

**TRANSPORTATION AGENCY FOR
MONTEREY COUNTY**

FINANCIAL STATEMENTS

June 30, 2012

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Transportation Agency for Monterey County
Monterey, California

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County (Agency) as of and for the fiscal year ended June 30, 2012, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County, as of June 30, 2012, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 to basic financial statements effective July 1, 2011, the Agency adopted Governmental Accounting Standards (GASB) Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, the budgetary information on pages 33 and 34, and the schedule of funding for post employment benefits other than pension on page 35, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2012, on our consideration of the Transportation Agency for Monterey County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements taken as a whole. The schedules on pages 37 through 48 are presented for purposes of additional analysis and are not required parts of the financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Moss, Remy & Hartgen LLP

Santa Maria, CA
December 21, 2012

Management's Discussion and Analysis

Overview of the Transportation Agency and Audited Finances for Fiscal Year Ending
June 30, 2012

General

The Transportation Agency for Monterey County (Agency) is an independent association of local officials who have joined together to solve transportation problems throughout Monterey County. Officials from each of the twelve incorporated cities in Monterey County and all five County Supervisors represent the public on the Board of Directors. The Agency's goal is to make it safer and easier for travelers to get where they want to go, whether they are commuting to work or school, transporting goods to market, visiting local attractions, going shopping, or traveling to medical appointments. The Agency works to improve safety and reduce future traffic congestion, using a combination of solutions, such as roads, buses, trains, and trails. The Agency's mission is to develop and maintain a multimodal transportation system that enhances mobility, safety, access, environment quality, and economic activities in Monterey County.

The Board of Directors sets policy and oversees a professional staff of 14 full-time and 1 part-time employee. About 86% of the Agency's funding comes from state and federal grants. Local funding is primarily from member agency contributions for congestion management activities.

Work Program Highlights

During fiscal year 2011/2012, the Transportation Agency for Monterey County undertook a wide variety of programs focusing on regional transportation planning, acting as the designated Regional Transportation Planning Agency, the Local Transportation Commission, the Congestion Management Agency, and the Service Authority for Freeways and Expressways for the Monterey County area. The Agency's activities are described in detail in the Annual Work Program, and highlighted below.

The Agency underwent a goal-setting session in early 2011 and set the following as its top priority projects for the next ten years: US 101 San Juan Road interchange, Highway 156 widening, US 101 South County Frontage Roads, local road/street improvements and Commuter Rail Extension, and Monterey Branch Line light rail.

The Transportation Agency continued to assist local jurisdictions with completing transportation projects authorized in the federal stimulus American Recovery and Reinvestment Act of 2009. Transportation Agency continued to pursue alternatives to fund the \$17.9 million gap needed to fully fund the \$90.6 million US 101/San Juan Road Interchange project. Two federal TIGER II grant applications were submitted in August 2010 and October 2011, respectively. Neither of the applications were successful. In April 2012 the California Transportation Commission allocated \$28.3 million in Corridor

Mobility Improvement Account funds to the project. The Transportation Agency contributed \$20.4 million to the construction phase of the project. Construction of the US 101/San Juan Road Interchange project is scheduled to start in December 2012.

The Transportation Agency assisted Monterey County Public Works and California State Parks in funding and planning for delivery of the Moss Landing and the Fort Ord Dunes State Park segments of the Monterey Bay Sanctuary Scenic Trail. The Transportation Agency is leading the Fort Ord Dunes State Park trail development activities on behalf of California Department of Parks and Recreation. Construction started in January of 2011 and was completed in December 2011.

Acting as the lead agency for the Carmel Hill Trail project on behalf of State Parks, the Transportation Agency oversaw the construction of the trail and tunnel project in 2010/11. This year, agency is also overseeing the follow up landscape mitigation project.

The Transportation Agency continued to reach out to the public to improve safety and reduce traffic congestion on area roadways and bring rail to Monterey County through community meetings, city council appearances, hosting and appearing on local television interview programs, newspaper editorials, and the distribution of the Agency Annual Report. Continuing this year are televised board meetings and monthly hosting of the *Your Town* public information television program. The Agency also implemented a community outreach program for its construction projects.

