



Ventura County Transportation Commission

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



*“Improving mobility within the County and
increasing funding to meet transportation needs”*

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, 2011

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

(This page intentionally left blank)

VENTURA COUNTY TRANSPORTATION COMMISSION
 Comprehensive Annual Financial Report
 Year Ended June 30, 2011

TABLE OF CONTENTS

Page

Introductory Section

Letter of Transmittal	i
Organization Chart	viii
List of Principal Officials	ix
Certificate of Achievement	xi

Financial Section

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Notes to Basic Financial Statements	26
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	48
Local Transportation Fund	49
State Transit Assistance Fund	50
Service Authority for Freeway Emergencies Fund	51
Schedule of Funding Progress for Other Postemployment Benefits	52
Notes to Required Supplementary Information	53
Supplementary Schedules:	
Budgetary Comparison Schedules:	
Debt Service Fund	57
Capital Projects Fund	58

VENTURA COUNTY TRANSPORTATION COMMISSION

Comprehensive Annual Financial Report

Year Ended June 30, 2011

<u>Statistical Section</u>	<u>Page</u>
Net Assets by Component	60
Changes in Net Assets	61
Fund Balances, Governmental Funds	63
Changes in Fund Balances of Governmental Funds	64
Sources of County of Ventura Taxable Sales by Business Type	65
Direct and Overlapping Sales Tax Rates	66
Principal Taxable Sales Generations by City	67
General Governmental Tax Revenues by Source	68
Ratios of Outstanding Debt by Type	69
Demographic and Economic Statistics for the County of Ventura	70
Principal Employers	71
Full-Time Equivalent Government Employees by Function	72
Operating Indicators by Function	73
Capital Asset Statistics by Function	75

INTRODUCTORY SECTION

(This page intentionally left blank)



VENTURA COUNTY TRANSPORTATION COMMISSION

November 2, 2011

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, 2011.

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.

Vavrenik Trine & Day has issued an unqualified opinion on the Ventura County Transportation Commission's financial statements for the year ended June 30, 2011. 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 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.

Local Economy

Along with the rest of the nation, Ventura County has experienced significant economic decline brought on by the recession which has been characterized as the "greatest downturn since the Great Depression." Although the recession officially began in December 2007, according to the UCSB Economic Forecast Project, Ventura County felt the effects much earlier and more forcefully than many other areas of California as evidence by the increased unemployment and hard hit housing sectors.

In 2006, prior to the recession, Ventura County hit its peak employment and enjoyed a meager 4.3% unemployment rate. UCSB pointed out in their forecast that Ventura County's peak preceded the State's employment peak by nearly a full year. Sadly that 4.3% unemployment rate gave way to a now steady 11% unemployment rate with the manufacturing, retail trade and financial services sectors being the hardest hit.

Similarly, the County's housing prices peaked in 2006/2007 after a period of rapid growth starting in 2002. Since then, however, housing prices have declined precipitously as all the factors that have defined the "great recession" economy have led to an abundance of foreclosed/bank owned homes that now saturate the Ventura County housing market further driving down the real estate market.

A significant portion of the Commission's budget is funded through the Transportation Development Act Local Transportation Fund, a funding stream that peaked in FY 2007/2008 at \$31.3 million. The "Great Recession" had a major impact on this funding source and by 2009/2010 it had declined to \$22.9 million. There are some indicators that the economy is improving and with that there is a glimmer of light for this funding stream. Local Transportation Funds come 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. In early 2011, the office of the County Auditor-Controller, taking into account improving retail sales revised their estimate upward for the Fiscal Year 2010/2011 but remained flat for Fiscal Year 2011/2012 to reflect a flattening out of the LTF funds rather than continued reductions.

While many economists declared the recession officially over in October 2009 the effects continue to be felt as the economy struggles to recover. It is unknown how long it will take to recover and just where the "new normal" levels of funding will be. While the Commission will continue to aggressively work to obtain new revenues to support transportation needs of the Ventura County region, shrinking revenues translate to fewer state and federal transportation dollars to the County. Adding to the problem of shrinking federal and state dollars is the Commission's inability to compete for funding without a local revenue stream to provide the required local matching funds for many of the federal and state programs. Without the ability to provide matching funds VCTC is simply at a competitive disadvantage when pursuing discretionary state and federal transportation funds.

Long-term Financial Planning

Ventura County is not a "Self-Help" County and must completely rely upon transportation revenues from federal and state government. Over the last several years the funding challenges have become more complicated as revenue streams become less and less reliable. The federal transportation authorizing act is now over a year overdue with no sign that a new six-year act in the foreseeable future and the federal highway trust fund and mass transit account are dangerously close to being insolvent. On the State side one of the primary revenue sources supporting the Commission's activities is the statewide quarter-cent sales tax from the Transportation Development Act which has been reduced to year 2003 levels due to the recessed economy. The State's annual budget difficulty adds uncertainty to the picture as future year's funding from the State Transit Assistance Fund is contingent upon appropriation through the State budget process. Thus, the Commission must carefully manage its resources in a conservative manner to best utilize every dollar received.

The unassigned fund balance in the General Fund that is available for general governmental purposes is only 2%. The remaining 98%, or approximately \$18.4 million, is restricted and can only be used for constrained expenditures.

Major Initiatives

In Fiscal Year 2011/2012 the uncertainty of funding has made the Commission's job of investing in the Ventura County transportation system a difficult one. As the Country, the State, and Ventura County recover from the "Great Recession", our transportation system will become even more stressed than it is now. However, the Commission has undertaken two major initiatives in the past year that provide some hope for preserving mobility and expanding transportation choices in Ventura County: the Regional Transit Study and the Comprehensive Transportation Plan.

Fiscal Year 2011/2012 will see a continuation of a reinvigorated regional transportation planning effort. Locally, staff has been engaged in extensive public outreach for the past two years, first through the Compact for a Sustainable Ventura County Phase II process and currently through the Ventura County Comprehensive Transportation Plan outreach effort. These efforts, while different in purpose, have provided very valuable feedback that will shape the VCTC's long range transportation goals. The Comprehensive Transportation Plan will continue forward in this upcoming year culminating in a list of transportation projects and programs that will guide the investment of our scarce transportation revenues and will be included in the Southern California Association of Governments Regional Transportation Plan. The project list developed will have come from, and been reviewed by, Ventura County residents through the Comprehensive Transportation Plan process and then vetted and supported by local jurisdictions. During Fiscal Year 2008/2009 the Commission initiated efforts to identify viable options for additional transportation revenues. A key activity in exploring options was extensive voter research and community outreach/education efforts that culminated in a final report that included recommended next steps. It is not a surprise that, while there was general consensus from both stakeholders and voters that transportation improvements are vital for the continued high quality of life for Ventura County residents and businesses, voter opinion research strongly indicated that due primarily to the current economic uncertainty, placing a revenue raising measure on the County ballot in the next year or two would likely lead to disappointing results. Given this information and the recommendations from the report, the Commission created an ad hoc committee of seven (7) members to develop a comprehensive long-term transportation plan that meets current and future mobility needs of Ventura County.

As the Commission contemplates Ventura County's future transportation needs and potential solutions in the context of SB 375 and SB 716 a full range of viable transportation alternatives will be identified. SB 375 requires transportation and land use planning be tied together and SB 716 requires all TDA funds be used solely for transit as of July 1, 2014. The Regional Transit Study now underway will facilitate a discussion of a reformed countywide public transit structure and will continue to be a significant part of the VCTC activities and may have a transformational affect. VCTC began a countywide transit organizational study that will look at ways to improve and "rationalize" the organization, coordination, funding and management of the various VISTA intercity bus services, as well as how to improve those functions with other transit services in Ventura County. VCTC began the regional transit study examining ways to improve delivery of transit services

throughout the county and developing a program which will allow successful implementation of SB 716. VCTC will also be working with cities and the county to develop a sustainable transit plan for the Heritage Valley which will allow continuation of needed transit services in the more rural areas of the county that have been hampered by limited and uncertain future funding.

In November 2010 the VCOG Board requested that the Executive Director of VCTC provide a vision or future for VCOG and its arrangement with VCTC vis-a-vis' regional issues and planning. The Executive Director later met with the city managers of the county and the County Executive Officer to work toward a consensus vision. After sharing the information with both the VCOG and VCTC, both boards requested the Executive Director explore the idea of a single entity instead of two separate entities to address the regional planning and regional policy issues in the future.

While there seems to be consensus that the time is right to move in the direction of a single entity, doing so is not a simple matter as the size and make-up of the two governing boards are different. Additionally, while combining the agencies provides for both improved government efficiency and synergistic discussion on regional planning and policy issues, it is acknowledged that with transportation funding and programs being such a major element of the VCTC work program, that particular care and awareness is necessary to ensure a substantive VCOG work program is continued. Lastly, many regional/transportation agencies have a standing/policy committee structure that encourages a more policymaker driven process rather than a staff driven process which will require regularly scheduled committee meetings and additional staff support.

The Executive Director of VCTC at the direction of both boards continues to look towards a new model for regional policies and integrated planning that could lead to a single entity performing transportation planning, programming, integrated planning, and other regional issues.

Planning for the Future

With limited resources, the Commission has had to focus on specific areas of operation. The Fiscal Year 2011/2012 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

- Information Technology Projects
- GoVentura Smartcard
- Senior and Disabled Transportation Services
- VISTA Bus Service

Highway Program

- Congestion Management Program
- Motorist Aid Call Box System

Rail Program

- LOSSAN and Coast Rail Coordinating Council
- Metrolink Commuter and Special Rail Projects
- Santa Paula Branch Line

Commuter Assistance Program

- Rideshare Programs
- Transit Information Center

Planning and Programming Program

- Airport Land Use Commission
- Intelligent Transportation Systems
- Regional Transit and Transportation Planning
- Transportation Development Act
- Transportation Improvement Programming and Monitoring

General Government Program

- Community Outreach and Marketing
- 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 Commission for its CAFR for the Fiscal Year ended June 30, 2010. 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 CAFR 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.

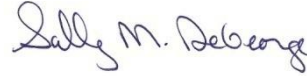
The management and finance staff are proud of the renewed commitment to open, accountable, and transparent financial reporting and this is the second year that the Commission has received this prestigious award, which recognizes conformance with the highest standards for preparation of state and local 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 five 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,



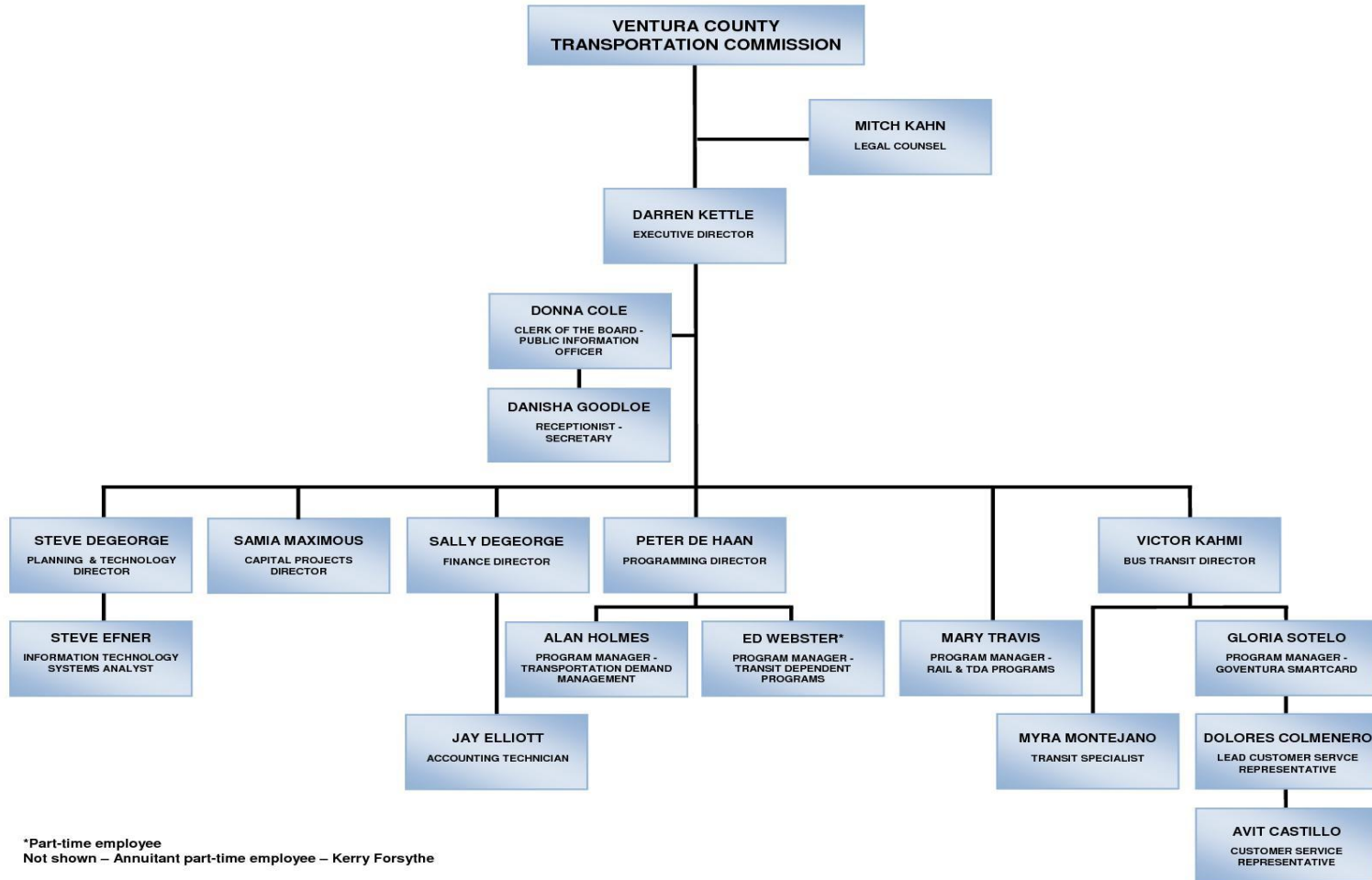
DARREN M. KETTLE
Executive Director



SALLY M. DEGEORGE
Finance Director

ORGANIZATIONAL CHART

Fiscal Year 2010/2011



*Part-time employee
 Not shown – Annuitant part-time employee – Kerry Forsythe

VENTURA COUNTY TRANSPORTATION COMMISSION
LIST OF PRINCIPAL OFFICIALS
(As of June 30, 2011)

