

**SANTA CRUZ COUNTY REGIONAL
TRANSPORTATION COMMISSION**

AUDIT REPORT
June 30, 2019

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
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June 30, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz County Regional Transportation Commission (the Commission) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz County Regional Transportation Commission, as of June 30, 2019, and the respective changes in financial position thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the basic financial statements in March 2020, the World Health Organization has declared COVID 19 to constitute a “Public Health Emergency of International Concern.” Given the uncertainty of the situation, the duration of any financial impact cannot be reasonably estimated at this time. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 15, the budgetary information on pages 51 through 58, the schedule of changes in the OPEB liability and related ratios on page 59, the schedule of OPEB contributions on page 60, the schedule of proportionate share of net pension liability on page 61, and the schedule of pension contributions on page 62, 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, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission’s basic financial statements. The schedules of allocations and expenditures are presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020, on our consideration of the Santa Cruz County Regional Transportation Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission’s internal control over financial reporting and compliance.

Moss, Remy & Hartshorn LLP

Santa Maria, California
June 24, 2020

Management Discussion and Analysis

Fiscal Year Ending June 30, 2019

1. INTRODUCTION

The Santa Cruz County Regional Transportation Commission (RTC) was established in 1972 under the provisions of the California Transportation Development Act (TDA) of 1971. In 2001, Section 67941 was added to the Government Code giving the RTC the power of eminent domain and the power to preserve, acquire, construct, improve, and oversee multimodal transportation projects and services on rail rights-of-way within Santa Cruz County. The RTC is also the designated administrator and taxing authority for the Measure D ½-cent sales tax, which was approved by over two-thirds of the Santa Cruz County voters in November 2016.

The RTC is governed by a Board of Directors composed of 12 members and one ex-officio member. The Board sets policies related to transportation projects and programs throughout the county, delivers regional projects, and, for FY 2018-19, oversaw 19 full and part-time employees representing 18 full-time equivalent positions.

2. MAJOR PROGRAMS

The RTC sets priorities and secures funding for capital improvements to transportation infrastructure, including highways, local roads, public transportation, rail, bicycle and pedestrian facilities; pursues and allocates funds for all elements of transportation; adopts policies to improve the regional transportation system; plans future projects and programs; and provides services to encourage the use of alternative and sustainable transportation modes, improve the safety and operation of the transportation system; and reduce vehicle emissions.

The RTC is the state-designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County. As the RTPA for Santa Cruz County, the RTC is responsible for distributing Transportation Development Act funds raised through a 1/4-cent state sales tax, as well as selecting projects and programs to receive the county's formula shares of State Transit Assistance (STA), State Transportation Improvement Program (STIP), Surface Transportation Block Grant Program (STBG), Low Carbon Transit Operations Program (LCTOP) and certain Senate Bill 1 Local Partnership Program (LPP) funds. As the RTPA, the RTC is also responsible for developing both the state-mandated *Regional Transportation Plan (RTP)* and *Regional Transportation Improvement Program (RTIP)*.

The RTP is the long range transportation planning document which identifies the region's goals, needs and potential funding sources over a 20+ year period. The RTP is updated every 4-5 years. An update was adopted in June 2018. The RTP includes sustainability targets and an evaluation of the transportation plan's ability to meet the targets. Project and funding information in the RTP is consistent with the California Transportation Commission's (CTC) RTP Guidelines and the SB 375-mandated Sustainable Communities Strategy prepared by the region's MPO, AMBAG. As certain state and federal funding becomes available, the RTC selects specific transportation projects to receive those funds and lists those selected projects in the RTIP, which covers a 5-year period.

The RTC contributed and/or secured funds for local agencies for the following projects which were under construction or were implemented in FY 2018/19; the dollar amounts reflect the RTC's contribution to the total project costs:

- Lift Line Electric Vehicle Paratransit Van and Infrastructure: \$292,605 LCTOP
- 38th Avenue Reconstruction, Capitola: \$438,000 RSTPX
- Mt. Hermon Rd/Scotts Valley Dr/Whispering Pines Dr Intersection Modifications, Scotts Valley: \$346,000 RSTPX
- Glen Canyon Rd/Green Hills Rd/S. Navarra Dr Bike Corridor and Roadway Preservation, Scotts Valley: \$707,000 STIP, \$106,000 RSTPX
- Kings Village Road Sidewalks, Scotts Valley: \$271,000 RSTPX
- Airport Blvd Improvements from Freedom Blvd to city limits, Watsonville: \$850,000 STIP
- Airport Blvd Improvements from Westgate Dr/Larkin Valley Rd to Hanger Way, Watsonville: \$1,195,000 STIP and \$177,000 RSTPX
- Green Valley Road Reconstruction from Struve Slough to Freedom Boulevard, Watsonville, \$795,000 STIP and \$306,000 RSTPX
- Aptos Village Improvements, County of Santa Cruz: \$1,927,000 RSTPX
- County of Santa Cruz 2018 Full Depth Recycle and Overlay Project, multiple locations in County of Santa Cruz: \$1,500,000 RSTPX
- Everyday is Bike to Work Day pilot program, Ecology Action: \$50,000 RSTPX
- Countywide Bike Route Signage: \$147,000 RSTPX
- CNG Bus Replacements, METRO: \$500,000 RSTPX
- Electric Buses, METRO: \$870,000 STIP
- Open Streets in Santa Cruz and Watsonville: \$40,000 RSTPX

Highway 1 Projects

In FY 2018/19, the RTC continued delivery of regionally significant projects on Highway 1 using Measure D, federal and state funds. A combined Tier I/II Environmental Document was completed in December 2018 which included both a programmatic-level analysis for the long-term vision of the Highway 1 corridor and a project-level analysis of auxiliary lanes in both directions between the Soquel Avenue/Drive and 41st Avenue interchanges and a bicycle and pedestrian overcrossing at Chanticleer Avenue.

In May 2018 the RTC awarded a contract to a professional engineering consultant to prepare the plans, specifications, and estimate (PS&E) package for the Tier II Auxiliary Lanes project which includes the bicycle and pedestrian overcrossing at Chanticleer Avenue. Measure D funds were used to accelerate the delivery of this project by advancing the PS&E phase concurrent with the environmental phase. The project's final design and right of way phases are underway and is on schedule for Ready to List (RTL) milestone at the end of the 2020 calendar year.

In partnership with the Santa Cruz Metropolitan Transit District (METRO), the RTC completed the Bus on Shoulder State Route 1 Auxiliary Lane Bus-on Shoulder Concept of Operations report on May 23, 2019. The operations are based on a hybrid facility utilizing the proposed auxiliary lanes between intersections and transit-only shoulder lanes between the auxiliary lanes at each intersection, which was defined in the Feasibility Study completed in June 2018. The 7.5 mile Bus on Shoulder facility will be integrated into the auxiliary lanes projects under development along Highway 1.

RTC issued an RFP to procure a contract to prepare an Environmental Assessment / Environmental Impact Report (EA/EIR) for the auxiliary lanes and bus on shoulder project between the Bay Avenue/Porter Street and State Park Drive interchanges.

Rail Corridor

The Regional Transportation Commission (RTC) acquired the 31-mile Santa Cruz Branch Rail Line right-of-way in 2012. In FY 2015/16, the RTC completed reconstruction of the La Selva Beach trestle and rehabilitation of three other railroad bridges. In December 2015, the RTC completed a feasibility study of passenger rail service in the corridor.

In early 2017 the State of California, including Santa Cruz County, experienced historic rain and flooding which caused damage to the Santa Cruz Branch Rail Line. The heavy rain and storm runoff caused fallen trees, landslides, and erosion within the railroad right of way. In February of 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available for emergency repair of facilities damaged by the severe winter storms to eligible local government agencies across California. A Request for Public Assistance was submitted by the RTC for storm damage repair work along the rail line, which was approved. Subsequently, inspections of the rail line with RTC and FEMA Public Assistance Program staff occurred in December 2017-January 2018 and RTC staff awarded a contract to an engineering consultant to prepare the construction documents for the repairs in March of 2018.

RTC staff is managing the consultant efforts and obtaining permits for the 7 storm damage repair projects and one debris removal project. Two of the storm damage sites located adjacent to Harkins Slough near mileposts 5.0 to 5.1 put the Santa Cruz Branch Rail Corridor out of service for most of its length. The repair work includes construction of a double box culvert, each box being 4 feet in height and 6 feet in width, with wingwalls, grading and drainage improvements to reestablish the drainage pattern. In order to construct the repair, the RTC must obtain a permit from the US Army Corps of Engineers (USACE), Regional Water Quality Control Board (RWQCB), California Fish and Wildlife Services, and Coastal Commission. The project will also need to go through formal Section 7 consultation with the US Fish and Wildlife Services to obtain a biological opinion.

The RTC procured on-call professional engineering services for civil, structural and construction management services. Task orders include bridge inspections and load ratings, preparing construction documents for the Laurel/Chestnut grade crossing repair, and storm damage repair projects.

A preventative maintenance program for the Santa Cruz Branch Rail corridor was developed by RTC staff and implemented in March of 2018. The maintenance program includes a process for responding to maintenance reports from the community or local jurisdictions, and guidelines for regular maintenance inspections for preventative maintenance efforts. RTC staff procured on-call maintenance contractors for light civil/grading, vegetation control, encampment clean up, no trespassing signing installation, and graffiti abatement.

Monterey Bay Sanctuary Scenic Trail Network (and Coastal Rail Trail)

Implementation of segments of the Monterey Bay Sanctuary Scenic Trail (MBSST) Network, a multi-use bicycle and pedestrian pathway spanning the Santa Cruz coastline from the San Mateo County line to the Monterey County line, continued during FY 2018/19. The MBSST Network will see the 32-mile rail right-of-way as the system's spine within the shared use rail corridor. Initiation of projects began following adoption of the award-winning Master Plan, a document that serves as the guiding blueprint for the project's implementation.

