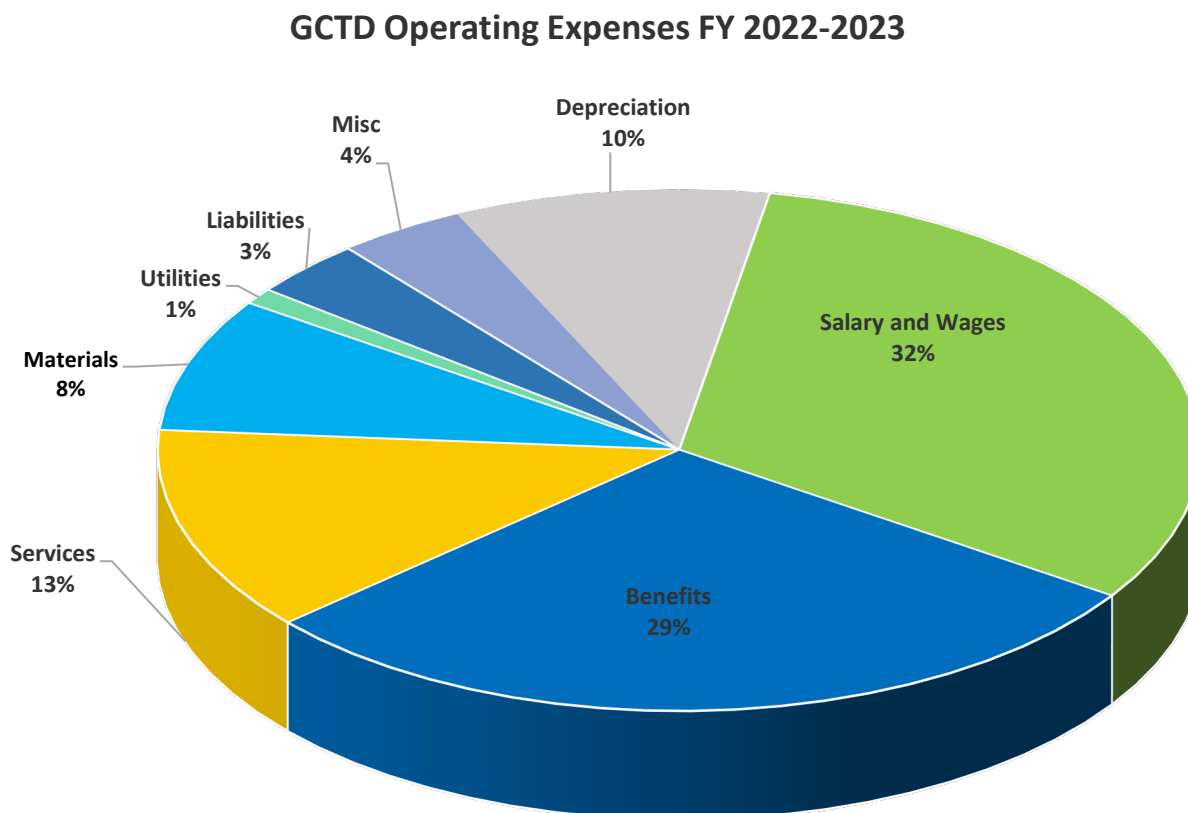
	2023	2022	Increase/ (Decrease)
Operating Expenses			
Salary and Wages	\$ 11,495,703	\$ 12,095,853	\$ (600,150)
Benefits	10,549,779	6,905,077	3,644,702
Services	4,615,742	4,710,704	(94,962)
Materials	3,020,489	3,573,317	(552,828)
Utilities	360,152	364,889	(4,737)
Liabilities	1,278,609	221,213	1,057,396
Debt Services	918,249	942,522	(24,273)
Misc	517,245	327,045	190,200
Operating Expenses before Depreciation	32,755,966	29,140,619	3,615,347
Depreciation	3,554,028	3,393,698	160,330
Total Operating Expenses	\$ 36,309,994	\$ 32,534,318	\$ 3,775,677

Total operating expenses before depreciation were 12.41% higher, mainly driven by an increase of 52.78% in employee benefits from \$6,905,077 to \$10,549,779, an increase of \$3,644,702. The increase in CalPERS health plan premiums was 6.75%, contributing to the overall rise. Some of the cost drivers for the increase include medical and pharmaceutical inflation, employee workers compensation, additional unfunded pension liability contribution.

Liabilities increased by 478% to \$1,278,609 due to higher liability insurance, commercial property, earthquake, and other insurance.

Miscellaneous expenses increased by 58.16%. This increase includes subscriptions and memberships, such as the California Transit Association, American Public Transportation Association, and California Association for Coordinated Transportation, as well as scheduling and human resource software and others alike.

The following chart shows major cost categories and the percentage of operating expenses for the year ended June 30, 2023:



## **BASIC FINANCIAL STATEMENTS**

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

## **CAPITAL ASSET ACQUISITION**

During FY 2022-23, GCTD added three compressed natural gas-powered buses, totaling \$1,784,961.60 in capital additions.

Capital asset acquisitions are capitalized at cost. Acquisitions are typically funded primarily using federal grants with matching local funds. Over the past decade, GCTD has received state grants from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Office of Emergency Services (Cal-OES) Safety and Security programs. These grants can match federal funds but do not require local matching funds.

## **ECONOMIC AND STRATEGIC FACTORS**

GCTD operates a facility that can accommodate its current and potential growth. The commitment GCTD made in taking on long-term debt for addressing the future transit needs with the larger facility continues to be important in State and Federal transit funding.

Despite the growing economy, LTF, GCTD's primary funding source, appears to have stabilized. Although the District committed to future public transit needs by developing a new, larger operating base, GCTD may be vulnerable to another significant economic downturn similar to what the country experienced in 2008. Meanwhile, Ventura County remains the most populated county in California that still needs to pass a dedicated transportation tax. This limits GCTD's ability to grow and provide a more robust transit service to the community and hinders GCTD's ability to compete for state and federal grant funds. Ventura County voters failed to approve a one-half cent sales tax in November 2016 to fund necessary road and transportation improvements. However, Measure AA received over 64% approval in the four cities GCTD serves. Other high-population counties in California have recognized the need for local funding to support the provision of transit services. GCTD will continue to have future public transit needs constrained until this issue is successfully addressed.

GCTD has a Memorandum of Understanding (MOU) with the Service Employees International Union (SEIU). Currently, approximately 80% of GCTD's workers are represented by SEIU employees working under the current agreement, valid until June 30, 2024. The labor negotiations for the next agreement are expected to start in the first quarter of 2024.

GCTD recently negotiated a new three-year contract with Teamsters Local 186, which represents 17 supervisors and whose previous contract expired on June 30, 2023. The new agreement includes fair wages and enhanced benefits, such as a 14% increase over the 3-year contract term, equity adjustments to a few salary ranges, a paid holiday (Juneteenth), and increased reimbursements for tuition, tools, and more.

GCTD has been using compressed natural gas (CNG) to power its buses, paratransit fleet, and most of its service vehicles since 1995. GCTD owns and operates a natural gas compression station. GCTD continued to realize benefits from its contract with Clean Energy that provides GCTD renewable natural gas at a discount from the published commodity price and revenue from GCTD's sale of LCFS credits (State of California) and RIN credits (U.S. Environmental Protection Agency (EPA)) generated from its use of CNG as a fuel.

GCTD has ordered an additional four (4) CNG buses for delivery next fiscal year. As GCTD transitions to zero-emission hydrogen buses, the CNG bus fleet will continue to operate for several years. The Board of Directors of GCTD has shown a forward-thinking approach by committing to purchasing zero-emission buses for the future fleet.

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

GCTD actively seeks out all relevant grant opportunities. It is important to note that discretionary grants do not provide recurring revenue. GCTD has implemented several initiatives to increase revenues, such as on-board advertising sales and the generation and sale of LCFS and RIN credits. GCTD will continue to aggressively pursue revenue opportunities from these initiatives, and SB1 has the potential to help fill the gap. Identifying and implementing a local means of financial support for Ventura County transit is pivotal for sustainability.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide an overview of GCTD's financial operations and condition to its members, customers, stakeholders, and other interested parties. If you have any questions regarding the information included provided in this report or wish to require request additional financial information, please contact Christine Feng, CFO/ Assistant General Manager, at Gold Coast Transit District, 1901 Auto Center Drive, Oxnard, California, 93036.

## **BASIC FINANCIAL STATEMENTS**

**Gold Coast Transit District**  
**Statement of Net Position**  
**June 30, 2023**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 4,634,731	\$ 6,711,921
Accrued interest receivable	2,488	1,871
Accounts and other receivables	1,166,416	1,483,042
Due from other governments	2,682,471	3,596,025
Inventories and prepaid items	1,124,214	736,311
<b>Total current assets</b>	<u><b>9,610,320</b></u>	<u><b>12,529,170</b></u>
<b>Non-current assets:</b>		
Restricted cash and investments with fiscal agent	5,238,926	5,416,007
Capital assets, net	62,089,979	63,733,870
SBITA assets, net	170,633	-
Right of use lease asset, net	51,002	67,812
<b>Total non-current assets</b>	<u><b>67,550,540</b></u>	<u><b>69,217,689</b></u>
<b>Total assets</b>	<u><b>77,160,860</b></u>	<u><b>81,746,859</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows	8,222,450	3,758,401
OPEB related deferred outflows	1,470,171	1,569,939
<b>Total deferred outflows of resources</b>	<u><b>9,692,621</b></u>	<u><b>5,328,340</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	1,343,822	2,001,575
Unearned revenue	35,208	-
Accrued interest payable	480,344	490,594
Accrued compensated absences - current	1,220,336	914,897
SBITA liability - current	59,464	-
Right of use lease liability - current	16,628	15,812
Certificates of participation payable - current	489,623	464,623
<b>Total current liabilities</b>	<u><b>3,645,424</b></u>	<u><b>3,887,501</b></u>
<b>Non-current liabilities:</b>		
Accrued compensated absences	77,231	198,628
SBITA liability	113,859	-
Right of use lease liability	36,169	52,797
Certificates of participation payable	21,005,957	21,495,580
Net pension liability	16,961,055	7,598,074
Net OPEB liability	1,660,045	1,733,290
<b>Total non-current liabilities</b>	<u><b>39,854,316</b></u>	<u><b>31,078,369</b></u>
<b>Total liabilities</b>	<u><b>43,499,741</b></u>	<u><b>34,965,870</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows	846,824	5,460,073
OPEB related deferred inflows	666,971	409,778
<b>Total deferred inflows of resources</b>	<u><b>1,513,795</b></u>	<u><b>5,869,851</b></u>
<b>NET POSITION</b>		
Net investment in capital assets	40,644,537	41,772,869
Restricted for capital acquisitions	2,746,970	2,946,190
Restricted for proceeds from bond issuance	2,237,035	2,217,143
Unrestricted (deficit)	(3,748,467)	(696,725)
<b>Total net position</b>	<u><b>\$ 41,880,076</b></u>	<u><b>\$ 46,239,477</b></u>