Board of Commissioners:

William Fulton	Chair, City of San Buenaventura
John Zaragoza	Vice-Chair, County of Ventura
Steve Bennett	Commissioner, County of Ventura
Ralph Fernandez	Commissioner, City of Santa Paula
Peter Foy	Commissioner, County of Ventura
Dennis Gillette	Past Chair, City of Thousand Oaks
Brian Humphrey	Commissioner, Citizen (Cities)
Kathy Long	Commissioner, County of Ventura
Keith Millhouse	Commissioner, City of Moorpark
Michael Morgan	Commissioner, City of Camarillo
Linda Parks	Commissioner, County of Ventura
Irene Pinkard	Commissioner, City of Oxnard
Jon Sharkey	Commissioner, City of Port Hueneme
Steven Sojka	Commissioner, City of Simi Valley
Carlton Strobel	Commissioner, City of Ojai
Keith Turner	Commissioner, Citizen (County)
Patti Walker	Commissioner, City of Fillmore
Mike Miles	Ex-Officio, California Department of Transportation

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
Samia Maximous	Capital Projects Director

(This page intentionally left blank)

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ventura County Transportation Commission California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

(This page intentionally left blank)



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Ventura County Transportation Commission
Ventura, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ventura County Transportation Commission (the Commission), as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative financial information has been derived from the Commission's 2010 financial statements and, in our report dated November 15, 2010, expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund of the Commission.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Commission adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 15 and the budgetary comparison schedules, and schedules of funding progress on pages 48 through 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules have been subjected to the auditing procedure applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavriach, Train, Day & Co, LLP

Rancho Cucamonga, California
November 4, 2011

VENTURA COUNTY TRANSPORTATION COMMISSION

Management's Discussion and Analysis Year Ended June 30, 2011

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, 2011. We encourage readers to consider the information presented here in conjunction with the transmittal letter on pages i through v and the audited financial statements, which begin on page 19.

Financial Highlights

- The total net assets of the Commission were \$70,918,926 and consisted of invested in capital assets, of \$52,146,346; restricted net assets of \$16,992,131; and unrestricted net assets of \$1,780,449.
- The total net assets of the Commission increased by \$23,328,244 during Fiscal Year 2010/2011. The increase is primarily due to the receipt of \$21.9 million in STIP funds used to extinguish the Revenue Refunding Bond Series 2008A bond.
- Total Capital Assets, net of accumulated depreciation, were \$52,146,346 at June 30, 2011. The \$642,542 or 1% decrease was primarily due to depreciation.
- The Commission's governmental funds reported combined ending fund balances of \$18,915,481, an increase of \$237,979 compared to Fiscal Year 2009/2010. Approximately 91% of the ending fund balance represents amounts restricted for rail, transit and highways while 6% is nonspendable for prepaid amounts and deposits. The remaining 3% is assigned or unassigned within the General Fund.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements, which are comprised 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 assets presents information on all of the Commission's assets and liabilities, with the difference between assets and liabilities reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow.

The government-wide financial statements report the functions of the Commission that are principally supported by sales taxes and intergovernmental revenues, or 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 19 and 20 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.

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 inflow and outflow of useable resources and on a balance of useable 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 six 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, Service Authority for Freeway Emergencies Fund, Debt Service Fund and the Capital Projects Fund.

The Commission adopted a comprehensive annual budget for all funds on June 4, 2010. Budgetary comparison schedules have been provided for the General Fund, the Local Transportation Fund, the State Transit Assistance Fund, Service Authority for Freeway Emergencies Fund, the Debt Service Fund and the Capital Projects 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 22 through 25 of this report.

Notes to the Financial Statements provide additional information that is essential to 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 26 through 44 of this report.

Other Information

Other information is in addition to the basic financial statements and accompanying notes to the financial statements. These reports also present certain required supplementary information concerning the Commission's budgetary results for the General Fund and major Special Revenue Funds with appropriated budgets and OPEB funded status. Required supplementary information can be found on 48 through 53 of this report. The budgetary comparison schedules for the Debt Service and Capital Projects Funds are provided in the supplementary schedules found on pages 57 through 58.

Government-wide Financial Analysis

As previously noted, net assets may serve over time as a useful indicator of the Commission's financial position. At June 30, 2011, the Commission's assets exceed liabilities by \$70,918,926, a \$23,328,244 increase from June 30, 2010 primarily due to revenue (capital grants and contributions). The analysis below focuses on the net assets and changes in net assets of the Commission's governmental activities.

Net Assets

The largest portion of the Commission's net assets, \$52,146,346 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 1% or \$642,542 in Fiscal Year 2010/2011. 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 assets, \$16,992,131, represents resources subject to external restrictions on how they may be used. Restricted net assets from governmental activities increased by 29% in Fiscal Year 2010/2011. This increase of \$3,857,561 was largely due to higher than anticipated Transportation Development Act revenues for the Local Transportation Fund.

Unrestricted net assets represent the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net assets from governmental activities changed from a deficit of \$18,332,776 at June 30, 2010 to a \$1,780,449 balance at June 30, 2011. This increase is largely due to the extinguishment of the Commission's Revenue Refunding Bond Series 2008A.

The following is condensed financial data related to net assets at for the fiscal years ended June 30, 2011 and 2010:

	Year ended June 30, 2011	Year ended June 30, 2010
Assets:		
Current and other assets	\$ 22,431,995	\$ 26,599,558
Capital assets not being depreciated	25,837,661	25,837,661
Capital assets, net of accumulated depreciation	<u>26,308,685</u>	<u>26,951,227</u>
Total assets	<u>74,578,341</u>	<u>79,388,446</u>
Liabilities:		
Current and other liabilities	3,616,514	7,969,145
Long-term liabilities	<u>42,901</u>	<u>23,828,619</u>
Total liabilities	<u>3,659,415</u>	<u>31,797,764</u>
Net assets:		
Invested in capital assets	52,146,346	52,788,888
Restricted	16,992,131	13,134,570
Unrestricted	<u>1,780,449</u>	<u>(18,332,776)</u>
Total net assets	<u>\$ 70,918,926</u>	<u>\$ 47,590,682</u>

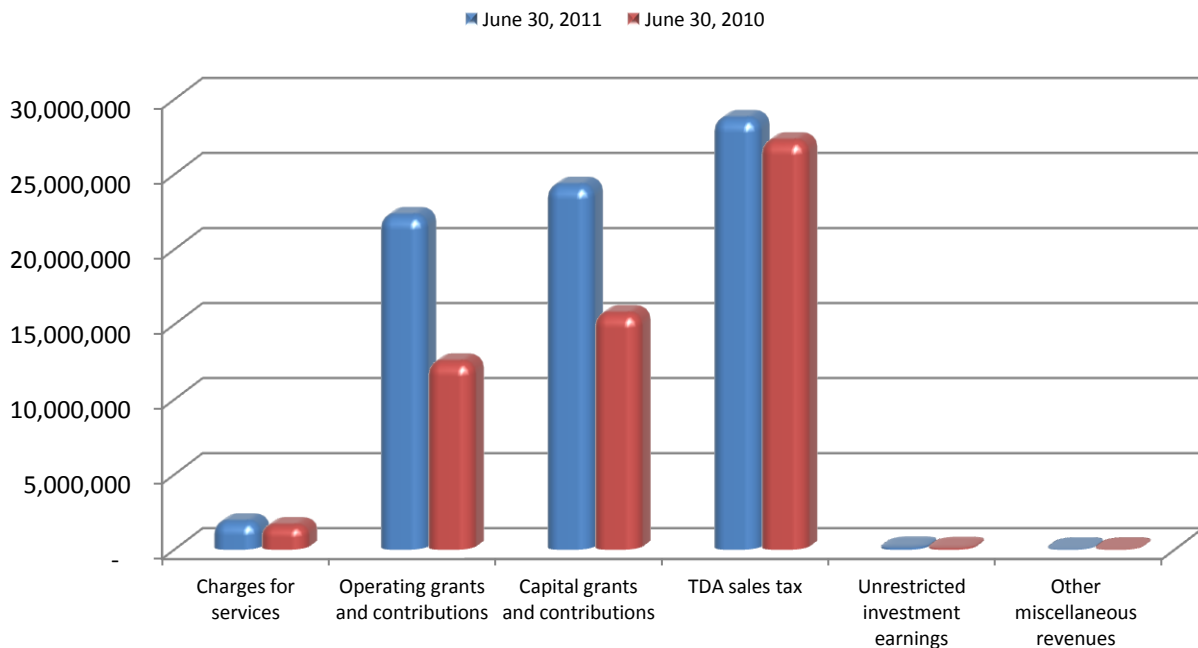
Changes in Net Assets

The Commission's total program and general revenues were \$77,243,650, while the total costs of all programs were \$53,915,406. Total revenues increased by 35% and the total costs of all programs increased by less than 1% for an increase in net assets of \$23,328,244. Key elements are as follows:

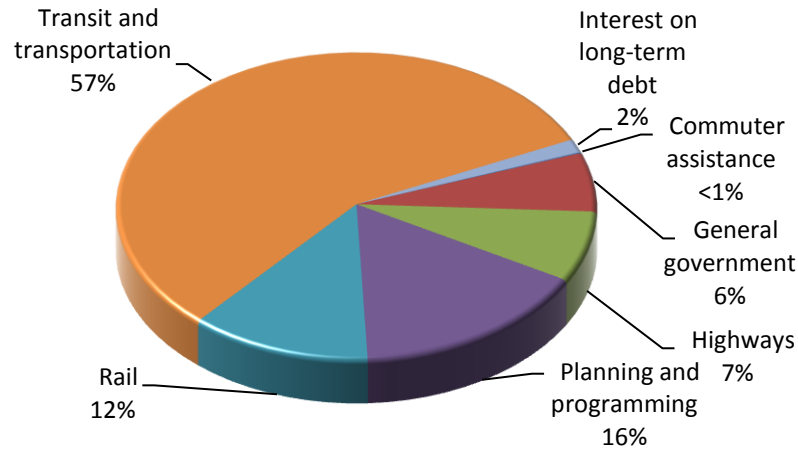
- Charges for services were \$1,831,540. The charges for services increased by 16%, largely due to increased fare revenues on the VISTA bus routes.
- Operating grants and contributions increased by 78%, while capital grants and contributions increased by 54%. The increase in operating grants and contributions reflects the shift in types of funding sources available and projects reimbursed. The increase in capital grants and contributions reflects the partial completion of the Lewis Road project and the receipt of \$21.9 million in STIP funds used to extinguish the outstanding bond. The overall total of these two funding sources is an increase of approximately \$18.3 million.
- The total Transportation Development Act sales tax receipts for both LTF and STA increased by 5% from the previous fiscal year. As the economy stabilized, the Local Transportation Fund sales tax revenues increased by over \$1.4 million.
- Unrestricted investment earnings increased \$46,110 due to higher account balances.
- Other miscellaneous revenues increased by 147% or \$14,802 due to a one-time reimbursement.

- Commuter Assistance activities decreased by \$30,329 as marketing activity for this expense was merged with the Commission’s comprehensive marketing plan.
- General Government activities increased from \$3,207,254 in Fiscal Year 2009/2010 to \$3,349,077 in Fiscal Year 2010/2011, largely due to increased community outreach.
- Highway expenses decreased by 71%, or approximately \$9.9 million, from \$13,874,782 in Fiscal Year 2009/2010 to \$3,998,426 in Fiscal Year 2010/2011, due to less activity with the Lewis Road project.
- Planning and Programming activities increased by 19%, or approximately \$1.4 million. The majority of this increase occurred in the TDA Administration program due to the increase of LTF sales tax revenues.
- Rail activities increased by 46%, or just over \$2 million to \$6,541,532, largely due to capital projects within the Metrolink project.
- Transit expenses increased by 27%, or just over \$6.5 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, 2011 and 2010.



The following graph depicts program expenses for the Commission's governmental activities for the Fiscal Year ended June 30, 2011.