The Agency worked with Caltrans on state highway projects on Highways 1, 68 and 156, and US 101 to ensure their progress in a timely manner. Milestones reached on these projects include the following:

- Salinas Road – Highway 1 interchange: continuation of project construction.
- US 101 – Airport Boulevard interchange: Construction completed; ribbon-cutting ceremony April 2012. Landscaping is now in progress.
- US 101 Prunedale Improvement Project Continuation of project construction.
- US 101 San Juan Road interchange: final right-of-way acquisition and final design was completed, and the project received its allocation of state bond funds. The project will bid in August 2012, with construction to follow in early 2013.
- Highway 156 widening: issuance and review of draft environmental documents and project designs. A final environmental document is expected to be approved at the end of 2013. The Agency is actively investigating alternative funding sources, including a tolling option, to allow construction in the near term. A phased approach to construction is also being evaluated. The Agency Board approved issuing a request for proposals for a toll traffic and revenue study, to be jointly funded with Caltrans.

The lead role for the Transportation Agency includes participation on the project development team, identification and securing of project funding, coordination with local agencies and community members, and assistance or in some cases taking the lead on public information and media relations.

Throughout the period, Agency staff assisted the Monterey County Public Works Department on project development coordination on the Hwy 1 Truck Climbing Lane project in Carmel, and two intersection projects on Monterey Salinas Highway (Route 68). The construction of the San Benancio Intersection improvements at Route 68 was completed in July 2012. The County is finalizing the environmental review phase and moving into the final design stage of the Corral De Tierra Intersection improvements at Route 68 and the project will bid in 2013. Staff also assisted the City of Marina on project development coordination for improvements at the Highway 1/Imjin Rd Interchange, and worked with Caltrans and the City of Salinas on preliminary design of improvements at the Highway 101/Sanborn Rd Interchange.

Agency staff continued planning and environmental work on the Monterey Branch Line and Commuter Rail Extension to Monterey County projects in preparation for applying for federal New Starts grants. For the Commuter Rail Extension to Monterey County project, the Agency coordinated meetings with partner agencies and completed the preliminary design phase for the project. The Agency submitted an Administrative Draft Environmental Assessment to the Federal Transit Administration in preparation for a public review draft to be released in 2012. The Agency acquired one parcel in Salinas under a "hardship" finding approved by the Federal Transit Administration and initiated a second hardship acquisition.

The Monterey Branch Line Alternatives Analysis is near completion. Preliminary work on environmental review is currently underway. Staff continued to include the light rail into their plans and to develop policies and practices that will optimize the land use and improve the environment around the light rail stations. Staff also continued discussions with the Marina Coast Water District and California American Water on locating a water pipeline in the rail right of way, and initiated an appraisal for an easement on the right of way. The City of Monterey and the Agency continued discussions on the possibility of an interim bus rapid transit on Del Monte Ave in Monterey and plans for the Waterfront area. The Agency continued to perform routine maintenance and receive lease revenues from the Monterey Branch Line right-of-way.

The Agency continued to work with state and federal legislators on transportation and funding issues, in coordination with Agency's state and federal legislative advocates. Much of this work focused on monitoring and evaluating the impacts of the various proposals for the new federal authorization bill. Agency staff updated and promoted the state and federal legislative programs and prepared the state legislative bill matrix.

The Agency continued to administer the Transportation for Livable Communities Transit-Oriented Development Incentive Program to assure that projects are proceeding according to the approved timelines, are requesting time extensions or are returning the funds to the program.

The Transportation Agency oversaw the Freeway Service Patrol tow truck assistance program in Monterey County, in coordination with state and local representatives from California Highway Patrol and Caltrans, operated by local contractors. To reduce impacts

through the construction zones, additional weekend tow truck assistance was contracted for between Hwy 101/156 Interchange to San Juan Road, with funding from the Prunedale Improvement Project. The Agency continued implementation of a handheld data entry system to improve program efficiency. Partnering with the local Highway Patrol officer, the Agency continued to hold localized quarterly training for tow truck operators.

The Agency continued to administer the Monterey County call box motorist assistance program. The Agency collaborated with the Metropolitan Transportation Commission, Santa Cruz Regional Transportation Commission, and San Luis Obispo Council of Governments in issuing a Request for Proposals and selecting a new call-answering center. The Agency manages and monitors the performance of the call center. A new digital cellular contract was negotiated with Verizon and is expected to reduce monthly rates.

The Agency continues work with the Santa Cruz Regional Transportation Commission to prepare a comprehensive Monterey Bay Area 511 Traveler Information System Feasibility and Implementation Study. A draft Feasibility Plan was issued in January 2012 and presented to the Board of Directors. Consultant and staff work on the proposal continued throughout the year, focusing on financing and features of a proposed system.