The RTC continued working with Central Federal Lands (CFL) to implement a 7.5-mile north coast rail trail project (Segment 5) for which a Federal Lands Access Grant had been awarded, with matching funds provided by the Land Trust of Santa Cruz County, the California Coastal Conservancy, and the RTC. RTC certified the Final EIR for the North Coast Rail Trail project in March 2019. CFL continued with final design work for the 7.5-mile long section of trail.

In the City of Santa Cruz, the 2.1 mile trail project from Natural Bridges Drive to the Wharf roundabout continued to advance with final design being the focal point of the work in FY2018/19. Initial bids for the project came in higher than available funds and the design was refined during FY2018/19.

The City of Watsonville continued advancing the design of a 1.2 mile trail project from Lee Road to Walker Street (Segment 18) .

The City of Capitola started implementation of a small project connecting the City parking lot to the intersection of Monterey and Park Avenues along the rail corridor.

The City of Santa Cruz completed the construction of multi-use path cantilevered from the existing San Lorenzo River railroad bridge to serve bicyclists and pedestrians.

RTC used Measure D funds to each of these project segments. Additional Measure D funds were programmed to future projects for Segments 8-9 and 10-12 as part of the Measure D Five-Year Program of Projects approved in May 2019.

RTC continued collaborations with the Land Trust of Santa Cruz County, Bike Santa Cruz County and Friends of the Rail and Trail who are raising private funds and building community stewardship of the rail trail project. A Rail Trail Work Group continued meeting so that partners working on various aspects of trail implementation, funding or advocacy could gather at one table, share resources and team up on project delivery efforts.

SAFE and FSP

The Service Authority for Freeway Emergencies (SAFE) annual budget provides funds for a number of programs including the Safe on 17 Program to maintain a reduced collision rate on Highway 17 by providing the resources for additional CHP enforcement officers. The funding is provided by the RTC SAFE (\$50,000) and the Metropolitan Transportation Commission (MTC) SAFE (\$50,000) programs. In FY 2018/19, RTC SAFE allocated an additional \$50,000 annually for extra enforcement using Measure D Highway funds.

The SAFE program provides call boxes on Highways 1, 9, 17, 152, and 129 throughout the county and connects stranded motorists with assistance. Nearly 600 calls were placed from 60 call boxes in the county in FY 2018/19. Cruz511, a 511 traveler information project (described in more detail in the next section), is also funded in part through the SAFE budget.

The RTC, serving as the SAFE agency in Santa Cruz County, operates the Freeway Service Patrol (FSP) program. The FSP program consists of roving tow trucks looking for disabled vehicles or debris on designated highway segments. The FSP provides on-the-spot help to stranded motorists. The purpose of the FSP is to decrease traveler delay associated with non-recurrent congestion, improve safety, air quality, and reduce fuel consumption by rapidly clearing incidents. The FSP provided approximately 1,458 assists in FY 2018/19. The current benefit-cost ratio is 5.0.

Cruz511 and Alternatives to Driving Alone

Since 1979, the RTC has provided the community with a centralized resource for transportation information. Cruz511 is the umbrella brand under which all RTC traveler information services take place including those previously delivered through Commute Solutions. While the programs' offerings have evolved over the years in response to changing needs and opportunities, the mainstay has been to provide tools, information and encouragement to commuters about options for travel other than driving alone. These alternatives include carpooling, vanpooling, bicycling, walking, taking public transit and telecommuting. The program also assists employers, schools, and other organizations in developing travel programs for their employees and constituents. In FY 2018/19, Cruz511 and the City of Santa Cruz partnered together to pilot MyCruz511, a web-based commuter management and rewards platform using RideAmigos enterprise technology. A full countywide launch for MyCruz511 will take place in 2020.

Unified Corridors

The objective of the Unified Corridor Investment Study (UCS) was to identify multimodal transportation investments that provide the greatest benefit and most effective use of Highway 1, Soquel Avenue/Drive and Freedom Blvd, and the Santa Cruz Branch Rail Line. An analysis of how different scenarios or groups of transportation projects implemented by 2035 will advance the goals of the project was completed and a preferred scenario approved by the RTC in January 2019, following extensive public outreach. Goals for the UCS focus on developing a sustainable transportation system which seeks to maximize benefits in terms of the natural environment, economic vitality and health and equity. Input from the public, stakeholders, and RTC advisory committees was solicited at key milestones of project development. Workshops for the public in north and south county, focus group meetings for community organizations, and a stakeholder

meeting for partner agencies were held to solicit input on the Phase 2 analysis. On-line surveys to solicit input from a broader spectrum of the public were also used to gather input on projects that would advance goals of the transportation system.

SR9 San Lorenzo Valley (SLV) Complete Streets Corridor Transportation Plan

The RTC completed work on the Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan in FY2018/19. Priorities identified in the plan improve safety for pedestrians, bicyclists and motorists; improve access to schools, businesses, residences, and transit; and improve traffic operations throughout this travel corridor.

The primary purpose of the Highway 9/San Lorenzo Valley Complete Streets Corridor Plan was to create an actionable short-term and longer-term multimodal complete streets corridor plan that addresses transportation challenges for all modes of transportation along the Highway 9 corridor through the San Lorenzo Valley (generally Felton to Boulder Creek) and within the town centers.

Work included preparation of the draft plan, published in February 2019, as well as extensive public outreach to Caltrans and other partner agencies, schools, and focus groups on priorities for the corridor, as well as the general public through a survey, a series of open house events, and a public hearing. Consultants and RTC staff considered the input received and prepared a final plan, which was adopted by the RTC board following a public hearing in June 2019.

3. FINANCIAL STATEMENTS

The Basic Financial Statements consist of RTC Wide Financial Statements (Governmental activities only), Funds Financial Statements (Governmental and Fiduciary funds); and Notes to Financial Statements.

A. RTC Wide Financial Statements

The RTC-wide statements (Statement of Net Position and the Statement of Activities) are on full accrual basis of accounting; and consistent with the Government Accounting Standards Board (GASB) Statement 34, the fixed assets are capitalized, depreciated, and reported net of accumulated depreciation on the Statement of Net Position (balance sheet). In addition, the expenses are recognized for accrued vacation and sick leaves (compensated absences) and the related outstanding balance is reflected in the liability section. In accordance with GASB 75, the RTC Wide Financial Statements include the expenses and liabilities associated with Other Post Employment Benefits (OPEB) as discussed in Note 9 of the report. The RTC adheres to GASB 68 which requires the measurement and reporting of the pension liability; and pension is discussed in detail in Note 7 starting on page 42. The impact of GASB 75 and GASB 68 is the ever increasing Noncurrent (long-term) liability and decreasing Net Position.

B. Funds Financial Statements

The RTC had fifteen funds in FY2019. There are eight governmental funds (pages 18 – 25) and seven fiduciary funds (pages 28 – 31).

The RTC uses the following fund balance classifications, which are in line with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

1. Nonspendable Fund Balance
2. Restricted Fund Balance
3. Committed Fund Balance
4. Assigned Fund Balance
5. Unassigned Fund Balance (for the General Fund only)

Not all fund categories may be present in any one reporting year, and the current financial statements have just three: 1) Nonspendable, 2) Restricted, and 3) Unassigned

4. FINANCIAL HIGHLIGHTS

FY 2018/19 is another year of major accomplishment, which included programming over \$20 million in new local transportation funding thanks to Measure D, completion of the 41st Avenue-Soquel Drive Auxiliary Lanes and Tier 1 Highway 1 corridor environmental document, completion of the Unified Corridor Investment Study, and completion of the Highway 9/SLV Complete Streets Corridor Plan.

The implementation of Government Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB 68 *Accounting and Financial Reporting for Pensions* continue to have significant negative impact on Net Position of Government wide financial statements. The fund statements, however, show governmental funds in strong financial position.

Governmental Activities

Net Position

The Net Position is up \$635,039 to \$20,233,625 from \$19,598,586 in FY2018. While there are adequate current assets to finance current liabilities, Noncurrent Liability Balance of \$4,138,866 cannot be fully covered. The ability to meet these long term obligations depends mostly on the benefit plans offered and/or the funding strategies. The RTC's Side funds (retirement liability inherited from the separation from the County) has been paid in full; and the RTC has been making additional payment above normal costs and the minimum required payment for the Unfunded Actuarial Liability. The table below shows how the Noncurrent liabilities – OPEB (\$2,206,013), Compensated Absences (\$278,003), and Net Pension Liability (\$1,654,850), are depressing the Net Position when capital assets are excluded:

UNRESTRICTED NET POSITION DEFICIT ANALYSIS

	<u>FY2019</u>	<u>FY2018</u>
Current Assets (Cash & Receivables) *	6,959,115	4,816,664
Less:		
Restricted Fund Balance**	(2,014,397)	(1,976,053)
Current Liabilities (Net of D/T Other Funds)*	(3,339,179)	(1,714,192)
Unassigned Fund Balance**	<u>1,605,539</u>	<u>1,126,419</u>
Less Noncurrent Liabilities***	(4,138,866)	(4,132,474)
Add:		
Prepays*	42,475	0
Net Deferred Outflows & Inflows***	<u>846,200</u>	<u>760,305</u>
Unrestricted Net Position	<u>(1,644,652)</u>	<u>(2,245,750)</u>

* *Statement of Net Position – page 16 or Governmental Fund Balance- pages 18-19*

** *Governmental Fund Balance- pages 18-19*

*** *Statement of Net Position – page 16 or Note 6, Long-term Debt on page 42*

Cash, Receivables, and Payables

Cash and Investment balance shows an increase of \$494,303 to \$4,145,045 from \$3,650,742 (pages 18 – 19) on 6/30/2018. The RTC has adequate resources to meet its current obligations with a 2.0x current ratio. The current liabilities have increased by \$1,624,987 mostly due to increased Accounts Payable (\$1,986,670) and Unearned Revenue (\$765,512).

Capital Assets

Net capital assets totaled \$19,863,880 in FY2019. The non-depreciable assets value remained unchanged from FY2018 at \$19,848,411. The depreciable capital assets decreased by \$4,403 to \$15,469. The decrease is the difference between office equipment acquisition of \$1,793 and the depreciation expense of \$6,196 (Page 41).