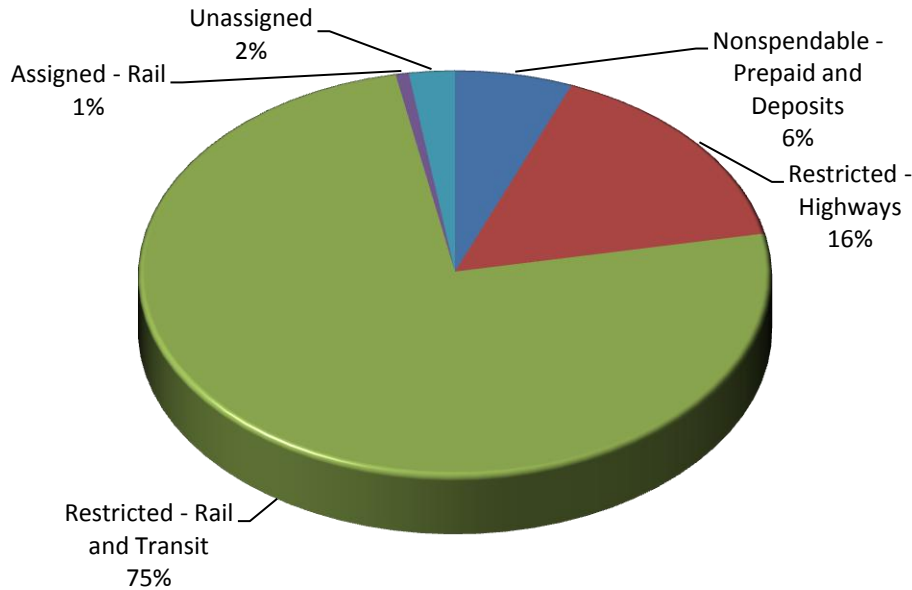


The following is a summary of the financial data related to the statement of activities for the fiscal years ended June 30, 2011 and 2010:

	Year Ended June 30, 2011	Year Ended June 30, 2010
Revenues:		
Program revenues:		
Charges for services	\$ 1,831,540	\$ 1,578,839
Operating grants and contributions	22,252,201	12,493,812
Capital grants and contributions	24,271,855	15,711,797
General revenues:		
Transportation development act sales taxes	28,717,326	27,230,132
Unrestricted investment earnings	145,864	99,754
Other miscellaneous revenue	24,864	10,062
Total revenues	<u>77,243,650</u>	<u>57,124,396</u>
Expenses:		
Commuter assistance	56,640	86,969
General government	3,349,077	3,207,254
Highways	3,998,426	13,874,782
Planning and programming	8,671,195	7,292,763
Rail	6,541,532	4,486,811
Transit and transportation	30,534,598	23,976,331
Interest on long-term debt	763,938	948,456
Total expenses	<u>53,915,406</u>	<u>53,873,366</u>
Change in net assets	23,328,244	3,251,030
Net assets as the beginning of year	47,590,682	44,339,652
Net assets at end of year	<u>\$70,918,926</u>	<u>\$47,590,682</u>

Financial Analysis of the Commission's Funds

As of June 30, 2011, the Commission's governmental funds reported combined ending fund balances of \$18,915,481, an increase of \$237,979 from Fiscal Year 2009/2010. Of the approximate \$18.9 million fund balance, 91% is restricted for rail, transit and highways projects, 6% is nonspendable for prepaid items and deposits, with the remaining 3% either assigned or unassigned in the General Fund. The graph below depicts the fund balances as of June 30, 2011.



The following table presents the fund balances for the governmental funds for Fiscal Year 2011 and 2010:

Fund Balance	Fiscal Year 2010/2011	Fiscal Year 2009/2010	% of Change
General Fund	\$ 1,923,350	\$ 1,570,432	22%
Special Revenue Funds:			
Local Transportation Fund	6,034,477	2,570,057	135%
State Transit Assistance Fund	7,950,838	7,700,785	3%
Service Authority for Freeway Emergency Fund	3,006,816	2,863,729	5%
Debt Service Fund	0	1,872,350	-100%
Capital Projects Fund	0	2,100,149	-100%
Total Fund Balance	<u>\$18,915,481</u>	<u>\$18,677,502</u>	<u>1%</u>

Key elements for the Commission's governmental funds at June 30, 2011 are:

- The balance in the General Fund increased by \$352,918 in Fiscal Year 2010/2011 from the previous fiscal year and is largely attributed to the revenues received for the communication costs for the Nextbus project. Of the \$1,923,350 fund balance, \$1,152,462 is nonspendable for prepaid items and deposits, \$193,973 is restricted for transit, and \$128,756 is assigned for rail purposes. The remaining \$448,159 is unassigned.

- The Local Transportation Fund balance increased by approximately \$3.5 million in Fiscal Year 2010/2011 as tax receipts came in higher than apportioned.
- The State Transit Assistance Fund increased by \$250,053 to \$7,950,838 in Fiscal Year 2010/2011 as the State apportioned revenues exceeded the expenditures.
- The Service Authority for Freeway Emergency Fund increased by \$143,086 as revenues exceeded expenditures.
- The Debt Service Fund decreased by \$1,872,350, with an ending fund balance in Fiscal Year 2010/2011 of \$0 due to the extinguishment of the Commission's long-term debt issued for the Revenue Refunding Bond Series 2008A.
- The Capital Project Fund decreased by \$2,100,149, with an ending fund balance in Fiscal Year 2010/2011 of \$0 because remaining resources of the fund were transferred to the debt service fund and used to extinguish the Revenue Refunding Bond Series 2008A.

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 \$12.2 million decrease in appropriations and were largely related to the following changes:

- The General government budget decreased by approximately \$23 million for transferring the budget authority for the extinguishment of the Revenue Refunding Bond Series 2008A from the General Fund budget to the Debt Service Fund budget.
- The Highways program increased by approximately \$3.1 million for construction costs of the Lewis Road Project that were not utilized in the previous fiscal year.
- The Rail program increased by approximately \$2.8 million largely due to increased pass-through Proposition 1B funding to Metrolink for equipment for the sealed corridor.
- The Transit program increased by approximately \$4.8 million for transit grant funds carried-over from the previous fiscal year and additional pass-through Proposition 1B projects.

In Fiscal Year 2010/2011 revenues were approximately \$7.2 million lower than budgeted primarily due to delays in the transit grant pass through and the Lewis Road projects.

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	Final Amended Budget	Fiscal Year 2010/2011 Actual	Variance
Revenues:			
Intergovernmental	\$31,484,439	\$24,311,676	-23%
Charges for services	1,902,508	1,831,540	-4%
Investment income	0	2,740	100%
Other revenue	<u>0</u>	<u>24,864</u>	<u>100%</u>
Total revenues	<u>33,386,947</u>	<u>26,170,820</u>	<u>-22%</u>
Expenditures:			
Current			
General government	4,040,272	3,303,057	18%
Programs	<u>34,386,805</u>	<u>26,781,637</u>	<u>22%</u>
Total expenditures	<u>38,427,077</u>	<u>30,084,694</u>	<u>22%</u>
Other financing sources:			
Transfers in	<u>4,899,306</u>	<u>4,266,792</u>	<u>-13%</u>
Total other financing sources	<u>4,899,306</u>	<u>4,266,792</u>	<u>-13%</u>
Net change in fund balance	<u>\$ (140,824)</u>	<u>\$ 352,918</u>	<u>351%</u>

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

- The \$7,172,763 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 \$70,968 negative variance for charges for services was primarily due to lower than budgeted fare revenues on the VISTA bus service.
- The \$2,740 positive variance for investment income was due to investment income not being budgeted due to nominal interest rates.
- The \$24,864 positive variance for other revenues was for one-time revenues to offset one-time expenses within the Rail program.
- The \$737,215 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.

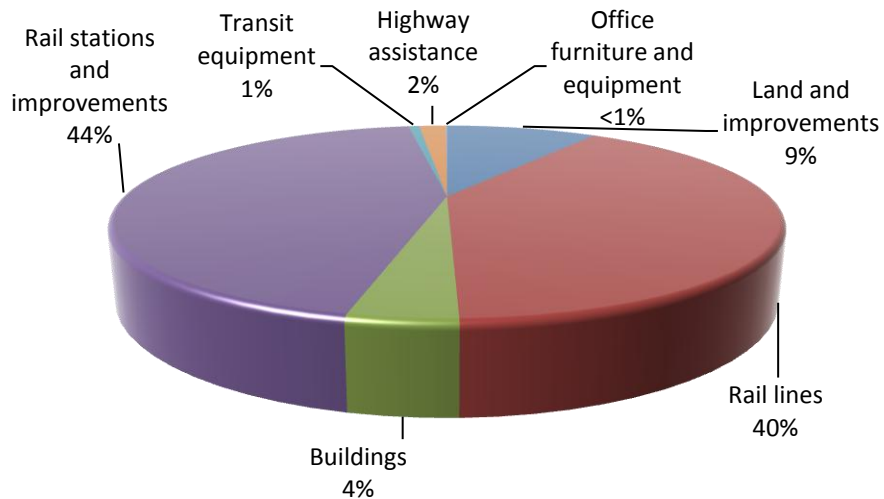
- The \$7,605,168 positive variance for program expenditures was due to several factors:
 - In the Highways program the Lewis Road project was approximately \$2.6 million less than budgeted due to delays in the project.
 - In the Planning and Programming program, expenditures were \$0.5 million less than budgeted due to delays in the rural rail safety project within the freight management budget, delays of the Heritage Valley Study and Regional Transit Study within the Regional Transit budget, and delays of the bike map project within the Regional Transportation budget.
 - In the Transit and Transportation program, expenditures were \$4.5 million less than budgeted largely due to the pass-through expenditures (requests from other agencies) that were delayed, Smartcard expenditures that were not needed, adjustments to VISTA services, and, adjustments for prepaid items with the Nextbus and Trapeze projects.
 - Transfers in were \$0.6 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, 2011, the Commission had \$52,146,346, net of accumulated depreciation, invested in a broad range of capital assets. The Commission's capital assets decreased by 1% primarily due to depreciation costs. 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, 2011	Balance as of June 30, 2010
Land and improvements	\$ 4,917,354	\$ 4,917,354
Construction in progress	-	-
Rail lines	20,920,307	20,920,307
Buildings	2,174,609	2,219,927
Rail stations and improvements	22,868,765	23,301,362
Transit equipment	352,567	267,925
Highway assistance	882,182	1,109,414
Office furniture and equipment	30,562	52,599
Total	<u>\$52,146,346</u>	<u>\$52,788,888</u>

Below is a graph depicting the capital investments as of June 30, 2011:



Major capital additions and deletions during Fiscal Year 2010/2011 include:

- Work on the Santa Paula Branch Line with improvements totaling \$145,302.
- The purchase of particulate traps for the VISTA buses and Smartcard equipment totaling \$95,527.
- The removal of outdated fully depreciated office equipment totaling \$64,412.

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

Debt Administration

As of June 30, 2011, the Commission had \$0 outstanding bonded indebtedness with the extinguishment of the Revenue Refunding Series 2008A Bond. Additional information about the Commission's long-term debt can be found in Note 5 to the financial statements.

Economic and Other Factors

Although many economists have declared the "Great Recession" over, the impacts from this historical event continue to be felt. Ventura County's normally resilient economy continues to suffer as evidenced by the tax base remaining lower than in previous years (although rising) while unemployment remains high. However, this past year was slightly better than the previous year.

The labor markets continue to struggle and the outlook for labor is still rather dim. As of August 2011 Ventura County, with an unemployment rate of 10.5% (11.3% in 2010), was better off than the State of California, with an unemployment rate of 12.1%. Unfortunately, both Ventura County and the State

were well above the national unemployment rate of 9.1% with California’s unemployment rate being the second-highest in the nation. UCLA predicts weak job growth and high unemployment for California through 2013.

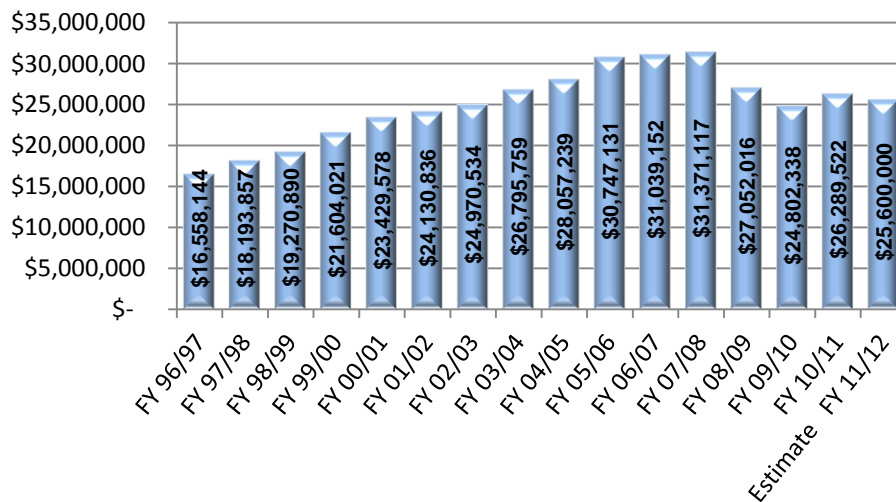
The residential housing market continues to be depressed. Home prices remain down and mortgage defaults have slowed; however, talk of continuing foreclosures will contribute to the weak housing market.

Although the Dow Jones Industrial Average has risen to over 11,000 (many times) since its plunge in March 2009, many investors (including public agencies) have not recouped their lost investments. Equally hard hit were individuals who saw their retirement accounts contract leading them to delay their retirement (or attempt to come out of retirement). Despite recent gains in the market, the market continues to be extremely volatile with 100 plus point variances. The wild ride is expected to continue due such factors as the European debt crisis and the Standard and Poor’s downgrade of United States sovereign debt.

