

VENTURA COUNTY TRANSPORTATION COMMISSION
Ventura County, California



The Ventura County Transportation Commission's (VCTC) mission is to improve mobility within the County and increase funding to meet transportation needs. To fulfill that mission, the VCTC establishes transportation policies and priorities ensuring an equitable allocation of federal, state and local funds for highway, transit, rail, aviation, bicycle and other transportation projects.

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

**Submitted by:
Sally DeGeorge, Finance Director**

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VENTURA COUNTY TRANSPORTATION COMMISSION
Comprehensive Annual Financial Report
Year Ended June 30, 2013

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VENTURA COUNTY TRANSPORTATION COMMISSION

Comprehensive Annual Financial Report

Year Ended June 30, 2013

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INTRODUCTORY SECTION

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VENTURA COUNTY TRANSPORTATION COMMISSION

October 19, 2013

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

Letter of Transmittal

State law requires that the Ventura County Transportation Commission (Commission) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Ventura County Transportation Commission for the Fiscal Year ended June 30, 2013.

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

Vavrinek Trine & Day has issued an unmodified opinion on the Ventura County Transportation Commission's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

The Commission's mission is to improve mobility within the County and increase funding to meet transportation needs. To fulfill that mission, the Commission establishes transportation policies and priorities ensuring an equitable allocation of federal, state and local funds for highway, transit, rail, aviation, bicycle and other transportation projects.

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

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

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

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

Local Economy

Ventura County's economy, much like the entire nation, is still "improving" at a slow pace. Gains in the stock market and housing market lead the indicators of economic growth but extremely slow job growth has kept unemployment relatively high slowing the overall recovery. Adding to the economic uncertainty are continued fears of inflation and volatile fuel prices.

The Dow Jones Industrial Average continues to rise and topped 15,600 in August (up 2,000 points since last year) to continue its dramatic recovery since the plunge to just over 6,500 in March of 2009. Unfortunately the stock market remains extremely volatile with 100 plus point swings reflecting the uncertainty of the global economy making small investors and consumers wary.

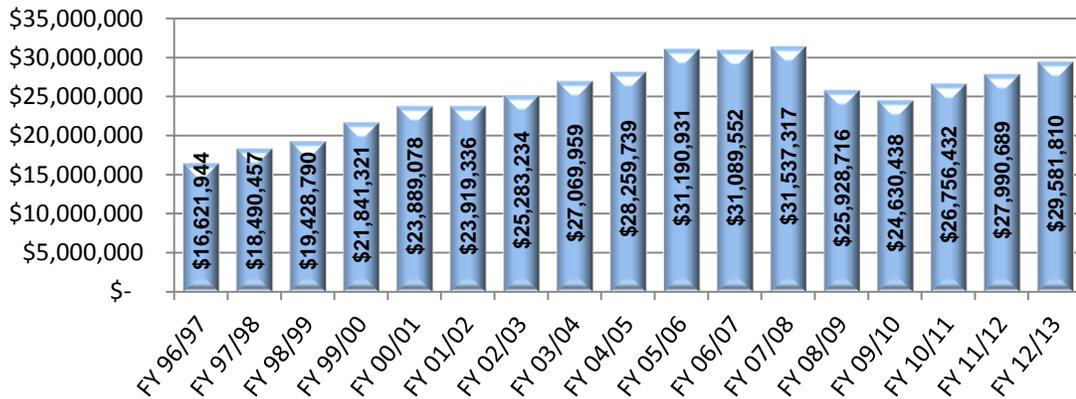
The residential housing market in Ventura County continues to make gains as inventory remains low and prices continue to rise. The DQNews notes that the median sales price in Ventura County has climbed 23% in the last year from \$365,000 to \$450,000. While the increase in home prices has contributed to the economic recovery, it is important to remember that the sales price is still far from the high of \$710,906 in 2006 leaving many homeowners owing more on their homes than the homes are valued. This loss of value continues to effect home owners and local governments.

Concern about the economy is also evident in consumer spending. Consumer spending makes up approximately 70 percent of the U.S. economic activity; therefore, consumer confidence is a key indicator of economic health. The consumer confidence index dropped slightly in July to 80.3 from 82.1 in June, but is up from 65.4 last July. Unfortunately, consumer confidence continues to remain below the 90 mark that is considered healthy.

Underlying all other concerns is unemployment. The labor markets continue to struggle and the outlook for labor is still rather dim. As of July 2013 Ventura County, with an unemployment rate of 8.0% was better off than the previous year at 9.4% and better off than the State of California, with an unemployment rate of 8.7%. Unfortunately, both Ventura County and the State were well above the national unemployment rate of 7.4% for the same period.

All of the issues above contribute to the uncertainty of state and federal funding available for transportation. Local Transportation Fund sales tax revenues comprise about sixty-percent of the revenue received in Fiscal Year 2012/2013. Although sales tax receipts have been increasing (see chart), it remains uncertain how long the growth will continue and where it will plateau. Although the State continues to pay the State Transit Assistance Funds (just over \$5 million in Fiscal Year 2012/2013), concern still exists about the reliability of future STA funds due to declining diesel sales. As the State and Federal governments struggle to balance their own budgets, it is possible that transportation dollars will be used to fill their budget gaps, leaving fewer dollars for local agencies as has happened historically.

History of Local Transportation Fund Receipts



Long-term Financial Planning

The Commission is completely reliant on federal and state revenue sources to fund transportation projects and services. At the federal level, after nine short-term extensions of the transportation authorizing act, in late summer last year, Congress passed a two year authorization, known as Moving Ahead for Progress in the 21st Century, or MAP-21. While much of the discussion in Washington DC revolves around reducing spending, deficit reduction, “re-evaluating the federal role” and living within our means, MAP-21 did slightly increase authorized funding levels for transportation. It did so, however, with an infusion of \$20 billion from the General Fund of the United States Treasury rather than the usual revenue sources of federal gas tax and sales tax revenues from large trucks and tires sales that has historically supported the federal Highway Trust Fund (HTF). MAP-21 is a two-year law that extends to September 30, 2014. The Act had a number of improvements over the series of TEA bills that dated back to 1991. However, remaining “unfixed” is the sustainability of the HTF as it remains on the brink of insolvency which required the \$20 billion “bail-out.” With the MAP-21 authorized general fund contribution the HTF should remain solvent through the life of MAP-21, however long-term solvency remains a serious concern.

The State’s transportation funding has stabilized thanks to revenue protection measures approved by California voters and an economy that is no longer in free fall. The Commission primarily receives funding from three State revenue sources. After several years of economic recession induced revenue declines, we are now in the third year of an upward trend for revenue estimates for Local Transportation Funds (LTF). LTF comes from statewide quarter cent sales tax on retail sales and partially funds VCTC Administration and Planning, Metrolink operations, bicycle and pedestrian improvements, bus transit services, and local streets and roads projects. Legislation passed in 2011, coupled with voter approval of Proposition 22 has created a reasonably reliable State Transit Assistance (STA) program that will permit the Commission to use this source of revenue for both public transit operations and capital purchases which will be devoted to ensuring continuation of regional and intercity public transit service such as VISTA Intercity service and Metrolink.

Finally, the Commission receives funding as part of the State Transportation Improvement Program (STIP) which is used primarily for major highway projects. While the STIP funds do not generally flow through Commission budget, the Commission has set aside its share of STIP funds for the next several years to fund the construction of the 101/23 freeway interchange that will begin construction in late 2013. The Commission approved preparation by Caltrans of an updated Project Study Report – Project Development Support (PSR-PDS) for the Route 118 Widening from Tapo Canyon Road to Los Angeles Avenue, and preparation by Caltrans of a new PSR-PDS for the Route 101 HOV Lanes from the 101/23 interchange to Route 33. By funding the Preliminary Engineering and Environmental Document for both the 101 and 118 corridors through the 2014 STIP cycle, VCTC will be in a position to move forward with both projects, subject to the availability of future funding. However, the funding of these major capital highway investments is a compelling question. After taking into account the preliminary project cost estimates and the probable timeline for state and federal revenues, the earliest either of these two much needed major projects could go to construction is a decade away.

Major Initiatives

In Fiscal Year 2012/2013 staff presented the results of the Comprehensive Transportation Plan to the public and the Commission for review and comment and will be returning to the Commission early this fall to bring the study to a close. The plan contains recommendations for actions and further studies that the Commission will then begin to implement, including a major corridor study.

The need for greater connectivity between Ventura County's cities was raised in nearly every outreach session conducted during the Comprehensive Transportation Planning effort and is supported by the findings of the American Community Survey 5-year estimates which continues to identify that approximately 77 percent of the workers in Ventura County, work within the County. What transportation investments will best serve those intercity connections remains the question to be answered. Contained in this year's Regional Transportation Planning work program and budget are funds for a corridor study to identify priority areas and examine the costs and benefits of highway improvements, transit investments and the possibilities of emerging strategies such as High Occupancy Toll (HOT) lanes in the County.

The VISTA intercity bus service, the transition of VISTA Dial-a-Ride to the Heritage Valley communities, and the Santa Paula Branch Line will be programs going through substantial change over the course of 2013/2014 with each of those being more fully described below. In this transition year for these programs this budget does include what is expected to be the one time use of State Transit Assistance fund balance to "reset" the Santa Paula Branch Line on a self-sustainable course and support the implementation of the envisioned Heritage Valley Transit System. Also, the Commission is now committed to serve as the regional/intercity VISTA fixed route bus service for the foreseeable future and, as such, will be dedicating the now steady STA revenues and staff resources to ensure the continued success of the popular service that connects communities within Ventura County and Ventura County to Warner Center in Los Angeles County and employment centers in Santa Barbara and Goleta.

In the coming year, VCTC will be addressing several major changes with VISTA. These include going through a competitive procurement process to obtain a long term service and

vehicle provider, and a major schedule/service analysis and the addition of professional level staff. The competitive procurement will be the first opportunity the Commission will have to select a new service provider and buses since 2007 and provide an opportunity to return to the high quality intercity service the VISTA riders had come to expect. The service analysis will examine all of the routes to insure that the stops and routes are servicing the community needs. At the same time, there will be a major effort to improve connections both between the VISTA services and with other transit providers. The new provider, vehicles, and modified schedule will provide a level of intercity transit service which will continue the model of excellence which VISTA provided during the past decade and allow it to continue to provide the quality and growth which the County has seen in the past.

At the May 2013 meeting, the Commission spent the majority of its time discussing the history and management of this 32-mile long Santa Paula Branch Line Rail Corridor, and made several recommendations to staff to implement with the goal of making the SPBL a cost-neutral operation. The overall goal is to preserve this valuable asset while generating the revenue from it, at a minimum, to make the SPBL self-sustaining and not requiring the use of State Transit Assistance funds to subsidize SPBL activities.

Last year, VCTC serving in its' designated capacity as the Airport Land Use Commission (ALUC), undertook a significant planning effort that will span across two fiscal years. Working with the Department of Defense Office of Economic Adjustment, the ALUC published a Request For Proposal resulting in contract with Matrix Design Group to conduct a Joint Land Use Study (JLUS) with Naval Base Ventura County (NBVC). A JLUS is a cooperative planning effort led by local communities or agencies promoting greater partnership with Naval Base Ventura County. The dual goal of the JLUS is to preserve the long term operational viability of Naval Base Ventura County by preventing the encroachment of incompatible land uses and to protect the public health and welfare of the surrounding communities.

Planning for the Future

With limited resources, the Commission has had to focus on specific areas of operation. The Fiscal Year 2013/2014 budget contains six programs or areas of focus that discuss individual projects in detail. Below is a listing of the programs and some of the projects within each program that the Commission concentrates on to serve the residents and business community of Ventura County.

Transit and Specialized Transportation Program

- Senior and Disabled Transit
- VISTA Intercity Bus Service
- GoVentura Smartcard
- Information Technology Projects

Highway Program

- Congestion Management Program
- Motorist Aid Call Box System
- SpeedInfo

Rail Program

- Metrolink Commuter Rail
- Santa Paula Branch Line
- LOSSAN/Pacific Surfliner Intercity Rail

Commuter Assistance Program

- Transit Information Center
- Rideshare and Employer Services

Planning and Programming Program

- TDA Administration
- Transportation Improvement Program
- Comprehensive Transportation Planning (including long-term funding)
- Airport Land Use Commission
- Intelligent Transportation Systems

General Government Program

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ventura County Transportation Commission for its comprehensive annual financial report for the Fiscal Year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

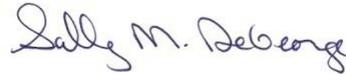
The management and finance staff are proud of the renewed commitment to open, accountable, and transparent financial reporting and this is the fourth year that the Commission has received this prestigious award, which recognizes conformance with the highest standards for preparation of state and local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

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

Very truly yours,



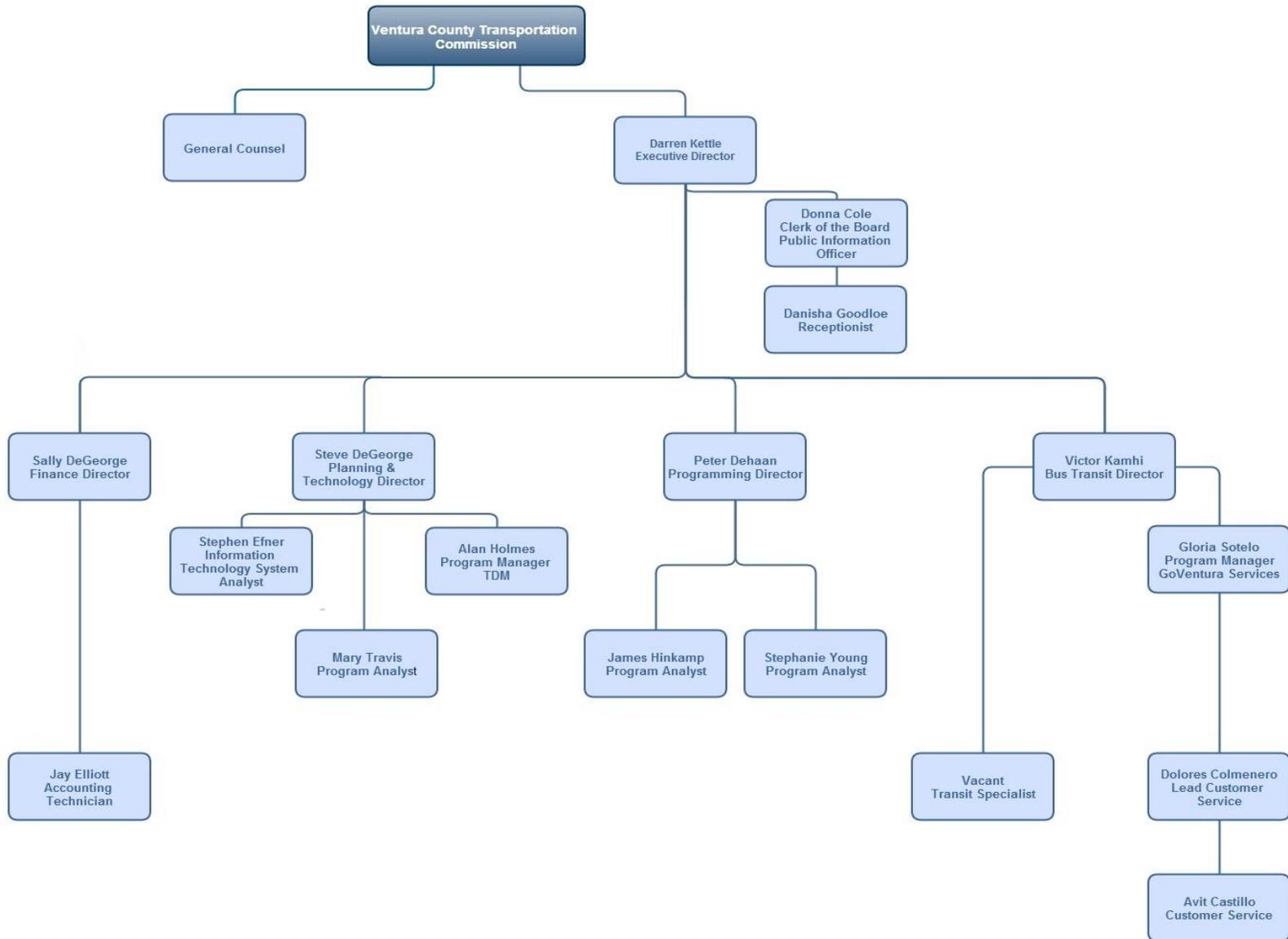
DARREN M. KETTLE
Executive Director



SALLY M. DEGEORGE
Finance Director

ORGANIZATIONAL CHART

Fiscal Year 2012/2013



VENTURA COUNTY TRANSPORTATION COMMISSION
LIST OF PRINCIPAL OFFICIALS
(As of June 30, 2013)