**Gold Coast Transit District**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**For the Fiscal Year Ended June 30, 2023**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>Operating revenues:</b>		
Passenger fares:		
Fixed route	\$ 2,110,093	\$ 2,065,513
Paratransit	185,562	133,836
Advertising revenue	306,538	411,945
Other operating	782,721	1,847,818
	<hr/>	<hr/>
<b>Total operating revenues</b>	3,384,914	4,459,112
<b>Operating expenses:</b>		
Salary and wages	11,495,703	12,095,853
Benefits	10,549,779	6,905,077
Services	4,615,742	4,710,704
Materials	3,020,488	3,573,317
Utilities	360,152	364,889
Insurance Claims	1,278,609	221,213
Miscellaneous	517,244	327,045
	<hr/>	<hr/>
<b>Total operating expenses</b>	31,837,718	28,198,097
	<hr/>	<hr/>
<b>Operating (loss) Before Depreciation</b>	(28,452,804)	(23,738,995)
	<hr/>	<hr/>
Depreciation	3,554,028	3,393,698
	<hr/>	<hr/>
<b>Operating (loss)</b>	(32,006,832)	(27,132,683)
	<hr/>	<hr/>
<b>Non-operating revenues (expenses) and transfers:</b>		
Local transportation funding	20,832,196	15,272,757
Federal grants	7,745,225	15,497,082
State transit assistance	359,186	300,300
State and local grants	890,857	617,064
Low Carbon Transit Operations Program (LCTOP)	72,092	333,837
Investment earnings (loss)	41,435	(88,456)
Local assistance to other agencies	(1,807,940)	(1,648,290)
Interest expense, net	(918,249)	(942,522)
Other revenue	432,629	146,663
	<hr/>	<hr/>
<b>Total non-operating revenues (expenses) and transfers</b>	27,647,431	29,488,435
	<hr/>	<hr/>
<b>Change in net position</b>	(4,359,401)	2,355,751
	<hr/>	<hr/>
<b>Net position:</b>		
Beginning of year	46,239,477	43,883,726
	<hr/>	<hr/>
End of year	\$ 41,880,076	\$ 46,239,477
	<hr/>	<hr/>

**Gold Coast Transit District**  
**Statement of Cash Flows**  
**For the Fiscal Years Ended June 30, 2023, and 2022**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>Cash flows from operating activities:</b>		
Receipts from customers and users	\$ 3,866,963	\$ 2,199,349
Payments to suppliers	(10,853,704)	(18,909,403)
Payments to employees	(21,292,040)	(10,776,084)
Other operating revenues	782,721	793,161
<b>Net cash (used) by operating activities</b>	<u>(27,496,060)</u>	<u>(26,692,977)</u>
<b>Cash flows from noncapital financing activities:</b>		
Proceeds from local transportation funding	20,832,196	14,777,495
Proceeds from federal funding	7,745,225	11,313,773
Proceeds from state transit assistance	285,916	243,895
Proceeds from state funding	890,857	950,745
Payments to other agencies	(1,807,940)	(1,648,290)
Proceeds from other noncapital funding	447,204	146,663
<b>Net cash provided by noncapital financing activities</b>	<u>28,393,458</u>	<u>25,784,281</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on SBITA payable	(56,818)	-
Principal paid on loans and bonds	(410,000)	(390,000)
Principal paid on right-to-use leased asset		
Proceeds from capital grants		3,237,453
Interest paid on loans, bonds, and capital leases	(970,938)	(1,005,170)
Proceeds from right-to-use lease payable	230,141	84,067
Principal paid on right-to-use leased payable	(15,812)	(15,458)
Proceeds on the sale of capital assets	57,698	-
Purchase of capital assets	(1,890,637)	(3,922,319)
<b>Net cash (used) by capital and related financing activities</b>	<u>(3,056,366)</u>	<u>(2,011,427)</u>
<b>Cash flows from investing activities:</b>		
Investments earnings (loss) on investments	41,435	(89,467)
<b>Net cash provided by investing activities</b>	<u>41,435</u>	<u>(89,467)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,117,533)</u>	<u>(3,009,590)</u>
<b>Cash and cash equivalents:</b>		
Beginning of year	12,127,928	15,137,518
End of year	<u>\$ 9,873,657</u>	<u>\$ 12,127,928</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>		
Cash and cash equivalents	\$ 4,634,731	\$ 6,711,921
Restricted - cash and investments	5,238,926	5,416,007
<b>Total cash and cash equivalents</b>	<u><b>\$ 9,873,657</b></u>	<u><b>\$ 12,127,928</b></u>

**Gold Coast Transit District  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of operating (loss) to net cash (used) by operating activities:</b>		
Operating (loss)	\$(32,006,832)	\$(28,075,206)
<b>Adjustments to reconcile operating (loss) to net cash (used) by operating activities:</b>		
Depreciation	3,554,028	3,393,698
Right-to-use lease amortization expense	76,318	16,255
Loss on capital asset	-	92,721
<b>Change in assets - (increase) decrease</b>		
Accounts and others	1,229,563	(1,466,601)
Inventories and prepaid items	(387,903)	(387,903)
<b>Change in deferred outflows of resources - (increase) decrease</b>		
Deferred outflows - pension	(4,464,049)	(285,256)
Deferred outflows - OPEB	99,768	(1,514,682)
<b>Change in liabilities - increase (decrease)</b>		
Accounts payable and accrued expenses	(621,729)	193,349
Unearned revenue		43,050
Debt Service	918,249	942,820
Accrued compensated absences	167,414	
Net pension liability	9,362,981	(6,932,929)
Net OPEB liability	(73,245)	1,563,443
<b>Change in deferred inflows of resources - increase (decrease)</b>		
Deferred inflows - pension	(4,613,249)	5,387,631
Deferred inflows - OPEB	257,193	66,807
<b>Total adjustments</b>	<u>5,429,021</u>	<u>1,382,228</u>
<b>Net cash (used) by operating activities</b>	<u>\$(27,496,060)</u>	<u>\$(26,692,977)</u>
<b>Non-cash investing, capital and financing transactions:</b>		
Amortization of bond premium	\$ 54,623	\$ 54,623
Change in unearned revenue	<u>\$ -</u>	<u>\$ 495,262</u>

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

## NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Description of the Reporting Entity

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

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

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

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

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

The basic financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period.

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

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

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

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

## NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

**(Continued)** The District reports the following funds:

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

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

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

### C. Use of Estimates

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

### D. Cash and Cash Equivalents

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

### E. Investments

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

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value on the statement of net position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

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

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

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.

## **NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

### **F. Materials and Supplies Inventory**

Materials and supplies inventory consist primarily of bus replacement parts, supplies for vehicle maintenance, tires, and oil. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed. The inventory balance was \$1,104,031 at June 30, 2023.

### **G. Prepaid Items**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements. The prepaid balance was \$20,183 at June 30, 2023.

### **H. Right-To-Use Leased Asset and Right-To-Use Lease Payable**

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. The District has established a single model for lease accounting based on the principle that leases are financings of a right-to-use underlying asset. As a lessee, the District is required to recognize a lease liability (payable) and an intangible right-to-use leased asset. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and lease payable if certain changes occur that are expected to significantly affect the amount of the lease payable.

### **I. Bond Premiums and Issuance Costs**

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

### **J. Capital Assets**

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

The estimated useful lives of the assets are as follows:

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

## **K. Compensated Absences**

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

## **L. Pensions**

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

The following timeframes are used for pension reporting:

### CalPERS

Valuation date	June 30, 2021
Measurement date	June 30, 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 of resources and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

## **M. Other Postemployment Benefits (OPEB)**

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

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2022 to June 30, 2023

#### **N. Grant Funding**

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

#### **O. Unearned – Local Transportation Funding**

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

#### **P. Non-Operating Revenues**

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

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

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

#### **Q. Net Position**

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

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

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

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

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

## R. Reclassifications

Certain amounts from the prior year have been reclassified to conform to the current year’s presentation.

## S. New Pronouncements – Government Accounting Standards Board (GASB)

### **GASB Statement No.96 Subscription Based Information Technology Arrangements (SBITA)**

– This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The District has four different SBITAs related to transit operations and HR management. These agreements require annual payments for contracted amounts with remaining terms from 24 to 60 months in length. In calculating the present value of the SBITA payable and right-to-use asset, an annual interest rate of 2.5% was assumed as the Districts incremental borrowing rate. These SBITAs are discussed in further detail in Note 20.

## NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

### **CASH AND INVESTMENTS**

Cash and investments	\$ 4,634,731
Restricted - cash and investments	5,238,926
Total cash and investments	<u><u>\$ 9,873,657</u></u>

Cash, cash equivalents, and investments as of June 30, 2023 consisted of the following:

Cash on hand	\$ 670
Deposits held with financial institutions	548,158
Investments	9,324,829
Total cash, cash equivalents, and investments	<u><u>\$ 9,873,657</u></u>

## A. Demand Deposits

The California Government Code requires California banks and savings and loan associations to secure an entity’s deposits by pledging government securities with a value of 110% of an entity’s deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity’s total deposits. The entity’s Treasurer may waive the collateral requirement for deposits which

are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

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

#### **B. Custodial Credit Risk**

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools, such as Local Agency Investment Fund (LAIF) and Ventura County Pooled Investment Fund (VCPIF).

As of June 30, 2023, none of the District's deposits and investments were exposed to disclosable custodial credit risk.

**C. Investments**

The District's investments as of June 30, 2023, are as follows:

Investment Type	Measurement Input	Credit Rating	Fair Value	Remaining Maturity in (Months) 12 Months or Less
LAIF	Uncategorized	N/A	\$ 100,338	\$ 100,338
Money market accounts held with financial institutions	Level 2	AAA	3,985,564	3,985,564
Money market accounts held in trust with debt trustee	Level 2	AAA AAAF/S-	2,533,632	2,533,632
VCPIF - restricted	Level 2	1+	2,705,295	2,705,295
Total			<u>\$9,324,829</u>	<u>\$9,324,829</u>

**D. Authorized Investments and Investment Policy**

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

External Investment Pools:

LAIF

VCPIF

Non-negotiable certificates of deposit

Governmental agency securities

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

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

#### **F. Investment in California Local Agency Investment Fund (LAIF) (continued)**

The District's investments with LAIF at 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.