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 in August to 44.5 from 59.2 in July and continues at historically low levels and far below the 90 mark that is considered healthy.

All of the issues above contribute to the uncertainty of state and federal funding available for transportation. Local Transportation Fund sales tax revenues (which comprises about one-third of the Commission’s budget) remain down (almost \$5.1 million from Fiscal Year 2007/2008 as indicated in the chart below). It is uncertain how long it will take for receipts to recover and what the new normal might be. Although the State released State Transit Assistance Funds for Fiscal Year 2010/2011 and has provided estimates for Fiscal Year 2011/2012, concern still exists about the reliability of future STA funds. 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



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.

(This page intentionally left blank)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

VENTURA COUNTY TRANSPORTATION COMMISSION

Statement of Net Assets

June 30, 2011

(With Comparative Totals for June 30, 2010)

	Governmental Activities	
	2011	2010
Assets:		
Cash and investments (note 2)	\$ 18,243,601	\$ 13,856,183
Cash and investments with fiscal agent (note 2)	-	4,188,745
Receivables:		
Accounts	98,797	15,884
Interest	35,678	42,164
Intergovernmental	2,901,457	7,533,023
Prepaid items and deposits	1,152,462	832,323
Unamortized bond issuance costs (note 5)	-	131,236
Capital assets, undepreciated (note 3)	25,837,661	25,837,661
Capital assets, depreciated, net (note 3)	<u>26,308,685</u>	<u>26,951,227</u>
Total assets	<u>74,578,341</u>	<u>79,388,446</u>
Liabilities:		
Accounts payable	974,303	1,359,549
Interest payable	-	78,325
Due to other governmental agencies	1,995,490	3,091,177
Unearned revenue	546,309	3,339,694
Deposits	412	400
Noncurrent liabilities (note 5):		
Due within one year	100,000	100,000
Due beyond one year	<u>42,901</u>	<u>23,828,619</u>
Total liabilities	<u>3,659,415</u>	<u>31,797,764</u>
Net assets:		
Invested in capital assets	52,146,346	52,788,888
Restricted for:		
Rail and transit	13,985,315	10,270,841
Highways	3,006,816	2,863,729
Unrestricted	<u>1,780,449</u>	<u>(18,332,776)</u>
Total net assets	<u>\$ 70,918,926</u>	<u>\$ 47,590,682</u>

See accompanying notes to the basic financial statements

VENTURA COUNTY TRANSPORTATION COMMISSION
Statement of Activities
Year Ended June 30, 2011
(With Comparative Totals For Year Ended June 30, 2010)

	Program Revenues				Governmental Activities	
	Charges for Expenses	Operating Grants and Contributions	Capital Grants and Contributions	2011		
Governmental activities:						
Commuter assistance	\$ 56,640	\$ -	\$ 410,844	\$ -	\$ 354,204	\$ 283,901
General government	3,349,077	50,000	416,139	-	(2,882,938)	(1,825,544)
Highways	3,998,426	4,488	946,483	23,780,777	20,733,322	(2,810,624)
Planning and programming	8,671,195	-	587,043	445,605	(7,638,547)	(6,899,532)
Rail	6,541,532	387,636	3,506,256	45,473	(2,602,167)	2,253,911
Transit and transportation	30,534,598	1,389,416	16,385,436	-	(12,759,746)	(14,142,574)
Interest on long-term debt	<u>763,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(763,938)</u>	<u>(948,456)</u>
Total governmental activities	<u>\$53,915,406</u>	<u>\$ 1,831,540</u>	<u>\$ 22,252,201</u>	<u>\$ 24,271,855</u>	<u>\$ (5,559,810)</u>	<u>\$(24,088,918)</u>
General revenues:						
Transportation Development Act sales taxes					\$ 28,717,326	\$ 27,230,132
Unrestricted investment earnings					145,864	99,754
Other miscellaneous revenue					<u>24,864</u>	<u>10,062</u>
Total general revenues					<u>28,888,054</u>	<u>27,339,948</u>
Change in net assets					23,328,244	3,251,030
Net assets at beginning of year					<u>47,590,682</u>	<u>44,339,652</u>
Net assets at end of year					<u>\$ 70,918,926</u>	<u>\$ 47,590,682</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 purpose of implementing an emergency call box system for motorists using state highways.

DEBT SERVICE FUNDS:

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. The following debt service fund has been classified as a major fund:

Debt Service Fund: This fund is used to account for the payment of interest and principal on the Revenue Refunding Bonds Series 2008A.

CAPITAL PROJECTS FUNDS:

Capital Projects Funds are used to account for the financial resources used for the acquisition of capital assets and construction of capital projects. The following capital projects fund has been classified as a major fund:

Capital Projects Fund: This fund is used to account for the acquisition of capital assets and construction costs associated with the Lewis Road project.

VENTURA COUNTY TRANSPORTATION COMMISSION

Governmental Funds

Balance Sheet

June 30, 2011

(With Comparative Totals for June 30, 2010)

	Special Revenue Funds				Debt Service	Capital Projects	Totals	
	General	Local Transportation	State Transit Assistance	SAFE			2011	2010
Assets:								
Cash and investments (note 2)	\$1,266,775	\$6,020,318	\$7,936,225	\$3,020,283	\$ -	\$ -	\$18,243,601	\$13,856,183
Cash and investments with fiscal agent (note 2)	-	-	-	-	-	-	-	4,188,745
Receivables:								
Accounts receivables	98,797	-	-	-	-	-	98,797	15,884
Interest	1	14,159	16,612	4,906	-	-	35,678	42,164
Intergovernmental	2,805,760	-	-	95,697	-	-	2,901,457	7,533,023
Prepaid items and deposits	1,152,462	-	-	-	-	-	1,152,462	832,323
Due from other funds (note 4)	1,999	-	-	-	-	-	1,999	3,483,324
Total assets	<u>\$5,325,794</u>	<u>\$6,034,477</u>	<u>\$7,952,837</u>	<u>\$3,120,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,433,994</u>	<u>\$29,951,646</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 899,855	\$ -	\$ -	\$ 74,448	\$ -	\$ -	\$ 974,303	\$ 1,359,549
Due to other government agencies	1,955,868	-	-	39,622	-	-	1,995,490	3,091,177
Due to other funds (note 4)	-	-	1,999	-	-	-	1,999	3,483,324
Deferred revenue	546,309	-	-	-	-	-	546,309	3,339,694
Deposits	412	-	-	-	-	-	412	400
Total liabilities	<u>3,402,444</u>	<u>-</u>	<u>1,999</u>	<u>114,070</u>	<u>-</u>	<u>-</u>	<u>3,518,513</u>	<u>11,274,144</u>
Fund balances:								
Nonspendable - prepaids and deposits	1,152,462	-	-	-	-	-	1,152,462	832,323
Restricted for:								
Highways	-	-	-	3,006,816	-	-	3,006,816	4,963,878
Rail and transit	193,973	6,034,477	7,950,838	-	-	-	14,179,288	10,344,236
Debt service	-	-	-	-	-	-	-	1,872,350
Assigned - rail	128,756	-	-	-	-	-	128,756	128,755
Unassigned	448,159	-	-	-	-	-	448,159	535,960
Total fund balances	<u>1,923,350</u>	<u>6,034,477</u>	<u>7,950,838</u>	<u>3,006,816</u>	<u>-</u>	<u>-</u>	<u>18,915,481</u>	<u>18,677,502</u>
Total liabilities and fund balances	<u>\$5,325,794</u>	<u>\$6,034,477</u>	<u>\$7,952,837</u>	<u>\$3,120,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,433,994</u>	<u>\$29,951,646</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 Assets
June 30, 2011

Fund balances of governmental funds **\$18,915,481**

Amounts reported for governmental activities in the Statement of Net Assets 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	59,649,532
Accumulated depreciation	(7,503,186)

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>(142,901)</u>
----------------------	------------------

Net assets of governmental activities **\$70,918,926**

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, 2011

(With Comparative Totals for Year Ended June 30, 2010)

	Special Revenue Funds						Totals	
	General	Local Transportation	State Transit Assistance	SAFE	Debt Service	Capital Projects	2011	2010
Revenues:								
Sales taxes	\$ -	\$26,289,532	\$ 2,427,794	\$ -	\$ -	\$ -	\$28,717,326	\$27,230,132
Vehicle registration fees	-	-	-	703,393	-	-	703,393	723,873
Intergovernmental	24,311,676	-	-	10,000	21,474,844	-	45,796,520	27,453,910
Charges for services	1,831,540	-	-	-	-	-	1,831,540	1,578,839
Investment income	2,740	74,888	68,236	22,358	1,012	773	170,007	127,580
Other revenue	24,864	-	-	-	-	-	24,864	10,062
Total revenues	<u>26,170,820</u>	<u>26,364,420</u>	<u>2,496,030</u>	<u>735,751</u>	<u>21,475,856</u>	<u>773</u>	<u>77,243,650</u>	<u>57,124,396</u>
Expenditures:								
Current:								
General government:								
Salaries and benefits	2,381,820	-	-	-	-	-	2,381,820	2,349,613
General legal services	19,773	-	-	-	-	-	19,773	18,455
Professional services	328,682	14,700	-	-	-	-	343,382	436,434
Office lease	130,954	-	-	-	-	-	130,954	127,306
Other	441,828	-	-	-	-	-	441,828	1,263,206
Total general government	<u>3,303,057</u>	<u>14,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317,757</u>	<u>4,195,014</u>
Programs:								
Commuter assistance	56,640	-	-	-	-	-	56,640	86,969
Highways	2,689,967	-	-	506,234	-	574,993	3,771,194	13,583,971
Planning and programming	735,867	7,935,328	-	-	-	-	8,671,195	7,292,763
Rail	6,063,617	-	-	-	-	-	6,063,617	8,714,873
Transit and transportation	17,235,546	13,383,695	-	-	-	-	30,619,241	24,207,548
Total programs	<u>26,781,637</u>	<u>21,319,023</u>	<u>-</u>	<u>506,234</u>	<u>-</u>	<u>574,993</u>	<u>49,181,887</u>	<u>53,886,124</u>
Debt service:								
Principal payments	-	-	-	-	23,795,000	-	23,795,000	-
Interest and other fiscal charges	-	-	-	-	711,027	-	711,027	941,811
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,506,027</u>	<u>-</u>	<u>24,506,027</u>	<u>941,811</u>
Total expenditures	<u>30,084,694</u>	<u>21,333,723</u>	<u>-</u>	<u>506,234</u>	<u>24,506,027</u>	<u>574,993</u>	<u>77,005,671</u>	<u>59,022,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,913,874)</u>	<u>5,030,697</u>	<u>2,496,030</u>	<u>229,517</u>	<u>(3,030,171)</u>	<u>(574,220)</u>	<u>237,979</u>	<u>(1,898,553)</u>
Other financing sources (uses):								
Transfers in (note 4)	4,266,792	-	-	-	1,525,929	-	5,792,721	3,918,629
Transfers out (note 4)	-	(1,566,277)	(2,245,977)	(86,430)	(368,108)	(1,525,929)	(5,792,721)	(3,918,629)
Total other financing sources (uses)	<u>4,266,792</u>	<u>(1,566,277)</u>	<u>(2,245,977)</u>	<u>(86,430)</u>	<u>1,157,821</u>	<u>(1,525,929)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	352,918	3,464,420	250,053	143,087	(1,872,350)	(2,100,149)	237,979	(1,898,553)
Fund balances, beginning of year	1,570,432	2,570,057	7,700,785	2,863,729	1,872,350	2,100,149	18,677,502	20,576,055
Fund balances, end of year	<u>\$ 1,923,350</u>	<u>\$ 6,034,477</u>	<u>\$ 7,950,838</u>	<u>\$ 3,006,816</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$18,915,481</u>	<u>\$18,677,502</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, 2011

Net change in fund balances - total governmental funds **\$ 237,979**

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, net of disposals	(883,371)
Capital outlay	240,829

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs and bond discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Extinguishment/repayment of revenue bonds	23,795,000
Amortization of bond issue costs	(131,236)

Accrued interest for revenue bonds. This is the net change in accrued interest for the current period	78,325
---	--------

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.	(9,282)
--	---------

Change in net assets of governmental activities **\$23,328,244**

See accompanying notes to the basic financial statements

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies

Reporting Entity: The Ventura County Transportation Commission (Commission) was created in 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 and State Transit Assistance 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, 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. 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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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 Assets 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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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 purpose of implementing and maintaining an emergency call box system and other projects to assist motorists.

Debt Service Fund: This fund is used to account for the payment of interest and principal on the Revenue Refunding Bond Series 2008A.

Capital Projects Fund: This fund is used to account for the acquisition of capital assets and construction costs associated with the Lewis Road project.

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, principal and interest expenditures on long-term debt and 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 Assets 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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

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 using the consumption method in both the government-wide and fund financial statements.

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 Assets. 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

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences: In accordance with GASB Statement No. 16, vacation leave 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.

Long-Term Obligations: In the government-wide financial statements, long-term debt is reported as long-term liabilities in the governmental activities. Bond discount and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are recorded net of the bond discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond discounts and bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Arbitrage Liability: Any liability for arbitrated interest is recorded in the fund incurring the liability. Interest income is reduced by the amount of liability incurred during the year. There is no liability for arbitrage at June 30, 2011.