Other Balance Sheet Highlights

- Due From and Due To Other funds (\$271,553 each) consist of \$110,000 due to Rail/Trail from Administration and Planning; \$50,000 due to SAFE from FSP (Freeway Service Patrol); \$50,000 due to Cruz 511 from SAFE; \$1,532 due to Administration and Planning from Active Transportation; \$2,537 due to Highway from Active Transportation; \$5,250 due to Administration and Planning from Rail/Trail; \$26,477 due to Administration and Planning from Highway; \$560 due to Rail/Trail from Highway; and \$25,197 due to Administration and Planning from Freeway Service Patrol (FSP).
- Unearned Revenue increased by \$328,367 to \$765,512 as a result of RSTPX revenue recognition in the Active Transportation/Monterey Bay Sanctuary Scenic Trail (MBSST) Fund. The Unearned Revenue balance in FY2019 is distributed as follows: \$292,605 LCTOP funds in Administration and Planning, \$134,117 RSTPX funds in Highway, \$70,000 RSTPX funds in Active Transportation/MBSST and \$268,790 RSTPX funds in Rail/Trail.

Condensed Balance Sheet of Governmental Funds

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>Change</u>
Cash	4,145,045	3,650,742	494,303
Accounts Receivables and Due From	3,085,623	1,332,846	1,752,777
Prepaid Items	<u>42,475</u>	<u>0</u>	<u>42,475</u>
Total Assets	<u>7,273,143</u>	<u>4,983,588</u>	<u>2,289,555</u>
Accounts Payable and Due To	2,845,220	1,443,971	1,401,249
Unearned Revenue	<u>765,512</u>	<u>437,145</u>	<u>328,367</u>
Total Liabilities	<u>3,610,732</u>	<u>1,881,116</u>	<u>1,729,616</u>
Total Fund Balances	<u>3,662,411</u>	<u>3,102,472</u>	<u>559,939</u>
Total Liabilities and Fund Balances	<u>7,273,143</u>	<u>4,983,588</u>	<u>2,289,555</u>

Revenues

The combined governmental funds revenues are up \$2,490,149 to \$8,070,464. The table below is a year to year revenue comparison:

Revenues Comparison

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>Change</u>
RSTPX	572,471	1,215,063	(642,592)
Local transportation Fund (TDA)	1,490,063	1,336,964	153,099
Measure D	3,728,090	1,367,251	2,360,839
FTA Section 5304	71,154	286,021	(214,867)
RPA (Admin & Planning)	424,392	233,848	190,544
Motor Vehicle Fees	260,839	256,424	4,415
Active Transportation Program	101,358	42,000	59,358
STIP	622,322	203,628	418,694
RSTP	0	77,851	(77,851)
Caltrans Grant (FSP)	185,600	166,187	19,413
Land Trust	381,766	175,394	206,372
Interest, Lease & Other	<u>232,409</u>	<u>219,684</u>	<u>12,725</u>
Total	<u>8,070,464</u>	<u>5,580,315</u>	<u>2,490,149</u>

- FY2019 is the second full year receiving Measure D funds for Administration and Implementation which show the highest growth with \$2,360,839.
- There are three major funding sources with the State at 24% and Measure D 46% of all revenues. The local revenues (\$2,253,421) comprise 28% of revenues and consist of TDA funds (\$1,490,063); Motor Vehicle fees (\$260,839); Land Trust (\$381,766); Lease by Rail/Trail (\$70,753); and MTC Safe for Safe on 17 (\$50,000).

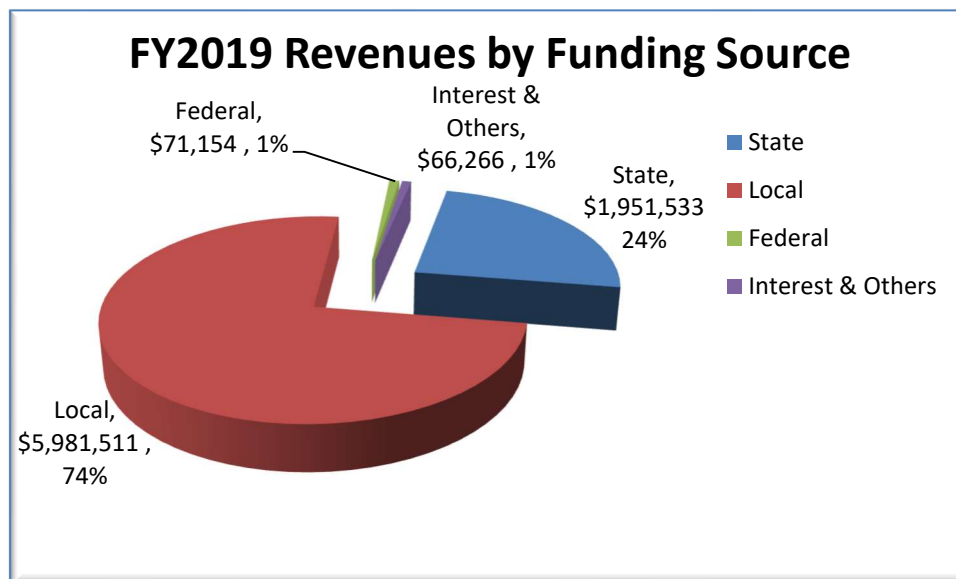
The funding sources comparative table and the graph (Figure 1) are presented below:

Table
FY2019 Funding by Source

	<u>FY2019</u>		<u>FY2018</u>	
Local	5,981,511	(74%)	3,274,635	(59%)
State	1,951,533	(24%)	1,860,726	(33%)
Federal	71,154	(1%)	363,871	(7%)
Interest & Others	66,266	(1%)	81,083	(1%)
Total	<u>8,070,464</u>	(100%)	<u>5,580,315</u>	(100%)

Figure 1

FY2019 Funding by Source



Expenditures

- The expenditures are up \$1,935,734 to \$7,555,344; and major expenditures were for payroll (\$3,229,663); Unified Corridor Investment (\$275,724); Towing in FSP (\$313,211); and consultants in various funds.
- Payroll costs (\$3,229,663) are up 33% due to an additional \$182,554 payment toward the pension Unfunded Actuarial Liability; pay out of uncompensated absences for employee retirements, organizational changes in positions reclassified, addition of one full time position, and collective bargaining agreements; and they are \$80,689 (2.4%) below budget (\$3,310,352).
- Overall, costs are in line and in accordance with the budget.

Fiduciary Funds

- With the passage of ½-cent sales tax Measure D in November 2016, there are now 7 fiduciary funds.
- The combined cash balance remains high and is up \$8,652,994 (39.5%) to \$30,566,411 from a year ago due to unclaimed allocations; revenue growth; the unspent FY2019 Measure D proceeds (\$19,123,244); and the undistributed (Unallocated) RSTPX (\$4,754,329) and TDA (\$805,078) funds. The undistributed RSTPX funds balance of \$4,754,329 includes \$3,363,122 received for FY 2019.

The unclaimed allocations by funding sources and claimants are presented below:

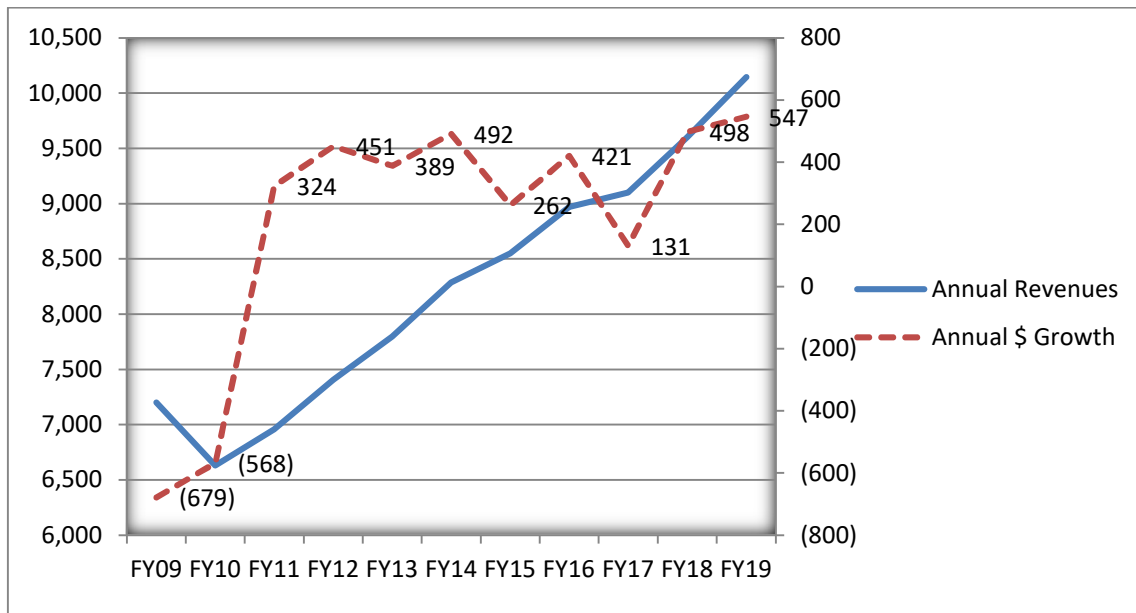
UNCLAIMED TDA AND STP EXCHANGE ALLOCATIONS			
FY 2019 ENDING 6/30/2019			
	Total	TDA	RSTP Exchange
County of Santa Cruz	3,460,196	533,196	2,927,000
City of Capitola	1,016,345	215,345	801,000
City of Santa Cruz	923,501	438,501	485,000
City of Scotts Valley	340,633	30,633	310,000
City of Watsonville	1,528,475	585,475	943,000
Santa Cruz Metro (SCMTD)	500,000	0	500,000
Volunteer Center	2,495	2,495	0
UCSC	700,000	0	700,000
SCCRTC	230,000	0	230,000
Unallocated	5,464,144	805,078	4,659,066
TOTAL CASH	<u>14,165,789</u>	<u>2,610,723</u>	<u>11,555,066</u>

- The Net Position increased by \$7,545,631 (26%) to \$36,390,265 due to Measure D revenues (\$22,180,875) which are offset by expenses and disbursements to claimants of \$14,398,752 (pages 32-33). The STA (\$4,253,929) and STPX (\$3,363,122) revenues show growth of 33% and 5% respectively
- The audit report shows an increase in TDA of \$458,058 (4.7%) to \$10,275,031 from \$9,816,973 in FY2018. The TDA revenues set another new high record in FY2019 when comparing just July to June receipts. The TDA performance in the last ten years is shown on the following table and graph:

The TDA cash receipts performance over the last ten years

<u>Fiscal Year</u>	<u>Actual Receipts</u>	<u>(Change)</u>	
FY2009	7,200,133	(678,500)	(8.6%)
FY2010	6,631,837	(568,296)	(7.9%)
FY2011	6,956,059	324,222	4.9%
FY2012	7,407,427	451,368	6.5%
FY2013	7,796,002	388,575	5.2%
FY2014	8,287,590	491,588	6.3%
FY2015	8,549,340	261,750	3.2%
FY2016	8,970,056	420,716	4.9%
FY2017	9,101,315	131,259	1.5%
FY2018	9,599,732	498,417	5.5%
FY2019	10,147,018	547,286	5.7%

Figure 2
TDA Annual Revenues and Changes – Last Ten (10) Years
FY2009 – FY2018
(\$ in 000)



The graph is based on actual monthly receipts during the fiscal year, which goes from July to June, therefore these receipts may not agree to the audited TDA revenues, which include July and August receipts of the following fiscal year.