The District had \$100,338 invested in LAIF, which had invested 0.75% of the pooled investment funds 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.

#### **G. Ventura County Pooled Investment Fund (VCPIF)**

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

The County's Treasurer has indicated to the District that as of June 30, 2023 the value of the County's portfolio was approximately \$4.45 billion. As of June 30, 2023, the District has investment in the VCPIF \$2,705,295. The VCPIF fair value factor of 0.9848 was used to calculate the fair value of the investments in VCPIF as of June 30, 2023.

#### **H. Fair Value Measurement Input**

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

#### **I. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2023, the District's investment in the LAIF was not rated as noted in the table above.

#### J. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

#### K. Concentration of Credit Risk

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

### NOTE 3 – RESTRICTED ASSETS

Restricted assets as June 30, 2023 were classified in the accompanying basic financial statements as follows:

Description	June 30,2022	June 30,2023
Restricted - cash and investments	\$ 5,416,007	\$ 5,238,926
Total restricted assets	\$ 5,416,007	\$ 5,238,926

Restricted assets as of June 30, 2023 consisted of the following:

Proceeds from bond debt issuance	\$ 2,505,038	\$ 2,491,956
Capital acquisitions reserves	2,910,969	2,746,970
Total restricted assets	\$ 5,416,007	\$ 5,238,926

#### NOTE 4 – CAPITAL ASSETS

Summary of change in capital assets for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 8,981,061	\$ -	\$ -	\$ 8,981,061
Construction in Progress	38,296.98	1,914,774	-	129,812
Total capital assets not being depreciated	<u>9,019,358</u>	<u>1,914,774</u>	<u>-</u>	<u>9,110,874</u>
Capital assets, being depreciated:				
Buildings and improvements	43,819,824	-	-	43,819,824
Vehicles and equipment	<u>42,806,073</u>	<u>1,818,623</u>	<u>(3,412,421)</u>	<u>41,212,275</u>
Total capital assets being depreciated	<u>86,625,897</u>	<u>1,818,623</u>	<u>(3,412,421)</u>	<u>85,032,099</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,720,696)	(1,234,755)	-	(4,955,451)
Vehicles and equipment	<u>(28,190,690)</u>	<u>(2,319,274)</u>	<u>3,412,421</u>	<u>(27,097,543)</u>
Total accumulated depreciation	<u>(31,911,386)</u>	<u>(3,554,029)</u>	<u>3,412,421</u>	<u>(32,052,994)</u>
Total capital assets being depreciated, net	<u>54,714,511</u>	<u>(1,735,406)</u>	<u>-</u>	<u>52,979,105</u>
<b>Intangible assets, being amortized:</b>	39,401	-	-	39,401
Less accumulated amortization	<u>(39,401)</u>	<u>-</u>	<u>-</u>	<u>(39,401)</u>
Intangible assets, being amortized, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, net	<u>\$63,733,869</u>	<u>\$ 179,368</u>	<u>\$ -</u>	<u>\$62,089,979</u>

Depreciation expense for the year ended June 30, 2023 was \$3,554,029.

## NOTE 5 – RIGHT-TO-USE LEASE ASSET AND RIGHT-TO-USE LEASE LIABILITY

Changes in lease assets for the year ended June 30, 2023 was as follows:

Description	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Right-to-use leased assets:				
Buildings and improvements	<u>\$84,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$84,067</u>
Accumulated amortization:				
Buildings and improvements	<u>(16,255)</u>	<u>(16,810)</u>	<u>-</u>	<u>(33,065)</u>
Total right-to-use leased asset, net	<u>\$ 67,812</u>	<u>\$(16,810)</u>	<u>\$ -</u>	<u>\$51,002</u>

Changes in lease payables for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Current portion	Long-term portion
Lease liability	<u>\$ 68,609</u>	<u>\$ -</u>	<u>\$ (15,812)</u>	<u>\$ 52,797</u>	<u>\$ 16,628</u>	<u>\$ 36,169</u>

Annual debt service requirement for the right-to-use lease payable are as follows:

Fiscal Year End	Principal	Interest	Total
2024	\$ 16,628	\$ 1,762	\$ 18,390
2025	17,640	1,072	18,712
2026	12,615	453	13,068
2027	<u>5,914</u>	<u>53</u>	<u>5,967</u>
Total	<u>\$ 52,797</u>	<u>\$ 3,340</u>	<u>\$ 56,137</u>

The District is reporting a total right-to-use leased asset, net of \$51,002 and a right-to-use lease payable of \$52,797 for the year ending June 30, 2023. Also, the District is reporting total amortization expense of \$16,810, principal payments of \$15,812 and interest expense of \$1,762 related to the above noted lease.

The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 4.00% to discount the lease payments to the net present value. In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease.

The District's lease is summarized as follows:

GCTD entered into a lease with the City of Oxnard for the Customer Service Center located at 201 E. Fourth Street, Suite 103A on December 6, 2016. The term of the lease is January 1, 2017 – December 31, 2026. The base rent started the term at \$997.14 per month. There is annual rate adjustment beginning in October 2019 equal to the Consumer Price Index (CPI-U) for the Los Angeles-Riverside- Orange County California area as published by the United States Department of Labor, Bureau of Labor Statistics for each twelve (12) month period provided that no annual increase will be greater than three percent (3%).

A second lease with the City of Oxnard for the term of September 1, 2019 – August 31, 2022 for the Bus Operator breakroom at 201 E. Fourth Street, Suite 206B on August 5, 2019. An extension of the lease was executed through August 31, 2025. The base rent at the start of the term was \$468.00 per month. There is annual rate adjustment beginning in October 2019 equal to the Consumer Price Index (CPI-U) for the Los Angeles-Long Beach-Anaheim California area as published by the United States Department of Labor, Bureau of Labor Statistics for each twelve (12) month period provided that no annual increase will be greater than five percent (5%).

## NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses on June 30, 2023 consist of the following amounts:

Accounts payable - vendors	\$ 723,331
Accrued wages and benefits	<u>\$ 620,491</u>
Total	<u>\$ 1,343,822</u>

## NOTE 7 – UNEARNED – LOCAL TRANSPORTATION FUNDING

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

Unearned – LTF was \$0 for the fiscal year ended June 30, 2023. There was \$0 unearned at June 30, 2022 which was recognized in LTF revenues when used during FY 2022-23.

## NOTE 8 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave, sick leave, and compensated time off which is accrued as earned. The District's liability for compensated absences is determined annually. Changes in the compensated absences balance for the fiscal year ended June 30, 2023, is as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Current Balance	Noncurrent Balance
<u>\$1,113,525</u>	<u>\$ 649,918</u>	<u>\$ (465,875)</u>	<u>\$ 1,297,568</u>	<u>\$1,220,336</u>	<u>\$ 77,231</u>

## NOTE 9 – CERTIFICATES OF PARTICIPATION

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

If any Event of Default occurs and is continuing, the Trustee by notice to the District, or the Owners of at least 25% in principal amount of the Certificates by notice to the District and the Trustee (except for an Event of Default as described under clause (c) of Section 8.01 of the Lease Agreement, for which no such notice is required), may declare the principal and accrued interest with respect to the Certificates to be due and payable immediately. Upon a declaration, the principal and accrued interest to the date of the Trustee's declaration of acceleration on the Certificates shall be due and payable.

The Trustee may, and upon the request of Owners of a majority in principal amount of the Certificates shall, rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, if the rescission would not conflict with any judgment or decree if all payments due the Trustee have been made.

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

	Balance June 30, 2022	Reductions	Balance June 30, 2023	Due Within One Year	Due in more than One Year
Certificates of Participation	\$ 20,540,000	\$ (410,000)	\$ 20,130,000	\$ 435,000	\$ 19,695,000
Premium	1,420,203	(109,246)	1,310,957	-	1,310,957
Total	<u>\$ 21,960,203</u>	<u>\$ (519,246)</u>	<u>\$ 21,440,957</u>	<u>\$ 435,000</u>	<u>\$ 21,005,957</u>

The certificates of participation payment schedule for amounts due on June 30, 2023, is as follows:

Fiscal Year End	Principal	Interest	Total
2024	\$ 435,000	\$ 949,813	\$ 1,384,813
2025	455,000	929,269	1,384,269
2026	475,000	909,506	1,384,506
2027	495,000	887,038	1,382,038
2028	520,000	861,663	1,381,663
2029 - 2033	3,060,000	3,862,444	6,922,444
2034-2038	3,805,000	3,114,150	6,919,150
2039 - 2043	4,765,000	2,149,375	6,914,375
2044-2048	6,120,000	795,750	6,915,750
Total	<u>\$ 20,130,000</u>	<u>\$ 14,459,006</u>	<u>\$ 34,589,006</u>

## NOTE 10 – OPEB

### A. General Information about the OPEB Plan

**Plan Description** – The District provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon retirement from the District. The District's OPEB Plan is a single-employer plan. Eligible retirees and dependents may elect lifetime coverage through the District's healthcare plans. The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District.

Retirees pay the portion of premium not paid by the District.

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

**Employees Covered** – As of the June 30, 2022 valuation, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	<u>2023</u>
Active employees	189
Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefit payments	<u>172</u>
	<u>378</u>

**Contributions** – The contribution requirements are established and amended by the District. The contribution is based on pay-as-you-go financing requirements. For the fiscal year ended June 30, 2023 the District contributed \$0 to the California Employers' Retiree Benefit Trust Fund (CERBT) irrevocable trust and \$59,375 for member expenses as the pay-as-you-go portion, resulting in total payments of \$59,375.