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 assigned. The Commission has designated the authority to assign amounts used for specific purposes to the Executive Director and/or the Finance Director. 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: restricted, committed, assigned and unassigned.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

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

Invested 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 assets represent the net assets that are not accessible for general use because their use is subject to restrictions enforceable by third parties.

Unrestricted net assets represent 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.

Note 2. Cash and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Cash and investments	<u>\$18,243,601</u>
Total cash and investments	<u>\$18,243,601</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 50
Deposits with financial institutions	1,740,111
Investments	<u>16,503,440</u>
Total cash and investments	<u>\$18,243,601</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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 2. Cash and Investments (Continued)

<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.

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, 2011:

Investment Type	Total	Remaining Maturity - 12 Months or Less
County pooled investment fund	<u>\$16,503,440</u>	<u>\$16,503,440</u>
Total	<u>\$16,503,440</u>	<u>\$16,503,440</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, 2011.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 2. Cash and Investments (Continued)

Investment Type	Total	Minimum Legal Rating	Rating as of Year End AAA
County pooled investment fund	<u>\$16,503,440</u>	None	<u>\$16,503,440</u>
Total	<u>\$16,503,440</u>		<u>\$16,503,440</u>

Concentration of Credit Risk: As of June 30, 2011, 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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2011 as follows:

	Balance at June 30, 2010	Additions	Deletions	Balance at June 30, 2011
Capital assets not being depreciated:				
Land and improvements	\$ 4,917,354	\$ -	\$ -	\$ 4,917,354
Rail lines	<u>20,920,307</u>	-	-	<u>20,920,307</u>
Total capital assets not being depreciated	<u>25,837,661</u>	-	-	<u>25,837,661</u>
Capital assets being depreciated:				
Buildings	2,265,915	-	-	2,265,915
Rail stations and improvements	25,987,815	95,527	-	26,083,342
Transit equipment	546,678	145,302	-	691,980
Highway assistance	4,570,251	-	-	4,570,251
Office furniture and equipment	<u>264,795</u>	-	<u>(64,412)</u>	<u>200,383</u>
Total capital assets being depreciated	<u>33,635,454</u>	<u>240,829</u>	<u>(64,412)</u>	<u>33,811,871</u>
Less accumulated depreciation:				
Buildings	(45,988)	(45,318)	-	(91,306)
Rail stations and improvements	(2,686,453)	(528,124)	-	(3,214,577)
Transit equipment	(278,754)	(60,659)	-	(339,413)
Highway assistance	(3,460,837)	(227,232)	-	(3,688,069)
Office furniture and equipment	<u>(212,195)</u>	<u>(22,038)</u>	<u>64,412</u>	<u>(169,821)</u>
Total accumulated depreciation	<u>(6,684,227)</u>	<u>(883,371)</u>	<u>64,412</u>	<u>(7,503,186)</u>
Total capital assets being depreciated, net	<u>26,951,227</u>	<u>(642,542)</u>	-	<u>26,308,685</u>
Capital assets, net	<u>\$52,788,888</u>	<u>\$ (642,542)</u>	<u>\$ -</u>	<u>\$52,146,346</u>

In Fiscal Year 2010/2011, depreciation expense was charged to functions as follows:

General government	\$ 22,038
Highways	227,232
Rail	573,442
Transit	<u>60,659</u>
Total	<u>\$883,371</u>

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Transit Assistance - Special Revenue Fund	<u>\$1,999</u>
	Total	<u>\$1,999</u>

The amount due to the General Fund of \$1,999 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, 2011:

Transfers In	Transfers Out	Amount
General Fund	Local Transportation Fund (LTF) - Special Revenue Fund	\$1,566,277
General Fund	State Transit Assistance (STA) - Special Revenue Fund	2,245,977
General Fund	Service Authority for Freeway Emergencies (SAFE) - Special Revenue Fund	86,430
General Fund	Debt Service Fund	<u>368,108</u>
	Subtotal	<u>4,266,792</u>
Debt Service Fund	Capital Projects Fund	<u>1,525,929</u>
	Total	<u>\$5,792,721</u>

Interfund transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) to move receipts restricted for debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

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 and 2% of the total apportionment for transportation planning purposes. In Fiscal Year 2010/2011, the Commission apportioned \$1,566,277 as a fund transfer for these purposes. The Commission also approved a transfer of \$2,245,977 in STA funds and \$86,430 in SAFE for transit activities provided in the General Fund. The resources from the Capital Projects Fund were transferred to the Debt Service Fund and used to extinguish the Revenue Refunding Bond Series 2008A. Finally, the remaining debt service resources were transferred to the General Fund to offset additional Lewis Road expenditures.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

Governmental activities:

	Balance at June 30, 2010	Additions	Deletions	Balance at June 30, 2011	Amount Due in One Year	Amount Due Beyond One Year
Revenue Refunding Bond Series 2008A	\$23,795,000	\$ -	\$(23,795,000)	\$ -	\$ -	\$ -
Compensated Absences	<u>133,619</u>	<u>104,095</u>	<u>(94,813)</u>	<u>142,901</u>	<u>100,000</u>	<u>42,901</u>
Total	<u>\$23,928,619</u>	<u>\$104,095</u>	<u>\$(23,889,813)</u>	<u>\$142,901</u>	<u>\$100,000</u>	<u>\$42,901</u>

Compensated Absences: The Commission's policies relating to employee leave benefits are described in Note 1, Compensated absences. The liability of \$142,901 will be paid in future years from future resources from the General Fund.

Revenue Refunding Bonds, Series 2008A: On April 1, 2008, the Commission issued \$23,795,000 in Revenue Refunding Bond Series 2008A to provide funds for the current refunding of the California Transit Finance Authority Series 2005A Auction Rate Securities. The 2005A Auction Rate Securities were issued to provide financing for the Lewis Road Improvement Project. The Revenue Refunding Bond Series 2008A bonds were extinguished on March 1, 2011.

Arbitrage Rebate: The Tax Reform Act of 1986 instituted certain restrictions with respect to the issuance of tax-exempt bonds and commercial paper notes after August 31, 1986. In general, arbitrage regulations deal with the investment of all tax-exempt bond and commercial paper note proceeds at an interest yield greater than the interest yield paid to the bondholders or noteholders. Failure to follow the arbitrage regulations could result in all interest paid to bondholders or noteholders retroactively rendered taxable.

In accordance with the arbitrage regulations, if excess earnings were calculated, 90% of the amount calculated would be due to the Internal Revenue Service at the end of each five-year period. The remaining 10% would be recorded as a liability and paid after all bond and commercial paper financings. As of June 30, 2011, the Commission has \$0 arbitrage liability.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 6. Operating Leases

On February 1, 2008, the Commission entered into an agreement to lease office space. The term of the lease is for a period of five years expiring on January 31, 2013 and may be extended for one additional five-year term. Total rental expenditures for the fiscal year ended June 30, 2010 were \$124,032. The total minimum rental commitment for office space is due as follows:

Ending	Amount
June 30, 2012	\$124,032
January 31, 2013	<u>62,016</u>
Total	<u>\$186,048</u>

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.

All permanent Commission employees are eligible to participate in CalPERS. 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. Final compensation is defined as the highest annual salary earned. Retirement may begin at age 50 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% of their annual covered salary. The Commission makes the contributions required of Commission 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 Commission's Board of Commissioners.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 7. Pension Plan (Continued)

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 cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2010 to June 30, 2011 has been determined by an actuarial valuation of the plan as of June 30, 2008. The Commission's covered payroll for CalPERS was \$1,481,787 for the year ended June 30, 2011, while the Commission's total payroll for all employees was \$1,542,760 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2011, the contribution rate is multiplied by the payroll of covered employees that were actually paid during the period from July 1, 2010 to June 30, 2011.

Three-Year Trend Information Annual Pension Cost

Fiscal Year	Employer Contribution Rate	Annual Pension Cost (Employer Contribution)	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2011	10.007%	\$148,282	100%	\$-
6/30/2010	10.065%	\$152,681	100%	\$-
6/30/2009	10.878%	\$161,715	100%	\$-

In 2003 when the Commission was converted by CalPERS into a cost-sharing multiple-employer plan, a side fund (the amount the Commission would owe CalPERS if it exited the plan) was created to account for the difference between the funded status of the pool and the funded status of the Commission's plan. As of the June 30, 2008 valuation (most current valuation available), the estimated amount of the side fund liability was \$461,974. On April 1, 2011, the Commission approved an action to pay-off the side fund in July 2011. VCTC did make the payment to CalPERS in July 2011 that paid off the side fund which reduced the Commission's employer contribution rate beginning August 1, 2011 by 3.1%.

Note 8. Post Employment Benefit Plan

The 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 to begin accounting 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 for this benefit, retirees must be at least 50 years old and be vested with at least 5 years of California Public Employees Retirement System (CalPERS) service.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 8. Post Employment Benefit Plan (Continued)

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 \$108 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 \$903) until age 65. After 65 the Commission pays the Medicare supplement benefit amount (currently up to \$325 per month) for health coverage. As of June 30, 2011, the Commission had five "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 2010/2011, the Commission contributed \$138,000 to the plan, including \$28,880 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.

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:

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 8. Post Employment Benefit Plan (Continued)

Annual required contribution	\$ 138,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>138,000</u>
Contributions made (including premiums paid)	<u>(138,000)</u>
Increase in net OPEB obligation	-
Net OPEB obligation—beginning of year	-
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 2011 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
2009	\$118,000	100%	\$-
2010	\$122,000	100%	\$-
2011	\$138,000	100%	\$-

Funded Status and Funding Progress: The funded status of the plan as of the June 30, 2010 valuation was:

Actuarial accrued liability (AAL)	\$1,215,000
Actuarial value of plan assets	<u>199,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$1,016,000</u>
Funded ratio (actuarial value of plan assets/AAL)	16.37%
Covered payroll (active plan members)	\$1,631,000
UAAL as a percentage of covered payroll	62.29%

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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 8. Post Employment Benefit Plan (Continued)

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 7.75 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 9.5%; Medicare eligible HMO and PPO premiums were initially 10.0%. 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. 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 \$3,593,603 from the budget during Fiscal Year 2010/2011 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.

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

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 9. Joint Ventures (Continued)

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 \$7,200 in dues and \$15,807 towards the LOSSAN strategic plan. 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.

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.

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, 2011 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.

VENTURA COUNTY TRANSPORTATION COMMISSION

Notes to the Basic Financial Statements

Year Ended June 30, 2011

Note 12. 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, 2011, the Commission distributed \$21,319,023 of LTF funds to local agencies, which were allocated as follows:

Local Agency	Transit	Bicycle and Pedestrians	Streets and Roads	Fiscal Year 2010/2011
City of Camarillo	\$ -	\$ 60,000	\$ 1,648,840	\$ 1,708,840
City of Fillmore	389,286	3,068	1,031	393,385
City of Moorpark	345,037	39,458	583,990	968,485
City of Ojai	203,380	232	-	203,612
City of Oxnard	4,944,889	62,166	-	5,007,055
City of Port Hueneme	239,233	55,201	301,900	596,334
City of San Buenaventura	2,718,300	25,165	-	2,743,465
City of Santa Paula	418,538	416	324,367	743,321
City of Simi Valley	-	57,718	3,137,519	3,195,237
City of Thousand Oaks	2,520,400	57,225	698,880	3,276,505
County of Ventura	1,604,633	73,731	804,420	2,482,784
Total allocations	<u>\$13,383,695</u>	<u>\$ 434,380</u>	<u>\$ 7,500,948</u>	<u>\$ 21,319,023</u>

Note 13. Subsequent Event

On July 15, 2011, the Ventura County Transportation Commission paid \$444,358 to CalPERS to pay off its pension “side fund” that was created in 2003 when the Commission was converted by CalPERS into a cost-sharing multiple-employer plan. The side fund was originally created to account for the difference between the funded status of the pool and the funded status of the Commission’s plan. By extinguishing the side fund, the Commission reduced the Commission’s employer contribution rate beginning August 1, 2011 by 3.1%.

