

---

**SUBJECT: Victoria Regional Transit Fund Accounting**

**PURPOSE**

This report provides information on the treatment of the Victoria Regional Transit Fund (the “Transit Fund”) and is recommended to the Victoria Regional Transit Commission for **APPROVAL**.

**BACKGROUND**

The Transit Fund was established to act as the bank account for the Victoria Regional Transit System. During the year, funds from fare revenues, gas tax and property tax are deposited into the Transit Fund and funds are withdrawn for the local contribution for transit expenditures as approved in the annual budget. Currently, the funds are not held in a separate bank account. Interest accrues on the balance and there are no administration fees for this service. BC Transit tracks the transactions and balance of the Transit Fund throughout the year and provide updates to the Victoria Regional Transit Commission of the Transit Fund at each Commission meeting.

BC Transit’s auditors have requested greater clarity on the accounting and terms of the Transit Fund.

**TERMS FOR APPROVAL**

The Transit Fund will be accounted for as a liability on BC Transit’s financial statements with disclosure included within the notes to the annual audited BC Transit Financial Statements. BC Transit Management will track the balance of the transit fund, will monitor revenues and expenses and will reconcile the transactions. Amounts for the Commission’s share of expenses for the Victoria Regional Transit System will be withdrawn from the Transit Fund on a monthly basis. The Transit Fund balance will be presented to the Victoria Regional Transit Commission at each Commission meeting. No administration fees are charged for this service and interest accrues on the balance monthly.

This option would not generate any material difference from the current administration of the Transit Fund.

**RECOMMENDATION**

It is recommended that the Victoria Regional Transit Commission **APPROVE** the terms of the Transit Fund as outlined above.

Respectfully,

Megan Hill  
Director, Budgeting & Forecasting