**Net OPEB Liability** – The District’s net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was the plan fiduciary net position of the CERBT held with CalPERS. The following actuarial methods and assumptions were used:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	4.50%
Inflation rate	2.50%
Real GDP Per Capital Growth	1.50%
Excess Medical Cost Growth	1.10%
Health Share of GDP Resistance Point	25.00%
Year for Limited Cost Growth to GDP Growth	2075
Trend rate	Various
Salary increases	2.75% per annum, in aggregate
Investment rate of return	7.00%
Participation rate	35% of active employees assumed to elect coverage at retirement
Medicare eligibility	Age 65

(1) The health care trend rates reflect a more recent Getzen Model of Long-Run medical Cost Trends and historical medical inflation data. Medical/prescription drug: from 4.00% for all years to Getzen 2021 table that reflects actual premium increases from 2021 to 2022 followed by 5.75% in 2022 that decreases gradually to an ultimate rate of 4.04% in 2075. PCMHCA minimum contribution: from 4.00% to 4.20% followed by 3.50% for all subsequent years.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	49.00%	4.50%
Debt Securities	23.00%	1.00%
Real Estate Investment Trusts	20.00%	3.70%
Commodities	5.00%	50.00%
Treasury Inflation Protected Securities	3.00%	1.10%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Long-term expected rate of return</b>		<b>7.00%</b>

**Discount Rate** – The discount rate used to measure the total OPEB liability was 4.5 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be sufficient to fully fund the obligation over a period not to exceed 34 years. Historic 34-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 13 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries.

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

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

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balance at June 30, 2021, Measurement Date	\$ 2,604,766	\$ 871,476	\$ 1,733,290
Changes in the Year:			
Service Cost	193,687	-	193,687
Interest on the Total OPEB Liability	96,916	-	96,916
Contribution - Employer	-	59,375	(59,375)
Experience Gains/Losses	(20,774)	-	(20,774)
Administrative Expenses	-	(221)	221
Assumption Changes	(400,589)	-	(400,589)
Benefit Payments	(59,375)	(59,375)	-
Net Changes	(190,135)	(116,890)	(73,245)
Balance at June 30, 2022, Measurement Date	\$ 2,414,631	\$ 754,586	\$ 1,660,045

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2022:

	Plan's Total OPEB Liability		
	1% Decrease 3.55%	Discount Rate 4.55%	1% Increase 5.55%
Net OPEB Liability	\$ 2,039,457	\$ 1,660,045	\$ 1,351,373

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates –**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates as of June 30, 2022:

	Plan's Total OPEB Liability		
	1% Decrease	Healthcare trend	1% Increase
	3.55%	4.55%	5.55%
Net OPEB Liability	<u>\$ 1,269,971</u>	<u>\$ 1,660,045</u>	<u>\$2,160,607</u>

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

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

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

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$59,375. As of fiscal year ended June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions to pension plan made after the measurement date	\$ -	\$ -
Difference between projected and actual earnings on pension plan investments	584,600	(846,824)
Assumption changes	1,811,122	-
Net difference between projected and actual experience	<u>2,832,385</u>	<u>-</u>
Total	<u>\$ 5,228,107</u>	<u>\$ (846,824)</u>

## **NOTE 11 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN**

### **A. General Information about the Pension Plan**

#### **Plan Description**

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

#### **Benefits Provided**

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

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

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

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

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

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

## NOTE 12 – NET PENSION LIABILITY AND THE DEFINED BENEFIT PENSION PLAN (Continued)

### A. General Information about the Pension Plans (Continued)

#### **Benefits Provided** (Continued)

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

The Plan's provisions and benefits in effect at June 30, 2022, (Measurement Date) are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2.7%@55	2.0%@62
Benefit Vesting Schedule	5 years' service	5 years' service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50-55	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	7.250%
Required Employer Contribution Rates	10.550%	10.550%

### Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Plan:

	<u>2023</u>
Active employees	189
Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefit payments	-
	<u>206</u>

## Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total Plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

As of the fiscal year ended June 30, 2022, the contributions for the Plan were as follows:

Contributions - employer	\$ 2,498,525
Contributions - employee member	<u>822,236</u>
Total	<u>\$ 3,320,761</u>

### A. Net Pension Liability

#### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

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

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

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

#### Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Asset Class	Assumed Asset Allocation	Real Return <sup>(1,2)</sup>
Global Equity - Cap-weighted	30.00%	4.54%
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%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
<sup>(a)</sup> An expected inflation of 2.00% used for this period.		
<sup>(b)</sup> An expected inflation of 2.92% used for this period.		
Total	105.00%	

<sup>(1)</sup> An expected inflation of 2.3% used for this period.

<sup>(2)</sup> Figures are based on the 2021 Asset Liability Management study.

**B. Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the year ended June 30, 2022 measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (Valuation Date)	\$ 67,380,783	\$ 59,782,708	\$ 7,598,075
Changes Recognized:			
Service Cost	2,159,296	-	2,159,296
Interest on the Total Pension Liability	4,699,885	-	4,699,885
Assumption Changes	2,377,097	-	2,377,097
Differences between Actual and Expected Experience	(1,111,456)	-	(1,111,456)
Contributions - Employer	-	2,498,252	(2,498,252)
Contributions - Employee	-	822,236	(822,236)
Net Investment Income	-	(4,521,405)	4,521,405
Administrative Expense	-	(37,241)	37,241
Benefit Payments, Including Refunds of Employee Contributions	(3,223,633)	(3,223,633)	-
Net Changes	4,901,189	(4,461,791)	9,362,980
Balance at June 30, 2022 (Measurement Date)	\$ 72,281,972	\$ 55,320,917	\$ 16,961,055

**C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate:

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1% (5.9%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.9%)
\$ 26,841,016	\$ 16,961,055	\$ 8,815,819

**D. Pension Plan Fiduciary Net Position**

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

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

For the year ended June 30, 2023, the District incurred a pension expense of \$3.3M for the Plan. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions to pension plan made after the measurement date	\$ 2,994,343	
Difference between projected and actual earnings on pension plan investments	584,600	(846,824)
Assumption changes	1,811,122	
Net difference between projected and actual experience	2,832,385	
Total	<u>\$ 8,222,450</u>	<u>\$ (846,824)</u>

The \$2,994,343 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ 1,095,822
2024	952,635
2025	542,991
2026	1,789,835
2027	-
Thereafter	-
Total	<u>\$ 4,381,283</u>

#### NOTE 13 – NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets balance consisted of the following balances at June 30, 2023:

	<u>2023</u>
Net investment in capital assets:	
SBITA Asset, net	\$ 170,633
SBITA Payable	(173,323)
Right-to-use leased assets - being amortized, net	51,002
Capital assets - not being depreciated	9,110,874
Capital assets, net - being depreciated	52,979,105
Right-to-use leased payable - current portion	(16,628)
Right-to-use leased payable - non-current portion	(36,169)
Certificates of participation	<u>(21,495,580)</u>
Total net investment in capital assets	<u>\$ 40,589,914</u>

#### NOTE 14 – RESTRICTED NET POSITION

LTF granted for operating assistance is to be used to purchase new buses, fare boxes, coach equipment, facility and other improvements as part of a service expansion program, and related interest earnings included in restricted net position at June 30, 2023, are as follows:

	<u>2023</u>
Amounts held for capital grants	\$ 2,746,970
Restricted for capital acquisition	<u>2,746,970</u>
Restricted for debt service	<u>2,237,035</u>
Total restricted net position	<u>\$ 4,984,005</u>

#### NOTE 15 – UNRESTRICTED (DEFICIT) NET POSITION

As of June 30, 2023, the District has an unrestricted net position deficit of \$3.7M. Due to the nature of the deficit from the net pension liability of \$16,961,055, the District will continue to make its annual required contributions to CalPERS and annually review its outstanding net pension obligation funding requirements for future periods to reduce the deficit net position.

## **NOTE 16 – STATE TRANSIT ASSISTANCE (STA) FUNDING**

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

STA funding received by the District for FY2022-23 to fund operations was \$359,186. There was \$73,270 of STA funding receivable recognized in due from other governmental agencies at June 30, 2023.

## **NOTE 17 – OTHER STATE ASSISTANCE**

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

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

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

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

### **C. Low Carbon Transit Operations Program (LCTOP)**

LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP, beginning in fiscal year 2015-16. The District requested and received funding for a project in the year ended June 30, 2023.

**D. State of Good Repair (SGR)**

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. SGR funding received by the District for FY 2022-23 was \$ 45,381 and was used for engine replacements. There was \$7,694 SGR funding recognized as due from other governmental agencies at June 30, 2023.

Other State Assistance received and utilized for the fiscal year ended June 30, 2023, was as follows:

	Prop. 1B Grant	PTMISEA	LCTOP	Total
Beginning net position - July 1, 2022	\$ -	\$ -	\$ 35,221	\$ 35,221
Proceeds received	-	-	72,217	\$ 72,217
Capital assets program purchases:				
New facility			-	-
Route 23 Operations			(72,200)	(72,200)
Replacement buses/engines				
Fare Support - Token Transit			(35,239)	(35,239)
Total capital asset program purchases	-	-	(107,439)	(107,439)
Investment earnings allocated	-			-
Change in net position	-	-	(35,221)	(35,221)
Ending net position - June 30, 2023	\$ -	\$ -	\$ -	\$ -

## NOTE 18 – DEFERRED COMPENSATION SAVINGS PLAN

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

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

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

## NOTE 19 – RISK MANAGEMENT

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

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

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

	2023
Insurance coverage limits:	
Buildings and structures	\$23,927,001.00
Business and property	\$ 3,500,000.00
Employment Practices	\$ 2,000,000.00
Crime	\$ 2,200,000.00
Cyber Liability	\$ 1,000,000.00

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

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

## **NOTE 20 – COMMITMENTS**

### **A. Excluded Leases – Short-Term Leases and De Minimis Leases**

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) the regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

### **B. Litigation**

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

### **C. Grant Funding**

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

### **D. Operating Fare Revenue Ratio**

To provide relief to transit operators, the State of California has suspended enforcement of the California regulations that require that a transit service claimant for TDA funds have a system-wide ratio of fare and local revenues to operating cost of at least 20% or that the claimant realize a fare box recovery ratio (FBRR) of 20% for fixed route passenger service and 10% for paratransit service. GCTD Met both fare box recovery ratios with 20% for fixed route and 20% for paratransit. The combined fare box ratio was 20%.

**NOTE 21 – Subscription Based Information Technology Arrangements (SBITA)**

The District has four SBITAs related to subscriptions purchased from Ecolane, Vector Solutions, UTAAPC, Remix, and Ecolane.

Ecolane is the reservation, dispatch, and reporting software used to manage, monitor, and assess the GO ACCESS demand response system and driver performance in real-time. The District is currently in a 5-year contract with annual payments of \$28,057 and a total contract cost of \$140,282.

Vector Solutions is an online learning management system where employees can access over 5,000 training sessions on various topics and programs. Vector Solutions is on a 4-year contract with annual payments of \$7,296 and an increase of 3% per year for a total of \$22,541.

VMware is the virtualization software utilized to host multiple virtual servers on a single physical machine. This software is used to critical applications and file shares. The District is currently in a 3-year contract and made a one-time payment of \$2,990.