Monterey County Bike Week 2012 took place on May 7 –12, and consisted of events and activities including the Golden Helmet Award, Discounted Bicycle Safety check, bike vs. car challenge, Bike-to-School and Bike-to-Work day and Company bike challenge. The Agency worked closely with the San Benito Council of Governments and Santa Cruz County's Ecology Action on the joint marketing effort for Bike Week. Using funds from an Air District grant, the Agency conducted an extensive electronic newsletter campaign. The 2011 Bike Week campaign attracted over 1,000 participants. The news media covered the events extensively and members of the public who attended the events responded positively.

The Transportation Agency received an Air District grant to continue providing bicycle storage facilities in Monterey County and began seeking eligible applicants. The Agency adopted an updated Monterey County Bicycle and Pedestrian Master Plan in October 2011. The Agency continued to improve the safety of bicyclists and pedestrians in Monterey County through the use of the Bicycle Facilities Service Request Forms and the distribution of the 2008 Monterey County Bike Maps. The Agency also assisted agencies in funding other bicycle and pedestrian projects, including the Castroville crossing project, the Imjin Parkway Class II bicycle lane project, Blanco Road Class II bike lane project, Mark Thomas Road Improvements project, and Davis Road Class II bike lane project. The Agency continued monitoring project progress and assisting local jurisdictions in finding grant funding opportunities.

The Agency continued screening incoming environmental documents and traffic impact assessments to determine consistency with Transportation Agency plans, programs, and policies, and to address impacts of proposed developments on regional transportation

infrastructure. Major projects reviewed included the Salinas Gateway Center, Ferrini Ranch and the Pebble Beach Resort planned development.

The Transportation Agency continued the Regional Traffic Counts Program, and collected count data in March and August 2011. This data was made available to AMBAG to support the regional travel demand model, utilized by Caltrans for highway project evaluations and the Corridor System Management Plan, and by our partner jurisdictions for plan and project review.

The Agency continued participating with the Monterey Bay Electric Vehicle Alliance, a public-private partnership to plan and facilitate the adoption of electric vehicles in the tri-county region. The Agency partnered with the International Brotherhood of Electrical Workers Local 234 to receive an Air District grant for the purchase and installation of seven charging stations, and also submitted an additional grant application for public agency fleet vehicle replacement with electric vehicles.

The Agency continued its update of the Regional Transportation Plan in coordination with the Association of Monterey Bay Area Governments, the Santa Cruz County Regional Transportation Commission, and the San Benito Council of Governments. The update is being undertaken to comply with California Senate Bill 375 (SB375) requirements that projected regional greenhouse gas emissions associated with implementation of regional transportation plans fall within targets adopted by the Air Resources Control Board for the region. The Agency coordinated with its regional planning partners to refine the scope of work for Strategic Growth Council grant funds to prepare the transportation component of the Sustainable Communities Strategy required by SB 375. The Agency will oversee the countywide effort to identify complete streets projects and prepare guidelines for implementing complete streets projects.

The Agency continued to administer Transportation Development Act funds in accordance with state law, coordinating with the Social Services Transportation Advisory Council, holding public hearings regarding unmet transit needs, and adopting an unmet transit needs finding. The unmet needs finding adopted by the Agency in 2009-10 allocated all Local Transportation Funds to existing Monterey-Salinas Transit (MST) services and past unmet transit needs beginning in 2011-12. In 2011-12, the Agency found that there were no unmet transit needs that were reasonable to meet. The Agency approved Local Transportation Fund allocations for countywide transit services consistent with the unmet needs finding. Furthermore, the Agency administered and monitored delivery of projects funded by the Local Transportation Fund Article 3 bicycle/pedestrian (TDA 2%) account, and coordinated the regional scoring of Section 5310 Elderly and Disabled transportation account grant applications.

The Agency provided technical and administrative assistance to support starting a local non-profit affiliate of the Independent Transportation Network America transportation service for seniors and adults with visual impairments. Independent Transportation Network Monterey County started providing service to the City of Salinas and the Monterey Peninsula communities on January 10, 2012.

The Transportation Agency also continued to monitor the progress of the Regional Taxi Authority in establishing a uniform system of fares and inspections in the Salinas and greater Monterey Peninsula area.