The SCMTD receives 85.5% of all TDA allocated funds after the RTC share; and all of the STA funds with the exception of \$100,000 apportioned to Community Bridges Lift Line. The expenditure levels in the fiduciary funds are dependent on revenue fluctuations, the allocations, and the claims for disbursement. FY2017 shows the lowest TDA growth as a rate and as well as in dollar value since FY2011.

5. CURRENT FINANCIAL ISSUES AND CONCERNS

Management has been able to control the discretionary expenses; however, continuing to secure new revenue sources to meet existing and increasing transportation needs was again a priority in FY2018/19. In November 2016, Santa Cruz County voters approved Measure D, a comprehensive transportation sales tax measure which will help address some of the backlog of local road, highway, and transit shortfalls, as well as fund priority transportation projects. The California legislature's approval of Senate Bill 1 in April 2017 provides further stability to transportation funding. This does not provide sufficient funds for all of the identified transportation needs so the RTC will continue to work with agencies throughout the county and state to increase transportation funding and use existing funds efficiently.

Funding RTC core functions continues to be a challenge since the elimination of federal Planning (PL) funding in FY2016 and the severe reduction in other state and federal grant dollars. The *2018 Regional Transportation Plan* identified a funding gap of over \$3.4 billion for transportation needs countywide through the year 2040, even with the Measure D ½ cent sales tax and SB1 revenues.

Major projects currently under development for which existing funding is insufficient to fully fund include the Highway 1 Corridor Investment program, the Monterey Bay Sanctuary Scenic Trail (MBBST) Network project, and rail projects. The RTC has identified smaller projects within the Highway 1 corridor which could be constructed incrementally as funds become available, including new auxiliary lanes and bicycle/pedestrian overcrossings. Throughout FY18/19, the RTC continues to implement the voter-approved investment plan for the Measure D sales tax measure. Measure D is estimated to raise approximately \$20 million per year over 30 years. The expenditure plan included in Measure D includes Neighborhood Projects such as local streets and roads, safety, bicycle and pedestrian, and school safety projects; Community Projects such as transit and paratransit projects; and Regional Projects such as Highways, Rail Trail and other transportation improvements on the rail corridor.

With the RTC purchase of the Santa Cruz Branch Rail Line and designation of a shortline operator, freight service continues and recreational passenger rail service has been implemented. Unfortunately, the 2017 winter storms caused significant damage to portions of the rail line right-of-way. The RTC is working with the Federal Emergency Management Agency (FEMA) to obtain funds for the needed repairs and working to secure the necessary permits to implement those repairs. The RTC will also need to work to ensure that the revenue generated by the freight service, the recreational rail service, and other leased uses of the real estate will help meet the costs for continued maintenance and operation of the rail line. Measure D provides some funding for this need but it is still necessary to work to maximize the revenues that can be derived from the property. Longer term uses of the rail corridor, for other types of passenger transit services will require capital and operation funding from other sources.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 4,145,045
Receivables	2,814,070
Prepaid items	42,475
Capital assets:	
Nondepreciable	19,848,411
Depreciable, net	<u>15,469</u>
 Total assets	 <u>26,865,470</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	930,990
OPEB	<u>114,507</u>
 Total deferred outflows of resources	 <u>1,045,497</u>
LIABILITIES	
Accounts payable	1,986,670
Accrued expenses	89,741
Due to other agencies	497,256
Unearned revenue	765,512
Noncurrent liabilities	
Compensated absences	278,003
OPEB liability	2,206,013
Net pension liability	<u>1,654,850</u>
 Total liabilities	 <u>7,478,045</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	109,975
OPEB	<u>89,322</u>
 Total deferred inflows of resources	 <u>199,297</u>
NET POSITION	
Net investment in capital assets	19,863,880
Restricted for programs	2,014,397
Unrestricted	<u>(1,644,652)</u>
 Total net position	 <u><u>\$ 20,233,625</u></u>

The accompanying notes are an integral part of this statement.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses	Services	Contributions	Contributions	Changes in
			and Grants	and Grants	Net Position
Governmental activities:					
Transportation	\$ 7,480,244	\$ -	\$ 7,933,445	\$ -	\$ 453,201
Total governmental activities	<u>\$ 7,480,244</u>	<u>\$ -</u>	<u>\$ 7,933,445</u>	<u>\$ -</u>	<u>453,201</u>
General Revenues					
Investment income					126,218
Other					<u>10,801</u>
Total general revenues					<u>137,019</u>
Change in net position					<u>590,220</u>
Net position - beginning of fiscal year					19,598,586
Prior period adjustment					<u>44,819</u>
Net position - beginning of fiscal year - restated					<u>19,643,405</u>
Net position - end of fiscal year					<u>\$ 20,233,625</u>

The accompanying notes are an integral part of this statement.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2019

	Administration and Planning Fund	Rail/Trail Authority Fund	Service Authority for Freeway Emergencies Fund
ASSETS			
Cash and investments	\$ 1,279,699	\$ 949,358	\$ 446,323
Accounts receivable	35,860	273,853	72,000
Due from other agencies	902,081		95,376
Due from fiduciary	265,348	69,913	25,000
Due from other funds	58,456	110,560	50,000
Prepaid items	7,940		
Total assets	<u>\$ 2,549,384</u>	<u>\$ 1,403,684</u>	<u>\$ 688,699</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 186,695	\$ 704,576	\$ 4,339
Accrued payroll	89,741		
Unearned revenue	292,605	268,790	
Due to other agencies	256,864	10,875	125,336
Due to other funds	110,000	5,250	50,000
Total liabilities	<u>935,905</u>	<u>989,491</u>	<u>179,675</u>
Fund Balances:			
Nonspendable:			
Prepaid items	7,940		
Restricted:			
Transportation planning		414,193	509,024
Unassigned	1,605,539		
Total fund balances	<u>1,613,479</u>	<u>414,193</u>	<u>509,024</u>
Total liabilities and fund balances	<u>\$ 2,549,384</u>	<u>\$ 1,403,684</u>	<u>\$ 688,699</u>

The accompanying notes are an integral part of this statement.

Freeway Service Patrol Fund	Highway 1 Program Fund	Highway 1 Auxiliary Fund	Cruz 511 Fund	Active Transportation MBSST Fund	Totals
\$ 16,507	\$ 523,550	\$ 366,195	\$ 348,347	\$ 215,066	\$ 4,145,045
	23,000				404,713
257,387		352,752		165,928	1,773,524
		130,796		144,776	635,833
	2,537		50,000		271,553
			34,535		42,475
<u>\$ 273,894</u>	<u>\$ 549,087</u>	<u>\$ 849,743</u>	<u>\$ 432,882</u>	<u>\$ 525,770</u>	<u>\$ 7,273,143</u>
\$ 30,469	\$ 370,577	\$ 207,603	\$ 178,961	\$ 303,450	\$ 1,986,670
	134,117			70,000	89,741
25,191	563		1,500	76,927	765,512
75,197	26,477	560		4,069	497,256
<u>130,857</u>	<u>531,734</u>	<u>208,163</u>	<u>180,461</u>	<u>454,446</u>	<u>3,610,732</u>
			34,535		42,475
143,037	17,353	641,580	217,886	71,324	2,014,397
					1,605,539
<u>143,037</u>	<u>17,353</u>	<u>641,580</u>	<u>252,421</u>	<u>71,324</u>	<u>3,662,411</u>
<u>\$ 273,894</u>	<u>\$ 549,087</u>	<u>\$ 849,743</u>	<u>\$ 432,882</u>	<u>\$ 525,770</u>	<u>\$ 7,273,143</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total Fund Balances - Governmental Funds \$ 3,662,411

Amounts reported for governmental activities in the statement of net position are different because:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 20,026,251	
Accumulated depreciation	(162,371)	
	<hr/>	
Net		19,863,880

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences	\$ 278,003	
OPEB liability	2,206,013	
Net pension liability	1,654,850	
	<hr/>	
Total		(4,138,866)

Deferred outflows and inflows of resources: In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported.

Deferred inflows of resources relating to pensions	\$ (109,975)	
Deferred inflows of resources relating to OPEB	(89,322)	
Deferred outflows of resources relating to OPEB	114,507	
Deferred outflows of resources relating to pensions	930,990	
	<hr/>	
		846,200

Total Net Position - Governmental Activities	<hr/> <hr/>	\$ 20,233,625
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The accompanying notes are an integral part of this statement.