Remix is a software tool used to plan routes with assistance from demographic, infrastructure, and land uses data which also supports research in order to secure grants. Remix is currently under a 3-year contract with yearly rates as follows: Year 1 \$8,500, Year 2 \$9,500, Year 3 \$10,500 for a total of \$28,500.

UTA's Automated Passenger Counter (UTAAPC) provides GPS enabled passenger data, a metric used to support NTD reporting requirements for passenger mile reporting, on time performance, and service evaluations. The current contract for UTAAPC is a 4-year contract with a yearly cost of \$17,500.

Summary Information:		
Initial Right-to-use asset amount	\$	230,141
Initial Payable amount		230,141
Accumulated amortization as of 6/30/2023		(59,508)
Right-to-use asset as of 6/30/2023, net		170,633
Right-to-use payable as of 6/30/23		173,323
Interest expense for 2023		5,753
Total cash payments for 2023		62,571

Description	Balance 7/1/2022	Additions	Deletions/ Transfers	Balance 6/30/2023
<b>Right-to-use subscription asset:</b>				
Vector Solutions	\$ -	\$ 14,699	\$ -	\$ 14,699
UTAAPC	-	65,835	-	65,835
Remix	-	19,262	-	19,262
Ecoline	-	130,345	-	130,345
Software		230,141		230,141
<b>Accumulated amortization:</b>				
Vector Solutions	-	(7,349)	-	(7,349)
UTAAPC	-	(16,459)	-	(16,459)
Remix	-	(9,631)	-	(9,631)
Ecoline	-	(26,069)	-	(26,069)
Software		(59,508)		(59,508)
<b>Right-to-use subscription asset,</b>	<b>\$ -</b>	<b>\$ 170,633</b>	<b>\$ -</b>	<b>\$ 170,633</b>

	Balance 7/1/2022	Additions	Payments	Balance 6/30/2023	Current Portion	Long-term Portion
Vector Solutions	\$ -	\$ 14,699	\$ (7,147)	\$ 7,552	\$ -	\$ -
UTAAPC	-	65,835	(15,854)	49,980		
Remix	-	19,262	(9,018)	10,244		
Ecoline	-	130,345	(24,798)	105,548		
	\$ -	\$ 230,141	\$ (56,818)	\$ 173,323	\$ 59,464	\$ 113,860

Fiscal Year	Principal	Interest	Total
2025	59,464	4,333	63,797
2026	42,710	2,846	45,556
2027	43,778	1,779	45,556
2028	27,372	684	28,056
Total	173,323	\$ 228	\$ 12,847
Current	(59,464)		
Long-Term	\$ 113,860		

## NOTE 22 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 30, 2023, the date these basic financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**GOLD COAST TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE LAST EIGHT YEARS ENDED JUNE 30, 2023**

Measurement Period	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Total Pension Liability</b>								
Service Cost	\$ 2,159,296	\$ 1,893,647	\$ 1,882,223	\$ 1,878,369	\$ 1,830,138	\$ 1,829,423	\$ 1,569,279	\$ 1,569,756
Interest on Total Pension Liability	4,699,885	4,538,545	4,245,655	3,988,180	3,701,748	3,498,403	3,299,586	3,107,585
Differences between Expected and Actual Experience	(1,111,456)	917,859	348,824	856,414	131,794	5,749	(243,014)	(621,259)
Changes in Assumptions	2,377,097	-	-	-	(344,098)	2,867,527	-	(742,987)
Benefit Payments, Including Refunds of Employee Contributions	(3,223,633)	(3,161,478)	(2,748,719)	(2,483,737)	(2,329,043)	(2,214,742)	(1,935,932)	(1,912,604)
Net Change in Total Pension Liability	4,901,189	4,188,573	3,727,983	4,239,226	2,990,539	5,986,360	2,689,919	1,400,491
Total Pension Liability - Beginning	\$67,380,783	\$63,192,210	59,464,227	55,225,001	52,234,462	46,248,102	43,558,183	42,157,692
Total Pension Liability - Ending (a)	<u>\$72,281,972</u>	<u>\$67,380,783</u>	<u>\$63,192,210</u>	<u>\$59,464,227</u>	<u>\$55,225,001</u>	<u>\$52,234,462</u>	<u>\$46,248,102</u>	<u>\$43,558,183</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 2,498,252	\$ 2,412,586	\$ 2,113,162	\$ 1,899,815	\$ 1,721,226	\$ 1,635,904	\$ 1,585,400	\$ 1,301,520
Contributions - Employee	822,236	885,976	797,278	798,356	786,067	722,714	731,597	660,103
Net Plan to Plan Resource Movement	-	-	-	-	(100)	-	-	-
Net Investment Income	(4,521,405)	11,033,027	2,311,088	2,865,566	3,391,187	4,019,509	171,677	782,090
Benefit Payments, including Refunds of Employee Contributions	(3,223,633)	(3,161,478)	(2,748,719)	(2,483,737)	(2,329,043)	(2,214,742)	(1,935,932)	(1,912,604)
Administrative Expenses	(37,241)	(48,610)	(65,206)	(30,832)	(62,043)	(52,715)	(21,436)	(39,582)
Other Miscellaneous Income/(Expense)	-	-	-	100	(117,820)	-	-	-
Net Change in Plan Fiduciary Net Position	(4,461,791)	11,121,501	2,407,603	3,049,268	3,389,474	4,110,670	531,306	791,527
Plan Fiduciary Net Position - Beginning	<u>\$59,782,708</u>	<u>\$48,661,207</u>	<u>\$46,253,604</u>	<u>\$43,204,336</u>	<u>\$39,814,862</u>	<u>\$35,704,192</u>	<u>\$35,172,886</u>	<u>\$34,381,359</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$55,320,917</u>	<u>\$59,782,708</u>	<u>\$48,661,207</u>	<u>\$46,253,604</u>	<u>\$43,204,336</u>	<u>\$39,814,862</u>	<u>\$35,704,192</u>	<u>\$35,172,886</u>
Net Pension Liability - Ending [(a) - (b)]	<u>\$16,961,055</u>	<u>\$7,598,075</u>	<u>\$14,531,003</u>	<u>\$13,210,623</u>	<u>\$12,020,665</u>	<u>\$12,419,600</u>	<u>\$10,543,910</u>	<u>\$8,385,297</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.53%	88.72%	77.01%	77.78%	78.23%	76.22%	77.20%	80.75%
Covered Payroll	\$11,275,697	\$10,920,689	\$10,670,198	\$10,526,023	\$10,177,043	\$ 9,898,406	\$ 9,268,128	\$ 8,714,571
Net Pension Liability as a Percentage of Covered Payroll	150.42%	69.58%	136.18%	125.50%	118.12%	125.47%	113.77%	96.22%

**Notes to Schedule:** Benefit changes. Since 2014 there were no benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. Changes in assumptions. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**GOLD COAST TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS – PENSION PLAN  
FOR THE LAST EIGHT YEARS ENDED JUNE 30, 2023**

Measurement Period	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contributions	\$ 2,498,252	\$ 2,412,586	\$ 2,113,162	\$ 1,899,815	\$ 1,721,225	\$ 1,653,604	\$ 1,585,400	\$ 1,301,199
Contributions in Relation to the Actuarially Determined Contributions	(2,498,252)	(2,412,586)	(2,113,162)	(1,899,815)	(1,721,225)	(1,653,604)	(1,585,400)	(1,301,199)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,275,697	\$ 10,920,689	\$ 10,670,198	\$ 10,526,023	\$ 10,177,043	\$ 9,898,406	\$ 9,268,128	\$ 8,714,571
Contributions as a Percentage of Covered Payroll	22.16%	22.09%	19.80%	18.05%	16.91%	16.71%	17.11%	14.93%

**GOLD COAST TRANSIT DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE NET OTHER**  
**POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS FOR THE**  
**MEASUREMENT PERIOD ENDED JUNE 30, 2023**

**Schedule of changes in OPEB liability and related ratios**

Fiscal Year Ending June 30	2023	2022	2019	2018	2017
Measurement Period Ending June 30	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Total OPEB Liability Beginning	\$2,604,766	\$853,577	\$772,836	\$ 1,063,500	\$960,816
Changes in the Year:					
Service Cost	193,687	44,855	43,130	54,778	53,312
Interest on the Total OPEB Liability	96,916	61,956	54,999	75,574	68,455
Experience Gains/Losses	(20,774)	123,071	7,230	(398,490)	-
Changes of assumptions or other inputs	(400,589)	1,548,465	-	-	-
Benefit Payments	(59,375)	(27,158)	(24,618)	(22,526)	(19,083)
Net Changes	(190,135)	1,751,189	80,741	(290,664)	102,684
Total OPEB Liability Ending (a)	\$ 2,414,631	\$2,604,766	\$ 853,577	\$ 772,836	\$ 1,063,500
<b>Plan Fiduciary Net Position</b>					
Plan Fiduciary Net Position Beginning	\$ 871,476	\$ 683,730	\$ 660,703	\$ 622,413	\$....514,825
Changes in the Year:					
Contribution - Employer	59,375	27,158	24,618	21,218	86,292
Net Investment Income	(116,669)	188,005	23,350	43,564	38,357
Investment Gains/Losses	-	-	-	(5,141)	2,789
Administrative Expenses	(221)	(259)	(323)	(133)	(957)
Benefit Payments	(59,375)	(27,158)	(24,618)	(21,218)	(19,083)
Other	-	-	-	-	190
Net Changes	(116,890)	187,746	23,027	38,290	107,588
Plan Fiduciary Net Position Ending (b)	\$ 754,586	\$ 871,476	\$ 683,730	\$ 660,703	\$ 622,413
Net OPEB Liability ending [(a) - (b)]	\$ 1,660,045	\$1,733,290	\$ 169,847	\$ 112,133	\$ 441,087
Plan fiduciary net position as a percentage of the total OPEB liability	31.25%	33.46%	80.10%	85.49%	58.52%
Covered Payroll	\$13,299,813	\$10,920,689	\$ 10,628,408	\$ 10,384,621	\$10,244,305
Net OPEB liability as a percentage of covered payroll	12.48%	15.87%	1.60%	1.08%	4.31%

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

## **SUPPLEMENTARY INFORMATION**

**GOLD COAST TRANSIT DISTRICT REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN LOCAL TRANSPORTATION FUNDING OF THE DISTRICT  
FOR THE PERIOD ENDED JUNE 30, 2023**