Board of Commissioners:

Steven Sojka	City of Simi Valley, Chair
Ralph Fernandez	City of Santa Paula, Vice-Chair
Steve Bennett	County of Ventura
Claudia Bill-de la Peña	City of Thousand Oaks
Betsy Clapp	City of Ojai
Peter Foy	County of Ventura
Brian Humphrey	Citizen Representative (Cities)
Kathy Long	County of Ventura
Bryan MacDonald	City of Oxnard
Jan McDonald	City of Camarillo
Keith Millhouse	City of Moorpark
Manuel Minjares	City of Fillmore
Carl Morehouse	City of Ventura
Linda Parks	County of Ventura
Jon Sharkey	City of Port Hueneme
Jim White	Citizen Representative (County)
John Zaragoza	County of Ventura, Past Chair
Mike Miles	Caltrans (Ex-Officio)

Executive Management:

Darren Kettle	Executive Director
Sally DeGeorge	Finance Director
Steve DeGeorge	Planning & Technology Director
Peter De Haan	Programming Director
Victor Kamhi	Bus Transit Director



Government Finance Officers Association

Certificate of
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Presented to

**Ventura County
Transportation Commission
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Ventura County Transportation Commission
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ventura County Transportation Commission (Commission), as of and for the year ended June 30, 2013, 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 financial position of the governmental activities and each major fund of the Commission as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 61 – *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, 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*, effective July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Comparative Information

We have previously audited the Commission’s 2012 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated October 29, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 14, budgetary comparison information on pages 46 through and schedule of funding progress and note on pages 50 and 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2013 on our consideration of the Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



Rancho Cucamonga, California
October 18, 2013

VENTURA COUNTY TRANSPORTATION COMMISSION

Management's Discussion and Analysis Year Ended June 30, 2013

As management of the Ventura County Transportation Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the Fiscal Year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages i through viii and the audited financial statements, which begin on page 17.

Financial Highlights

- The assets of Commission exceeded its liabilities at the close of the most recent fiscal year by \$79,120,460 (net position). Of this amount \$931,968 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Commission's total net position increased by \$6,574,781 during Fiscal Year 2012/2013. The increase is primarily due to a restatement of net position as described in note 12 and an increase in Transportation Development Act receipts.
- At the close of the current fiscal year, the Commission's governmental funds reported combined fund balances of \$28,918,327, an increase of \$7,521,477 of which \$4,568,600 is due to a restatement as described in note 12. Approximately 2% of this amount, or \$544,159, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was \$544,159, or approximately 2% of total general fund expenditures.
- The Commission's did not have any long-term debt during the current fiscal year.

Overview of Financial Statements

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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements include financial information only for the Commission and its blended component unit. The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

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

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

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

The Commission maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the related statement of revenues, expenditures and changes in fund balances for the Commission's major governmental funds comprised of the General Fund, Local Transportation Fund, State Transit Assistance Fund, and Service Authority for Freeway Emergencies Fund.

The Commission adopted a comprehensive annual budget for all funds on June 1, 2012. Budgetary comparison schedules have been provided for the General Fund, the Local Transportation Fund, the

State Transit Assistance Fund, and Service Authority for Freeway Emergencies Fund as supplementary information to demonstrate compliance with these budgets.

The governmental fund financial statements, including the reconciliation between the fund financial statements and the government-wide financial statements, can be found on pages 20 through 23 of this report.

Notes to the Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 42 of this report.

Other Information

Other information is in addition to the basic financial statements and accompanying notes to the financial statements. These reports present required supplementary information concerning the Commission's budgetary results for the General Fund and major Special Revenue Funds with appropriated budgets and its progress in funding of its obligation to provide OPEB benefits to its' employees. Required supplementary information can be found on 45 through 51 of this report.

Government-wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of the Commission's financial position. At June 30, 2013, the Commission's assets exceed liabilities by \$79,120,460, a \$6,574,781 increase from June 30, 2012 primarily due a restatement as described in note 12 and to Transportation Development Act revenues. The analysis below focuses on the net position and changes in net position of the Commission's governmental activities.

Net Position

The largest portion of the Commission's net position, \$50,338,553 reflects its investments in capital assets (e.g. construction in progress, land and improvements, rail stations, office furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The Commission uses these assets to provide commuter rail and transportation assistance to the residents and business community of Ventura County. Capital assets decreased 2% or \$956,525 in Fiscal Year 2012/2013. The change in capital assets is discussed in greater detail in Note 3 of the Notes to the Basic Financial Statements.

A significant portion of the Commission's net position, \$27,849,939, represents resources subject to external restrictions on how they may be used. Restricted net position from governmental activities increased by 41% in Fiscal Year 2012/2013. This increase of \$8,040,666 was largely due to the restatement of net position as described in note 12 and to State Transit Assistance revenues and Local Transportation Fund revenues.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The unrestricted net position from governmental activities decreased by \$509,360 to \$931,968 at June 30, 2013 largely due to the consumption of prepaids.

The following is condensed financial data related to net position for the fiscal years ended June 30, 2013 and 2012:

	June 30, 2013	June 30, 2012
Assets:		
Current and other assets	\$ 33,269,730	\$ 25,203,854
Capital assets not being depreciated	25,885,133	25,885,133
Capital assets, net of accumulated depreciation	<u>24,453,420</u>	<u>25,409,945</u>
Total assets	<u>\$ 83,608,283</u>	<u>\$ 76,498,932</u>
Liabilities:		
Current and other liabilities	4,451,403	3,907,004
Long-term liabilities	<u>36,420</u>	<u>46,249</u>
Total liabilities	<u>4,487,823</u>	<u>3,953,253</u>
Net position:		
Net investment	50,338,553	51,295,078
Restricted, as restated	27,325,710	19,809,273
Unrestricted	<u>1,456,197</u>	<u>1,441,328</u>
Total net position	<u>\$ 79,120,460</u>	<u>\$ 72,545,679</u>

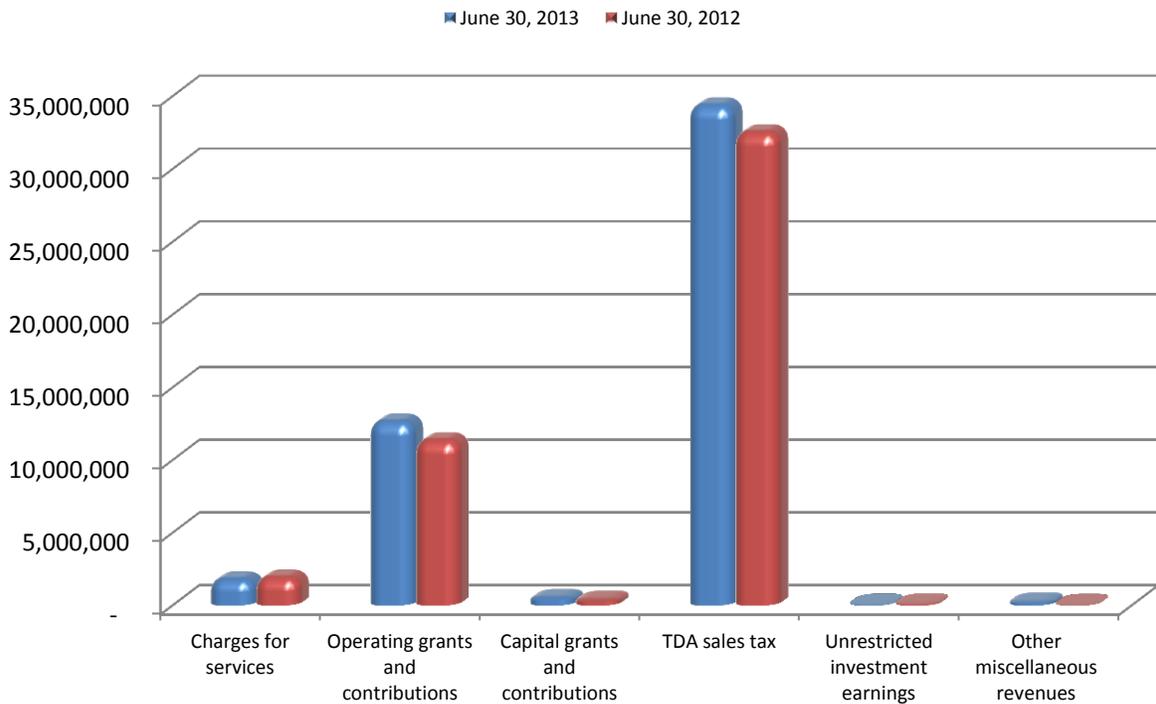
Governmental Activities:

The Commission's total program and general revenues were \$49,798,567, while the total costs of all programs were \$47,792,386. Total revenues increased by 8% and the total costs of all programs increased by 7% for an increase in net position of \$2,006,181. Key elements are as follows:

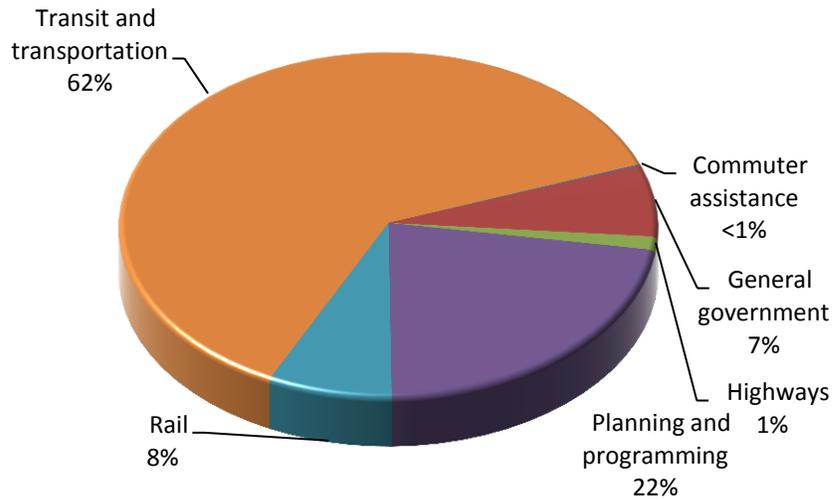
- Charges for services were \$1,780,535. The charges for services decreased by 7%, largely due to the loss of fare revenues on the VISTA bus routes. This loss is attributed to a loss of ridership when VCTC's contracted transit provider declared bankruptcy and abruptly discontinued service. While VCTC was able to provide a replacement contractor for services, ridership was negatively impacted due to the use of urban transit vehicles instead of the over-the-road coaches which provided less space and comfort with slower travel time.
- Operating grants and contributions increased by 11%, while capital grants and contributions increased by 34%. The increase in operating grants and contributions reflects the shift in types of funding sources available and projects reimbursed including pass-through projects. The increase in capital grants and contributions reflects the partial completion of the Lewis Road project. The overall total of these two funding sources is an increase of approximately \$1.4 million.
- The total Transportation Development Act sales tax receipts for LTF and STA increased by 6% from the previous fiscal year. As the economy stabilized, the TDA revenues increased approximately \$2 million.
- Unrestricted investment earnings decreased \$43,227 due to lower account balances and continued low interest rates.

- Other miscellaneous revenues increased by \$198,908 due to a one-time gain on “sale of assets” of particulate traps that the previous transit contractor kept for their buses.
- Commuter Assistance activities increased by \$5,541 as a normal fluctuation in expenditures.
- General Government activities decreased from \$3,709,351 in Fiscal Year 2011/2012 to \$3,206,934 in Fiscal Year 2012/2013, largely due to the extinguishment of the CalPERS retirement side-fund in the previous fiscal year.
- Highway expenses decreased by 18%, or \$130,116, from \$727,464 in Fiscal Year 2011/2012 to \$597,348 in Fiscal Year 2012/2013, largely due to reduction in highway expenditures for the callboxes.
- Planning and Programming activities increased by 3%, or \$310,849. The majority of this increase occurred in the TDA Administration program due to the increase of passed-through LTF sales tax revenues.
- Rail activities increased by 46%, or just over \$1.1 million to \$3,557,084, largely due to increased operating costs of Metrolink and a one-time settlement on the Santa Paula Branch Line.
- Transit expenses increased by 9%, or just over \$2.3 million. The increase was largely due to the increased pass-through funding to local agencies for transit projects.

The graph below presents the program and general revenues by source for the Commission’s governmental activities for the years ending June 30, 2013 and 2012.



The following graph depicts program expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2013.