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SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2019

	Administration and Planning Fund	Rail/Trail Authority Fund	Service Authority for Freeway Emergencies Fund
Revenues			
Local Transportation Funds	\$ 1,438,584	\$ -	\$ -
Motor vehicle fees			260,839
California Department of Transportation Grant			
RSTP Exchange Funds	99,997	95,113	
State Planning, Programming and Monitoring Funds	133,660		
State Rural Planning Assistance	424,392		
Fed 5304 SR9	71,154		
Active Transportation Program			
Aid from other governments			50,000
Land Trust	259,826		
Measure D	977,470	943,143	25,000
Use of money and property	14,819	76,555	10,348
Other	3,647	7,154	
Total revenues	3,423,549	1,121,965	346,187
Expenditures			
Salaries and benefits	1,744,491	318,804	123,548
Services and supplies	532,993	834,137	159,178
Bike to Work	60,000		
Community Traffic Safety Coalition	130,000		
Towing service			
Unified Corridor Investment	275,724		
Passenger Rail Study	52,277		
Prioritization	28,162		
SR9 San Lorenzo Valley Complete Streets	45,868		
Capital outlay	1,793		
Total expenditures	2,871,308	1,152,941	282,726
Excess of revenues over (under) expenditures	552,241	(30,976)	63,461

The accompanying notes are an integral part of this statement.

Freeway Service Patrol Fund	Highway 1 Program Fund	Highway 1 Auxiliary Lanes Fund	Cruz 511 Fund	Active Transportation MBSST Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ 51,479	\$ 1,490,063
					260,839
185,600					185,600
	328,419			48,942	572,471
135,910		352,752			622,322
					424,392
					71,154
				101,358	101,358
		45,390			95,390
				121,940	381,766
129,413		572,267	41,253	1,039,544	3,728,090
809	5,415	11,191	5,696	1,385	126,218
					10,801
<u>451,732</u>	<u>333,834</u>	<u>981,600</u>	<u>46,949</u>	<u>1,364,648</u>	<u>8,070,464</u>
77,529	120,634	152,059	177,274	515,324	3,229,663
33,986	216,150	818,031	3,945	820,226	3,418,646
					60,000
					130,000
313,211					313,211
					275,724
					52,277
					28,162
					45,868
					1,793
<u>424,726</u>	<u>336,784</u>	<u>970,090</u>	<u>181,219</u>	<u>1,335,550</u>	<u>7,555,344</u>
<u>27,006</u>	<u>(2,950)</u>	<u>11,510</u>	<u>(134,270)</u>	<u>29,098</u>	<u>515,120</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2019

	Administration and Planning Fund	Rail/Trail Authority Fund	Service Authority for Freeway Emergencies Fund
Other Financing Sources (Uses):			
Operating transfers in	\$ -	\$ 110,000	\$ -
Operating transfers out	<u>(110,000)</u>	<u></u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>(110,000)</u>	<u>110,000</u>	<u>(50,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>442,241</u>	<u>79,024</u>	<u>13,461</u>
Fund balances - July 1	1,126,419	335,169	495,563
Prior period adjustment	<u>44,819</u>	<u></u>	<u></u>
Fund balances - July 1, restated	<u>1,171,238</u>	<u>335,169</u>	<u>495,563</u>
Fund balances - June 30	<u><u>\$ 1,613,479</u></u>	<u><u>\$ 414,193</u></u>	<u><u>\$ 509,024</u></u>

The accompanying notes are an integral part of this statement.

Freeway Service Patrol Fund	Highway 1 Program Fund	Highway 1 Auxiliary Fund	Cruz 511 Fund	Active Transportation MBSST Fund	Totals
\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 160,000
					(160,000)
			50,000		
27,006	(2,950)	11,510	(84,270)	29,098	515,120
116,031	20,303	630,070	336,691	42,226	3,102,472
					44,819
116,031	20,303	630,070	336,691	42,226	3,147,291
\$ 143,037	\$ 17,353	\$ 641,580	\$ 252,421	\$ 71,324	\$ 3,662,411

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Governmental Funds	\$	515,120
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$1,793 was less than depreciation expense of \$6,196 in the period.		
		(4,403)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This fiscal year, vacation used exceeded the amounts earned by \$22,746.		
		22,746
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		
		180,601
In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between accrual basis OPEB costs and actual employer contributions was:		
		(123,844)
Change in Net Position - Governmental Activities	\$	<u>590,220</u>

The accompanying notes are an integral part of this statement.

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SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Private Purpose Trust Funds		
	Local Transportation Fund	State Transit Assistance Fund	Surface Transportation Program Exchange Fund
ASSETS			
Cash and investments	\$ 3,247,421	\$ 4,267	\$ 8,178,241
Accounts receivable	1,706,753		494,987
Due from other agencies		1,242,627	3,363,122
Total assets	4,954,174	1,246,894	12,036,350
LIABILITIES			
Accounts payable			281,284
Due to SCCRTC			
Due to other agencies	51,479	1,242,627	200,000
Total liabilities	51,479	1,242,627	481,284
NET POSITION			
Held in trust for other governments	\$ 4,902,695	\$ 4,267	\$ 11,555,066

The accompanying notes are an integral part of this statement.

Pension (and Other Employee Benefits) Trust Funds				
Measure D Fund	PERS Health Fund	In Lieu of Social Security Fund	Miscellaneous Deductions Fund	Totals
\$ 19,123,244	\$ 941	\$ 4	\$ 12,293	\$ 30,566,411
3,687,637				2,201,740
				8,293,386
22,810,881	941	4	12,293	41,061,537
2,258,803			1,246	2,541,333
635,833				635,833
				1,494,106
2,894,636			1,246	4,671,272
\$ 19,916,245	\$ 941	\$ 4	\$ 11,047	\$ 36,390,265

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Funds		
	Local Transportation Fund	State Transit Assistance Fund	Surface Transportation Program Exchange Fund
Additions:			
Sales tax	\$ 10,275,031	\$ 4,253,929	\$ -
State highway exchange funds			3,363,122
Contributions from SCCRTC			
SB1 Additional Gas Tax		670,679	
Interest	69,464	2,743	197,062
Total additions	10,344,495	4,927,351	3,560,184
Deductions:			
Claimants:			
Santa Cruz Metropolitan Transit District	7,288,209	4,924,608	
Santa Cruz County Regional Transportation Commission	1,490,063		744,052
City of Capitola			96,540
City of Santa Cruz	32,000		
City of Scotts Valley			377,000
County of Santa Cruz	415,359		1,700,101
City of Watsonville			
Community Bridges	716,035		
Volunteer Center	82,747		
Salaries and benefits			
Services and supplies			
Consultant services			
Plan payments			
Total deductions	10,024,413	4,924,608	2,917,693
Change in net position	320,082	2,743	642,491
Net position - beginning of fiscal year	4,582,613	1,524	10,912,575
Prior period adjustment			
Net position - beginning of fiscal year adjusted	4,582,613	1,524	10,912,575
Net position - end of fiscal year	\$ 4,902,695	\$ 4,267	\$ 11,555,066

The accompanying notes are an integral part of this statement.

Pension (and Other Employee Benefits) Trust Funds

<u>Measure D Fund</u>	<u>PERS Health Fund</u>	<u>In Lieu of Social Security Fund</u>	<u>Miscellaneous Deductions Fund</u>	<u>Totals</u>
\$ 22,180,875	\$ -	\$ -	\$ -	\$ 36,709,835
				3,363,122
	25,075		26,803	51,878
				670,679
<u>320,836</u>	<u>22</u>		<u>738</u>	<u>590,865</u>
<u>22,501,711</u>	<u>25,097</u>		<u>27,541</u>	<u>41,386,379</u>
				12,212,817
1,926,169				4,160,284
332,722				429,262
1,849,081				1,881,081
288,317				665,317
3,060,948				5,176,408
902,300				902,300
857,751				1,573,786
3,431,946				3,514,693
191,753				191,753
1,552,565				1,552,565
5,200				5,200
	30,439		19,433	49,872
<u>14,398,752</u>	<u>30,439</u>		<u>19,433</u>	<u>32,315,338</u>
<u>8,102,959</u>	<u>(5,342)</u>		<u>8,108</u>	<u>9,071,041</u>
13,338,696	6,283	4	2,939	28,844,634
<u>(1,525,410)</u>				<u>(1,525,410)</u>
<u>11,813,286</u>	<u>6,283</u>	<u>4</u>	<u>2,939</u>	<u>27,319,224</u>
<u>\$ 19,916,245</u>	<u>\$ 941</u>	<u>\$ 4</u>	<u>\$ 11,047</u>	<u>\$ 36,390,265</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz County Regional Transportation Commission are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below:

A. The Reporting Entity

The Santa Cruz County Regional Transportation Commission, the regional transportation planning agency for the County of Santa Cruz, was created pursuant to Title 3 of Government Code Section 29535. The Commission is responsible for transportation planning activities as well as for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance), Sales Tax Measure D, the Service Authority for Freeway Emergencies Fund (SAFE), the Freeway Service Patrol Fund (FSP), the Surface Transportation Program Exchange Fund (STP), Highway 1 Program Fund, and the Rail/Trail Authority Fund. The Commission does not exercise control over any other governmental agency or authority. Criteria used in determining the reportable entity were based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The reporting entity is the Santa Cruz County Regional Transportation Commission. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Commission's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Commission, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Commission.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fund Financial Statements:

Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds presents increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Commission, “available” means collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include property taxes, and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenues arise when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met, are recorded as unearned revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting

The accounts of the Commission are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures/expenses. The Commission's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Commission's accounts are organized into major and fiduciary funds, as follows:

Major Governmental Funds:

Administration and Planning – Transportation planning and administration of the Transportation Development Act.

Rail/Trail Authority – To account for financial activities of the Coastal Rail/Trail Project.

Service Authority For Freeway Emergencies – State funds for administration and operation of freeway call boxes and motorist aid.

Freeway Service Patrol – State funds for roadside assistance.

Highway 1 Program – Transportation planning and administration of the Highway 1 Projects.

Highway 1 Auxiliary – Transportation planning and administration for an additional lane on Highway 1.

Cruz 511 – To account for financial activities of the Cruz 511 program.

Active Transportation MBSST – To account for financial activities of Active Transportation planning.