Financial Highlights

Net assets of the Agency increased by \$ 621,572 from \$ 15,131,713 on June 30, 2011, to \$ 15,753,285 on June 30, 2012, due to revenues exceeding expenses. The Agency has undesignated reserves of \$ 4,252,976 as of June 30, 2012. The Agency requires the maintenance of undesignated reserves equal to six months of operating expenditures. Of the \$ 4,252,976 in undesignated reserves, \$ 1,274,341 is reserved for six months of cash flow for the operating budget for fiscal year 12/13.

Transportation Agency for Monterey County Revenues and Expenditures

The Agency revenues during fiscal year 2011/2012 were \$ 4,243,351, consisting primarily of \$ 3,313,113 in state funds. Other revenues included \$ 340,349 in federal funds, and \$589,889 in local funds.

The Agency budget separates expenditures into two types: operating and direct program. Operating expenditures include the staff's salaries and benefits, materials and services, and equipment purchases. Direct program expenditures include outside consultants, contracts, expenditures that apply to a specific work program task, such as the rail program, highway projects and bicycle and pedestrian program. The Agency expenditures for the same period included \$ 2,148,757 in operating expenditures, and \$1,473,557 in direct program costs.

Direct program activities are described above in the Work Program Highlights section. The major portion of the direct program costs were \$ 191,418 for Freeway Service Patrol, \$110,341 for Call Boxes (SAFE), \$61,072 for Beach Range Road improvements and \$712,922 in rail program expenditures for the Monterey Branch Line and the Commuter Rail Extension activities.

The Agency operating expenses of \$ 2,148,757 included 84.3% for personnel costs and the remainder for materials, services, and equipment purchases. The operating expenses in fiscal year 2011/2012 were 4.0 % more than the previous fiscal year.

Overall Financial Position

The overall financial position of the Agency improved during fiscal year 2011/2012, with an increase of \$ 621,037 to the total fund balance from \$ 6,072,120 to \$ 6,693,157. Federal Planning funds decreased from \$ 278,329 to \$ 203,175, and Planning, Programming and Monitoring funds increased from \$ \$ 207,186 to \$ 401,605. The funding sources for the Agency's operating program include Federal Planning Funds, State Rural Planning Assistance, Planning, Programming & Monitoring funds, Local Transportation Funds, State support for the tow truck program and the call boxes, and local contributions to congestion management activities. State and Federal grants for the direct programs such as rail, highway, and bicycle/pedestrian projects vary from fiscal year to year, depending on the project activities.

Highlights of the Transportation Agency for Monterey County funds

In FY 11-12, the Transportation Agency for Monterey County continued to follow the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for government funds. Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a government fund.

Over the 12-month period from July 1, 2011, to June 30, 2012 the reserves for the call box program increased by \$ 29,074, from \$ 1,001,345 to \$ 1,030,419. The reserves for the tow truck program increased from \$ 211,834 to \$297,565. Designations for capital replacement remained unchanged at \$114,585. The unassigned fund balance increased by \$ 323,481, from 3,929,495 to \$ 4,252,976.

The Agency trust funds increased balances by a total of \$ 4,544,768 during fiscal year 2011/2012, as the local member agencies claims for previously-obligated funds was less than the revenues. This increase resulted in the following net assets as of June 30, 2012:

◆ Local Transportation Fund	\$ 3,250,418
◆ State Transit Assistance Fund	\$ 930,152
◆ <u>Regional Surface Transportation Program</u>	<u>\$ 15,688,883</u>

TOTAL TRUST FUNDS	\$19,869,453
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Budget Variances

The Agency's actual operating expenditures for FY2011/2012 were below the budgeted expenditures by \$ 389,061, due to savings in salaries and benefits, capital outlay and materials and services. Direct program expenditures were \$ 39,894,068 less than budgeted due to less than anticipated activity on certain projects, primarily due to delays in federal approvals for the Commuter Rail extension and Monterey Branch Line projects.

Long-term debt of the Transportation Agency consists of a reserve for compensated absences of employees and Other Post Employment Benefits, which had a balance on June 30, 2011 of \$ 225,787 and on June 30, 2012 of \$215,205.

Current Financial Issues and Concerns

Passage of Assembly Bill 2538 increased the Agency's share of state Planning, Programming and Monitoring funds from 3% (for small agencies) to 5% of State Transportation Improvement Program allocations. This change allowed for a considerable increase in funding available for operating expenses from fiscal year 2007-2008 and beyond. During the four-year period from fiscal years 07/08 through 10/11, PPM funding was adequate for the Agency's eligible activities, but in the current year and subsequent years a substantial drop in this funding is projected. It is unknown whether this drop is temporary or permanent. The Agency is working to reduce expenses should the decrease be permanent, and has an adequate reserve to cover a temporary decrease in funding.