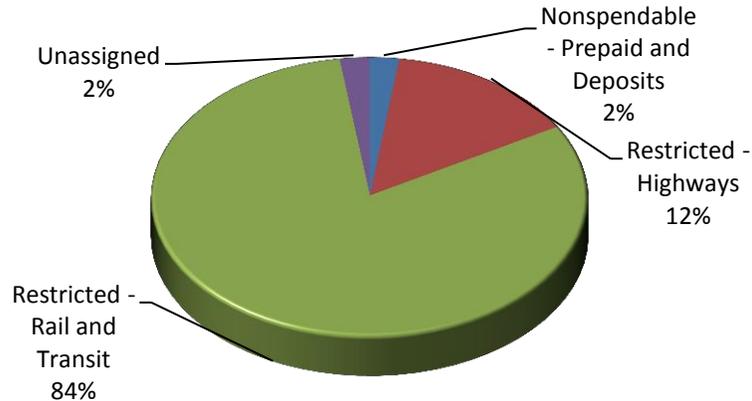


The following is a summary of the financial data related to the Statement of Activities for the fiscal years ended June 30, 2013 and 2012:

	Year Expiring June 30, 2013	Year Expiring June 30, 2012
Revenues:		
Program revenues:		
Charges for services	\$ 1,780,535	\$ 1,905,653
Operating grants and contributions	12,644,310	11,363,227
Capital grants and contributions	511,399	380,681
General revenues:		
Transportation development act sales taxes	34,608,784	32,518,069
Unrestricted investment earnings	38,516	81,743
Other miscellaneous revenue	215,023	16,115
Total revenues	<u>49,798,567</u>	<u>46,265,488</u>
Expenses:		
Commuter assistance	54,283	48,742
General government	3,206,934	3,709,351
Highways	597,348	727,464
Planning and programming	10,655,680	10,344,831
Rail	3,557,084	2,435,079
Transit and transportation	29,721,057	27,373,268
Total expenses	<u>47,792,386</u>	<u>44,638,735</u>
Change in net position	2,006,181	1,626,753
Net position at the beginning of year, restated (note 12)	77,114,279	70,918,926
Net position at end of year	<u>\$ 79,120,460</u>	<u>\$ 72,545,679</u>

Financial Analysis of the Commission's Funds

As of June 30, 2013, the Commission's governmental funds reported combined ending fund balances of \$28,918,327, an increase of \$7,521,477 from Fiscal Year 2011/2012 largely due to the fund balance restatement described in note 12. Of the approximate \$28.9 million fund balance, 96% is restricted for rail, transit and highways projects, 2% is nonspendable for prepaid items and deposits, with the remaining 2% is unassigned in the General Fund. The graph below depicts the fund balances as of June 30, 2013.



The following table presents the fund balances for the governmental funds for Fiscal Year 2013 and 2012:

Fund Balance	Fiscal Year 2012/2013	Fiscal Year 2011/2012	% of Change
General Fund	\$ 1,592,617	\$ 1,587,577	0%
Special Revenue funds:			
Local Transportation Fund	10,411,107	5,442,517	91%
State Transit Assistance Fund	13,403,280	11,137,704	20%
Service Authority for Freeway Emergency Fund	<u>3,511,323</u>	<u>3,229,052</u>	<u>9%</u>
Total Fund Balance	<u>\$28,918,327</u>	<u>\$21,396,850</u>	<u>35%</u>

Key elements for the Commission's governmental funds at June 30, 2013 are:

- The balance in the General Fund increased by \$5,040 in Fiscal Year 2012/2013. Of the \$1,592,617 fund balance, \$524,229 is nonspendable for prepaid items and deposits, \$524,229 is restricted for rail and transit, and \$544,159 is unassigned.
- The Local Transportation Fund balance increased by \$399,990 in Fiscal Year 2012/2013 due tax receipts coming in higher than anticipated and \$4,568,600 for the restatement described in note 12.
- The State Transit Assistance Fund increased by approximately \$2.2 million to \$13,403,280 in Fiscal Year 2012/2013 as revenues exceeded expenditures.
- The Service Authority for Freeway Emergency Fund increased by \$282,271 as revenues exceeded expenditures.

General Fund Budgetary Highlights

When the original budget is prepared, the exact carry-in balances of continuing projects are unknown and estimates are made. Amendments are made throughout the year to the budget to correct beginning balances, add new projects and adjust existing projects as needed. Differences between the original budget and the final amended budget for the General Fund resulted in approximately a \$1.7 million increase in appropriations and were largely related to the following changes:

- The General Government budget increased by \$81,509 largely due to increased insurance fees and salary costs for additional hours for an intern.
- The Planning program budget increased by \$231,500 largely due to the increase in Airport Land Use Commission budget for consultant costs associated with the Joint Land Use Study with the Naval Base Ventura County.
- The Rail program budget increased \$810,000 for consultant fees and a one-time settlement on the Santa Paula Branch Line.
- The Transit program increased by \$645,657 largely due to additional costs associated with the VISTA bus services. The contracted transit provider declared bankruptcy and abruptly discontinued service. While VCTC was able to provide a replacement contractor for services, urban transit vehicles were used instead of the over-the-road coaches that had slower travel time and required additional buses.
- Budgeted intergovernmental revenues increased by \$676,080 and transfers-in increased by \$1,042,552 due to the increased expenses noted above.

Variances between the General Fund's actual expenditures and the final amended budget can be briefly summarized in the following table:

General Fund Budgetary Variance	Fiscal Year 2012/2013 Final Budget	Fiscal Year 2012/2013 Actual	Variance
Revenues:			
Intergovernmental	\$19,456,847	\$12,404,878	-36%
Charges for services	1,809,966	1,780,535	-2%
Investment income	-	1,190	-%
Other revenue	-	486	-%
Total revenues	<u>21,266,813</u>	<u>14,187,089</u>	<u>-33%</u>
Expenditures:			
Current			
General government	4,087,196	3,204,917	22%
Programs	<u>23,083,442</u>	<u>15,655,616</u>	<u>32%</u>
Total expenditures	<u>27,170,638</u>	<u>18,860,533</u>	<u>31%</u>
Other financing sources:			
Transfers in	5,651,774	4,474,242	-21%
Sale of assets	-	204,242	-%
Total other financing sources	<u>5,651,774</u>	<u>4,678,484</u>	<u>-21%</u>
Net change in fund balance	<u>\$ (252,051)</u>	<u>\$ 5,040</u>	<u>-102%</u>

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

- The \$7,051,969 negative variance for intergovernmental revenues occurred because these revenues are on a reimbursement basis and are received as the projects are completed and invoiced to the respective agencies.
- The \$29,431 negative variance for charges for services was primarily due to lower than budgeted fare revenues on the VISTA bus service.
- The \$1,190 positive variance for investment income was due to investment income not being budgeted due to nominal interest rates.
- The \$486 positive variance for other revenue occurred because these revenues are not budgeted.
- The \$882,279 positive variance for general government was due to expenses being less than budgeted for general operations, professional/consultant services that were not needed, reductions in salary costs for leaves' of absence and community outreach expenditures that were postponed until next fiscal year.

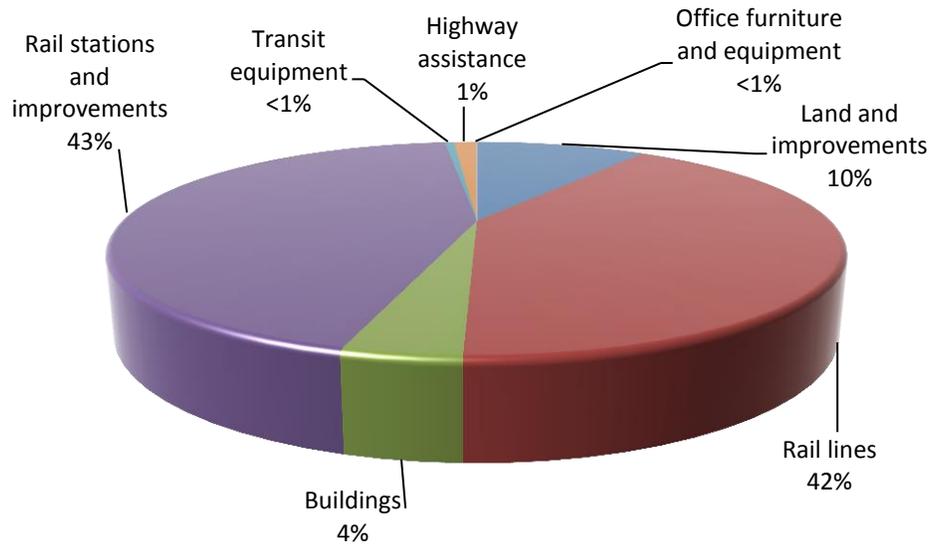
- The \$7.4 million positive variance for program expenditures was due to several factors:
 - In the Planning and Programming program, expenditures were approximately \$1.3 million less than budgeted due to delays in the Lewis Road project, pass-through funds and consultant expenditures that were carried-over into the next fiscal year.
 - In the Rail program, expenditures were \$1.2 million less than budgeted largely due to delays in the Metrolink capital projects and lower operation costs.
 - In the Transit and Transportation program, expenditures were \$4.8 million less than budgeted largely due to the pass-through expenditures (requests from other agencies) that were delayed.
 - Transfers in were approximately \$1.2 million less than budgeted largely because the projects utilizing STA fund transfers were carried-over into the next fiscal year.

Capital Assets

As of June 30, 2013, the Commission had \$50,338,553, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets decreased by 2% primarily due to depreciation costs and "sale" of transit assets for equipment the previous transit operator kept. Below is a comparative summary of the Commission's capital assets net of accumulated depreciation:

Capital Assets, net of accumulated depreciation	Balance as of June 30, 2013	Balance as of June 30, 2012
Land and improvements	\$ 4,964,826	\$ 4,964,826
Rail lines	20,920,307	20,920,307
Buildings	2,083,973	2,129,291
Rail stations and improvements	21,814,153	22,340,608
Transit equipment	25,210	266,531
Highway assistance	510,790	657,375
Office furniture and equipment	19,294	16,140
Total	<u>\$50,338,553</u>	<u>\$51,295,078</u>

Below is a graph depicting the capital investments as of June 30, 2013:



Major capital additions and deletions during Fiscal Year 2012/2013 include:

- The addition of Nextbus signs in the amount of \$15,600.
- The addition and replacement of office equipment in the amount of \$15,050.
- The removal of particulate traps for the buses net total of \$246,089.
- The removal of outdated fully depreciated office equipment totaling \$1,777.

More detailed information about the Commission's capital assets is presented in Note 3 to the financial statements.

Economic and Other Factors

In Fiscal Year 2012/2013 the unassigned fund balance increased approximately \$120,794 to \$544,159. Local Transportation Fund tax fund balance increased by \$4,968,590 due primarily to the restatement described in note 12 and the State Transit Assistance Fund balance increased by \$2.2 million. The SAFE fund balance increased by \$282,271.

Leading economic indicators remain mixed as the economy slowly grows. Uncertainty remains for both federal and state funding impacting the projects the Commission is able to undertake and the services it is able to provide to its constituents.

The current economic factors and recent Commission studies guided the preparation of the Commission's Draft budget for Fiscal Year 2013/2014 which was presented in April 2013. After receiving further guidance from the Commission, staff presented the Final Fiscal Year 2013/2014 Budget to the Commission which was adopted in June 2013.

This balanced budget includes approximately \$52.3 million in revenues which consist of \$12.3 million in federal revenues, \$29.1 million in LTF revenues, \$4.8 million in STA revenues, \$2.0 million in state revenues and \$4.1 million in local and other revenues. Expenditures are expected to be approximately \$17.9 million for transit and transportation, \$0.6 million for highways, \$3.9 million for rail, \$0.5 million for commuter assistance, \$31.5 million for planning and programming, and \$1.1 for general government. Within the planning and programs budget is the distribution of Local Transportation Funds for the local jurisdictions for bicycles and pedestrians, transit and local streets and roads budgeted of \$29.1 million.

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

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be addressed to the Finance Director, Ventura County Transportation Commission, 950 County Square Drive, Suite 207, Ventura, CA 93003.

BASIC FINANCIAL STATEMENTS

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VENTURA COUNTY TRANSPORTATION COMMISSION

Statement of Net Position

June 30, 2013

(With Comparative Totals for June 30, 2012)

	Governmental Activities	
	2013	2012
Assets:		
Cash and investments (note 2)	\$ 22,928,347	\$ 20,509,920
Receivables:		
Accounts	101,401	13,064
Interest	31,974	39,310
Intergovernmental	9,683,779	3,821,967
Prepaid items and deposits	524,229	819,593
Capital assets, undepreciated (note 3)	25,885,133	25,885,133
Capital assets, depreciated, net (note 3)	<u>24,453,420</u>	<u>25,409,945</u>
Total assets	<u>83,608,283</u>	<u>76,498,932</u>
Liabilities:		
Accounts payable	990,062	1,068,817
Due to other governmental agencies	2,150,393	1,582,763
Unearned revenue	1,210,548	1,155,024
Deposits	400	400
Noncurrent liabilities (note 5):		
Due within one year	100,000	100,000
Due beyond one year	<u>36,420</u>	<u>46,249</u>
Total liabilities	<u>4,487,823</u>	<u>3,953,253</u>
Net position:		
Net investment in capital assets	50,338,553	51,295,078
Restricted for:		
Rail and transit	24,338,616	16,580,221
Highways	3,511,323	3,229,052
Unrestricted	<u>931,968</u>	<u>1,441,328</u>
Total net position	<u>\$ 79,120,460</u>	<u>\$ 72,545,679</u>

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
Statement of Activities
Year Ended June 30, 2013
(With Comparative Totals For Year Ended June 30, 2012)

	Program Revenues				Net (Expenses) Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2013	2012
Governmental activities:						
Commuter assistance	\$ 54,283	\$ -	\$ 440,011	\$ -	\$ 385,728	\$ 360,281
General government	3,206,934	30,000	420,704	-	(2,756,230)	(3,186,490)
Highways	597,348	-	765,306	-	167,958	416,107
Planning and programming	10,655,680	-	751,296	511,399	(9,392,985)	(9,411,274)
Rail	3,557,084	331,041	50,670	-	(3,175,373)	(2,021,744)
Transit and transportation	<u>29,721,057</u>	<u>1,419,494</u>	<u>10,216,323</u>	<u>-</u>	<u>(18,085,240)</u>	<u>(17,146,054)</u>
Total governmental activities	<u>\$ 47,792,386</u>	<u>\$ 1,780,535</u>	<u>\$ 12,644,310</u>	<u>\$ 511,399</u>	<u>(32,856,142)</u>	<u>(30,989,174)</u>
General revenues:						
Transportation Development Act sales taxes					34,608,784	32,518,069
Unrestricted investment earnings					38,516	81,743
Other miscellaneous revenue					<u>215,023</u>	<u>16,115</u>
Total general revenues					<u>34,862,323</u>	<u>32,615,927</u>
Change in net position					2,006,181	1,626,753
Net position at beginning of year, restated (note 12)					<u>77,114,279</u>	<u>70,918,926</u>
Net position at end of year					<u>\$ 79,120,460</u>	<u>\$ 72,545,679</u>

See accompanying notes to the basic financial statements.

GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS:

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

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for specific revenues (other than trusts or major capital projects) that are legally restricted to expenditures for a particular purpose. The following special revenue funds have been classified as major funds:

Local Transportation Fund: This fund is used to account for the one-quarter percent of the state sales tax collected within the County under Transportation Development Act and is restricted for administration, planning and programming, bicycle and pedestrian projects, transit purposes (capital and operating) and streets and roads.

State Transit Assistance Fund: This fund is used to account for revenues from the State portion of sales tax on gasoline and is restricted for transit projects.

Service Authority for Freeway Emergencies Fund: This fund is used to account for the revenues received from the Department of Motor Vehicles user registration fees for the restricted purpose of implementing an emergency call box system for motorists using state highways.

VENTURA COUNTY TRANSPORTATION COMMISSION
Governmental Funds
Balance Sheet
June 30, 2013
(With Comparative Totals for June 30, 2012)

	Special Revenue Funds				Totals	
	General	Local Transportation	State Transit Assistance	SAFE	2013	2012
Assets:						
Cash and investments (note 2)	\$ 1,689,734	\$ 5,585,468	\$ 12,222,375	\$ 3,430,770	\$ 22,928,347	\$ 20,509,920
Receivables:						
Accounts receivables	101,401	-	-	-	101,401	13,064
Interest	2	10,139	17,679	4,154	31,974	39,310
Intergovernmental	3,448,224	4,815,500	1,290,012	130,043	9,683,779	3,821,967
Prepaid items and deposits	524,229	-	-	-	524,229	819,593
Due from other funds (note 4)	126,786	-	-	-	126,786	201,341
Total assets	<u>\$ 5,890,376</u>	<u>\$ 10,411,107</u>	<u>\$ 13,530,066</u>	<u>\$ 3,564,967</u>	<u>\$ 33,396,516</u>	<u>\$ 25,405,195</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 942,464	\$ -	\$ -	\$ 47,598	\$ 990,062	\$ 1,068,817
Due to other government agencies	2,144,347	-	-	6,046	2,150,393	1,582,763
Due to other funds (note 4)	-	-	126,786	-	126,786	201,341
Unearned revenue	1,210,548	-	-	-	1,210,548	1,155,024
Deposits	400	-	-	-	400	400
Total liabilities	<u>4,297,759</u>	<u>-</u>	<u>126,786</u>	<u>53,644</u>	<u>4,478,189</u>	<u>4,008,345</u>
Fund balances:						
Nonspendable - prepaids and deposits	524,229	-	-	-	524,229	819,593
Restricted for:						
Highways	-	-	-	3,511,323	3,511,323	3,229,052
Rail and transit	524,229	10,411,107	13,403,280	-	24,338,616	16,924,840
Unassigned	544,159	-	-	-	544,159	423,365
Total fund balances	<u>1,592,617</u>	<u>10,411,107</u>	<u>13,403,280</u>	<u>3,511,323</u>	<u>28,918,327</u>	<u>21,396,850</u>
Total liabilities and fund balances	<u>\$ 5,890,376</u>	<u>\$ 10,411,107</u>	<u>\$ 13,530,066</u>	<u>\$ 3,564,967</u>	<u>\$ 33,396,516</u>	<u>\$ 25,405,195</u>

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund balances of governmental funds **\$ 28,918,327**

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

Capital assets net of accumulated depreciation, are not financial resources and, therefore, are not included in the governmental fund activity:

Capital assets	59,332,387
Accumulated depreciation	(8,993,834)

Long-term liabilities are not due and payable in the current period and, therefore, are not included in the governmental fund activity:

Compensated absences	<u>(136,420)</u>
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Net position of governmental activities **\$ 79,120,460**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2013
(With Comparative Totals for Year Ended June 30, 2012)

	Special Revenue Funds				Totals	
	General	Local Transportation	State Transit Assistance	SAFE	2013	2012
Revenues:						
Sales taxes	\$ -	\$ 29,581,810	\$ 5,026,974	\$ -	\$ 34,608,784	\$ 32,518,069
Vehicle registration fees	-	-	-	744,145	744,145	769,635
Intergovernmental	12,404,878	-	-	2,500	12,407,378	10,961,169
Charges for services	1,780,535	-	-	-	1,780,535	1,905,653
Investment income	1,190	18,180	19,146	4,186	42,702	94,847
Other revenue	486	-	-	10,295	10,781	16,115
Total revenues	<u>14,187,089</u>	<u>29,599,990</u>	<u>5,046,120</u>	<u>761,126</u>	<u>49,594,325</u>	<u>46,265,488</u>
Expenditures:						
Current:						
General government:						
Salaries and benefits	2,305,362	-	-	-	2,305,362	2,294,161
General legal services	15,850	-	-	-	15,850	103,449
Professional services	192,754	15,000	-	-	207,754	207,359
Office lease	116,370	-	-	-	116,370	128,602
Other	574,581	-	-	-	574,581	958,010
Total general government	<u>3,204,917</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>3,219,917</u>	<u>3,691,581</u>
Programs:						
Commuter assistance	54,283	-	-	-	54,283	48,742
Highways	14,475	-	-	436,288	450,763	502,657
Planning and programming	941,490	9,714,190	-	-	10,655,680	10,344,831
Rail	2,985,311	-	-	-	2,985,311	1,909,076
Transit and transportation	11,660,057	17,819,679	-	-	29,479,736	27,287,232
Total programs	<u>15,655,616</u>	<u>27,533,869</u>	<u>-</u>	<u>436,288</u>	<u>43,625,773</u>	<u>40,092,538</u>
Total expenditures	<u>18,860,533</u>	<u>27,548,869</u>	<u>-</u>	<u>436,288</u>	<u>46,845,690</u>	<u>43,784,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,673,444)</u>	<u>2,051,121</u>	<u>5,046,120</u>	<u>324,838</u>	<u>2,748,635</u>	<u>2,481,369</u>
Other financing sources (uses):						
Transfers in (note 4)	4,474,242	-	-	-	4,474,242	3,610,158
Transfers out (note 4)	-	(1,651,131)	(2,780,544)	(42,567)	(4,474,242)	(3,610,158)
Sale of capital asset	204,242	-	-	-	204,242	-
Total other financing sources (uses)	<u>4,678,484</u>	<u>(1,651,131)</u>	<u>(2,780,544)</u>	<u>(42,567)</u>	<u>204,242</u>	<u>-</u>
Net change in fund balances	5,040	399,990	2,265,576	282,271	2,952,877	2,481,369
Fund balances, beginning of year, restated (note 12)	1,587,577	10,011,117	11,137,704	3,229,052	25,965,450	18,915,481
Fund balances, end of year	<u>\$ 1,592,617</u>	<u>\$ 10,411,107</u>	<u>\$ 13,403,280</u>	<u>\$ 3,511,323</u>	<u>\$ 28,918,327</u>	<u>\$ 21,396,850</u>

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2013

Net change in fund balances - total governmental funds **\$2,952,877**

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

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

Depreciation	(741,086)
Capital outlay, net of disposals	(215,439)

Compensated absences reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	9,829
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Change in net position of governmental activities **\$2,006,181**

See accompanying notes to the basic financial statements.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

Year ended June 30, 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

Financial Statement Presentation: The Commission's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Note 1. Summary of Significant Accounting Policies (Continued)

Financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the activities of the Commission. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. The Commission does not have any business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated).

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

Fund Financial Statements: The underlying accounting system of the Commission is organized and operated on the basis of separate 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, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

The Commission reports the following major governmental funds:

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Service Authority for Freeway Emergencies Fund: This special revenue fund is used to account for the revenues received from the Department of Motor Vehicles user registration fees for the restricted purpose of implementing and maintaining an emergency call box system and other projects to assist motorists.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Cash and Investments: The Commission maintains cash and investments in accordance with an investment policy adopted by the Board most recently approved on June 3, 2011. The investment policy complies with, or is more restrictive than, applicable state statutes.

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets: Capital assets consisting of tangible assets such as land and land improvements, construction in progress, rail lines, buildings, rail stations and rail improvements, equipment, and furniture and intangible assets such as easements and software are reported in governmental activities in the government-wide financial statements. Tangible capital assets are defined by the Commission as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Intangible capital assets are defined by the Commission as assets with an initial individual cost of more than \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value at the date of the contribution.

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

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

The Commission uses the straight-line method in the government-wide financial statements for depreciating buildings, rail stations, rail improvements, equipment and furniture. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective Statement of Net Position. The range of lives used for depreciation purposes for each capital asset class is as follows:

<u>Item</u>	<u>Useful Life</u>
Buildings	50 years
Rail stations	50 years
Rail improvements	15-50 years
Equipment and furniture	5-7 years

Compensated Absences: GASB Statement No. 16, *Accounting for Compensated Absences*, provides specific guidance on how leave liability should be calculated. The government’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability is reported in the government-wide financial statements within the General Fund as a liability. The employee’s entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. Vacation leave in governmental funds that is due and payable at year-end is reported as an expenditure and a liability of the General Fund. Earned vacation leave that is not currently due is reported as a long-term liability in the government-wide financial statements. Accumulated sick leave lapses when employees leave the employ of the government and, upon separation from service, and are not eligible for payment upon separation.

Long-Term Obligations: In the government-wide financial statements, long-term debt is reported as long-term liabilities in the governmental activities.

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred outflows/inflows of resources: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*, was issued in June 2011. This statement also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements-and-Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows or resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Commission has modified its financial statements to comply with this statement. Application of this statement is effective for the Commission's fiscal year ending June 30, 2013.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

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

Fund Balance: The Commission adopted a fund balance policy on June 3, 2011 as part of the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to identify the extent to which the commission is bound to honor constraints on the specific purposes for which amounts can be spent. Restricted fund balances include amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or by enabling legislation. Committed fund balances include amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action. Assigned fund balances include amounts that are intended by the government to be used for specific purposes, but are neither committed nor unassigned. The Commission has designated the authority to assign amounts used for specific purposes to the Executive Director and/or the Finance Director in the fund balance policy mentioned above. Unassigned fund balances include the residual funds for the General Fund and all amounts not contained in the other classifications. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use the most restricted resources first and then unrestricted resources in the following manner: committed, assigned and unassigned.

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position: In the government-wide financial statements, net position represents the difference between assets and liabilities and are classified into three categories:

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

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

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

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

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

Prior Year Data: Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's prior year financial statements, from which this selected financial data was derived.

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

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in December 2010. This statement is to improve financial reporting by addressing issues related to service concession arrangements. This statement was effective July 1, 2012, and the Commission has determined that this statement did not have a material impact on the financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, was issued in December 2010. The objective of this statement is to improve financial reporting for governmental financial reporting entities. This statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. The statement was effective July 1, 2012 and was implemented by the Commission this fiscal year.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued in June 2011. The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is include in FASB and AICPA pronouncements issued on or before November 30, 1989 which does not conflice with our contradict GASB pronouncements. This statement was effective July 1, 2012 and was implemented by the Commission this fiscal year.

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was issued in March 2012. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012 and was implemented this fiscal year.

GASB Statement No. 66, *Technical Corrections*, was issued in March 2012 and is an amendment of GASB Statement No. 10 and No. 62. This statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement is effective for financial statements beginning after December 15, 2012. The Commission has not determined the effect of this statement.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued in June 2012 and is an amendment of GASB Statement No. 25. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement is effective June 30, 2014. The Commission has not determined the effect of this statement.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued in June 2012 and is an amendment of GASB Statement No. 27. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The Commission has not determined the effect of this statement.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*,. Was issued in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement is effective for periods beginning after December 31, 2013. The Commission has not determined the effect of this statement.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued in April 2013. This Statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The Commission has not determined the effect of this statement.

Note 2. Cash and Investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Cash and investments	\$22,928,347
Total cash and investments	<u>\$22,928,347</u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 50
Deposits with financial institutions	2,076,706
Investments (County Pooled Investment Fund)	<u>20,851,591</u>
Total cash and investments	<u>\$22,928,347</u>

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

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker’s Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Fund	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

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.

Note 2. Cash and Investments (Continued)

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission’s investments by maturity as of June 30, 2013:

Investment Type	Total	Remaining Maturity - 12 Months or Less
County pooled investment fund	<u>\$20,851,591</u>	<u>\$20,851,591</u>
Total	<u>\$20,851,591</u>	<u>\$20,851,591</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 a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Commission’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type as of June 30, 2013.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAA
County pooled investment fund	<u>\$20,851,591</u>	None	<u>\$20,851,591</u>
Total	<u>\$20,851,591</u>		<u>\$20,851,591</u>

Concentration of Credit Risk: As of June 30, 2013, the Commission did not have any investments in any one issuer (other than the Ventura County investment pool) that represented 5% or more of its total investment portfolio. Information pertaining to the interest rate risk, credit risk, custodial credit risk and concentration of credit risk related to the Ventura County pooled investments can be obtained from the County of Ventura’s CAFR at www.countyofventura.org.

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

The Commission has deposits with financial institutions that are swept daily into a money market account. The first \$250,000 of the deposit balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the name of the Commission.

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2013 as follows:

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets not being depreciated:				
Land and improvements	\$ 4,964,826	\$ -	\$ -	\$ 4,964,826
Rail lines	<u>20,920,307</u>	<u>-</u>	<u>-</u>	<u>20,920,307</u>
Total capital assets not being depreciated	<u>25,885,133</u>	<u>-</u>	<u>-</u>	<u>25,885,133</u>
Capital assets being depreciated:				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	26,083,342	-	-	26,083,342
Transit equipment	691,980	15,600	(392,150)	315,430
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	<u>199,043</u>	<u>15,050</u>	<u>(1,777)</u>	<u>212,316</u>
Total capital assets being depreciated	<u>33,810,531</u>	<u>30,650</u>	<u>(393,927)</u>	<u>33,447,254</u>
Less accumulated depreciation:				
Buildings	(136,624)	(45,318)	-	(181,942)
Rail stations and improvements	(3,742,734)	(526,455)	-	(4,269,189)
Transit equipment	(425,449)	(10,832)	146,061	(290,220)
Highway assistance	(3,912,876)	(146,585)	-	(4,059,461)
Office furniture and equipment	<u>(182,903)</u>	<u>(11,896)</u>	<u>1,777</u>	<u>(193,022)</u>
Total accumulated depreciation	<u>(8,400,586)</u>	<u>(741,086)</u>	<u>147,838</u>	<u>(8,993,834)</u>
Total capital assets being depreciated, net	<u>25,409,945</u>	<u>(710,436)</u>	<u>(246,089)</u>	<u>24,453,420</u>
Capital assets, net	<u>\$51,295,078</u>	<u>\$(710,436)</u>	<u>\$(246,089)</u>	<u>\$50,338,553</u>

In Fiscal Year 2012/2013, depreciation expense was charged to functions as follows:

General government	\$ 11,896
Highways	146,585
Rail	571,773
Transit	<u>10,832</u>
Total	<u>\$741,086</u>

Note 4. Interfund Transactions

Due From/Due To Other Funds: The composition of balances related to due from other funds and due to other funds at June 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance - Special Revenue Fund	<u>\$126,786</u>
	Total	<u>\$126,786</u>

The amount due to the General Fund of \$126,786 represents a temporary timing difference between when transactions are recorded in the accounting system and when payments to the General Fund were made.