Fiduciary Funds:

These funds account for assets held by the Commission as a trustee or agent for other units of government. The fiduciary funds used by the Commission is as follows:

Private Purpose Trust: These funds are utilized by the Commission, as trustee, to receive and allocate Local Transportation funds, State Transit Assistance funds, Surface Transportation Program Exchange funds, and Measure D funds to eligible claimants.

Pension (and other Employee Benefits) Trusts: These funds are utilized by the Commission, as trustee, to receive employee contributions for employee benefit arrangements. The Commission has a fiduciary responsibility to administer the plans.

F. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the major funds. All annual appropriations lapse at fiscal year end.

G. Cash and Investments

The Commission holds its cash in the County of Santa Cruz Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments can be found in the County of Santa Cruz' Basic Financial Statements. Investments are stated at fair value.

A payroll account is kept at the Santa Cruz County Bank for payment of state and federal taxes, health insurance, and other contributions and deductions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the Commission as assets with an initial, individual cost of at least \$1,500 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The estimated useful lives are as follows:

Equipment	3 to 7 years
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I. Unearned Revenue

Cash is received for federal and state special projects and programs and recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

K. Compensated Absences

All vacation pay, as well as sick leave for management, plus related payroll taxes is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the Commission's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the Commission intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Commission.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances (Continued)

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

M. Prepaid Items

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

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Santa Cruz County Regional Transportation Commission's Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan 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 the benefit terms. Investments are reported at fair value.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's plan (OPEB Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the Commission recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The Commission has two items which qualify for reporting in this category; refer to Note 7 and Note 9 for a detailed listing of the deferred outflows of resources the Commission has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Commission that is applicable to a future reporting period. The Commission has two items which qualify for reporting in this category; refer to Note 7 and 9 for a detailed listing of the deferred inflows of resources the Commission has reported.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.

NOTE 2 – CASH AND INVESTMENTS

The Commission maintains all of its cash in the Santa Cruz County Treasurer's Investment Fund. The County Treasurer pools and invests the funds it oversees. All participants share investment gains or losses proportionately. Earned interest is apportioned monthly based on each participant's average daily deposit.

Investments are carried at fair value. On June 30, 2019, the Commission had the following cash and investments on hand:

Cash in bank and on hand	\$ 15,139
Cash and investments with the Santa Cruz County Treasurer's Investment Fund	<u>34,696,317</u>
Total cash and investments	<u><u>\$ 34,711,456</u></u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	\$ 4,145,045
Cash and investments, statement of fiduciary net position	<u>30,566,411</u>
Total cash and investments	<u><u>\$ 34,711,456</u></u>

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission had investments in the Santa Cruz County Investment Pool, this external pool is measured under Level 2.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the Commission's Investment Policy

The Commission's investment policy only authorizes investment in the local government investment pool administered by the County of Santa Cruz. The Commission's investment policy does not contain any specific provisions intended to limit the Commission's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the table on the following page that shows the distribution of the Commission's investments by maturity:

Investment Type	Carrying Amount	12 Months Or Less	13 - 24 Months	25 - 60 Months	More than 60 months
Santa Cruz County Treasurer's Investment Fund	\$ 34,696,317	\$ 34,696,317	\$ -	\$ -	\$ -
Total	<u>\$ 34,696,317</u>	<u>\$ 34,696,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code and the Commission's investment policy, and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Ratings as of fiscal year end		
				AAA	Aa	Not Rated
Santa Cruz County Treasurer's Investment Fund	\$ 34,696,317	N/A	\$ -	\$ -	\$ -	\$ 34,696,317
Total	<u>\$ 34,696,317</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,696,317</u>

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total Commission's investments.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

None of the Commission's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Santa Cruz County Treasurer's Investment Fund).

Investment in Santa Cruz County Treasurer's Investment Fund

The Commission is a participant in the Santa Cruz Treasurer's Investment Fund (County Pool) that is regulated by the California Government Code. The fair value of the Commission's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Commission's pro-rata share of the fair value provided by the County Pool for the entire Santa Cruz County Treasurer's Investment Fund portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

NOTE 3 – DUE FROM OTHER AGENCIES

Due from other agencies consists of the following at June 30, 2019:

Special Revenue Funds

<u>Agency</u>	<u>Administration and Planning Fund</u>	<u>Rail/Authority Fund</u>	<u>Service Authority for Emergencies Fund</u>	<u>Freeway Service Patrol Fund</u>	<u>Highway 1 Program Fund</u>	<u>Highway 1 Auxiliary Fund</u>
State grants (DOT)	\$ 629,302	\$ -	\$ -	\$ 257,387	\$ -	\$ 352,752
Federal grants (DOT)	272,779					
Other			95,376			
Totals	<u>\$ 902,081</u>	<u>\$ -</u>	<u>\$ 95,376</u>	<u>\$ 257,387</u>	<u>\$ -</u>	<u>\$ 352,752</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 – DUE FROM OTHER AGENCIES (Continued)

Special Revenue Funds (cont)			Fiduciary Funds		
Agency	Cruz 511 Fund	Active Transportation MBSST Fund	State Transit Assistance Fund	Surface Transportation Program Exchange Fund	Measure D Fund
State grants (DOT)	\$ -	\$ 51,479	\$ 1,242,627	\$ 3,363,122	\$ -
Other		114,449			3,687,637
Totals	<u>\$ -</u>	<u>\$ 165,928</u>	<u>\$ 1,242,627</u>	<u>\$ 3,363,122</u>	<u>\$ 3,687,637</u>

NOTE 4 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Due From/Due To Other Funds

Interfund receivable and payable balances at June 30, 2019, are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Administration and Planning	\$ 58,456	\$ 110,000
Rail/Trail Authority	110,560	5,250
Service Authority for Freeway Emergencies	50,000	50,000
Freeway Service Patrol		75,197
Highway 1 Program	2,537	26,477
Highway 1 Auxiliary		560
Cruz 511	50,000	
Active Transportation MBSST		4,069
	<u>\$ 271,553</u>	<u>\$ 271,553</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2018-2019 fiscal year, are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Administration and Planning	\$ -	\$ 110,000
Rail/Trail Authority	110,000	
Service Authority for Freeway Emergencies		50,000
Cruz 511	50,000	
	<u>\$ 160,000</u>	<u>\$ 160,000</u>

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Governmental activities				
Nondepreciable capital assets				
Right of way	\$ 14,200,000	\$ -	\$ -	\$ 14,200,000
Construction in progress	<u>5,648,411</u>			<u>5,648,411</u>
Total nondepreciable capital assets	<u>\$ 19,848,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,848,411</u>
Depreciable capital assets				
Equipment	<u>\$ 176,047</u>	<u>\$ 1,793</u>	<u>\$ -</u>	<u>\$ 177,840</u>
Total depreciable capital assets	176,047	1,793		177,840
Less accumulated depreciation	<u>(156,175)</u>	<u>(6,196)</u>		<u>(162,371)</u>
Net depreciable capital assets	<u>\$ 19,872</u>	<u>\$ (4,403)</u>	<u>\$ -</u>	<u>\$ 15,469</u>
Net capital assets	<u>\$ 19,868,283</u>	<u>\$ (4,403)</u>	<u>\$ -</u>	<u>\$ 19,863,880</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, is shown below:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
Governmental activities					
Compensated Absences	\$ 300,749	\$ 223,251	\$ 245,997	\$ 278,003	\$ -
OPEB Liability	1,945,332	323,151	62,470	2,206,013	
Net Pension Liability	1,886,393	320,961	552,504	1,654,850	
Governmental activities					
Long-term liabilities	<u>\$ 4,132,474</u>	<u>\$ 867,363</u>	<u>\$ 860,971</u>	<u>\$ 4,138,866</u>	<u>\$ -</u>

NOTE 7 – PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Commission's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Commission resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments 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 nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	9.409%	6.842%

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 – PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. 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 Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Commission were \$443,077 for the fiscal year ended June 30, 2019.

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

At June 30, 2019, the Commission reported a liability of \$1,654,850 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2018, the Commission's proportion was 0.04391%, which decreased by 0.00394% from June 30, 2017.

For the year ended June 30, 2019, the Commission recognized pension expense of \$262,476. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 443,077	\$ -
Differences between expected and actual experience	63,494	21,607
Changes in assumptions	188,658	46,236
Net difference between projected and actual earnings on retirement plan investments	8,181	
Adjustment due to differences in proportions	14,491	42,132
Difference in actual contributions and proportionate share of contributions	213,089	
	<u>\$ 930,990</u>	<u>\$ 109,975</u>

\$443,077 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 – PENSION PLAN (CONTINUED)

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

<u>Fiscal Year</u>	<u>Amount</u>
<u>Ending June 30</u>	
2020	\$ 241,272
2021	155,704
2022	(4,153)
2023	(14,885)
	<u>\$ 377,938</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% Scale MP 2016 published by the Society of Actuaries. For more details on this table please refer to the 2017 experience study report.

Change in Assumptions

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the Public Employees' Retirement Fund (PERF). The mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 – PENSION PLAN (CONTINUED)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund including PERF C. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

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

(b) An expected inflation of 2.92% used for this period.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 – PENSION PLAN (CONTINUED)

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15 percent) or 1- percentage point higher (8.15 percent) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension plan liability	\$ 2,879,320	\$ 1,654,850	\$ 644,069

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2019, the Commission had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2019.

NOTE 8 – NET POSITION

GASB Statement No. 63, requires that the difference between assets added to the deferred outflows of resources and liabilities be added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

The government-wide and fiduciary funds financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position– This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the Commission, not restricted for any project or other purpose.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

Plan administration – Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees may choose from a variety of HMO and PPO options. The Commission offers the same health plans to its retirees as its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits provided – Employees and executive directors become eligible to retire and receive monthly contributions from the Commission upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree, and if applicable, the surviving spouse of the retiree if coverage is in effect at the time of the retiree's death. The Commission's retiree contribution is based on the CalPERS PEMHCA unequal method. The active caps are 95% of the Blue Shield Bay Area premium for single and 90% for dual and family. Currently, the retiree single cap is equal to the active single cap. The retiree dual and family caps are not equal to the corresponding active caps and are projected to remain unequal, with the annual increase in the cap set to a maximum of \$100.