(This page intentionally left blank)

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

VENTURA COUNTY TRANSPORTATION COMMISSION
Required Supplementary Information
Year ended June 30, 2011

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 TDA 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 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, 2011

(With Comparative Totals For Year Ended June 30, 2010)

	Fiscal Year 2010/2011		Fiscal Year 2010/2011 Actual	Variance with Final Budget Positive (Negative)	Fiscal Year 2009/2010 Actual
	<u>Budgeted Amounts</u>				
	Original	Final			
Revenues:					
Intergovernmental	\$42,177,974	\$31,484,439	\$24,311,676	\$(7,172,763)	\$26,944,043
Charges for services	1,868,508	1,902,508	1,831,540	(70,968)	1,578,839
Investment income	-	-	2,740	2,740	3,116
Other revenue	-	-	24,864	24,864	5,882
Total revenues	<u>44,046,482</u>	<u>33,386,947</u>	<u>26,170,820</u>	<u>(7,216,127)</u>	<u>28,531,880</u>
Expenditures:					
Current:					
General government:					
Salaries and benefits	2,413,000	2,482,624	2,381,820	100,804	2,349,613
General legal services	35,000	35,000	19,773	15,227	18,455
Professional services	435,332	435,332	328,682	106,650	422,234
Office lease	131,300	131,300	130,954	346	127,306
Other	<u>24,084,308</u>	<u>956,016</u>	<u>441,828</u>	<u>514,188</u>	<u>1,263,206</u>
Total general government	<u>27,098,940</u>	<u>4,040,272</u>	<u>3,303,057</u>	<u>737,215</u>	<u>4,180,814</u>
Programs:					
Commuter assistance	64,000	79,217	56,640	22,577	86,969
Highways	2,163,400	5,259,100	2,689,967	2,569,133	9,657,407
Planning and programming	1,165,080	1,278,280	735,867	542,413	128,076
Rail	3,199,880	6,077,695	6,063,617	14,078	8,714,873
Transit and transportation	<u>16,910,112</u>	<u>21,692,513</u>	<u>17,235,546</u>	<u>4,456,967</u>	<u>9,841,926</u>
Total programs	<u>23,502,472</u>	<u>34,386,805</u>	<u>26,781,637</u>	<u>7,605,168</u>	<u>28,429,251</u>
Total expenditures	<u>50,601,412</u>	<u>38,427,077</u>	<u>30,084,694</u>	<u>8,342,383</u>	<u>32,610,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,554,930)</u>	<u>(5,040,130)</u>	<u>(3,913,874)</u>	<u>1,126,256</u>	<u>(4,078,185)</u>
Other financing sources (uses):					
Transfers in	<u>6,369,555</u>	<u>4,899,306</u>	<u>4,266,792</u>	<u>(632,514)</u>	<u>3,915,784</u>
Total other financing sources (uses)	<u>6,369,555</u>	<u>4,899,306</u>	<u>4,266,792</u>	<u>(632,514)</u>	<u>3,915,784</u>
Net change in fund balances	(185,375)	(140,824)	352,918	493,742	(162,401)
Fund balances, beginning of year	<u>250,000</u>	<u>1,732,833</u>	<u>1,570,432</u>	<u>(162,401)</u>	<u>1,732,833</u>
Fund balances (deficit), end of year	<u>\$ 64,625</u>	<u>\$ 1,592,009</u>	<u>\$ 1,923,350</u>	<u>\$ 331,341</u>	<u>\$ 1,570,432</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, 2011
(With Comparative Totals for Year Ended June 30, 2010)

	Fiscal Year 2010/2011 <u>Budgeted Amounts</u>		Fiscal Year 2010/2011 Actual	Variances with Final Budget Positive (Negative)	Fiscal Year 2009/2010 Actual
	Original	Final			
Revenues:					
Sales taxes	\$22,900,000	\$22,900,000	\$26,289,532	\$ 3,389,532	\$24,802,338
Investment income	<u>60,000</u>	<u>60,000</u>	<u>74,888</u>	<u>14,888</u>	<u>67,719</u>
Total revenues	<u>22,960,000</u>	<u>22,960,000</u>	<u>26,364,420</u>	<u>3,404,420</u>	<u>24,870,057</u>
Expenditures:					
Current:					
General government:					
Professional services	<u>14,700</u>	<u>14,700</u>	<u>14,700</u>	<u>-</u>	<u>14,200</u>
Total general government	<u>14,700</u>	<u>14,700</u>	<u>14,700</u>	<u>-</u>	<u>14,200</u>
Programs:					
Planning and programming	21,319,023	21,319,023	7,935,328	13,383,695	7,164,687
Transit and transportation	<u>-</u>	<u>-</u>	<u>13,383,695</u>	<u>(13,383,695)</u>	<u>14,139,577</u>
Total programs	<u>21,319,023</u>	<u>21,319,023</u>	<u>21,319,023</u>	<u>-</u>	<u>21,304,264</u>
Total expenditures	<u>21,333,723</u>	<u>21,333,723</u>	<u>21,333,723</u>	<u>-</u>	<u>21,318,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,626,277</u>	<u>1,626,277</u>	<u>5,030,697</u>	<u>3,404,420</u>	<u>3,551,593</u>
Other financing sources (uses):					
Transfer out	<u>(1,607,360)</u>	<u>(1,607,360)</u>	<u>(1,566,277)</u>	<u>41,083</u>	<u>(1,774,418)</u>
Total financing sources (uses)	<u>(1,607,360)</u>	<u>(1,607,360)</u>	<u>(1,566,277)</u>	<u>41,083</u>	<u>(1,774,418)</u>
Net change in fund balances	18,917	18,917	3,464,420	3,445,503	1,777,175
Fund balances, beginning of year	<u>600,000</u>	<u>600,000</u>	<u>2,570,057</u>	<u>1,970,057</u>	<u>792,882</u>
Fund balances (deficit), end of year	<u>\$ 618,917</u>	<u>\$ 618,917</u>	<u>\$ 6,034,477</u>	<u>\$ 5,415,560</u>	<u>\$ 2,570,057</u>

See accompanying notes to the required supplemental information

VENTURA COUNTY TRANSPORTATION COMMISSION
Special Revenue Fund
State Transit Assistance Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2011
 (With Comparative Totals for Year Ended June 30, 2010)

	Fiscal Year 2010/2011 Budgeted Amounts		Fiscal Year 2010/2011 Actual	Variances with Final Budget Positive (Negative)	Fiscal Year 2009/2010 Actual
	Original	Final			
Revenues:					
Sales taxes	\$2,340,000	\$2,340,000	\$2,427,794	\$ 87,793	\$2,427,794
Investment income	<u>100,000</u>	<u>100,000</u>	<u>68,236</u>	<u>(31,764)</u>	<u>28,919</u>
Total revenues	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,496,030</u>	<u>56,030</u>	<u>2,456,713</u>
Expenditures:					
Current:					
Programs:					
Transit and transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,045</u>
Total programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,045</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,496,030</u>	<u>56,030</u>	<u>2,230,668</u>
Other financing sources (uses):					
Transfer out	<u>(4,066,395)</u>	<u>(3,130,146)</u>	<u>(2,245,977)</u>	<u>884,169</u>	<u>(2,014,556)</u>
Total financing sources (uses)	<u>(4,066,395)</u>	<u>(3,130,146)</u>	<u>(2,245,977)</u>	<u>884,169</u>	<u>(2,014,556)</u>
Net change in fund balances	(1,626,395)	(690,146)	250,053	940,199	216,112
Fund balances, beginning of year	<u>6,900,000</u>	<u>6,900,000</u>	<u>7,700,785</u>	<u>800,785</u>	<u>7,484,673</u>
Fund balances (deficit), end of year	<u>\$5,273,605</u>	<u>\$6,209,854</u>	<u>\$7,950,838</u>	<u>\$1,740,984</u>	<u>\$7,700,785</u>

See accompanying notes to the required supplemental information

VENTURA COUNTY TRANSPORTATION COMMISSION
Special Revenue Fund
Service Authority for Freeway Emergencies Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2011
 (With Comparative Totals for Year Ended June 30, 2010)

	Fiscal Year 2010/2011 Budgeted Amounts		Fiscal Year 2010/2011	Variances with Final Budget Positive (Negative)	Fiscal Year 2009/2010
	Original	Final	Actual		Actual
Revenues:					
Vehicle registration fees	\$ 700,000	\$ 700,000	\$ 703,393	\$ 3,393	\$ 723,873
Intergovernmental	-	10,000	10,000	-	10,000
Investment income	50,000	50,000	22,358	(27,642)	22,798
Other revenue	-	-	-	-	4,180
Total revenues	<u>750,000</u>	<u>760,000</u>	<u>735,751</u>	<u>(24,249)</u>	<u>760,851</u>
Expenditures:					
Current:					
Programs:					
Highways	-	607,100	506,234	100,866	546,424
Total programs	-	<u>607,100</u>	<u>506,234</u>	<u>100,866</u>	<u>546,424</u>
Total expenditures	-	<u>607,100</u>	<u>506,234</u>	<u>100,866</u>	<u>546,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>750,000</u>	<u>152,900</u>	<u>229,517</u>	<u>76,617</u>	<u>214,427</u>
Other financing sources (uses):					
Transfer out	<u>(695,800)</u>	<u>(88,700)</u>	<u>(86,430)</u>	<u>2,270</u>	<u>(126,810)</u>
Total financing sources (uses)	<u>(695,800)</u>	<u>(88,700)</u>	<u>(86,430)</u>	<u>2,270</u>	<u>(126,810)</u>
Net change in fund balances	54,200	64,200	143,087	78,887	87,617
Fund balances, beginning of year	<u>2,881,212</u>	<u>2,881,212</u>	<u>2,863,729</u>	<u>(17,483)</u>	<u>2,776,112</u>
Fund balances (deficit), end of year	<u>\$2,935,412</u>	<u>\$2,945,412</u>	<u>\$3,006,816</u>	<u>\$ 61,404</u>	<u>\$ 2,863,729</u>

See accompanying notes to the required supplemental information

VENTURA COUNTY TRANSPORTATION COMMISSION
 Schedule of Funding Progress for Other Postemployment Benefits
 As of June 30, 2011

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)
6/30/2007	n/a	n/a	n/a	n/a	n/a	n/a
6/30/2008	\$ -	\$ 950,000	\$ 950,000	0.00%	\$1,548,000	61.40%
6/30/2010	\$199,000	\$1,215,000	\$1,016,000	16.37%	\$1,631,000	62.29%

See Notes to Required Supplementary Information

VENTURA COUNTY TRANSPORTATION COMMISSION
Notes to Required Supplementary Information
Year Ended June 30, 2011

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.

(This page intentionally left blank)

SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

VENTURA COUNTY TRANSPORTATION COMMISSION
Debt Service Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2011
 (With Comparative Totals for Year Ended June 30, 2010)

	Fiscal Year 2010/2011 <u>Budgeted Amounts</u>		Fiscal Year 2010/2011 Actual	Variances with Final Budget Positive (Negative)	Fiscal Year 2009/2010 Actual
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$21,840,000	\$21,474,844	\$(365,156)	\$ 499,867
Investment income	-	-	1,012	1,012	2,183
Total revenues	-	21,840,000	21,475,856	(364,144)	502,050
Expenditures:					
Debt Service					
Principal	795,000	23,795,000	23,795,000	-	-
Interest and other fiscal charges	791,253	791,253	711,027	80,226	941,811
Bond issuance costs	-	-	-	-	-
Total debt service	1,586,253	24,586,253	24,506,027	80,226	941,811
Total expenditures	1,586,253	24,586,253	24,506,027	80,226	941,811
Excess (deficiency) of revenues over (under) expenditures	(1,586,253)	(2,746,253)	(3,030,171)	(283,918)	(439,761)
Other financing sources (uses):					
Transfer in	-	1,530,000	1,525,929	(4,071)	2,845
Transfer out	-	(370,000)	(368,108)	1,892	-
Total financing sources (uses)	-	1,160,000	1,157,821	(2,179)	2,845
Net change in fund balances	(1,586,253)	(1,586,253)	(1,872,350)	(286,097)	(436,916)
Fund balances, beginning of year	1,586,253	1,586,253	1,872,350	286,097	2,309,266
Fund balances (deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$1,872,350

VENTURA COUNTY TRANSPORTATION COMMISSION
Capital Projects Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2011
 (With Comparative Totals for Year Ended June 30, 2010)

	Fiscal Year 2010/2011 <u>Budgeted Amounts</u>		Fiscal Year 2010/2011	Variances with Final Budget Positive (Negative)	Fiscal Year 2009/2010
	Original	Final	Actual		Actual
Revenues:					
Investment income	\$ -	\$ -	\$ 773	\$ 773	\$ 2,845
Total revenues	<u>-</u>	<u>-</u>	<u>773</u>	<u>773</u>	<u>2,845</u>
Expenditures:					
Current:					
Programs:					
Highways	<u>2,400,000</u>	<u>870,000</u>	<u>574,993</u>	<u>295,007</u>	<u>3,380,140</u>
Total programs	<u>2,400,000</u>	<u>870,000</u>	<u>574,993</u>	<u>295,007</u>	<u>3,380,140</u>
Total expenditures	<u>2,400,000</u>	<u>870,000</u>	<u>574,993</u>	<u>295,007</u>	<u>3,380,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,400,000)</u>	<u>(870,000)</u>	<u>(574,220)</u>	<u>295,780</u>	<u>(3,377,295)</u>
Other financing sources (uses):					
Transfer out	-	(1,530,000)	(1,525,929)	4,071	(2,845)
Total financing sources (uses)	<u>-</u>	<u>(1,530,000)</u>	<u>(1,525,929)</u>	<u>4,071</u>	<u>(2,845)</u>
Net change in fund balances	(2,400,000)	(2,400,000)	(2,100,149)	299,851	(3,380,140)
Fund balances, beginning of year	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,100,149</u>	<u>(299,851)</u>	<u>5,480,289</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,100,149</u>

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.	60
Revenue Capacity These schedules contain information to help the reader assess the Commission's most significant local revenue source, sales tax.	64
Debt Capacity These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt	69
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.	70
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.	73

Sources:

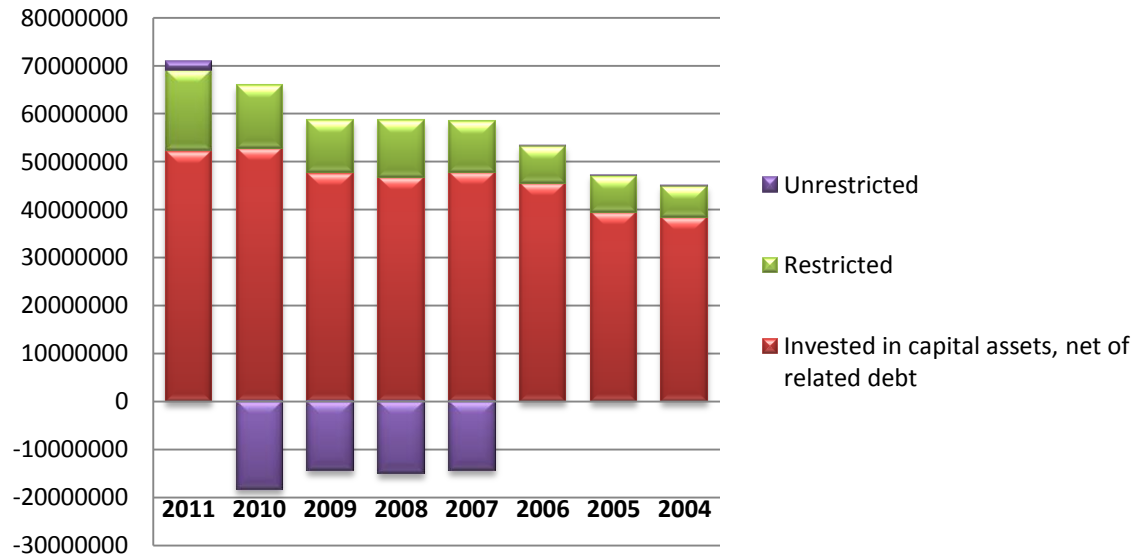
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Commission implemented GASB 34 in the fiscal year ending June 30, 2004; schedules presenting government-wide information include information beginning in that year.