The Agency continues to control expenditures to stay within its budget, and maintain a prudent cash reserve. Cash flow is enhanced by the implementation of an electronic fund transfer system that results in the timely transfers of state and federal grants to the Agency. Payments to consultants and contractors are closely coordinated with claims to state and federal funding sources to assure prompt reimbursement to the Agency. The Agency pays claims submitted by its local jurisdictions in a timely manner, so that local agencies have prompt access to their funds held in trust by the Transportation Agency for Monterey County.

The Transportation Agency for Monterey County continues to work with the California Transportation Commission, Caltrans and the U.S. Congress to secure sufficient funding to construct its top six priority projects: US 101 San Juan Road interchange, Highway 156 widening, US 101 South County Frontage Roads, Local Street and Road Maintenance, Commuter Rail Extension, and the Monterey Branch Line light rail.

The countywide traffic impact fee will provide additional funding for future roadway projects, including the US 101 Sanborn Road interchange improvements. However, further federal stimulus funds, earmarks or state bond funds are likely to be unavailable for future projects, leaving the county dependent on regional and local fees, state and federal gasoline taxes and rail new starts funding. Tolling is also being explored as a funding option in the Highway 156 corridor, and the Agency supports a reduced threshold for the approval of local transportation sales taxes.

More Information

Anyone seeking clarification, having questions, or desiring more information about the topics discussed in this Management's Discussion and Analysis is requested to contact the Transportation Agency for Monterey County office via the Internet at: info@tamcmonterey.org or by calling 831-775-0903. You may also access the Agency website at www.tamcmonterey.org to view copies of the fiscal and performance audits, and budgets.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,629,011
Receivables	1,469,256
Prepaid expenses	707
Capital assets:	
Nondepreciable	9,228,475
Depreciable - net	<u>46,858</u>
 Total assets	 <u>16,374,307</u>
LIABILITIES	
Accounts payable	321,564
Accrued expenses	58,999
Deferred revenue	25,254
Noncurrent liabilities	
Due in more than one year	<u>215,205</u>
 Total liabilities	 <u>621,022</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,275,333
Restricted:	
SAFE	1,030,419
Freeway Service Patrol	297,565
Unrestricted	<u>5,149,968</u>
 Total net assets	 <u><u>\$ 15,753,285</u></u>

The notes to basic financial statements are an integral part of this statement.

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TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2012

	Expenses	Charges for Services	Program Revenues Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Transportation	\$ 3,621,779	\$ -	\$ 3,954,277	\$ -
Total governmental activities	<u>\$ 3,621,779</u>	<u>\$ -</u>	<u>\$ 3,954,277</u>	<u>\$ -</u>
General Revenues				
Investment income				
Other				
Total general revenues				
Change in net assets				
Net assets, beginning of fiscal year				
Net assets, end of fiscal year				

The notes to basic financial statements are an integral part of this statement.

Net (Expense)
Revenue and
Changes in
Net Assets

\$ 332,498

332,498

33,453
255,621

289,074

621,572

15,131,713

\$ 15,753,285

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
BALANCE SHEET
 June 30, 2012

	General Fund
Assets	
Cash and investments	\$ 5,629,011
Accounts receivable	1,469,256
Prepaid expenditures	<u>707</u>
Total assets	<u>\$ 7,098,974</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 321,564
Accrued expenditures	58,999
Deferred revenue	<u>25,254</u>
Total liabilities	<u>405,817</u>
Fund Balance	
Nonspendable:	
Prepaid expenditures	707
Restricted:	
SAFE	1,030,419
Freeway Service Patrol	297,565
Committed:	
OPEB	85,219
Assigned:	
Commuter rail leases	12,526
Railroad leases	899,160
Capital replacement	114,585
Unassigned	<u>4,252,976</u>
Total fund balance	<u>6,693,157</u>
Total liabilities and fund balance	<u>\$ 7,098,974</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 RECONCILIATION OF THE GOVERNMENTAL
 FUND BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 June 30, 2012

Total Fund Balance - Governmental Fund \$ 6,693,157

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

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

Capital assets at historical cost	\$	9,501,245	
Accumulated depreciation		<u>(225,912)</u>	
Net			9,275,333