	2023	2022
Revenues:		
Local transportation funding	\$ 19,024,257	\$ 12,959,174
Local transportation funding - prior year unearned	-	495,262
Refunding proceeds from member agency	-	170,031
Interest income (expense)	(8,506)	(37,524)
Total revenues	19,015,751	13,586,943
Expenses:		
Operating	\$ 19,024,256	13,563,495
Capital acquisition and construction	\$ 155,494	462,517
Total expenses	19,334,856	14,026,012
Change in net position	(163,999)	(439,069)
Net position, beginning of fiscal year	\$ 2,910,969	3,350,038
Net position, end of fiscal year	\$ 2,746,970	\$ 2,910,969

**STATISTICAL SECTION  
(UNAUDITED)**

**GOLD COAST TRANSIT DISTRICT  
CONDENSED STATEMENT OF NET POSITION  
FISCAL YEARS 2014 TO 2023**

A historical summary of GCTD's statement of net position is presented below:

	2014	2015	2016	2017	2018
Current assets	\$19,413,868	\$15,531,471	\$19,423,635	\$41,696,994	\$8,364,115
Capital Assets	\$13,248,324	\$22,409,062	\$24,938,691	\$31,046,771	\$77,160,266
Total Assets	\$32,662,192	\$37,940,533	\$44,362,326	\$72,743,765	\$85,524,381
Deferred Outflows of Resources	\$0	\$1,301,199	\$3,062,166	\$4,785,604	\$6,160,099
Current Liabilities	\$13,435,513	\$7,406,526	\$10,432,628	\$9,983,839	\$13,317,226
Noncurrent Liabilities	\$307,525	\$8,095,313	\$8,765,770	\$34,633,007	\$36,960,954
Total Liabilities	\$13,743,038	\$15,501,839	\$19,198,398	\$44,616,846	\$50,278,180
Deferred Inflows of Resources	\$0	\$2,338,334	\$2,785,253	\$2,045,261	\$2,234,625
Net Investment in Capital Assets	\$13,213,508	\$22,375,098	\$24,938,691	\$29,380,766	\$43,538,224
Restricted	\$4,106,949	\$6,562,550	\$8,087,811	\$9,426,367	\$9,113,669
Unrestricted	\$1,598,697	(\$7,536,089)	(\$7,585,661)	(\$7,948,780)	(\$13,480,218)
Total Net Position	\$18,919,154	\$21,401,559	\$25,440,841	\$30,858,353	\$39,171,675
	2019	2020	2021	2022	2023
Current assets	\$7,084,673	\$13,528,315	\$18,368,682	\$12,529,170	\$9,610,320
Capital Assets	\$70,811,775	\$71,110,827	\$63,382,037	\$69,217,689	\$67,550,540
Total Assets	\$77,896,448	\$84,639,142	\$81,750,719	\$81,746,859	\$77,160,860
Deferred Outflows of Resources	\$4,719,702	\$3,392,613	\$3,528,402	\$5,328,340	\$9,692,620.59
Current Liabilities	\$6,792,702	\$6,624,692	\$4,130,059	\$4,296,971	\$3,645,424.48
Noncurrent Liabilities	\$35,739,868	\$36,212,987	\$6,849,923	\$31,078,369	\$39,854,316
Total Liabilities	\$42,532,570	\$42,837,679	\$40,979,982	\$35,375,340	\$43,499,741
Deferred Inflows of Resources	\$1,651,368	\$758,789	\$415,413	\$5,869,851	\$1,513,795
Net Investment in Capital Assets	\$39,419,681	\$42,360,891	\$40,977,211	\$41,772,869	\$42,394,979
Restricted	\$7,289,967	\$5,944,030	\$5,909,245	\$5,163,333	\$4,984,005
Unrestricted	\$(8,277,436)	\$(3,869,634)	\$(3,002,730)	(\$696,724)	(\$5,539,038.98)
Total Net Position	\$38,432,212	\$44,435,287	\$43,883,726	\$46,239,478	\$41,839,945

**GOLD COAST TRANSIT DISTRICT  
CHANGE IN NET POSITION  
FISCAL YEARS 2013 TO 2023**

A 10-year comparison of GCTD's changes in net position:

	<b>2014</b>	<b>2023</b>	<b>% Change</b>	<b>\$ Change</b>
Current assets	\$19,413,868	\$9,610,320	-50%	-\$9,803,548
Capital Assets	\$13,248,324	\$67,550,540	410%	\$54,302,216
Deferred Outflows of Resources	\$0	\$9,692,621	100%	\$9,692,621
Total Assets and Deferred Outlaw	\$32,662,192	\$86,853,481	-166%	(\$54,191,289)
Current Liabilities	\$13,435,513	\$3,645,424.48	-73%	-\$9,790,089
Noncurrent Liabilities	\$307,525	\$39,854,316	12860%	\$39,546,791
Deferred Inflows of Resources	\$0	\$1,513,795	100%	\$1,513,795
Total Liabilities and Deferred Inflows	\$13,743,038	\$45,013,536	228%	\$31,270,498
Net Investment in Capital Assets	\$13,213,508	\$42,394,979	221%	\$29,181,471
Restricted	\$4,106,949	\$4,984,005	21%	\$877,056
Unrestricted	\$1,598,697	(\$5,539,039)	-446%	-\$7,137,736
Total Net Position	\$18,919,154	\$41,839,945	121%	\$22,920,791

**GOLD COAST TRANSIT DISTRICT  
DETAILED REVENUE AND EXPENSES  
FISCAL YEARS 2014 TO 2023**

A historical summary of GCTD's Revenues and Expenses is provided in the following table:

	2014	2015	2016	2017	2018
<b><u>Operations:</u></b>					
Passenger Fares	\$3,714,914	\$4,022,983	\$3,369,769	\$3,482,127	\$3,403,877
Operating Expenses	(\$18,531,482)	(\$19,381,448)	(\$20,547,884)	(\$22,113,345)	(\$23,853,669)
Depreciation Expense	(\$2,519,756)	(\$2,405,787)	(\$2,843,634)	(\$2,919,180)	(\$2,801,731)
Operating Loss	(\$17,336,324)	(\$17,764,252)	(\$20,021,749)	(\$21,550,398)	(\$23,251,523)
<b><u>Non-Operating Revenues:</u></b>					
Local Transportation Funds	\$9,631,812	\$8,869,456	\$10,601,709	\$13,338,152	\$13,804,353
State Funds	\$192,000	\$174,425	\$207,973	\$153,094	\$180,450
Federal Funds	\$4,733,271	\$5,469,611	\$4,930,720	\$4,335,128	\$4,347,696
Investment Earnings	\$13,885	\$12,449	\$15,816	\$22,295	\$43,227
Other Income/(Expense), Net	\$245,601	\$832,524	\$1,421,897	\$465,139	\$2,074,064
Total Non-Operating Revenues	\$14,816,569	\$15,358,465	\$17,178,115	\$18,313,808	\$20,449,790
Net Loss	(\$2,519,755)	(\$2,405,787)	(\$2,843,634)	(\$3,236,590)	(\$2,801,733)
	2019	2020	2021	2022	2023
<b><u>Operations:</u></b>					
Passenger Fares	\$3,357,045	\$3,481,222	\$1,242,945	\$4,459,112	\$3,384,914
Operating Expenses	(\$24,716,841)	(\$27,671,728)	(\$26,602,341)	(\$28,197,799)	(\$31,837,718)
Depreciation Expense	\$0	(\$3,384,578)	(\$3,797,278)	(\$3,393,698)	(\$3,554,028)
Operating Loss	(\$21,359,796)	(\$27,575,084)	(\$29,156,674)	(\$27,132,385)	(\$28,452,804)
<b><u>Non-Operating Revenues:</u></b>					
Local Transportation Funds	\$15,384,232	\$18,142,280	\$16,100,145	\$15,272,757	\$20,832,196
Other Local Funds	\$0	\$0	\$0	\$0	\$0
State Funds	\$709,242	\$1,275,869	\$523,605	\$1,251,201	\$1,250,042
Federal Funds	\$4,341,003	\$16,723,497	\$12,913,641	\$15,497,082	\$7,745,225
Investment Earnings	\$44,887	\$92,631	\$25,383	(\$88,456)	(\$41,435)
Other Income/(Expense), Net	\$880,432	(\$3,215,821)	(\$2,199,965)	(\$2,444,447)	(\$1,807,940)
Total Non-Operating Revenues	\$21,359,796	\$33,018,456	\$27,362,809	\$29,488,137	\$27,647,431
Net Loss	\$0	\$5,443,372	(\$1,793,865)	\$2,355,752	(\$4,359,401)

**GOLD COAST TRANSIT DISTRICT  
CHANGE IN REVENUE AND EXPENSES  
FISCAL YEARS 2014 TO 2023**

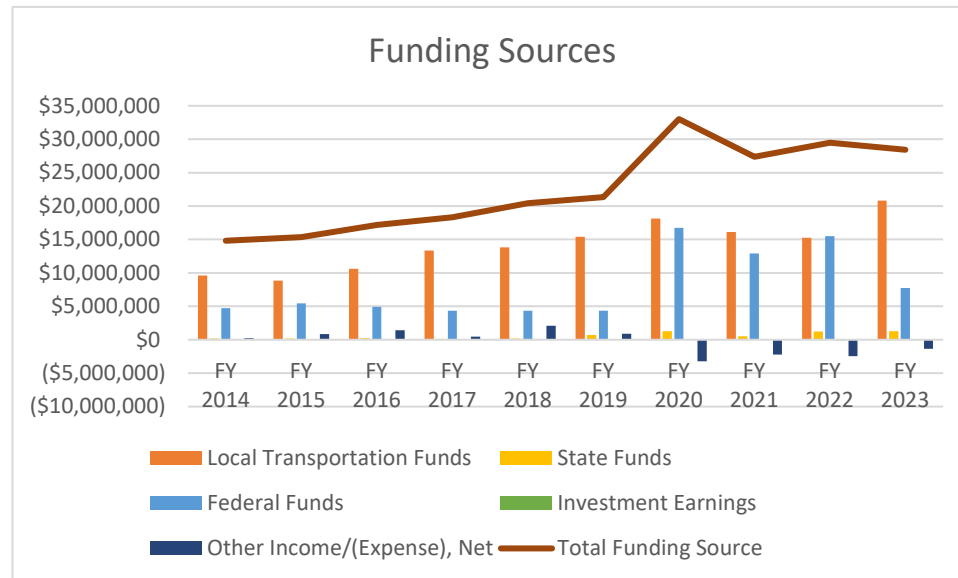
Presented in the table below is a 10-year comparison of the changes in revenues and expenses. The historical section of the letter of transmittal in the Introductory section highlights several factors that contribute to the changes in revenues and expenses.