Ventura County Transportation Commission
 Net Assets by Component
 Last Eight Fiscal Years
 (Accrual Basis)

	<u>Fiscal Year</u>							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:								
Invested in capital assets, net of related debt	\$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	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>1,780,449</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 assets	<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>

GASB 34 was implemented July 1, 2003. Prior year's information is not available.
 Source: Commission Finance Department

Net Assets by Component



Ventura County Transportation Commission

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis)

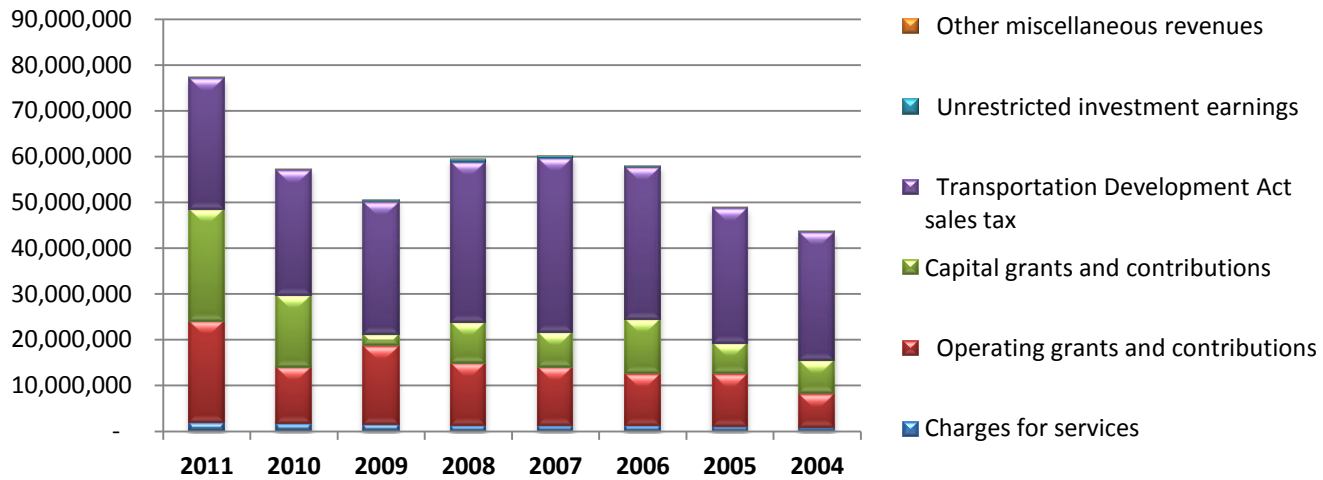
	<u>Fiscal Year</u>							
	2011	2010	2009	2008	2007	2006	2005	2004
Expenses								
Governmental activities:								
Commuter assistance	\$ 56,640	\$ 86,969	\$ 152,977	\$ 152,433	\$ 106,959	\$ 45,085	\$ 99,752	\$ 359,360
General government	3,349,077	3,207,254	3,528,518	3,189,455	2,851,224	3,021,453	2,796,618	3,423,346
Highways	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	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	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	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	<u>763,938</u>	<u>948,456</u>	<u>951,456</u>	<u>242,091</u>	<u>989,497</u>	<u>801,956</u>	<u>-</u>	<u>-</u>
Total governmental activities expenses	<u>53,915,406</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	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	-	1,000	-	-	-	-	-	-
Rail	387,636	336,771	334,229	325,731	319,300	313,626	292,556	234,795
Transit and transportation	1,389,416	1,181,047	1,043,382	827,172	764,755	721,589	620,700	584,613
Operating grants and contributions	22,252,201	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	<u>24,271,855</u>	<u>15,711,797</u>	<u>2,663,238</u>	<u>9,004,070</u>	<u>7,696,836</u>	<u>11,924,119</u>	<u>6,787,371</u>	<u>7,159,875</u>
Total governmental activities program revenues	<u>48,355,596</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>(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	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	145,864	99,754	378,390	662,964	502,671	316,494	133,211	165,288
Other miscellaneous revenues	<u>24,864</u>	<u>10,062</u>	<u>28,793</u>	<u>64,068</u>	<u>9,828</u>	<u>3,755</u>	<u>35,876</u>	<u>22,473</u>
Total governmental activities general revenues	<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 Assets								
Governmental activities:	<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>

GASB 34 was implemented July 1, 2003. Prior year's information is not available.

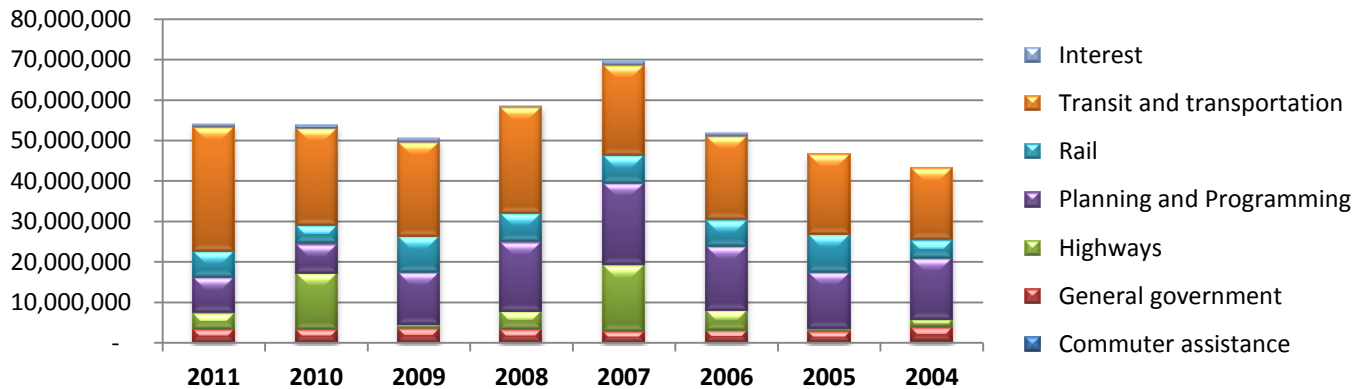
Source: Commission Finance Department

Ventura County Transportation Commission
 Changes in Net Assets (Continued)
 Last Eight Fiscal Years
 (Accrual Basis)

Revenues by Source



Expenses by Function

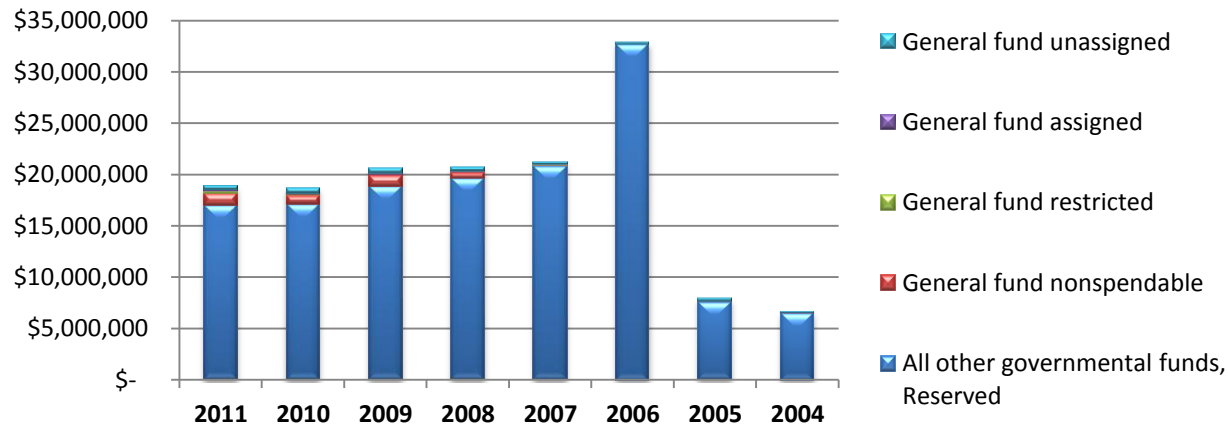


Ventura County Transportation Commission
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(Modified Accrual Basis)

	<u>Fiscal Year</u>							
	2011	2010	2009	2008	2007	2006	2005	2004
General fund:								
Nonspendable	\$ 1,152,462	\$ 832,323	\$ 1,098,319	\$ 546,088	\$ 29,530	\$ 13,101	\$ 18,478	\$ 47,391
Restricted	193,973	73,394	-	-	60,000	-	-	-
Assigned	128,756	128,755	107,484	81,680	13,881	40,135	-	-
Unassigned	448,159	535,960	527,030	430,535	257,016	195,080	301,263	145,766
Total General Fund	<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	\$16,992,131	\$17,107,070	\$18,843,222	\$19,648,306	\$20,843,094	\$32,689,934	\$7,589,597	\$6,469,578
Total all other governmental funds	<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 34 was implemented July 1, 2003. Prior year's information is not available.
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 Eight Fiscal Years
 (Modified Accrual Basis)

	Fiscal Year							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues								
Sales taxes	\$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	703,393	723,873	737,139	742,312	737,885	734,023	726,568	709,458
Intergovernmental	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	1,831,540	1,578,839	1,423,132	1,283,867	1,168,606	1,226,958	1,014,755	785,964
Investment Income	170,007	127,580	510,593	1,105,695	1,420,264	1,284,191	201,135	145,421
Other revenue	<u>24,864</u>	<u>10,062</u>	<u>28,793</u>	<u>64,068</u>	<u>9,828</u>	<u>3,755</u>	<u>148,336</u>	<u>25,624</u>
Total revenues	<u>77,243,650</u>	<u>57,124,396</u>	<u>50,522,148</u>	<u>59,365,256</u>	<u>59,981,189</u>	<u>57,835,163</u>	<u>48,651,293</u>	<u>43,525,724</u>
Expenditures								
Current:								
General Government	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	56,640	86,969	152,977	152,433	106,959	45,085	99,752	359,360
Highways	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	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	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	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,187</u>	<u>-</u>	<u>419,103</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>77,005,671</u>	<u>59,022,949</u>	<u>51,546,237</u>	<u>60,507,201</u>	<u>71,715,918</u>	<u>58,081,828</u>	<u>47,494,258</u>	<u>44,425,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>237,979</u>	<u>(1,898,553)</u>	<u>(1,024,089)</u>	<u>(1,141,945)</u>	<u>(11,734,729)</u>	<u>(246,665)</u>	<u>1,157,035</u>	<u>(900,120)</u>
Other financing sources (uses):								
Transfers in	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	(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	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,000</u>	<u>-</u>	<u>25,275,577</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 237,979</u>	<u>\$(1,898,553)</u>	<u>\$(1,024,089)</u>	<u>\$(1,085,945)</u>	<u>\$(11,734,729)</u>	<u>\$25,028,912</u>	<u>\$ 1,157,035</u>	<u>\$(900,120)</u>
Debt service as a percentage of noncapital expenditures	32.0%	1.8%	1.9%	5.6%	1.4%	1.4%	0.0%	0.0%

GASB 34 was implemented July 1, 2003. Prior year's information is not available. Source: Commission Finance Department

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

Sources	Calendar Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Apparel stores	\$ 699,760	\$ 597,268	\$ 595,751	\$ 574,387	\$ 524,642	\$ 475,678	\$ 425,381	\$ 363,222	\$ 345,574	\$ 327,073
General merchandise stores	1,008,611	1,225,854	1,267,235	1,272,068	1,256,308	1,218,550	1,166,635	1,125,358	1,098,616	1,048,613
Specialty stores	347,727	522,333	658,538	1,086,692	1,052,798	1,019,932	949,175	897,739	887,565	925,051
Food stores	517,783	476,367	489,538	476,843	456,139	404,695	404,535	398,217	388,961	385,029
Eating and Drinking	1,025,568	1,063,774	1,074,200	1,030,726	973,348	930,511	856,111	793,993	758,750	722,642
Household	475,039	396,275	358,289	372,984	388,956	365,341	341,557	314,532	272,988	260,319
Building materials	567,675	600,326	788,485	879,041	929,663	857,347	715,662	640,891	620,586	549,880
Automotive	2,095,453	2,561,323	2,914,770	2,774,717	2,789,717	2,698,315	2,554,625	2,352,711	2,210,079	2,036,015
All other retail stores	174,894	632,231	676,042	434,443	410,154	346,235	302,873	266,639	264,894	249,028
Business and personal services	301,095	418,671	482,832	525,815	510,795	497,029	456,802	428,343	439,001	384,460
All other outlets	<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>	<u>2,245,976</u>	<u>2,207,982</u>
Total Taxable Sales	<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>	<u>\$9,532,990</u>	<u>\$9,096,092</u>
Local transportation fund tax (VCTC apportioned)	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 2009.