Interfund Transfers: Interfund transfers consisted of the following for the year ended June 30, 2013:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund (LTF) - Special Revenue Fund	\$1,651,131
General Fund	State Transit Assistance (STA) - Special Revenue Fund	2,780,544
General Fund	Service Authority for Freeway Emergencies (SAFE) - Special Revenue Fund	<u>42,567</u>
	Total	<u>\$4,474,242</u>

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

The Commission is responsible for apportioning the Local Transportation Funds for the County of Ventura for transportation purposes. The General Fund is eligible to receive LTF revenues for transportation related administrative costs, 2% of the total apportionment for transportation planning purposes and commuter rail costs. In Fiscal Year 2012/2013, the Commission apportioned \$1,651,131 as a fund transfer for these purposes. The Commission approved a transfer of \$3,938,568 in STA funds, but the funds were not expended and thus not transferred. The Commission approved \$62,075 in SAFE for transit activities provided in the General Fund, but the funds were not expended and thus not transferred.

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

Governmental activities:

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013	Amount Due in One Year	Amount Due Beyond One Year
Compensated Absences	\$146,249	\$103,063	\$(112,892)	\$136,420	\$100,000	\$36,420
Total	\$146,249	\$103,063	\$(112,892)	\$136,420	\$100,000	\$36,420

Compensated Absences: The Commission’s policy relating to employee leave benefits is described in Note 1, Compensated Absences. The liability of \$136,420 will be paid in future years from future resources from the General Fund.

Note 6. Operating Leases

On June 5, 2013, the Commission entered into an agreement to lease office space. The term of the lease is for a period of one year expiring on June 30, 2014. Total rental expenditures for the fiscal year ended June 30, 2013 were \$111,600. The total minimum rental commitment for office space is due as follows:

Ending	Amount
June 30, 2014	\$136,800
Total	\$136,800

Note 7. Pension Plan

Plan Description: The Commission contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. The cost sharing multiple-employer plan is a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer.

CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by CalPERS. Copies of CalPERS’ annual financial report may be obtained from their executive office: 400 “Q” Street, Sacramento, California 95811 or at their website at www.calpers.ca.gov.

Note 7. Pension Plan (Continued)

All permanent Commission employees are eligible to participate in CalPERS. Classic employees attaining the age of 60 with five years of CalPERS service are eligible for normal retirement and are entitled to a monthly benefit of 2.0% of their final compensation for each year of service. New employees attaining the age of 62 with five years of CalPERS service are eligible for normal retirement and are entitled to a monthly benefit of 2.0% of their final compensation for each year of service. Final compensation is defined as the highest annual salary earned. Retirement may begin at age 50 for classic and 52 for new with a reduced benefit rate. The plan also credits employees for unused sick leave. Upon separation from the plan prior to retirement, member's accumulated contributions are refundable with interest credited through the date of separation.

Contributions: Participants are required to contribute 7% (classic members) or 6.25% (new members) of their annual covered salary. The Commission makes the contributions required for classic employees on their behalf and for their account. The Commission is required to contribute at an actuarially determined rate calculated as a percentage of payroll. Benefit provisions and all other requirements are established and may be amended by state statute and the Board of Commissioners.

Annual Pension Cost: For each of the fiscal years shown below, the Commission has contributed at the actuarially determined rate provided by CalPERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The ARC for the period July 1, 2012 to June 30, 2013 has been determined by an actuarial valuation of the plan as of June 30, 2011. The Commission's covered payroll for CalPERS was \$1,470,121 for the year ended June 30, 2013, while the Commission's total payroll for all employees was \$1,486,724 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2013, the contribution rate is multiplied by the payroll of covered employees that were actually paid during the period from July 1, 2012 to June 30, 2013.

**Three-Year Trend Information
Annual Pension Cost**

Fiscal Year	Employer Contribution Rate	Annual Pension Cost (Employer Contribution)	Percentage of Annual Pension Cost Contributed
6/30/2013	8.311% and 6.25%	\$120,073	100%
6/30/2012	8.197%	\$120,184	100%
6/30/2011	10.007%	\$148,282	100%

There are two rates for Fiscal Year 2013 because VCTC has a two-tiered retirement system with the implementation of Pension reform.

Note 8. Postemployment Benefit Plan

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes uniform financial reporting standards for state and local government employers providing postemployment benefits (OPEB). This statement requires governmental entities account for such benefits on an accrual basis.

Plan Description: The Commission administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees. To be eligible, retirees must be at least 50 years old for classic members or 52 years old for new members and be vested with at least 5 years of California Public Employees Retirement System (CalPERS) service.

Commission's Funding Policy: The contribution requirements of the Commission were established per a Board Resolution dated September 1, 1985 and later amended on May 14, 2010 when the Commission adopted a Health Reimbursement Arrangement (HRA) that modified VCTC's post-employment health benefits for its retirees effective August 1, 2010. The modifications included reducing the Commission's required CalPERS retiree health care contribution to the minimum amount required by CalPERS health rules adjusted for inflation each year (currently \$115 per month). For employee/retirees hired after July 1, 2010, the contribution will be the minimum required contribution. For "Grandfathered" employees/retirees hired before July 1, 2010, the Health Reimbursement Arrangement will supplement the retiree health care contribution up to the entire cost of the health benefit (currently up to an additional \$1,110) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to \$370 per month) for health coverage. As of June 30, 2013, the Commission had six "Grandfathered" retirees that were receiving OPEB benefits. "Grandfathered" Plan members are not required to contribute to the plan. Employees hired after July 1, 2010 will only receive the minimum contribution required by CalPERS health rules.

The Commission's contribution may be amended by the Board of Commissioners. The contribution required to be made is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded liabilities of the plan. For Fiscal Year 2012/2013, the Commission contributed \$147,000 to the plan, including \$46,811 for current premiums and HRA payments (100% of total premiums).

The Commission established an irrevocable trust in May 2009 that is administered by CalPERS on behalf of the Commission for the purpose of holding assets accumulated for plan benefits. It is the Commission's policy to contribute 100% of the Annual Required Contribution. Accordingly, the Commission's contributions to this trust have been accounted for as reductions of the Commission's liability for its obligation. CalPERS publishes a separate financial statement conforming to GASB Statement No. 43 in separately issued financial statements for the CalPERS OPEB Trust. Copies of the CalPERS annual financial reports for its OPEB Trust may be obtained from its executive office at 400 Q Street, Sacramento, California 95811 or its website at www.calpers.ca.gov.

Note 8. Postemployment Benefit Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation - The Commission's annual other postemployment benefit (OPEB) costs (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation for these benefits:

Annual required contribution	\$ 147,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	147,000
Contributions made (including premiums paid)	<u>(147,000)</u>
Increase in net OPEB obligation	-
Net OPEB obligation—beginning of year	<u>-</u>
Net OPEB obligation—end of year	<u><u>\$ -</u></u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year Ended June 30	OPEB Annual Required Contribution (ARC)	Percentage of OPEB ARC Contributed	Net OPEB Obligation
2011	\$138,000	100%	\$-
2012	\$142,000	100%	\$-
2013	\$147,000	100%	\$-

Funded Status and Funding Progress: The funded status of the plan as of the June 30, 2011 valuation (most current valuation) was:

Actuarial accrued liability (AAL)	\$1,357,000
Actuarial value of plan assets	<u>334,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$1,023,000</u>
Funded ratio (actuarial value of plan assets/AAL)	24.6%
Covered payroll (active plan members)	\$1,740,000
UAAL as a percentage of covered payroll	58.79%

Note 8. Postemployment Benefit Plan (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of employer costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.25 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate for non-Medicare eligible health maintenance organization (HMO) and preferred provider organization (PPO) premiums were initially 9.0%; Medicare eligible HMO and PPO premiums were initially 9.0%. The trend rate was reduced by decrements to an ultimate rate of 5.0% after ten years. Both rates included a 3% inflation assumption. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level of percentage of projected payroll on a closed basis over 30 years. The remaining amortization period is 25 years. It is assumed the Commission's payroll will increase 3.25% per year.

Note 9. Joint Ventures

The Commission is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority created in June 1992. The SCRRA's board consists of one member from the Ventura County Transportation Commission; two each from the Orange County Transportation Authority, the San Bernardino Associated Governments, and the Riverside County Transportation Commission; and four members from the Los Angeles County Metropolitan Transportation Authority. The SCRRA is responsible for implementing and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of SCRRA, the Commission makes capital and operating contributions for VCTC's pro rata share of rail lines servicing the County. The Commission expended \$1,715,595 from the budget during Fiscal Year 2012/2013 for its share of Metrolink capital and operating costs. Additional funding is programmed directly to SCRRA and is not reflected in VCTC's financial statements. Separate financial statements are prepared by and available from SCRRA, which is located at 1 Gateway Plaza 12th Floor, Los Angeles, California 90012 or its website at www.metrolinktrains.com.

Note 9. Joint Ventures (Continued)

The Commission is one of eight members of the Los Angeles-San Diego-San Luis Obispo (LOSSAN), a joint powers agency created in 2002. The LOSSAN's board consists of two members from the Los Angeles County Metropolitan Transportation Authority, two members from the Orange County Transportation Authority, one member from the San Diego Metropolitan Transit System, one member from the North County Transit District, one member from the San Diego Association of Governments, one member from the Ventura County Transportation Commission, one member from the Santa Barbara County Association of Governments, one member from San Luis Obispo Council of Governments, one Caltrans Director or designee, one member from the Southern California Association of Governments, one member of the National Railroad Passenger Corporation (Amtrak), one member from the California High-Speed Rail Authority, and one member from the Riverside County Transportation Commission. The LOSSAN agency provides local input to the State Division of Rail on LOSSAN intercity passenger rail operations. As a member of LOSSAN, the Commission works with other counties and SCRRA on efforts to better integrate commuter and Amtrak intercity services within the LOSSAN corridor. The Commission paid \$8,000 in dues. Separate financial statements are prepared by and available from LOSSAN, which is located at 401 B. Street, Suite 800, San Diego, CA 92101 or its website at www.lossan.org.

The Commission is one of eight members of the California Vanpool Authority (CalVans), a joint powers agency created in 2011. The CalVan's board consists of one voting member and one alternate each from the member agencies: Association of Monterey Bay Area Government, Fresno Council of Governments, King County Association of Governments, Madera County Transportation Commission, Tulare County Association of Governments, Sacramento Area Council of Governments, Santa Barbara County Association of Governments and Ventura County Transportation Commission. The CalVans agency operates vanpools to promote ridesharing to work or college. As a member of CalVans, the Commission works with other counties to improve ridesharing/vanpooling efforts in their communities. The Commission paid \$0 in dues. Separate financial statements are prepared by and available from CalVans, which is located at 1340 North Drive, Hanford, CA 93230 or its website at www.calvans.org.

Note 10. Risk Management

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

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

Note 10. Risk Management (Continued)

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$15,000,000. The Commission’s worker’s compensation insurance is covered through State Compensation Insurance Fund. The Commission does not have a liability at June 30, 2013 for unpaid claims. Settled claims have not exceeded insurance coverage limits in any of the previous three fiscal years.

Note 11. Contingencies

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

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

Note 12. Restatement

The Commission receives Local Transportation Fund (LTF) funds generated by the one-quarter cent sales tax collected within the County under TDA. The State Board of Equalization collects the LTF funds and remits them to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. In prior fiscal years, the Commission reported the receipts on a cash basis (when received) instead of an accrual basis. As a result of Governmental Accounting Standards Board (GASB) Statement No. 33, *Financial Reporting for Nonexchange Transactions*, sales tax revenues are required to be accrued for the period in which it is collected at the point of sale; therefore, the Commission has restated the beginning net position in the government-wide Statement of Net Position as well as in the beginning fund balance in the governmental funds Balance Sheet, effectively increasing net position as of July 1, 2012 by \$4,568,600. The increase results from accruing the May and June sales tax receipts. The following tables indicates the performa of the restatement:

	As Previously Reported Fiscal Year 2011/2012	Restatement	Restated Fiscal Year 2011/2012
Due from other government	\$ -	\$4,568,600	\$4,568,600
LTF sales tax	27,679,989	310,700	27,990,689
LTF fund balance	5,442,517	4,568,600	10,011,117
Net position	72,545,679	4,568,600	77,114,279

Note 13. Disbursements to Local Agencies

The LTF accounts for the one-quarter percent state sales tax collected within the County. The funds can be used for various programs, including: administration, planning and programming for the Transportation Development Act, bicycle and pedestrian projects; commuter rail; streets and roads; and transit operations. The Commission’s governing board approves an annual allocation which includes funding for local agencies to spend in accordance with the TDA guidelines. During the fiscal year ended June 30, 2013, the Commission distributed \$27,533,869 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2012/2013
City of Camarillo	\$ -	\$ 53,271	\$2,150,547	\$ 2,203,818
City of Fillmore	457,424	4,580	33,037	495,041
City of Moorpark	390,000	101,309	737,817	1,229,126
City of Ojai	244,016	1,963	-	245,979
City of Oxnard	6,489,500	95,867	-	6,585,367
City of Port Hueneme	339,500	14,580	362,657	716,737
City of San Buenaventura	3,270,501	121,591	200,000	3,592,092
City of Santa Paula	490,699	2,617	477,010	970,326
City of Simi Valley	-	83,505	4,058,310	4,141,815
City of Thousand Oaks	3,377,576	1,309	768,626	4,147,511
County of Ventura	<u>2,201,786</u>	<u>78,085</u>	<u>926,186</u>	<u>3,206,057</u>
Total allocations	<u>\$17,261,002</u>	<u>\$558,677</u>	<u>\$9,714,190</u>	<u>\$27,533,869</u>

REQUIRED SUPPLEMENTARY INFORMATION

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VENTURA COUNTY TRANSPORTATION COMMISSION

Required Supplementary Information

Year ended June 30, 2013

GENERAL FUND

The General Fund has been classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds. The budget-actual comparison for this fund has been presented in the accompanying financial statements as Required Supplementary Information:

Local Transportation Fund: This special revenue fund is used to account for the one-quarter percent of the state sales tax collected within the County under Transportation Development Act and is restricted for administration, planning and programming, bicycle and pedestrian projects, transit purposes (capital and operating) and streets and roads.

State Transit Assistance Fund: This fund is used to account for revenues from the state portion of sales tax on gasoline and is restricted for transit projects.

Service Authority for Freeway Emergencies Fund: This fund is used to account for the revenues received from the Department of Motor Vehicles user registration fees for the restricted purpose of implementing an emergency call box system for motorists on state highways.