	FY 2013	FY 2023	% Change	\$ Change
Operations:				
Passenger Fares	\$3,148,100	\$3,384,914	7.52%	\$236,814
Operating Expenses	(\$16,642,267)	(\$36,309,995)	118.18%	(\$19,667,728)
Depreciation Expense	(\$2,924,100)	(\$3,554,028)	21.54%	(\$629,928)
Operating Loss	(\$16,418,267)	(\$32,925,081)	100.54%	(\$16,506,814)
Non-Operating Revenues:				
Local Transportation Funds	\$8,976,087	\$20,832,196	132.09%	\$11,856,109
State Funds	\$196,076	\$1,282,003	553.83%	\$1,085,927
Federal Funds	\$4,074,383	\$7,745,225	90.10%	\$3,670,842
Investment Earnings	\$15,758	(\$41,435)	362.95%	(\$57,193)
Other Income/(Expense), Net	\$231,864	(\$1,807,940)	879.74%	(\$2,039,804)
Total Non-Operating Revenues	\$13,494,167	\$28,525,549	111.39%	\$15,031,382
Net Loss	(\$2,924,100)	(\$4,399,532)	50.46%	(\$1,475,432)

# **GOLD COAST TRANSIT DISTRICT FUNDING SOURCES TEN YEAR COMPARISON**

The table below shows trends in GCTD's Funding Sources:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Operations:	(\$17,336,324)	(\$17,764,252)	(\$20,021,749)	(\$21,550,398)	(\$23,251,523)	(\$21,359,796)	(\$27,575,084)	(\$29,156,674)	(\$27,132,385)	(\$31,999,517)
Local Transportation Funds	\$9,631,812	\$8,869,456	\$10,601,709	\$13,338,152	\$13,804,353	\$15,384,232	\$18,142,280	\$16,100,145	\$15,272,757	\$20,832,196
State Funds	\$192,000	\$174,425	\$207,973	\$153,094	\$180,450	\$709,242	\$1,275,869	\$523,605	\$1,251,201	\$1,282,003
Federal Funds	\$4,733,271	\$5,469,611	\$4,930,720	\$4,335,128	\$4,347,696	\$4,341,003	\$16,723,497	\$12,913,641	\$15,497,082	\$7,745,225
Investment Earnings	\$13,885	\$12,449	\$15,816	\$22,295	\$43,227	\$44,887	\$92,631	\$25,383	(\$88,456)	\$41,435
Other Income/(Expense), Net	\$245,601	\$832,524	\$1,421,897	\$465,139	\$2,074,064	\$880,432	(\$3,215,821)	(\$2,199,965)	(\$2,444,447)	(\$1,375,310)
<b>Total Funding Source</b>	<b>\$14,816,569</b>	<b>\$15,358,465</b>	<b>\$17,178,115</b>	<b>\$18,313,808</b>	<b>\$20,449,790</b>	<b>\$21,359,796</b>	<b>\$33,018,456</b>	<b>\$27,362,809</b>	<b>\$29,488,137</b>	<b>\$28,525,549</b>

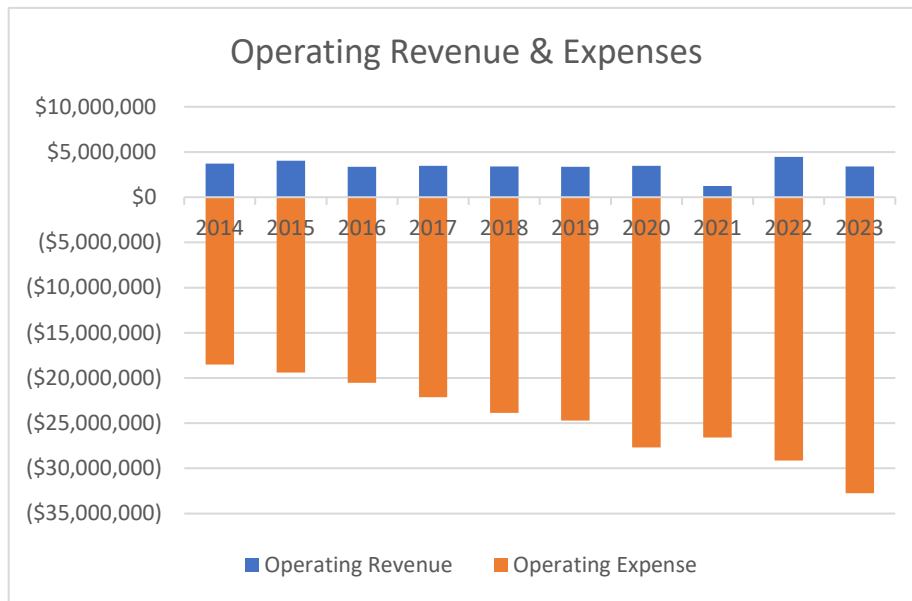


**GOLD COAST TRANSIT DISTRICT  
OPERATING REVENUES & OPERATING EXPENSES  
TEN YEAR COMPARISON**

	2014	2015	2016	2017	2018
Operating Revenue	\$3,714,914	\$4,022,983	\$3,369,769	\$3,482,127	\$3,403,877
Operating Expense	(\$18,531,482)	(\$19,381,448)	(\$20,547,884)	(\$22,113,345)	(\$23,853,669)

	2019	2020	2021	2022	2023
Operating Revenue	\$3,357,045	\$3,481,222	\$1,242,945	\$4,459,112	\$3,384,914
Operating Expense	(\$24,716,841)	(\$27,671,728)	(\$26,602,341)	(\$29,140,619)	(\$32,755,966)



**VENTURA COUNTY  
POPULATION TRENDS**

	Population	Personal Income (in millions)	Per Capita Personal Income	Unemployment Rate
2014	842,113	\$ 42,045	\$ 52,544	6.7%
2015	845,599	\$ 44,276	\$ 54,834	5.7%
2016	846,921	\$ 46,404	\$ 56,356	5.2%
2017	848,264	\$ 47,773	\$ 57,944	4.5%
2018	847,222	\$ 49,206	\$ 60,207	3.9%
2019	844,203	\$ 51,073	\$ 63,833	3.7%
2020	841,387	\$ 53,964	\$ 68,647	8.8%
2021	839,784	\$ 57,864	\$ 73,375	6.2%
2022	847,900	\$ 64,619	\$ 70,199	3.2%
2023	849,999	N/A	N/A	4.6%

Sources:

US Census Bureau ([www.census.gov](http://www.census.gov))

Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))

Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

**PRINCIPAL EMPLOYERS  
COMPARISON**

<b>Employer</b>	<b>2022 Employees</b>	<b>Rank</b>	<b>2012 Employees</b>	<b>Rank</b>
Naval Base Ventura County	19,000	1	17000	1
County of Ventura	10,778	2	8431	2
Amgen	5,500	3	5995	3
Conejo Valley Unified School District	3,320	4	2004	7
Bank of America	2,910	5	*	*
Ventura Unified School District	2,899	5	1682	9
Oxnard Union High School District	2,825	7	*	*
Oxnard School District	2,634	8	*	*
Blue Cross of California	2,500	9	3033	4
Community Memorial Hospital	2,000	10	2006	6
*data not available				

Sources:

2022 The List, Pacific Coast Business Times, September 2023

Employment Development Department, State of California

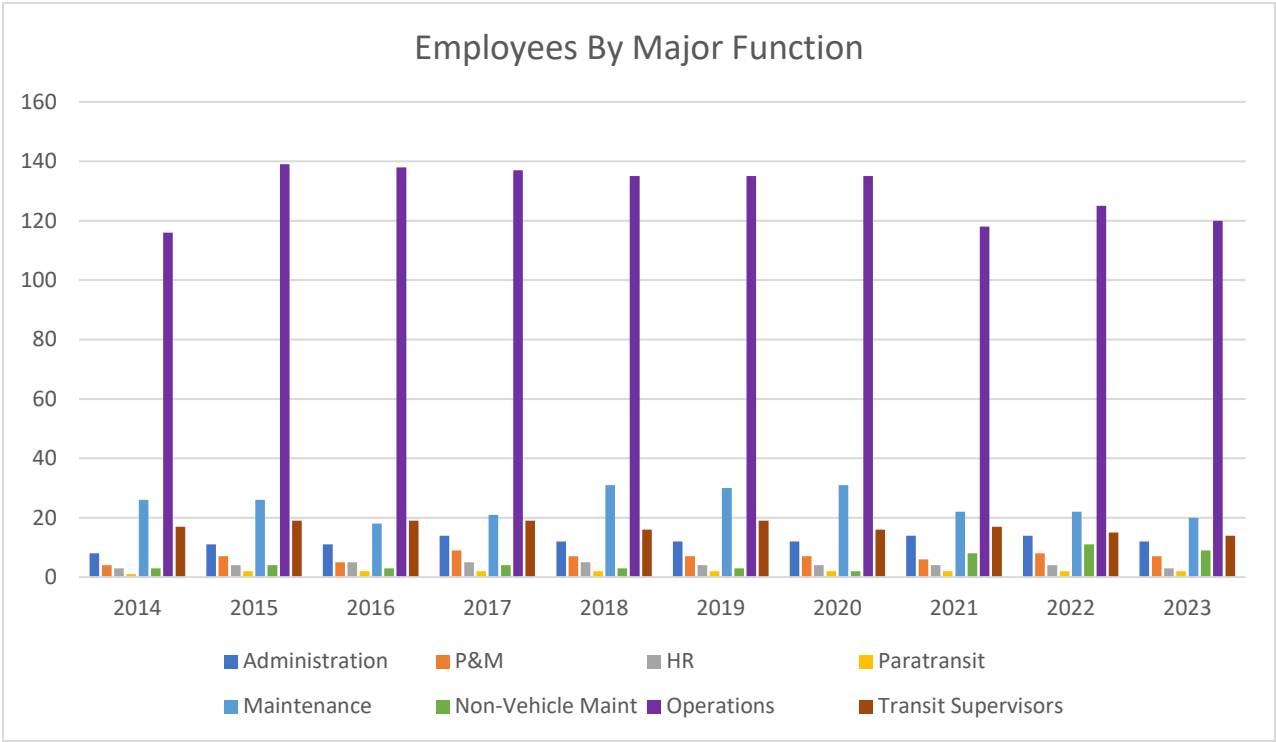
**GOLD COAST TRANSIT DISTRICT  
BUDGETARY COMPARISON  
SCHEDULE YEAR END JUNE 30, 2023**