Employees Covered

As of the July 1, 2017, actuarial valuation, the following current and former employees were covered by the benefit terms under the Commission's Plan:

Active plan members	14
Inactive employees or beneficiaries currently receiving benefits	<u>7</u>
Total	<u><u>21</u></u>

The Commission currently finances benefits on a pay-as-you-go basis.

Net OPEB Liability

The Commission's Net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Medical cost trend rate	5.90%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.13 percent.

Change in assumptions. For the June 30, 2019 measurement date, the discount rate was decreased from 3.62 percent to 3.13 percent. The medical cost trend rate decreased from 6.00 percent to 5.90 percent.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Continued)

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long Term Expected Return of Plan Investments	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2018	4.00%	3.62%	3.62%
June 30, 2019	June 30, 2019	4.00%	3.13%	3.13%

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018 (Valuation Date June 30, 2017)	<u>\$ 1,945,332</u>
Changes recognized for the measurement period:	
Service cost	113,898
Interest	69,300
Changes of assumptions	139,953
Contributions - employer	
Net investment income	
Benefit payments	<u>(62,470)</u>
Net Changes	<u>260,681</u>
Balance at June 30, 2019 (Measurement Date June 30, 2019)	<u><u>\$ 2,206,013</u></u>

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	1% Decrease 2.13%	Current Rate 3.13%	1% Increase 4.13%
OPEB Liability	\$ 2,538,469	\$ 2,206,013	\$ 1,933,984

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (4.90 percent) or 1-percentage-point higher (6.90 percent) than the current healthcare cost trend rates:

	1% Decrease (4.90%)	Healthcare Cost Trend Rate (5.90%)	1% Increase (6.90%)
OPEB Liability	\$ 1,859,940	\$ 2,206,013	\$ 2,642,618

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the Commission recognized OPEB expense of \$186,314. As of the fiscal year ended June 30, 2019, the Commission reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Change in assumptions	114,507	89,322
	<u>\$ 114,507</u>	<u>\$ 89,322</u>

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 3,116
2021	3,116
2022	3,116
2023	3,114
2024	12,723
	<u>\$ 25,185</u>

NOTE 10 – SENATE BILL 1 – STATE OF GOOD REPAIR

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. This investment in public transit will be referred to as the State of Good Repair program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 – SENATE BILL 1 – STATE OF GOOD REPAIR (Continued)

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB 1 addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, and maintenance and rehabilitation of transit facilities and vehicles. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

In the fiscal year ended June 30, 2019, the Santa Cruz County Regional Transportation Commission received \$670,679. The funding was distributed to the Santa Cruz Metropolitan Transit District.

NOTE 11 – SUBSEQUENT EVENT

Subsequent to year-end, the Commission may be negatively impacted by the effects of the worldwide COVID-19 pandemic. The Commission is closely monitoring its operations, liquidity, and reserves and is actively working to minimize the current and future impact of this situation. As of the date of the issuance of these financial statements, the full impact to the Commission's financial position is not known.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$44,819 was made to the Administration and Planning Fund. \$41,704 was adjusted to cash and investments and \$3,115 was adjusted to accrued salaries due to the timing of payroll expenditures.

A prior period adjustment of \$(1,525,410) was made to the Measure D Fund to adjust distributions to the proper period.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
ADMINISTRATION AND PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Local Transportation Funds	\$ 1,334,393	\$ 1,438,584	\$ 1,438,584	\$ -
RSTP Exchange		75,000	99,997	24,997
State Planning, Programming and Monitoring Funds	175,000	137,097	133,660	(3,437)
State Rural Planning Assistance	341,666	421,250	424,392	3,142
Fed 5304 SR9		70,210	71,154	944
Measure D	416,600	581,168	977,470	396,302
Transit Planning Grants	90,000	100,000		(100,000)
Land Trust			259,826	259,826
Use of money and property			14,819	14,819
Other			3,647	3,647
Total revenues	2,357,659	2,823,309	3,423,549	600,240
Expenditures				
Salaries and benefits	1,301,000	1,580,573	1,744,491	(163,918)
Services and supplies	687,100	2,271,155	532,993	1,738,162
Bike to Work	60,000	60,000	60,000	
Community Traffic Safety Coalition	130,000	130,000	130,000	
Unified Corridor Investment	300,000	277,305	275,724	1,581
Passenger Rail Study			52,277	(52,277)
Prioritization	50,000	50,000	28,162	21,838
SR9 San Lorenzo Valley Complete Streets	50,000		45,868	(45,868)
Capital outlay	25,000		1,793	(1,793)
SR2S Education		25,000		25,000
Total expenditures	2,603,100	4,394,033	2,871,308	1,522,725
Excess of revenues over (under) expenditures	(245,441)	(1,570,724)	552,241	2,122,965
Other Financing Sources (Uses):				
Operating transfers out	(110,000)	(110,000)	(110,000)	
Total other financing sources (uses)	(110,000)	(110,000)	(110,000)	
Excess of revenues and other sources over (under) expenditures and other uses	(355,441)	(1,680,724)	442,241	2,122,965
Fund balance - July 1	1,126,419	1,126,419	1,126,419	
Prior period adjustment			44,819	44,819
Fund balance - July 1, restated	1,126,419	1,126,419	1,171,238	44,819
Fund balance - June 30	\$ 770,978	\$ (554,305)	\$ 1,613,479	\$ 2,167,784

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
RAIL/TRAIL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Measure D	\$ 1,860,500	\$ 2,462,587	\$ 943,143	\$ (1,519,444)
Use of money and property			76,555	76,555
RSTP Exchange	560,064	560,064	95,113	(464,951)
Other revenue	65,000	65,000	7,154	(57,846)
Total revenues	2,485,564	3,087,651	1,121,965	(1,965,686)
Expenditures				
Salaries and benefits	258,025	319,370	318,804	566
Services and supplies	2,400,307	2,922,177	834,137	2,088,040
Total expenditures	2,658,332	3,241,547	1,152,941	2,088,606
Excess of revenues over (under) expenditures	(172,768)	(153,896)	(30,976)	122,920
Other Financing Sources (Uses):				
Operating transfers in	110,000	110,000	110,000	
Total other financing sources (uses)	110,000	110,000	110,000	
Excess of revenues and other sources over (under) expenditures and other uses	(62,768)	(43,896)	79,024	122,920
Fund balance - July 1	335,169	335,169	335,169	
Fund balance - June 30	\$ 272,401	\$ 291,273	\$ 414,193	\$ 122,920

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Motor vehicle fees	\$ 250,000	\$ 250,000	\$ 260,839	\$ 10,839
Aid from other governments	50,000	50,000	50,000	
Measure D	25,000	25,000	25,000	
Use of money and property	3,000	3,000	10,348	7,348
Total revenues	328,000	328,000	346,187	18,187
Expenditures				
Salaries and benefits	129,000	129,000	123,548	5,452
Services and supplies	209,300	209,300	159,178	50,122
Total expenditures	338,300	338,300	282,726	55,574
Excess of revenues over (under) expenditures	(10,300)	(10,300)	63,461	73,761
Other Financing Sources (Uses):				
Operating transfers out	(50,000)	(50,000)	(50,000)	
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	
Excess of revenues and other sources over (under) expenditures and other uses	(60,300)	(60,300)	13,461	73,761
Fund balance - July 1	495,563	495,563	495,563	
Fund balance - June 30	<u>\$ 435,263</u>	<u>\$ 435,263</u>	<u>\$ 509,024</u>	<u>\$ 73,761</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
FREEWAY SERVICE PATROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
California Department of Transportation Grant	\$ 248,975	\$ 185,600	\$ 185,600	\$ -
State Planning, Programming and Monitoring Funds		221,786	135,910	(85,876)
Measure D	175,008	129,413	129,413	
Use of money and property	<u>1,000</u>	<u>808</u>	<u>809</u>	<u>1</u>
Total revenues	<u>424,983</u>	<u>537,607</u>	<u>451,732</u>	<u>(85,875)</u>
Expenditures				
Salaries and benefits	83,000	77,529	77,529	
Services and supplies	17,000	33,986	33,986	
Towing service	<u>324,983</u>	<u>313,211</u>	<u>313,211</u>	
Total expenditures	<u>424,983</u>	<u>424,726</u>	<u>424,726</u>	
Excess of revenues over (under) expenditures		112,881	27,006	(85,875)
Fund balance - July 1	<u>116,031</u>	<u>116,031</u>	<u>116,031</u>	
Fund balance - June 30	<u>\$ 116,031</u>	<u>\$ 228,912</u>	<u>\$ 143,037</u>	<u>\$ (85,875)</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
HIGHWAY 1 PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
				Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 5,415	\$ 5,415
RSTP Exchange Funds	8,535	8,535	328,419	319,884
Active Transportation Program	280,000	280,000		(280,000)
Total revenues	288,535	288,535	333,834	45,299
Expenditures				
Salaries and benefits	60,000	60,000	120,634	(60,634)
Services and supplies	232,535	232,535	216,150	16,385
Total expenditures	292,535	292,535	336,784	(44,249)
Excess of revenues over (under) expenditures	(4,000)	(4,000)	(2,950)	1,050
Fund balance - July 1	20,303	20,303	20,303	
Fund balance - June 30	\$ 16,303	\$ 16,303	\$ 17,353	\$ 1,050

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
HIGHWAY 1 AUXILIARY LANES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 11,191	\$ 11,191
RSTP Exchange Funds	1,031,437			
State Planning, Programming and Monitoring Funds	4,000,000	4,079,000	352,752	(3,726,248)
Aid from other governments		175,000	45,390	(129,610)
Measure D	80,000	4,100,000	572,267	(3,527,733)
Total revenues	5,111,437	8,354,000	981,600	(7,372,400)
Expenditures				
Salaries and benefits	280,000	170,000	152,059	17,941
Services and supplies	4,831,437	6,730,000	818,031	5,911,969
Total expenditures	5,111,437	6,900,000	970,090	5,929,910
Excess of revenues over (under) expenditures		1,454,000	11,510	(1,442,490)
Fund balance - July 1	630,070	630,070	630,070	
Fund balance - June 30	\$ 630,070	\$ 2,084,070	\$ 641,580	\$ (1,442,490)