VENTURA COUNTY TRANSPORTATION COMMISSION
General Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2013
 (With Comparative Totals For Year Ended June 30, 2012)

	Fiscal Year 2012/2013		Fiscal Year 2012/2013 Actual	Variance with Final Budget Positive (Negative)	Fiscal Year 2011/2012 Actual
	Original	<u>Budgeted Amounts</u> Final			
Revenues:					
Intergovernmental	\$18,780,767	\$19,456,847	\$12,404,878	\$ (7,051,969)	\$10,951,169
Charges for services	1,809,966	1,809,966	1,780,535	(29,431)	1,905,653
Investment income	-	-	1,190	1,190	1,609
Other revenue	-	-	486	486	557
Total revenues	<u>20,590,733</u>	<u>21,266,813</u>	<u>14,187,089</u>	<u>(7,079,724)</u>	<u>12,858,988</u>
Expenditures:					
Current:					
General government:					
Salaries and benefits	2,434,700	2,474,719	2,305,362	169,357	2,294,161
General legal services	38,700	38,700	15,850	22,850	103,449
Professional services	303,200	303,200	192,754	110,446	192,359
Office lease	137,865	137,865	116,370	21,495	128,602
Other	<u>1,091,222</u>	<u>1,132,712</u>	<u>574,581</u>	<u>558,131</u>	<u>958,010</u>
Total general government	<u>4,005,687</u>	<u>4,087,196</u>	<u>3,204,917</u>	<u>882,279</u>	<u>3,676,581</u>
Programs:					
Commuter assistance	92,100	92,100	54,283	37,817	48,742
Highways	30,000	30,000	14,475	15,525	5,175
Planning and programming	2,046,753	2,278,253	941,490	1,336,763	1,020,342
Rail	3,374,772	4,184,772	2,985,311	1,199,461	1,909,076
Transit and transportation	<u>15,852,660</u>	<u>16,498,317</u>	<u>11,660,057</u>	<u>4,838,260</u>	<u>10,145,003</u>
Total programs	<u>21,396,285</u>	<u>23,083,442</u>	<u>15,655,616</u>	<u>7,427,826</u>	<u>13,128,338</u>
Total expenditures	<u>25,401,972</u>	<u>27,170,638</u>	<u>18,860,533</u>	<u>8,310,105</u>	<u>16,804,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,811,239)</u>	<u>(5,903,825)</u>	<u>(4,673,444)</u>	<u>1,230,381</u>	<u>(3,945,931)</u>
Other financing sources (uses):					
Transfers in	4,609,222	5,651,774	4,474,242	(1,177,532)	3,610,158
Sale of asset	-	-	204,242	204,242	-
Total other financing sources (uses)	<u>4,609,222</u>	<u>5,651,774</u>	<u>4,678,484</u>	<u>(973,290)</u>	<u>3,610,158</u>
Net change in fund balances	(202,017)	(252,051)	5,040	257,091	(335,773)
Fund balances, beginning of year	<u>262,017</u>	<u>1,587,577</u>	<u>1,587,577</u>	-	<u>1,923,350</u>
Fund balances, end of year	<u>\$ 60,000</u>	<u>\$ 1,335,526</u>	<u>\$ 1,592,617</u>	<u>\$ 257,091</u>	<u>\$ 1,587,577</u>

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Special Revenue Fund
Local Transportation Fund
Budgetary Comparison Schedule
Year Ended June 30, 2013
(With Comparative Totals For Year Ended June 30, 2012)

	Fiscal Year 2012/2013		Fiscal Year 2012/2013	Variances with Final Budget Positive (Negative)	Fiscal Year 2011/2012 Actual
	Budgeted Amounts				
	Original	Final	Actual		
Revenues:					
Sales taxes	\$27,100,000	\$27,100,000	\$29,581,810	\$ 2,481,810	\$27,679,989
Investment income	<u>60,000</u>	<u>60,000</u>	<u>18,180</u>	<u>(41,820)</u>	<u>38,051</u>
Total revenues	<u>27,160,000</u>	<u>27,160,000</u>	<u>29,599,990</u>	<u>2,439,990</u>	<u>27,718,040</u>
Expenditures:					
Current:					
General government:					
Professional services	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total general government	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Programs:					
Planning and programming	27,533,869	27,533,869	9,714,190	17,819,679	9,324,489
Transit and transportation	<u>-</u>	<u>-</u>	<u>17,819,679</u>	<u>(17,819,679)</u>	<u>17,142,229</u>
Total programs	<u>27,533,869</u>	<u>27,533,869</u>	<u>27,533,869</u>	<u>-</u>	<u>26,466,718</u>
Total expenditures	<u>27,548,869</u>	<u>27,548,869</u>	<u>27,548,869</u>	<u>-</u>	<u>26,481,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(388,869)</u>	<u>(388,869)</u>	<u>2,051,121</u>	<u>2,439,990</u>	<u>1,236,322</u>
Other financing sources (uses):					
Transfer out	<u>1,651,131</u>	<u>1,651,131</u>	<u>(1,651,131)</u>	<u>(3,302,262)</u>	<u>(1,828,282)</u>
Total financing sources (uses)	<u>1,651,131</u>	<u>1,651,131</u>	<u>(1,651,131)</u>	<u>(3,302,262)</u>	<u>(1,828,282)</u>
Net change in fund balances	1,262,262	1,262,262	399,990	(862,272)	(591,960)
Fund balances, beginning of year, restated (note 12)	<u>4,824,477</u>	<u>5,442,517</u>	<u>10,011,117</u>	<u>4,568,600</u>	<u>6,034,477</u>
Fund balances, end of year	<u>\$ 6,086,739</u>	<u>\$ 6,704,779</u>	<u>\$10,411,107</u>	<u>\$ 3,706,328</u>	<u>\$5,442,517</u>

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Special Revenue Fund
State Transit Assistance Fund
Budgetary Comparison Schedule
Year Ended June 30, 2013
(With Comparative Totals For Year Ended June 30, 2012)

	Fiscal Year 2012/2013 Budgeted Amounts		Fiscal Year 2012/2013	Variances with Final Budget Positive (Negative)	Fiscal Year 2011/2012
	Original	Final	Actual		Actual
Revenues:					
Sales taxes	\$ 5,123,202	\$ 5,123,202	\$ 5,026,974	\$ (96,228)	\$ 4,838,080
Investment income	60,000	60,000	19,146	(40,854)	42,083
Other Revenue	-	-	-	-	13,598
Total revenues	<u>5,183,202</u>	<u>5,183,202</u>	<u>5,046,120</u>	<u>(137,082)</u>	<u>4,893,761</u>
Expenditures:					
Current:					
Programs:					
Transit and transportation	-	-	-	-	-
Total programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,183,202</u>	<u>5,183,202</u>	<u>5,046,120</u>	<u>(137,082)</u>	<u>4,893,761</u>
Other financing sources (uses):					
Transfer out	<u>(2,896,291)</u>	<u>(3,938,568)</u>	<u>(2,780,544)</u>	<u>1,158,024</u>	<u>(1,706,895)</u>
Total financing sources (uses)	<u>(2,896,291)</u>	<u>(3,938,568)</u>	<u>(2,780,544)</u>	<u>1,158,024</u>	<u>(1,706,895)</u>
Net change in fund balances	2,286,911	1,244,634	2,265,576	1,020,942	3,186,866
Fund balances, beginning of year	<u>10,676,672</u>	<u>11,137,704</u>	<u>11,137,704</u>	-	<u>7,950,838</u>
Fund balances, end of year	<u>\$12,963,583</u>	<u>\$12,382,338</u>	<u>\$13,403,280</u>	<u>\$ 1,020,942</u>	<u>\$11,137,704</u>

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Special Revenue Fund
Service Authority for Freeway Emergencies Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2013
 (With Comparative Totals For Year Ended June 30, 2012)

	Fiscal Year 2012/2013		Fiscal Year 2012/2013 Actual	Variances with Final Budget Positive (Negative)	Fiscal Year 2011/2012 Actual
	Budgeted Amounts				
	Original	Final			
Revenues:					
Vehicle registration fees	\$ 710,000	\$ 710,000	\$ 744,145	\$ 34,145	\$ 769,635
Intergovernmental	-	10,000	2,500	(7,500)	10,000
Investment income	-	-	4,186	4,186	13,104
Other revenue	20,000	20,000	10,295	(9,705)	1,960
Total revenues	730,000	740,000	761,126	21,126	794,699
Expenditures:					
Current:					
Programs:					
Highways	578,000	578,000	436,288	141,712	497,482
Total programs	578,000	578,000	436,288	141,712	497,482
Total expenditures	578,000	578,000	436,288	141,712	497,482
Excess (deficiency) of revenues over (under) expenditures	152,000	162,000	324,838	162,838	297,217
Other financing sources (uses):					
Transfer out	(61,800)	(62,075)	(42,567)	19,508	(74,981)
Total financing sources (uses)	(61,800)	(62,075)	(42,567)	19,508	(74,981)
Net change in fund balances	90,200	99,925	282,271	182,346	222,236
Fund balances, beginning of year	3,127,516	3,229,052	3,229,052	-	3,006,816
Fund balances, end of year	\$3,217,716	\$3,328,977	\$3,511,323	\$ 182,346	\$3,229,052

See accompanying notes to the required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
 Schedule of Funding Progress for Other Postemployment Benefits
 As of June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 950,000	\$ 950,000	0.0%	\$1,548,000	61.40%
6/30/2010	\$199,000	\$1,215,000	\$1,016,000	16.4%	\$1,631,000	62.29%
6/30/2011	\$334,000	\$1,357,000	\$1,023,000	24.6%	\$1,740,000	58.79%

See accompanying notes to required supplementary information.

VENTURA COUNTY TRANSPORTATION COMMISSION
Notes to Required Supplementary Information
Year Ended June 30, 2013

Note 1. Budgetary Data

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

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

A preliminary budget document is prepared by Commission staff and first presented to the Commission's Finance Committee for review and approval. Once approved, the budget is presented to the Board of Commissioners for adoption. After the budget is adopted, staff has the on-going responsibility to monitor actual revenues and expenditures of the budget. Management has the discretion to transfer budgeted amounts that do not result in an increase in the overall program budget. Amendments that result in an increase to the total expenditures for a program would require Commission approval and would be brought to the Commission in a formal agenda item.

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

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

Note 2. Schedule of Funding Progress for Other Postemployment Benefit Plan

The Schedules of Funding Progress for Other Postemployment Benefits shows the Commission's actuarial value of assets, accrued liabilities, and their relationship of the unfunded actuarial accrued liability (UAAL) to payroll for the Miscellaneous Plan in accordance with GASB Statement No. 45.

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STATISTICAL SECTION

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

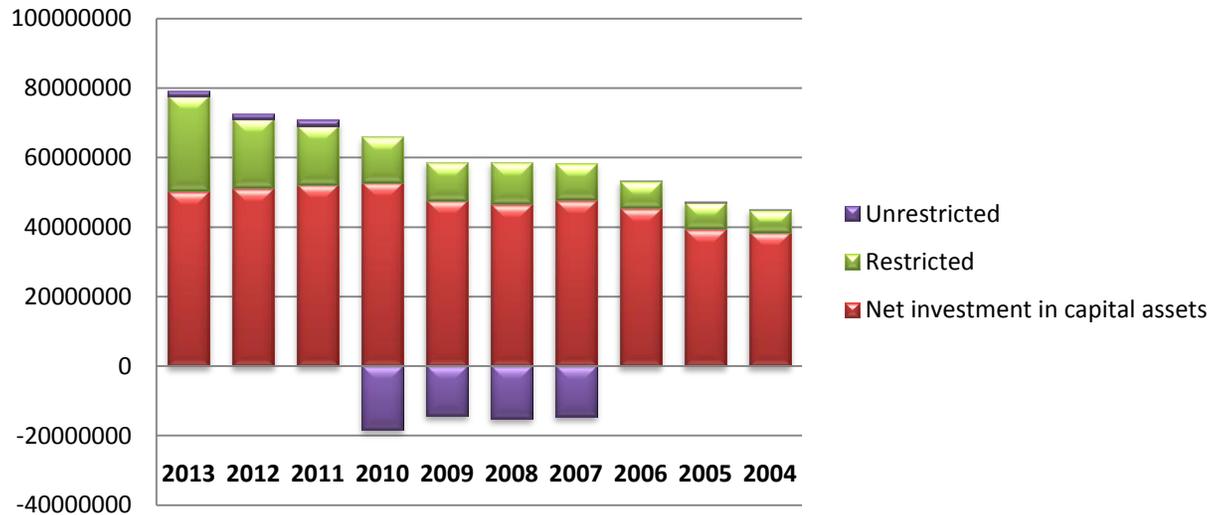
<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	54
Revenue Capacity These schedules contain information to help the reader assess the Commission's most significant local revenue source, sales tax.	59
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.	63
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	65

Ventura County Transportation Commission
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	<u>Fiscal Year</u>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Net investment in capital assets	\$50,338,553	\$51,295,078	\$52,146,346	\$52,788,888	\$47,625,208	\$46,633,276	\$47,769,480	\$45,458,175	\$39,500,022	\$38,439,242
Restricted	27,325,710	19,809,273	16,992,131	13,134,570	11,053,667	11,960,588	10,618,995	7,748,594	7,604,986	6,469,578
Unrestricted	<u>1,456,197</u>	<u>1,441,328</u>	<u>1,780,449</u>	<u>(18,332,776)</u>	<u>(14,339,223)</u>	<u>(15,077,173)</u>	<u>(14,472,601)</u>	<u>160,828</u>	<u>207,040</u>	<u>193,157</u>
Total governmental activities net position	<u>\$79,120,460</u>	<u>\$72,545,679</u>	<u>\$70,918,926</u>	<u>\$47,590,682</u>	<u>\$44,339,652</u>	<u>\$43,516,691</u>	<u>\$43,915,874</u>	<u>\$53,367,597</u>	<u>\$47,312,048</u>	<u>\$45,101,977</u>

Source: Commission Finance Department

Net Position by Component



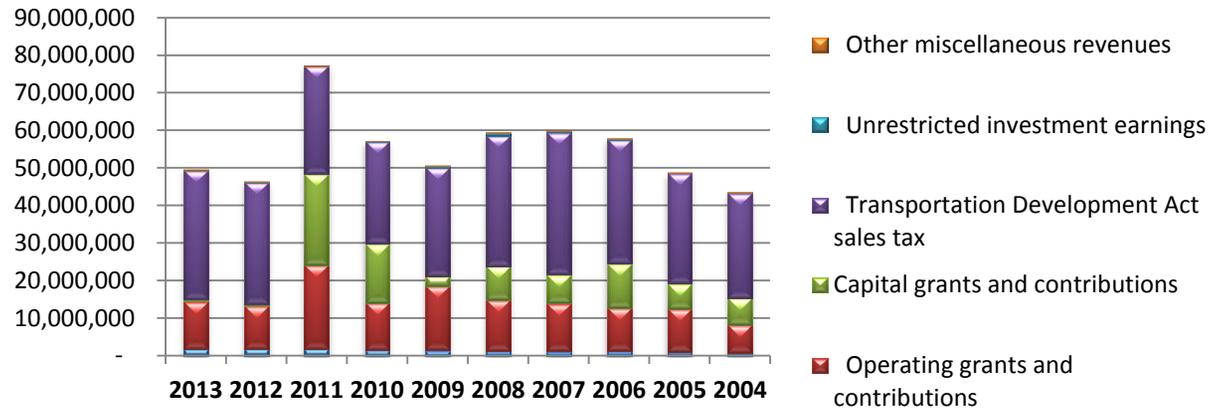
Ventura County Transportation Commission
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