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

Compensated absences		166,935	
OPEB obligation		<u>48,270</u>	<u>(215,205)</u>

Total Net Assets - Governmental Activities \$ 15,753,285

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2012

	<u>General Fund</u>
Revenues:	
Federal Revenues:	
SHOPP TEA - Carmel Hill	\$ 31,474
Federal Earmark - Rail	24,930
Federal Planning (PL)	203,175
Investment Grant 156	3,000
FHWA Earmark	67,077
FHWA 511 Planning	<u>10,693</u>
	<u>340,349</u>
State Revenues:	
TCRP	656,824
Freeway Service Patrol	240,392
SAFE	344,746
Rural Planning Assistance	307,934
Planning, Programming and Monitoring	401,605
RSTPI & RSTPP	223,904
Local Transportation Fund	908,484
Prop 116 Rail Bond	113,844
Caltrans PIP	<u>115,380</u>
	<u>3,313,113</u>
Local Revenues:	
CMP	243,076
Interest	23,443
Lease revenue	255,621
Air District 2766	46,580
Bike week	3,550
Miscellaneous	5,000
Cities video conferencing	2,609
Gain on investments	<u>10,010</u>
	<u>589,889</u>
Total revenues	<u>4,243,351</u>
Expenditures:	
Salaries and wages	1,304,938
Fringe benefits	<u>506,458</u>
Total personnel	1,811,396
Services and supplies	<u>337,361</u>
Total operating expenditures	2,148,757
Direct programs	<u>1,473,557</u>
Total expenditures	<u>3,622,314</u>
Excess (deficiency) of revenues over expenditures	621,037
Fund balance, beginning of fiscal year	<u>6,072,120</u>
Fund balance, end of fiscal year	<u>\$ 6,693,157</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2012

Net change in fund balance - governmental fund	\$ 621,037
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$0 is less than depreciation expense of \$10,047 in the period.	(10,047)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used was more than the amount earned by \$27,244.	27,244
In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between OPEB costs and actual employer contribution was:	<u>(16,662)</u>
Change in net assets - governmental activities	<u>\$ 621,572</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	<u>Private Purpose Trust Funds</u>			
	<u>Local Transportation Fund</u>	<u>State Transit Assistance Fund</u>	<u>State Highway Account Fund</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 1,875,197	\$ 200,821	\$ 11,035,770	\$ 13,111,788
Accounts receivable	<u>2,243,200</u>	<u>729,331</u>	<u>4,721,314</u>	<u>7,693,845</u>
Total assets	<u>4,118,397</u>	<u>930,152</u>	<u>15,757,084</u>	<u>20,805,633</u>
 LIABILITIES				
Liabilities:				
Due to other agencies	<u>867,979</u>		<u>68,201</u>	<u>936,180</u>
Total liabilities	<u>867,979</u>		<u>68,201</u>	<u>936,180</u>
 NET ASSETS				
Unrestricted	<u>3,250,418</u>	<u>930,152</u>	<u>15,688,883</u>	<u>19,869,453</u>
Total net assets	<u>\$ 3,250,418</u>	<u>\$ 930,152</u>	<u>\$ 15,688,883</u>	<u>\$ 19,869,453</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Fiscal Year Ended June 30, 2012

	Private Purpose Trust Funds			Totals
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	
Additions:				
Sales tax	\$ 13,594,860	\$ 2,682,948	\$ -	\$ 16,277,808
State Highway Account funds			4,721,239	4,721,239
Interest	10,918	1,064	53,317	65,299
Gain on investments	19,966	2,821	23,821	46,608
Total revenues	<u>13,625,744</u>	<u>2,686,833</u>	<u>4,798,377</u>	<u>21,110,954</u>
Deductions:				
Claims paid to:				
Carmel	97,838		121,070	218,908
Del Rey Oaks	42,793			42,793
Gonzales	311,824			311,824
Greenfield	438,943		284,555	723,498
King City	359,037			359,037
Marina	518,483			518,483
Monterey	770,654		200,000	970,654
Pacific Grove	430,891			430,891
Salinas	3,958,324		187,646	4,145,970
Sand	71,665		53,008	124,673
Seaside	865,779		68,202	933,981
Soledad	1,074,506		196,682	1,271,188
County of Monterey	2,928,068		564,653	3,492,721
TAMC	908,484		164,814	1,073,298
Monterey - Salinas Transit		1,948,267		1,948,267
Total expenditures	<u>12,777,289</u>	<u>1,948,267</u>	<u>1,840,630</u>	<u>16,566,186</u>
Change in net assets	848,455	738,566	2,957,747	4,544,768
Net assets - beginning of fiscal year	<u>2,401,963</u>	<u>191,586</u>	<u>12,731,136</u>	<u>15,324,685</u>
Net assets - end of fiscal year	<u>\$ 3,250,418</u>	<u>\$ 930,152</u>	<u>\$ 15,688,883</u>	<u>\$ 19,869,453</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The transportation planning process for Monterey County is performed by staff of the Transportation Agency for Monterey County (TAMC). The Agency operates in cooperation with the Association of Monterey Bay Area Governments to support the regional transportation planning process.