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
CRUZ 511 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
RSTP Exchange Funds	\$ 498,900	\$ 464,715	\$ -	\$ (464,715)
Measure D	50,000	150,000	41,253	(108,747)
Use of money and property			5,696	5,696
Total revenues	548,900	614,715	46,949	(567,766)
Expenditures				
Salaries and benefits	207,000	207,000	177,274	29,726
Services and supplies	109,100	173,052	3,945	169,107
Total expenditures	316,100	380,052	181,219	198,833
Excess of revenues over (under) expenditures	232,800	234,663	(134,270)	(368,933)
Other Financing Sources (Uses):				
Operating transfers in	72,000	72,000	50,000	(22,000)
Total other financing sources (uses)	72,000	72,000	50,000	(22,000)
Excess of revenues and other sources over (under) expenditures and other uses	304,800	306,663	(84,270)	(390,933)
Fund balance - July 1	336,691	336,691	336,691	
Fund balance - June 30	\$ 641,491	\$ 643,354	\$ 252,421	\$ (390,933)

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
ACTIVE TRANSPORTATION MBSST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Transportation Funds	\$ -	\$ 48,942	\$ 51,479	\$ 2,537
RSTP Exchange Funds	200,000	248,942	48,942	(200,000)
Active Transportation Program		278,000	101,358	(176,642)
Land Trust	150,000	121,958	121,940	(18)
Measure D	3,089,250	3,339,250	1,039,544	(2,299,706)
Use of money and property			1,385	1,385
Total revenues	3,439,250	4,037,092	1,364,648	(2,672,444)
Expenditures				
Salaries and benefits	420,000	616,916	515,324	101,592
Services and supplies	3,019,250	2,321,209	820,226	1,500,983
Total expenditures	3,439,250	2,938,125	1,335,550	1,602,575
Excess of revenues over (under) expenditures		1,098,967	29,098	(1,069,869)
Fund balance - July 1	42,226	42,226	42,226	
Fund balance - June 30	\$ 42,226	\$ 1,141,193	\$ 71,324	\$ (1,069,869)

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS

Last 10 Years*

As of June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 113,898	\$ 121,414
Interest on the total OPEB liability	69,300	60,196
Actual and expected experience difference		
Changes in assumptions	139,953	(133,982)
Change in benefit items		
Benefit payments	<u>(62,470)</u>	<u>(50,598)</u>
Net change in total OPEB liability	260,681	(2,970)
Total OPEB liability - beginning	<u>1,945,332</u>	<u>1,948,302</u>
Total OPEB liability - ending	<u><u>\$ 2,206,013</u></u>	<u><u>\$ 1,945,332</u></u>
Covered payroll	\$ 1,888,097	\$ 1,374,598
Total OPEB liability as a percentage of covered payroll	116.84%	141.52%

*- Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

SCHEDULE OF OPEB CONTRIBUTIONS

Last 10 Years*

As of June 30, 2019

The Commission's contribution for the fiscal year ended June 30, 2019 was \$62,470. The Commission did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the Commission does not need to comply with GASB 75's Required Supplementary Information requirements.

The Commission's contribution for the fiscal year ended June 30, 2018 was \$50,598. The Commission did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore the Commission does not need to comply with GASB 75's Required Supplementary Information requirements.

*- Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

Last 10 Years*

As of June 30, 2019

The following table provides required supplementary information regarding the Commission's Pension Plan.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	0.01717%	0.01902%	0.01925%	0.01875%
Proportionate share of the net pension liability	\$ 1,654,850	\$ 1,886,393	\$ 1,665,777	\$ 1,286,988
Covered payroll	\$ 1,590,897	\$ 1,541,379	\$ 1,523,462	\$ 1,351,432
Proportionate share of the net pension liability as percentage of covered payroll	104.02%	122.38%	109.34%	95.23%
Plan's total pension liability	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402
Plan's fiduciary net position	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%
	<u>2015</u>			
Proportion of the net pension liability	0.02073%			
Proportionate share of the net pension liability	\$ 1,289,646			
Covered payroll	\$ 1,333,752			
Proportionate share of the net pension liability as percentage of covered payroll	96.69%			
Plan's total pension liability	\$ 30,829,966,631			
Plan's fiduciary net position	\$ 24,607,502,515			
Plan fiduciary net position as a percentage of the total pension liability	79.82%			

Note to Schedule:Change in assumptions

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth was reduced from 3.00 percent to 2.75 percent.

In 2017, as part of the Asset Liability Management review cycle, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2015, amounts reported as change in assumptions resulted primarily from adjustments to expected ages of general employees.

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

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**SCHEDULE OF PENSION CONTRIBUTIONS**

Last 10 Years*

As of June 30, 2019

The following table provides required supplementary information regarding the Commission's Pension Plan.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 443,077	\$ 552,504	\$ 267,135	\$ 214,636
Contribution in relation to the actuarially determined contributions	<u>(443,077)</u>	<u>(552,504)</u>	<u>(267,135)</u>	<u>(214,636)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,081,870	\$ 1,590,897	\$ 1,541,379	\$ 1,523,462
Contributions as a percentage of covered payroll	21.28%	34.73%	17.33%	14.09%

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 170,439
Contribution in relation to the actuarially determined contributions	<u>(170,439)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 1,351,432
Contributions as a percentage of covered payroll	12.61%

Notes to Schedule

Valuation Date: 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal

Asset valuation method 5-year smoothed market

Amorization Method The unfunded actuarial accrued liability is amortized over an open 17 year period as a level percentage of payroll.

Discount rate 7.50%

Amortization growth rate 3.75%

Price inflation 3.25%

Salary increases 3.75% plus merit component based on employee classification and years of service.

Mortality Sex distinct RP-2000 Combined Mortality projected to 2010 using Scale AA with a 2 year setback for males and a 4 year setback for females.

Valuation date: 6/30/2016 6/30/2015

Discount rate: 7.375% 7.65%

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

SUPPLEMENTARY INFORMATION SECTION

**INDEPENDENT AUDITORS' REPORT ON
TRANSPORTATION DEVELOPMENT ACT COMPLIANCE**

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission's (the Commission) compliance with the types of compliance requirements described in the *Transportation Development Act Guidebook*, published by the State of California Department of Transportation applicable for the fiscal year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Development Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Commission's compliance based on our audit of the compliance with applicable statutes, rules and regulations of the Transportation Development Act (TDA), Sections 99233.1 and 99402, the California Code of Regulations (CCR), and the allocation instructions and resolutions of Santa Cruz County Regional Transportation Commission as required by Section 6662 and 6666 of the CCR. 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 *Transportation Development Act Guidebook*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the Fund occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Compliance with the Transportation Development Act

In our opinion, the funds allocated to and received by Santa Cruz County Regional Transportation Commission pursuant to the TDA, complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements of the Transportation Development Act and the allocation instructions and resolutions of Santa Cruz County Regional Transportation Commission for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the Board of Directors, management of the Santa Cruz County Regional Transportation Commission and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim LLP

Santa Maria, California
June 24, 2020



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON MEASURE D COMPLIANCE

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission's (the Commission) compliance with the types of compliance requirements described in *Ordinance No. 2016-01* (Measure D), applicable for the fiscal year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Measure D.

Auditors' Responsibility

Our responsibility is to express an opinion on the Commission's compliance based on our audit of the compliance with applicable statutes, rules and regulations of Measure D. 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 *Ordinance No. 2016-01*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the Fund occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Compliance with Measure D

In our opinion, the funds allocated to and received by Santa Cruz County Regional Transportation Commission pursuant to Measure D, complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements of Measure D of Santa Cruz County Regional Transportation Commission for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the Board of Directors, management of the Santa Cruz County Regional Transportation Commission and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim LLP

Santa Maria, California
June 24, 2020

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
For the Fiscal Year Ended June 30, 2019

Claimant/Purpose/Authority*	Allocated Balance July 1, 2018	Allocation	Expended	Allocated Balance June 30, 2019
Santa Cruz Metropolitan Transit District				
Transit operator assistance PUC § 99260(a)	\$ -	\$ 7,288,209	\$ 7,288,209	\$ -
Totals		7,288,209	7,288,209	
Santa Cruz County Regional Transportation Commission				
Administration				
PUC § 99233.1		701,761	701,761	
Planning				
PUC § 99402		788,302	788,302	
Totals		1,490,063	1,490,063	
City of Santa Cruz				
Volunteer Center and Community Bridges PUC § 99400 (c)		798,782	798,782	
Pedestrian and bicycle PUC § 99400 (a)	368,232	102,270	32,000	438,502
Totals	368,232	901,052	830,782	438,502
County of Santa Cruz				
Pedestrian and bicycle PUC § 99400 (a)	734,502	214,054	415,359	533,197
Totals	734,502	214,054	415,359	533,197
City of Scotts Valley				
Pedestrian and bicycle PUC § 99400 (a)	11,515	19,117		30,632
Totals	11,515	19,117		30,632
City of Capitola				
Pedestrian and bicycle PUC § 99400 (a)	199,373	15,972		215,345
Totals	199,373	15,972		215,345
City of Watsonville				
Pedestrian and bicycle PUC § 99400 (a)	502,152	83,323		585,475
Totals	502,152	83,323		585,475
Grand totals	\$ 1,815,774	\$ 10,011,790	\$ 10,024,413	\$ 1,803,151

* Public Utilities Code

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
For the Fiscal Year Ended June 30, 2019

Claimant/Purpose/Authority*	Allocated Balance July 1, 2018	Allocation	Expended	Allocated Balance June 30, 2019
Santa Cruz Metropolitan Transit District				
Transit operator assistance CAC § 6730 a	\$ -	\$ 4,924,608	\$ 4,924,608	\$ -
Total	<u>\$ -</u>	<u>\$ 4,924,608</u>	<u>\$ 4,924,608</u>	<u>\$ -</u>

* California Administrative Code