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 ¹
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%
2003	0.25%	7.25%
2002	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, 2011

Source: California State Board of Equalization

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

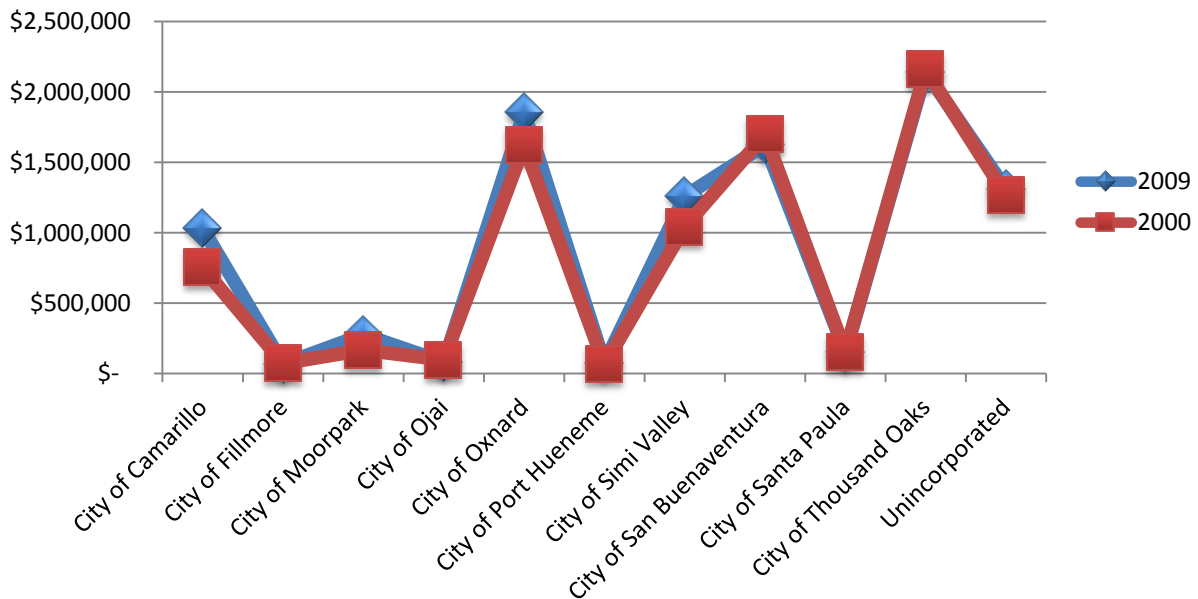
	2009			2000		
	Taxable Sales (in thousands)	Rank	Percentage of Total	Taxable Sales (in thousands)	Rank	Percentage of Total
City of Thousand Oaks	\$ 2,141,240	1	21.7%	\$ 2,158,849	1	23.7%
City of Oxnard	1,856,434	2	18.8%	1,620,809	3	17.8%
City of San Buenaventura	1,624,801	3	16.4%	1,698,098	2	18.7%
City of Simi Valley	1,261,932	5	12.8%	1,042,534	5	11.5%
City of Camarillo	1,034,223	6	10.5%	753,296	6	8.3%
City of Moorpark	276,104	7	2.8%	168,006	7	1.8%
City of Santa Paula	150,721	8	1.5%	153,954	8	1.7%
City of Ojai	82,850	9	0.8%	96,833	9	1.1%
City of Port Hueneme	76,080	10	0.8%	64,629	11	0.7%
City of Fillmore	68,519	11	0.7%	72,399	10	0.8%
Incorporated	8,572,904		86.7%	7,829,407		86.1%
Unincorporated	1,310,949	4	13.3%	1,266,685	4	13.9%
Countywide	\$ 9,883,853		100.0%	\$ 9,096,092		100.0%

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 2009.

Taxable Sales by City



Ventura County Transportation Commission
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual)

Fiscal Year	Transportation Development Act (TDA) Local Transportation Fund (LTF)	Transportation Development Act (TDA) State Transit Assistance
2011	\$ 26,289,532	\$ 2,427,794
2010	24,802,338	2,427,794
2009	27,052,017	1,844,192
2008	31,371,117	3,455,699
2007	31,039,152	6,855,569
2006	30,747,131	2,215,558
2005	28,057,239	1,301,521
2004	26,795,759	1,161,022
2003	24,970,534	1,090,170
2002	24,130,836	1,898,400

Tax Type: 1/4 cent General Sales Tax Gas & Diesel Sale Tax

Source: Commission Finance
 Department

Ventura County Transportation Commission
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Lewis Road Revenue Bond	Percentage of Personal Income	Debt per Capita
2011	\$ -	*	*
2010	23,795,000	*	\$29
2009	23,795,000	0.06%	28
2008	23,795,000	0.06%	29
2007	25,475,000	0.07%	31
2006	25,475,000	0.08%	31
2005	25,475,000	0.08%	31
2004	-	-	-
2003	-	-	-
2002	-	-	-

Note: The Lewis Road Bond was originally issued in 2005 and refunded in 2008.
The bond was extinguished in 2011.

Sources:

Commission Finance Department & California Department of Finance, Demographic Research Unit.

* Data is unavailable.

1. See the Schedule of Demographic and Economic Statistics for personal income and population data.

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
2010	828,383	*	*	10.8%
2009	844,713	\$36,863,041	\$22,915	10.0%
2008	836,080	37,185,120	22,484	7.2%
2007	831,587	36,210,471	22,965	4.9%
2006	825,512	33,940,408	24,322	4.3%
2005	817,315	32,303,104	25,301	4.8%
2004	813,052	30,438,129	26,712	5.4%
2003	802,400	28,057,418	28,598	5.8%
2002	791,300	26,648,363	29,694	5.8%
2001	765,962	25,964,280	29,501	4.8%

* Data is unavailable.

Source:

¹ California Department of Finance, Demographic Research Unit

² U.S Bureau of Economic Analysis, most current information available is 2009.

³ California Employment Development Department, Labor Market Information Division

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

Employer	2011 (a)			2002 (b)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Navel Base	15,300	1	5.26%	17,133	1	5.65%
County of Ventura	8,386	2	2.88%	7,915	2	2.61%
Amgen, Inc.	6,180	3	2.12%	5,400	3	1.78%
Wellpoint Inc.	3,103	4	1.07%	3,596	5	1.19%
Simi Valley Unified School District	2,300	5	79.00%	2,400	9	79.00%
Conejo Unified School District	2,050	6	70.00%	2,121	10	70.00%
Community Memorial Hospital	2,021	7	69.00%	1,510	14	50.00%
Ventura Unified School District	1,954	8	67.00%	2,512	7	83.00%
Ventura County Community College District	1,779	9	61.00%	2,500	8	82.00%
Oxnard Union School District	1,500	10	52.00%	1,342	17	44.00%
	<u>44,573</u>		<u>15.32%</u>	<u>46,429</u>		<u>15.29%</u>

Source:

(a) County of Ventura/2011 Real Estate and Economic Outlook January 2011

(b) County of Ventura/UCSB Economic Forecast Project January 2002

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

Programs	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	5.2	5.5	5.7	5.0	4.5	4.0	3.5	3.5	3.5	3.5
Planning and Programming	3.1	2.7	2.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Commuter assistance	2.5	2.4	3.0	3.9	3.9	3.9	3.9	4.4	4.4	1.9
Rail	0.8	0.9	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Highways	1.0	0.8	1.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Transit and specialized transportation	<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>	<u>4.9</u>	<u>5.4</u>
Total Full-time equivalent	<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>	<u>17.0</u>	<u>15.0</u>

Source: Commission Finance Department

Ventura County Transportation Commission

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Transit and Specialized Transportation Program										
GoVentura Smartcard										
Pass Sales Volume	7,316	7,873	8,002	6,431	6,544	6,170	5,867	6,149	5,448	2,851
Pass Sales Amount	\$257,518.00	\$237,815.00	\$245,437.00	\$201,545.00	\$186,272.00	\$173,473.00	\$166,161.00	\$175,851.00	\$154,575.00	\$81,851.00
Pass Boardings	223,572	235,566	226,323	191,114	181,264	175,989	175,602	167,732	140,134	69,882
E-Purse Sales Volume	6,456	5,857	5,502	4,386	3,235	3,112	2,241	1,474	1,123	520
E-Purse Sales Amount	\$327,291.26	\$272,816.48	\$227,038.10	\$175,583.00	\$124,947.98	\$119,113.81	\$ 79,801.17	\$ 52,314.82	\$ 32,731.76	\$ 14,872.76
E-Purse Boardings	168,128	161,540	152,357	114,217	90,391	88,806	62,623	41,998	33,659	13,478
VISTA Operations:										
Ridership:										
VISTA 101	112,705	105,588	113,382	89,493	84,804	77,555	68,858	67,452	53,632	61,515
VISTA Conejo	43,582	37,228	42,320	34,629	32,627	27,762	19,733	20,419	22,310	16,433
VISTA 126	222,723	199,043	196,750	165,343	163,441	165,779	150,146	146,420	123,914	111,234
VISTA East	74,889	76,321	67,144	57,860	56,699	53,432	54,127	56,707	54,050	48,318
VISTA CSUCI	63,743	84,552	89,093	77,946	67,780	48,128	35,333	31,246	36,418	54,494
VISTA Coastal	285,314	276,449	277,105	209,694	179,301	152,717	113,895	91,030	66,089	46,293
VISTA Santa Paula DAR	99,912	104,267	98,346	106,252	113,066	111,345	93,242	92,004	82,638	76,071
VISTA Fillmore DAR	105,780	112,633	107,705	104,025	106,118	99,645	96,134	94,298	84,897	79,148
Farebox recovery ratio:										
VISTA 101	29.93%	28.99%	30.20%	24.12%	24.26%	29.22%	27.12%	26.83%	17.29%	18.70%
VISTA Conejo	57.88%	51.79%	50.52%	30.26%	31.01%	32.35%	20.21%	20.67%	18.50%	16.81%
VISTA 126	58.09%	48.67%	43.61%	36.18%	41.18%	52.33%	47.65%	51.36%	37.66%	31.01%
VISTA East	26.09%	26.42%	23.23%	20.48%	21.32%	25.54%	27.72%	29.39%	22.97%	20.49%
VISTA CSUCI	102.73%	102.73%	102.58%	102.73%	103.15%	103.68%	103.68%	103.55%	73.39%	0.00%
VISTA Coastal	79.15%	69.09%	61.40%	65.74%	64.93%	72.98%	63.46%	58.45%	33.47%	16.68%
VISTA Santa Paula DAR	13.04%	12.62%	12.83%	13.95%	17.15%	17.79%	15.88%	17.31%	20.07%	23.41%
VISTA Fillmore DAR	15.60%	14.96%	15.70%	15.82%	16.97%	16.94%	19.17%	23.15%	27.30%	30.47%
Highway Program										
Motorist Assistance:										
Call boxes	553	564	562	556	546	554	555	556	551	555
Calls made	3,543	3,747	3,889	4,791	5,467	5,450	6,561	7,521	9,008	10,744

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

	<u>Fiscal Year</u>									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rail Program										
Commuter Rail Operations:										
Train miles	270,384.00	292,147.00	292,147.00	290,905.90	289,724.40	288,298.30	243,179.10	247,783.20	243,190.80	230,889.60
Passenger Boardings	1,012,409	1,038,375	1,218,163	1,182,463	1,096,963	1,076,681	1,054,494	995,899	823,496	795,466
Farebox recovery ratio	29.10%	27.80%	32.00%	31.80%	31.80%	28.20%	26.50%	31.60%	29.00%	31.10%
Commuter Assistance:										
Rideshare Programs ^{1 & 2}										
Surveys Processed:	16,991	13,593	17,927	13,955	17,010	12,796	21,245	-	-	-
Rideguides produced:	2,732	2,881	4,115	3,594	6,876	3,455	4,936	-	-	-
AVR reports:	64	35	59	36	50	43	43	-	-	-
GRH registered patrons	32,703	36,268	32,672	-	-	-	-	-	-	-
GRH Usage	44	40	89	-	-	-	-	-	-	-
Transit Information Center ³										
Telephone Assistance	37,834	42,407	42,752	-	-	-	-	-	-	-
In-Person Assistance	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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Commuter Rail Operations:										
Buildings	1	1	1	1	1	1	1	1	-	-
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	553	562	564	562	556	546	554	555	556	551

Source: Commission Departments

(This page intentionally left blank)

Ventura County Transportation Commission
950 County Square Drive, #207
Ventura, CA 93003
(805) 642-1591



www.goventura.org