California Assembly Bill 1886, authorized changes in the Monterey County Transportation Agency membership as of January 1, 1993. The Agency was reorganized at that time as the Transportation Agency for Monterey County (TAMC), and now encompasses the Congestion Management Agency, the Local Transportation Agency, the Regional Transportation Planning Agency, and the Service Authority for Freeways and Expressways.

A. The Reporting Entity

The Agency is comprised of five members of the Monterey County Board of Supervisors and one member appointed from each incorporated city within Monterey County. Accordingly, these financial statements present only the activities of the Transportation Agency for Monterey County and are not intended to present fairly the financial position and results of operations of the County of Monterey in conformity with accounting principles generally accepted in the United States of America.

The Cities and County of Monterey approve annual allocations under the Transportation Development Act (TDA), Section 99400 (a) to support the planning process. The Agency also receives TDA funds for administration under Section 99233.1. In addition, the Cities and County contribute funds to support the Congestion Management Program. The Agency also receives funding from various other governmental agencies to support the transportation planning process.

The reporting entity is the Transportation Agency for Monterey County. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39.

B. Government-wide and Fund Financial Statements

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

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

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

C. Basis of Presentation

Government-wide Financial Statements:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Government-wide Financial Statements (Continued):

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

Fund Financial Statements:

Fund financial statements report detailed information about the Agency. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Fiduciary funds are reported by fund type.

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

Revenues – exchange and non-exchange transactions:

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

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

Deferred revenue:

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Expenses/expenditures:

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

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

E. Fund Accounting

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

Major Governmental Fund:

General Fund – The operating fund of the Agency. It is used to account for all financial resources except those required to be account for in another fund.

Fiduciary Funds:

Trust funds are used to separately account for assets held by the Transportation Agency for Monterey County in a trustee capacity. Trust funds are mandated by legislature or by contract terms. TAMC exercises oversight responsibility for the following trust funds.

Local Transportation Fund (LTF)
State Transit Assistance Fund (STA)
State Highway Account Fund (SHA)

F. Budgets

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

G. Cash and Investments

The Agency holds its cash in the County of Monterey Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average monthly cash balances. Investments are stated at fair value.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

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

Equipment	3 to 7 years
Buildings and improvements	10 to 20 years

I. Deferred Revenue

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

J. Long-term Obligations

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

K. Compensated Absences

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

Accumulated employee sick leave benefits are not recognized as liabilities of the Agency. The Agency's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

L. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

M. Estimates

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

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

Minimum Fund Balance

The Agency holds a six month fund balance reserve for general operations within the unassigned fund balance in the general fund.

O. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 64

For the fiscal year ended June 30, 2012, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." This Statement is effective for periods beginning after June 15, 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of the GASB Statement No. 64, did not have an impact on the Agency's financial statements for the fiscal year ended June 30, 2012.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 2 - CASH AND INVESTMENTS

The Agency maintains all of its cash in the County of Monterey Treasury. The County Treasurer pools and invests the Agency's cash with other funds under her control. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily deposit balance. Any investment gains or losses are proportionately shared by all funds in the pool.

On June 30, 2012 the Agency had the following cash and investments on hand:

Cash and investments with County Treasurer	\$ 18,572,899
Petty cash	200
Cash in bank	<u>167,700</u>
Total cash and investments	<u>\$ 18,740,799</u>

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

Cash and investments, statement of net assets	\$ 5,629,011
Cash and investments, statement fiduciary of net assets	<u>13,111,788</u>
Total cash and investments	<u>\$ 18,740,799</u>

Investments Authorized by the Agency's Investment Policy

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
County of Monterey Treasury Pool	\$ 18,572,899	\$ 18,572,899	\$ -	\$ -	\$ -
Total	<u>\$ 18,572,899</u>	<u>\$ 18,572,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
County of Monterey Treasury Pool	\$ 18,572,899	N/A	\$ -	\$ -	\$ -	\$ 18,572,899
Total	\$ 18,572,899		\$ -	\$ -	\$ -	\$ 18,572,899