	<u>Fiscal Year</u>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
Commuter assistance	\$ 54,283	\$ 48,742	\$ 56,640	\$ 86,969	\$ 152,977	\$ 152,433	\$ 106,959	\$ 45,085	\$ 99,752	\$ 359,360
General government	3,206,934	3,709,351	3,349,076	3,207,254	3,528,518	3,189,455	2,851,224	3,021,453	2,796,618	3,423,346
Highways	597,348	727,464	3,998,426	13,874,782	965,082	4,574,935	16,213,009	5,034,678	727,420	1,935,854
Planning and Programming	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	17,085,955	20,331,207	15,688,645	13,823,904	15,165,651
Rail	3,557,084	2,435,079	6,541,532	4,486,811	8,920,697	7,161,257	6,897,121	6,614,590	9,322,344	4,431,503
Transit and transportation	29,721,057	27,373,268	30,534,598	23,976,331	23,384,098	26,062,639	22,093,633	20,573,207	19,762,244	17,839,878
Interest	-	-	763,938	948,456	951,456	242,091	989,497	801,956	-	-
Total governmental activities expenses	<u>47,792,386</u>	<u>44,638,735</u>	<u>53,915,405</u>	<u>53,873,366</u>	<u>50,592,722</u>	<u>58,468,765</u>	<u>69,482,650</u>	<u>51,779,614</u>	<u>46,532,282</u>	<u>43,155,592</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	30,000	50,000	50,000	60,021	45,521	130,964	84,553	191,742	101,500	7,805
Highways	-	-	4,488	-	-	-	4,796	17,347	16,419	-
Planning and Programming	-	500	-	1,000	-	-	-	-	-	-
Rail	331,041	339,873	387,636	336,771	334,229	325,731	319,300	313,626	292,556	234,795
Transit and transportation	1,419,494	1,515,280	1,389,416	1,181,047	1,043,382	827,172	764,755	721,589	620,700	584,613
Operating grants and contributions	12,644,310	11,363,227	22,252,200	12,493,812	17,132,386	13,523,471	12,753,467	11,383,802	11,395,960	7,392,494
Capital grants and contributions	511,399	380,681	24,271,855	15,711,797	2,663,238	9,004,070	7,696,836	11,924,119	6,787,371	7,159,875
Total governmental activities program revenues	<u>14,936,244</u>	<u>13,649,561</u>	<u>48,355,595</u>	<u>29,784,448</u>	<u>21,218,756</u>	<u>23,811,408</u>	<u>21,623,707</u>	<u>24,552,225</u>	<u>19,214,506</u>	<u>15,379,582</u>
Net Revenues (Expenses)										
Governmental activities	<u>(32,856,142)</u>	<u>(30,989,174)</u>	<u>(5,559,810)</u>	<u>(24,088,918)</u>	<u>(29,373,966)</u>	<u>(34,657,357)</u>	<u>(47,858,943)</u>	<u>(27,227,389)</u>	<u>(27,317,776)</u>	<u>(27,776,010)</u>
General Revenues:										
Governmental activities:										
Transportation Development Act sales tax	34,608,784	32,518,069	28,717,326	27,230,132	28,896,209	34,826,816	37,894,721	32,962,689	29,358,760	27,958,381
Unrestricted investment earnings	38,516	81,743	145,864	99,754	378,390	662,964	502,671	316,494	133,211	165,288
Other miscellaneous revenues	215,023	16,115	24,864	10,062	28,793	64,068	9,828	3,755	35,876	22,473
Total governmental activities general revenues	<u>34,862,323</u>	<u>32,615,927</u>	<u>28,888,054</u>	<u>27,339,948</u>	<u>29,303,392</u>	<u>35,553,848</u>	<u>38,407,220</u>	<u>33,282,938</u>	<u>29,527,847</u>	<u>28,146,142</u>
Changes in Net Position										
Governmental activities:	<u>\$ 2,006,181</u>	<u>\$ 1,626,753</u>	<u>\$23,328,244</u>	<u>\$ 3,251,030</u>	<u>\$ (70,574)</u>	<u>\$ 896,491</u>	<u>\$(9,451,723)</u>	<u>\$ 6,055,549</u>	<u>\$ 2,210,071</u>	<u>\$ 370,132</u>

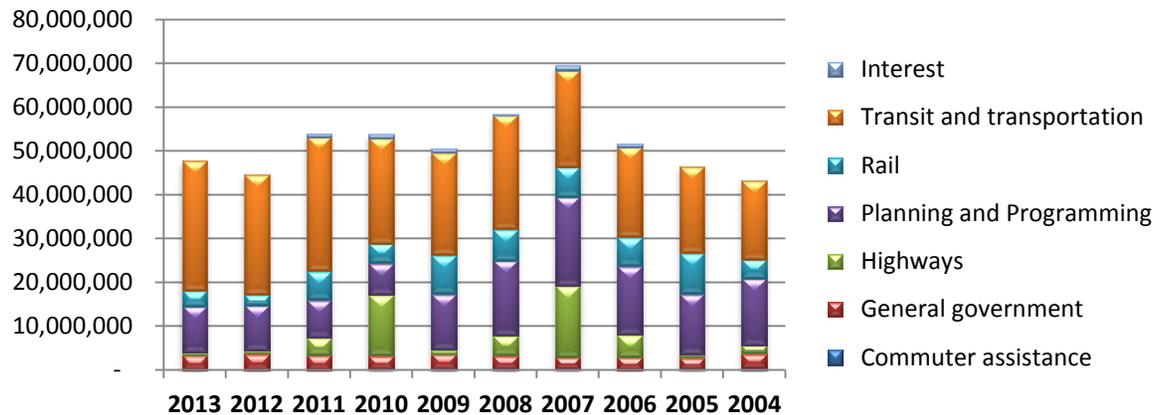
Source: Commission Finance Department

Ventura County Transportation Commission
 Changes in Net Position (Continued)
 Last Ten Fiscal Years
 (Accrual Basis)

Revenues by Source



Expenses by Function



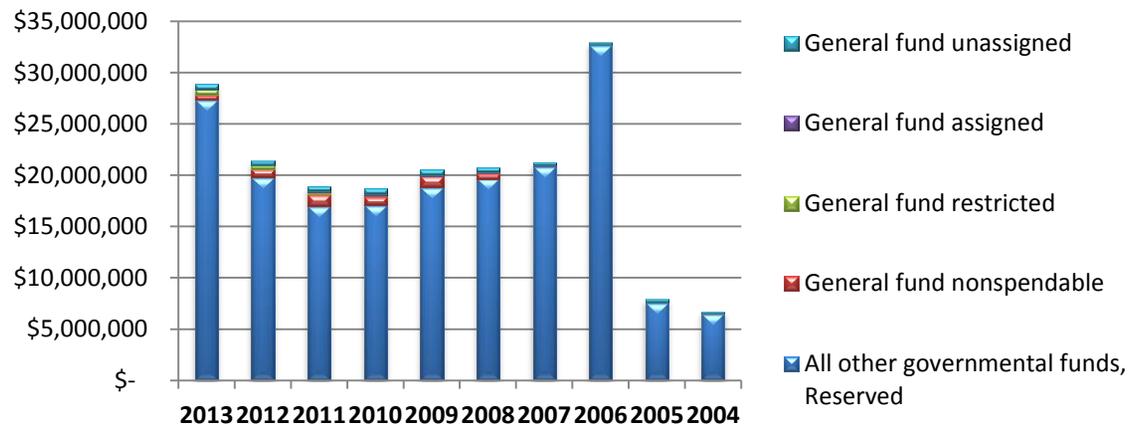
Ventura County Transportation Commission
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund:										
Nonspendable	\$ 524,229	\$ 819,593	\$ 1,152,462	\$ 832,323	\$ 1,098,319	\$ 546,088	\$ 29,530	\$ 13,101	\$ 18,478	\$ 47,391
Restricted	524,229	344,619	193,973	73,394	-	-	60,000	-	-	-
Assigned	-	-	128,756	128,755	107,484	81,680	13,881	40,135	-	-
Unassigned	<u>544,159</u>	<u>423,365</u>	<u>448,159</u>	<u>535,960</u>	<u>527,030</u>	<u>430,535</u>	<u>257,016</u>	<u>195,080</u>	<u>301,263</u>	<u>145,766</u>
Total general fund	<u>\$ 1,592,617</u>	<u>\$ 1,587,577</u>	<u>\$ 1,923,350</u>	<u>\$ 1,570,432</u>	<u>\$ 1,732,833</u>	<u>\$ 1,058,303</u>	<u>\$ 360,427</u>	<u>\$ 248,316</u>	<u>\$ 319,741</u>	<u>\$ 193,157</u>
All other governmental funds:										
Restricted	<u>\$27,325,710</u>	<u>\$19,809,273</u>	<u>\$16,992,131</u>	<u>\$17,107,070</u>	<u>\$18,843,222</u>	<u>\$19,648,306</u>	<u>\$20,843,094</u>	<u>\$32,689,934</u>	<u>\$7,589,597</u>	<u>\$6,469,578</u>
Total all other governmental funds	<u>\$27,325,710</u>	<u>\$19,809,273</u>	<u>\$16,992,131</u>	<u>\$17,107,070</u>	<u>\$18,843,222</u>	<u>\$19,648,306</u>	<u>\$20,843,094</u>	<u>\$32,689,934</u>	<u>\$7,589,597</u>	<u>\$6,469,578</u>

GASB 54 was implemented July 1, 2010. Prior year's information has been restated.

Source: Commission Finance Department

Fund Balances of Governmental Funds



Ventura County Transportation Commission
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Sales taxes	\$ 34,608,784	\$ 32,518,069	\$ 28,717,326	\$ 27,230,132	\$ 28,896,209	\$ 34,826,816	\$ 37,894,721	\$ 32,962,689	\$ 29,358,760	\$ 27,958,381
Vehicle registration user fees	744,145	769,635	703,393	723,873	737,139	742,312	737,885	734,023	726,568	709,458
Intergovernmental	12,407,378	10,961,169	45,796,520	27,453,910	18,926,282	21,342,498	18,749,885	21,623,547	17,201,739	13,900,876
Charges for services	1,780,535	1,905,653	1,831,540	1,578,839	1,423,132	1,283,867	1,168,606	1,226,958	1,014,755	785,964
Investment Income	42,702	94,847	170,007	127,580	510,593	1,105,695	1,420,264	1,284,191	201,135	145,421
Other revenue	10,781	16,115	24,864	10,062	28,793	64,068	9,828	3,755	148,336	25,624
Total revenues	49,594,325	46,265,488	77,243,650	57,124,396	50,522,148	59,365,256	59,981,189	57,835,163	48,651,293	43,525,724
Expenditures										
Current:										
General Government	3,219,917	3,691,581	3,317,757	4,195,014	4,588,977	3,495,046	3,022,619	3,224,989	2,891,162	3,518,073
Programs:										
Commuter assistance	54,283	48,742	56,640	86,969	152,977	152,433	106,959	45,085	99,752	359,360
Highways	450,763	502,657	3,771,194	13,583,971	681,839	2,520,358	17,104,600	4,726,931	732,661	1,708,157
Planning and programming	10,655,680	10,344,831	8,671,195	7,292,763	12,689,894	16,461,212	20,331,207	15,688,645	13,823,904	15,165,651
Rail	2,985,311	1,909,076	6,063,617	8,714,873	9,084,627	7,891,487	7,160,573	13,130,243	10,725,786	6,331,712
Transit and specialized transportation	29,479,736	27,287,232	30,619,241	24,207,548	23,403,112	26,520,761	23,025,462	20,146,644	19,220,993	17,342,891
Debt service:										
Principal payment	-	-	23,795,000	-	-	1,680,000	-	-	-	-
Interest and other fiscal charges	-	-	711,027	941,811	944,811	1,639,717	964,498	700,188	-	-
Bond issuance costs	-	-	-	-	-	146,187	-	419,103	-	-
Total expenditures	46,845,690	43,784,119	77,005,671	59,022,949	51,546,237	60,507,201	71,715,918	58,081,828	47,494,258	44,425,844
Excess (deficiency) of revenues over (under) expenditures	2,748,635	2,481,369	237,979	(1,898,553)	(1,024,089)	(1,141,945)	(11,734,729)	(246,665)	1,157,035	(900,120)
Other financing sources (uses):										
Transfers in	4,474,242	3,610,158	5,792,721	3,918,629	5,214,874	3,986,809	4,776,823	3,985,265	2,679,467	3,887,526
Transfers out	(4,474,242)	(3,610,158)	(5,792,721)	(3,918,629)	(5,214,874)	(3,986,809)	(4,776,823)	(3,985,265)	(2,679,467)	(3,887,526)
Bonds issued	-	-	-	-	-	-	-	25,475,000	-	-
Refunding bonds issued	-	-	-	-	-	23,795,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(23,795,000)	-	-	-	-
Discounts on revenue bond	-	-	-	-	-	-	-	(199,423)	-	-
Sale of capital assets	204,242	-	-	-	-	56,000	-	-	-	-
Total other financing sources	204,242	-	-	-	-	56,000	-	25,275,577	-	-
Net change in fund balances	\$ 2,952,877	\$ 2,481,369	\$ 237,979	\$ (1,898,553)	\$ (1,024,089)	\$ (1,085,945)	\$ (11,734,729)	\$ 25,028,912	\$ 1,157,035	\$ (900,120)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	32.0%	1.8%	1.9%	5.6%	1.4%	1.4%	0.0%	0.0%

Ventura County Transportation Commission
Sources of County of Ventura Taxable Sales by Business Type
Last Ten Calendar Years
(in Thousands)

Sources	Calendar Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Apparel stores	\$ 813,037	\$ 754,565	\$ 699,760	\$ 597,268	\$ 595,751	\$ 574,387	\$ 524,642	\$ 475,678	\$ 425,381	\$ 363,222
General merchandise stores	1,083,396	1,044,770	1,008,611	1,225,854	1,267,235	1,272,068	1,256,308	1,218,550	1,166,635	1,125,358
Specialty stores	363,203	350,548	347,727	522,333	658,538	1,086,692	1,052,798	1,019,932	949,175	897,739
Food stores	530,624	514,100	517,783	476,367	489,538	476,843	456,139	404,695	404,535	398,217
Eating and Drinking	1,115,328	1,053,007	1,025,568	1,063,774	1,074,200	1,030,726	973,348	930,511	856,111	793,993
Household	464,412	468,896	475,039	396,275	358,289	372,984	388,956	365,341	341,557	314,532
Building materials	599,430	569,099	567,675	600,326	788,485	879,041	929,663	857,347	715,662	640,891
Automotive	2,678,551	2,309,246	2,095,453	2,561,323	2,914,770	2,774,717	2,789,717	2,698,315	2,554,625	2,352,711
All other retail stores	193,280	179,073	174,894	632,231	676,042	434,443	410,154	346,235	302,873	266,639
Business and personal services	315,144	303,656	301,095	418,671	482,832	525,815	510,795	497,029	456,802	428,343
All other outlets	<u>2,863,777</u>	<u>2,678,528</u>	<u>2,670,248</u>	<u>2,827,988</u>	<u>2,924,527</u>	<u>2,889,196</u>	<u>2,616,548</u>	<u>2,363,188</u>	<u>2,209,084</u>	<u>2,221,868</u>
Total Taxable Sales	<u>\$11,020,182</u>	<u>\$10,225,488</u>	<u>\$ 9,883,853</u>	<u>\$11,322,410</u>	<u>\$12,230,207</u>	<u>\$12,316,912</u>	<u>\$11,909,068</u>	<u>\$11,176,821</u>	<u>\$10,382,440</u>	<u>\$9,803,513</u>
Local transportation fund tax	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Source: California State Board of Equalization, Taxable Sales in California Report with the most current information available from 2011.