	<u><b>FY 2023 actual</b></u>	<u><b>Annual Budget</b></u>
<b>Revenues:</b>		
Operating Revenues	3,384,914	2,853,451
Non- Operating Revenues	474,064	553,500
State Assistance	1,322,135	465,237
Local Assistance	20,832,196	18,535,915
Federal Assistance	7,745,225	12,298,268
<b>Total Revenues</b>	<u><b>33,758,534</b></u>	<u><b>34,706,371</b></u>
<b>Expenses:</b>		
Salary/Wage	11,495,703	12,165,000
Fringe Benefits	10,549,779	9,578,310
Services	4,615,742	4,757,628
Materials and Supplies	3,020,488	2,117,853
Utilities	360,152	178,000
Casualty and Liability	1,278,609	1,292,641
Miscellaneous	517,244	582,190
Debt Service	918,249	1,385,750
Member distribution	1,807,940	1,807,940
<b>Total Expenses</b>	<u><b>34,563,905</b></u>	<u><b>33,865,312</b></u>
* Depreciation Expenses	3,554,028	
Surplus or (Deficit) without depreciation	(805,372)	

**GOLD COAST TRANSIT DISTRICT  
RIDERSHIP REPORT  
FISCAL YEARS 2013 TO 2023**

	FY 2013	FY 2023
<b>Passengers</b>		
Fixed Route	3,566,470	2,958,434
Paratransit	70,927	84,992
Total	<u>3,637,397</u>	<u>3,043,426</u>
<b>Revenue Miles</b>		
Fixed Route	1,850,676	2,128,194
Paratransit	482,005	634,550
Total	<u>2,332,681</u>	<u>2,762,744</u>
<b>Revenue Hours</b>		
Fixed Route	181,417	186,808
Paratransit	30,649	39,737
Total	<u>212,066</u>	<u>226,545</u>
<b>Passengers per Mile</b>		
Fixed Route	1.93	1.39
Paratransit	0.15	0.13
Total	<u>1.56</u>	<u>1.10</u>
<b>Passengers per Hour</b>		
Fixed Route	19.66	15.84
Paratransit	2.31	2.14
Total	<u>17.15</u>	<u>13.43</u>
<b>Bus - Fixed Route</b>		
Cost per Boarding	<u>\$ 4.04</u>	<u>\$ 9.52</u>
<b>Bus - Paratransit</b>		
Cost per Boarding	<u>\$ 31.49</u>	<u>\$ 43.23</u>

**GOLD COAST TRANSIT DISTRICT  
EMPLOYEE BY MAJOR FUNCTION  
AS OF JUNE 30, 2023**



Sources: Gold Coast Transit District's Finance Department (Fleetnet)

**GOLD COAST TRANSIT DISTRICT  
CONDENSED STATEMENT OF CAPITAL ASSETS  
10 YEAR ENDED JUNE 30, 2023**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Land	\$ 300,298	\$ 8,959,491	\$ 8,959,491	\$ 8,981,061	\$ 8,981,061
Construction in Progress	\$ 953,669	\$ 3,042,653	\$ 3,555,785	\$ 9,472,693	\$ 29,893,204
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles and Equipment	\$ 34,258,007	\$ 34,971,498	\$ 37,068,159	\$ 38,032,181	\$ 38,168,228
	\$ 35,511,974	\$ 46,973,642	\$ 49,583,435	\$ 56,485,935	\$ 77,042,493
Less Accumulated Depreciation	\$(22,298,466)	\$(24,598,544)	\$(24,644,744)	\$(25,439,164)	\$(27,383,450)
Total Net Capital Assets	\$ 13,213,508	\$ 22,375,098	\$ 24,938,691	\$ 31,046,771	\$ 49,659,043
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Land	\$ 8,981,061	\$ 8,967,061	\$ 8,981,061	\$ 8,981,061	\$ 8,981,061
Construction in Progress	\$ 43,876,566	\$ -	\$ -	\$ 38,297	\$ 129,812
Buildings and Improvements	\$ 7,000,268	\$ 50,529,426	\$ 50,299,775	\$ 43,819,825	\$ 43,819,824
Vehicles and Equipment	\$ 30,830,711	\$ 37,533,698	\$ 39,593,598	\$ 42,806,073	\$ 41,212,275
	\$ 90,690,625	\$ 97,030,185	\$ 98,874,434	\$ 95,645,256	\$ 94,142,972
Less Accumulated Depreciation	\$(29,177,036)	\$(31,848,845)	\$(35,492,397)	\$(31,911,386)	\$(32,052,994)
Total Net Capital Assets	\$ 61,513,589	\$ 65,181,340	\$ 63,382,037	\$ 63,733,870	\$ 62,089,978

Sources:

Gold Coast Transit District's Comprehensive Annual Financial Reports, Years 2014-2022

**GOLD COAST TRANSIT DISTRICT  
CHANGE IN CAPITAL ASSETS 10  
YEAR COMPARISON**

	<b>2013</b>	<b>2023</b>	<b>% Change</b>	<b>\$ Change</b>
Land	\$ 300,298	\$ 8,981,061	97%	\$ 8,680,763
Construction in Progress	\$ 36,999	\$ 61,000	39%	\$ 24,001
Buildings and Improvements	\$ 6,645,151	\$ 43,819,824	85%	\$ 37,174,673
Vehicles and Equipment	\$ 21,542,653	\$ 41,212,275	48%	\$ 19,669,622
	\$ 5,781,870	\$ 94,074,160	94%	\$ 88,292,290
Less Accumulated Depreciation	\$(19,838,078)	\$(32,052,994)	38%	\$(12,214,916)
Total Net Capital Assets	\$ 14,468,893	\$ 62,021,166	77%	\$ 47,552,273

Sources:

Gold Coast Transit District's Comprehensive Annual Financial Reports, Years 2013-2023

**GOLD COAST TRANSIT DISTRICT**  
**Single-Audit Report**  
**For the Fiscal Year Ended**  
**June 30, 2023**

**NIGRO**  
**& NIGRO<sup>PC</sup>**

# **GOLD COAST TRANSIT DISTRICT**

## *Table of Contents*

*For the Fiscal Year Ended June 30, 2023*

---

	<b><u>Page</u></b>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	3
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards .....	7
Schedule of Audit Findings and Questioned Costs .....	8



**INDEPENDENT AUDITORS' 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**

Board of Directors  
Gold Coast Transit District  
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gold Coast Transit District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Murrieta, California  
December 1, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Gold Coast Transit District  
Oxnard, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Gold Coast Transit District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal program.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Gold Coast Transit District (District), which comprise the statement of net position as of June 30, 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 1, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Murrieta, California  
December 1, 2023

**GOLD COAST TRANSIT DISTRICT**  
*Schedule of Expenditures of Federal Awards*  
*For the Fiscal Year Ended June 30, 2023*

<b>Federal Grantor Agency/ Pass-through Grantor Agency/ Program Name and/or Title</b>	<b>Federal Financial Assistance</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Program Expenditures</b>
<b>Federal Programs:</b>			
U.S. Department of Transportation/ Federal Transit Administration:			
Federal Transit Cluster			
Direct Programs:			
Federal Transit- Formula Grants (New Operations and Maintenance Facility)	20.526	CA-34-0267	\$ 475,970
Federal Transit- Formula Grants (Business System Upgrades)	20.507	CA-90-Z456	92,145
Federal Transit- Formula Grants (Business Systems Upgrades)	20.507	CA-90-0237	26,705
Federal Transit- Formula Grants (GO ACCESS: Web Based Self Scheduling Portal)	20.507	CA-16-0077	6,044
Federal Transit- Formula Grants (New Operations and Maintenance Facility)	20.507	CA-34-0269	173,515
Federal Transit- Formula Grants (CMAQ - Ventura Rd Route)	20.507	CA-95-X347	814,830
Federal Transit - Formula Grants (New Buses)	20.507	CA-95-0106	1,426,623
Federal Transit- Formula Grants (Transit Planning & Programming)	20.507	CA-95-0415	55,050
Federal Transit- Formula Grants (Preventive Maintenance for GCTD Fixed Route buses)		CA-95-0447	980,872
Federal Transit- Formula Grants (Late Night Safe Rides Contract/ADA Paratransit Service Contract)	20.507	CA-95-Z508	1,184,961
Federal Transit- Formula Grants (Fixed-route Bus PM/ Ops & Maint. Facility 5307 /ADA Paratransit Service Contract)	20.507	CA-95-Z518	2,454,448
Total Federal Transit Cluster			7,691,163
FEMA	97.036	N/A	54,062
Total Other Federal Funds			54,062
<b>Total Expenditures of Federal Awards</b>			<b>\$ 7,745,225</b>

Of the Federal expenditures presented in the Schedule of Expenditures of Federal Awards, the District provided no Federal awards to subrecipients.

## **GOLD COAST TRANSIT DISTRICT**

### *Notes to Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2023*

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#### **NOTE 1 – REPORTING ENTITY**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the District. The District's reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

#### **NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying schedule of expenditures of federal awards agree, in all material respects, to amounts reported within the District's financial statements as follows:

##### **Reconciliation to the District's Financial Statements:**

##### **Statement of activities and changes in net position:**

Funding included within the following balances:

Federal Revenue

**Total Expenditures of Federal Awards**

##### **Federal Program Expenditures**

\$ 7,745,225

\$ 7,745,225

#### **NOTE 4 – INDIRECT COST RATE**

The District elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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## *Findings and Questioned Costs*

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**GOLD COAST TRANSIT DISTRICT**  
*Schedule of Audit Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2023*

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

***Federal Awards***

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516a?	<u>No</u>
Identification of major programs:	

**Federal Financial**

<u>Assistance</u>	<u>Name of Federal Program or Cluster</u>
	Federal Transit Cluster
20.507	Formula Grants
20.526	<u>Bus and Bus Facilities Formula Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>YES</u>

## **GOLD COAST TRANSIT DISTRICT**

### *Schedule of Audit Findings and Questioned Costs (Continued)*

*For the Fiscal Year Ended June 30, 2023*

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#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

*There were no audit findings in fiscal year 2022-23.*

#### **SECTION III - FEDERAL AWARD FINDING AND QUESTIONED COSTS**

*There were no federal award findings or questioned costs in fiscal year 2022-23.*

#### **SECTION IV - SUMMARY OF PRIOR AUDIT (JUNE 30, 2022) FINDINGS**

##### **Financial Statement Findings and Recommendations:**

*There were None Reported.*

##### **Federal Awards Findings and Questioned Costs**

*There were None Reported.*