Ventura County Transportation Commission
 Direct and Overlapping Sales Tax Rates
 Last Ten Calendar Years

Fiscal Year	Transportation Development Act (TDA) Direct Rate	County of Ventura
2013	0.25%	7.50%
2012	0.25%	7.25%
2011	0.25%	7.25%
2010	0.25%	8.25%
2009	0.25%	8.25%
2008	0.25%	7.25%
2007	0.25%	7.25%
2006	0.25%	7.25%
2005	0.25%	7.25%
2004	0.25%	7.25%

The Commission apportions the TDA sales tax to the cities and County of Ventura. Ventura County does not have a local transportation sales tax.

¹ The State sales tax was reduced by one percent on July 1, 2012

² The State sales tax was increased by one quarter percent on January 1, 2013

Source: California State Board of Equalization

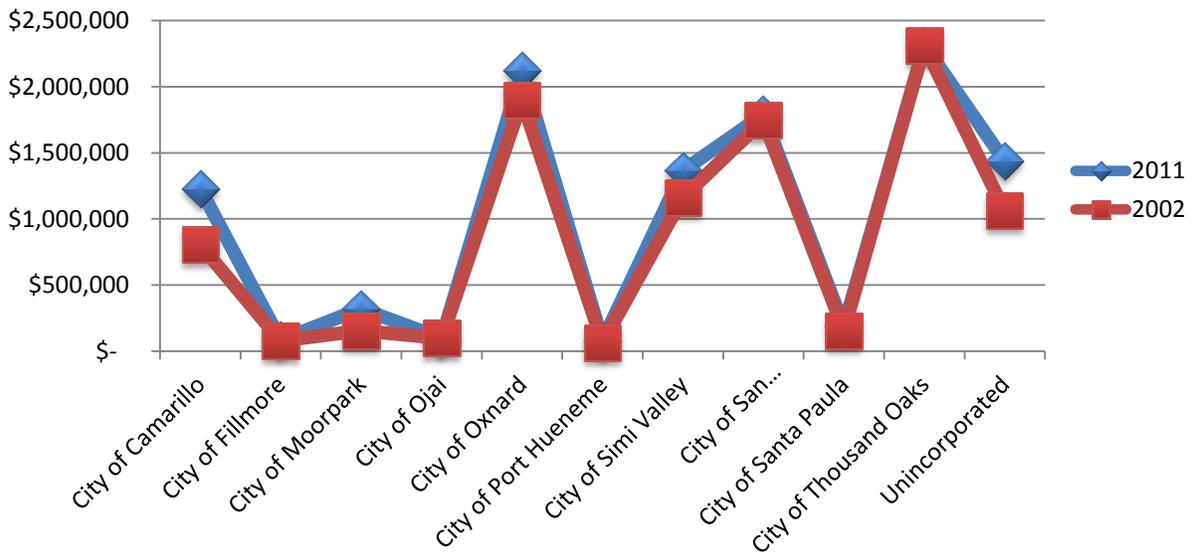
Ventura County Transportation Commission
Principal Taxable Sales Generation by City
Current Year and Nine Years Ago

	2011			2002		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Camarillo	\$ 1,229,646	6	11.2%	\$ 805,534	6	8.4%
City of Fillmore	82,847	10	0.8%	78,324	10	0.8%
City of Moorpark	320,072	7	2.9%	155,980	7	1.6%
City of Ojai	97,293	9	0.9%	96,282	9	1.0%
City of Oxnard	2,122,220	2	19.3%	1,900,536	2	19.9%
City of Port Hueneme	77,339	11	0.7%	64,094	11	0.7%
City of San Buenaventura	1,788,809	3	16.2%	1,746,076	3	18.3%
City of Santa Paula	185,257	8	1.7%	154,259	8	1.6%
City of Simi Valley	1,365,365	5	12.4%	1,162,422	4	12.2%
City of Thousand Oaks	2,313,890	1	21.0%	2,309,062	1	24.2%
Incorporated	9,582,738		87.0%	8,472,569		88.9%
Unincorporated	1,437,443	4	13.0%	1,060,421	5	11.1%
Countywide	<u>\$ 11,020,181</u>		<u>100.0%</u>	<u>\$ 9,532,990</u>		<u>100.0%</u>

California \$ 531,653,540 \$ 394,736,245

Source: California State Board of Equalization, Taxable Sales in California Report with the most current information available from 2011.

Taxable Sales by City



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

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income	Unemployment Rate ³
2012	835,436	*	*	9.0%
2011	832,970	\$ 38,141,164	\$ 45,855	10.1%
2010	828,383	36,858,409	44,494	10.8%
2009	844,713	36,863,041	43,640	10.0%
2008	836,080	37,185,120	44,476	7.2%
2007	831,587	36,210,471	43,544	4.9%
2006	825,512	33,940,408	41,114	4.3%
2005	817,315	32,303,104	39,523	4.8%
2004	813,052	30,438,129	37,437	5.4%
2003	802,400	28,057,418	34,967	5.8%

* Data is unavailable.

Source:

¹. California Department of Finance, Demographic Research Unit

². U.S Bureau of Economic Analysis, most current information available is 2010.

³. California Employment Development Department, Labor Market Information Division

Ventura County Transportation Commission
Principal Employers
Current Year and Nine Years Ago

Employer	2013 ¹			2004 ²		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Navel Base	20,060	1	6.66%	16,868	1	5.57%
County of Ventura	8,485	2	2.82%	7,405	2	2.45%
Amgen, Inc.	6,000	3	1.99%	6,326	3	2.09%
Wellpoint Inc.	2,913	4	0.97%	4,211	5	1.39%
Simi Valley Unified School District	2,320	5	0.77%	2,098	10	0.69%
Community Memorial Hospital	2,021	6	0.67%	1,630	13	0.54%
Dignity Health	1,938	7	0.64%	1,930	12	0.64%
Conejo Unified School District	1,849	8	0.61%	2,144	8	0.71%
Ventura Unified School District	1,796	9	0.60%	2,449	7	0.81%
Los Robles Regional Medical Center	1,600	10	0.53%	1,370	16	0.45%
	<u>48,982</u>		<u>16.25%</u>	<u>46,431</u>		<u>15.34%</u>
Total Employment	<u>301,400</u>			<u>302,700</u>		

Source:

1 County of Ventura/2013 Real Estate and Economic Outlook January 2013

2 County of Ventura/UCSB Economic Forecast Project January 2004

Ventura County Transportation Commission
 Full-time Equivalent Employees by Function
 Last Ten Fiscal Years

Programs	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	5.2	5.2	5.2	5.5	5.7	5.0	4.5	4.0	3.5	3.5
Planning and Programming	4.4	4.0	3.1	2.7	2.2	0.8	0.8	0.8	0.8	0.8
Commuter assistance	2.8	2.5	2.5	2.4	3.0	3.9	3.9	3.9	3.9	4.4
Rail	1.0	0.9	0.8	0.9	0.8	1.2	1.2	1.2	1.2	1.2
Highways	0.1	0.2	1.0	0.8	1.1	2.2	2.2	2.2	2.2	2.2
Transit and specialized transportation	<u>4.0</u>	<u>3.5</u>	<u>3.3</u>	<u>3.8</u>	<u>4.5</u>	<u>5.9</u>	<u>5.9</u>	<u>5.4</u>	<u>5.4</u>	<u>4.9</u>
Total Full-time equivalent	<u>17.5</u>	<u>16.3</u>	<u>15.9</u>	<u>16.1</u>	<u>17.3</u>	<u>19.0</u>	<u>18.5</u>	<u>17.5</u>	<u>17.0</u>	<u>17.0</u>

Source: Commission Finance Department

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

	<u>Fiscal Year</u>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Transit and Specialized Transportation Program										
GoVentura Smartcard:										
Pass Sales Volume	5,974	6,692	7,316	7,873	8,002	6,431	6,544	6,170	5,867	6,149
Pass Sales Amount	\$217,047.00	\$263,183.00	\$257,518.00	\$237,815.00	\$245,437.00	\$201,545.00	\$186,272.00	\$173,473.00	\$166,161.00	\$175,851.00
Pass Boardings	164,871	203,340	223,572	235,566	226,323	191,114	181,264	175,989	175,602	167,732
E-Purse Sales Volume	5,863	7,049	6,456	5,857	5,502	4,386	3,235	3,112	2,241	1,474
E-Purse Sales Amount	\$261,716.00	\$343,465.61	\$327,291.26	\$272,816.48	\$227,038.10	\$175,583.00	\$124,947.98	\$119,113.81	\$ 79,801.17	\$ 52,314.82
E-Purse Boardings	131,306	178,210	168,128	161,540	152,357	114,217	90,391	88,806	62,623	41,998
VISTA Operations:										
Ridership:										
VISTA 101	120,739	120,670	112,705	105,588	113,382	89,493	84,804	77,555	68,858	67,452
VISTA Conejo	41,269	39,633	43,582	37,228	42,320	34,629	32,627	27,762	19,733	20,419
VISTA 126	228,803	234,145	222,723	199,043	196,750	165,343	163,441	165,779	150,146	146,420
VISTA East	84,216	81,711	74,889	76,321	67,144	57,860	56,699	53,432	54,127	56,707
VISTA CSUCI	95,866	81,368	63,743	84,552	89,093	77,946	67,780	48,128	35,333	31,246
VISTA Coastal	272,913	311,827	285,314	276,449	277,105	209,694	179,301	152,717	113,895	91,030
VISTA Santa Paula										
DAR	101,063	98,616	99,912	104,267	98,346	106,252	113,066	111,345	93,242	92,004
VISTA Fillmore DAR	108,236	105,965	105,780	112,633	107,705	104,025	106,118	99,645	96,134	94,298
Farebox recovery ratio:										
VISTA 101	26.58%	32.40%	29.93%	28.99%	30.20%	24.12%	24.26%	29.22%	27.12%	26.83%
VISTA Conejo	30.55%	48.52%	57.88%	51.79%	50.52%	30.26%	31.01%	32.35%	20.21%	20.67%
VISTA 126	48.38%	61.15%	58.09%	48.67%	43.61%	36.18%	41.18%	52.33%	47.65%	51.36%
VISTA East	21.82%	26.97%	26.09%	26.42%	23.23%	20.48%	21.32%	25.54%	27.72%	29.39%
VISTA CSUCI	102.69%	102.73%	102.73%	102.73%	102.58%	102.73%	103.15%	103.68%	103.68%	103.55%
VISTA Coastal	59.43%	82.10%	79.15%	69.09%	61.40%	65.74%	64.93%	72.98%	63.46%	58.45%
VISTA Santa Paula										
DAR	13.11%	12.47%	13.04%	12.62%	12.83%	13.95%	17.15%	17.79%	15.88%	17.31%
VISTA Fillmore DAR	13.77%	15.21%	15.60%	14.96%	15.70%	15.82%	16.97%	16.94%	19.17%	23.15%
Highway Program										
Motorist Assistance:										
Call boxes	564	547	553	564	562	556	546	554	555	556
Calls made	3,326	3,294	3,543	3,747	3,889	4,791	5,467	5,450	6,561	7,521

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Rail Program										
Commuter Rail Operations Ventura Line:										
Train miles	250,976.00	283,985.00	270,384.00	292,147.00	292,147.00	290,905.90	289,724.40	288,298.30	243,179.10	247,783.20
Passenger Boardings	1,024,464	1,001,043	1,012,409	1,038,375	1,218,163	1,182,463	1,096,963	1,076,681	1,054,494	995,899
Farebox recovery ratio	33.70%	29.10%	29.10%	27.80%	32.00%	31.80%	31.80%	28.20%	26.50%	31.60%
Commuter Assistance:										
Rideshare Programs ^{1&2}										
Surveys Processed:	24,575	13,839	16,991	13,593	17,927	13,955	17,010	12,796	21,245	-
Rideguides produced:	2,867	3,567	2,732	2,881	4,115	3,594	6,876	3,455	4,936	-
AVR reports:	60	33	64	35	59	36	50	43	43	-
GRH registered patrons	31,023	33,240	32,703	36,268	32,672	-	-	-	-	-
GRH Usage	69	62	44	40	89	-	-	-	-	-
Transit Information Center ³										
Telephone Assistance	34,107	38,036	37,834	42,407	42,752	-	-	-	-	-
In-Person Assistance	3,691	3,838	3,080	3,081	2,886	-	-	-	-	-

^{1.} The Commission took over the Commuter Assistance program from SCAG in 2002, but information is unavailable prior to Fiscal Year 2004.

^{2.} The Guaranteed Ride Home Program has been in operation for many years but the information is unavailable prior to Fiscal Year 2009.

^{3.} The Transit Information Center has been in operation since 1994 but the information is unavailable prior to Fiscal Year 2009.

Source: Metrolink and Commission Departments

Ventura County Transportation Commission
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Commuter Rail Operations:										
Buildings	1	1	1	1	1	1	1	1	1	0
Acres of Commuter rail land and easements	558	558	558	558	558	558	558	558	558	558
Stations and platforms	4	4	4	4	4	4	4	4	4	4
Motorist Assistance:										
Call boxes	564	547	553	564	562	556	546	554	555	556

Source: Commission Departments