Concentration of Credit Risk

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

Custodial Credit Risk

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

As of June 30, 2012, none of the Agency's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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

Investment in County of Monterey Treasury Investment Pool

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

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets, not being depreciated				
Right of Way	\$ 9,228,475	\$ -	\$ -	\$ 9,228,475
Total capital assets, not being depreciated	<u>\$ 9,228,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,228,475</u>
Capital assets, being depreciated				
Leasehold improvements	\$ 24,293	\$ -	\$ -	\$ 24,293
Equipment	248,477			248,477
Total capital assets, being depreciated	<u>272,770</u>			<u>272,770</u>
Less accumulated depreciation	<u>215,865</u>	<u>10,047</u>		<u>225,912</u>
Total capital assets, being depreciated, net	<u>\$ 56,905</u>	<u>\$ (10,047)</u>	<u>\$ -</u>	<u>\$ 46,858</u>
Governmental activities, capital assets, net	<u>\$ 9,285,380</u>	<u>\$ (10,047)</u>	<u>\$ -</u>	<u>\$ 9,275,333</u>

NOTE 4 – LONG-TERM DEBT

Changes in long-term liabilities

The following is a summary of long-term liability activity for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Compensated absences	\$ 194,179	\$ 144,768	\$ 172,012	\$ 166,935
OPEB	31,608	19,646	2,984	48,270
Total	<u>\$ 225,787</u>	<u>\$ 164,414</u>	<u>\$ 174,996</u>	<u>\$ 215,205</u>

NOTE 5 – EMPLOYEES' RETIREMENT SYSTEMS

Plan Description

The Agency contributes to the Miscellaneous Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 5 – EMPLOYEES’ RETIREMENT SYSTEMS (continued)

Funding Policy

Active plan members are required to contribute 7.0% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the Agency is required to contribute an actuarially determined rate. The actuarial methods and assumptions used to determine the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2011-2012, was 11.584% of annual payroll. The contribution requirements of the plan members are established by State statutes. The Agency’s contributions to CalPERS for the fiscal years ending June 30, 2012, 2011, and 2010, were \$148,008, \$127,060, and \$124,838, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Agency provides post-retirement medical benefits, in accordance with State statutes, to all employees retiring from the Agency and enrolled in an insurance program under the California Public Employees’ Medical and Hospital Care Act (PEMHCA). The CalPERS PEMHCA Plan is a defined contribution, multiple employer, healthcare plan providing benefits to active and retired employees. The healthcare plan is administered by the California Public Employees Retirement Agency. Copies of the CalPERS annual financial report may be obtained from the Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

As required by the GASB Statement No. 45, an actuary will determine the Agency's Annual Required Contributions (ARC) at least once every three fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

The GASB Statement No. 45, does not require pre-funding of OPEB benefits. Therefore, the Agency's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The Agency has elected not to establish an irrevocable trust at this time.

As a PEMHCA employer, TAMC has selected the equal contribution method, where it contributes exactly the same amount for retirees as contributed toward active employee medical plan coverage. TAMC currently pays the minimum employer contribution (MEC), \$112 in 2012, for both active and retired employees. TAMC continues to pay this portion of the premium for eligible survivors of retired employees. During fiscal year 2011-2012, expenditures of \$2,984 were recognized for post-retirement health insurance contributions on a pay as you go basis.

The Agency is required to record the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of the GASB Statement No.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 actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate is 1.6 percent of annual covered payroll.

Annual OPEB Cost

For fiscal year 2011-2012, the Agency’s annual OPEB cost (expense) of \$19,646 was equal to the ARC plus additional interest. The Agency’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is, on the next page:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>OPEB Cost Contributed</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 18,224	\$ 2,562	14.1%	\$ 31,608
June 30, 2012	\$ 19,646	\$ 2,984	15.2%	\$ 48,270

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Annual OPEB Cost (continued)

The following table shows the components of the Agency’s annual OPEB cost for the current fiscal year, the amount actually contributed to the plan, and changes in the Agency’s net OPEB obligation for the post employment healthcare benefits:

Annual required contributions	\$	18,224
Interest on Net OPEB Obligation/(Asset)		1,422
Annual OPEB cost (expense)		<u>19,646</u>
Contributions made		<u>2,984</u>
Increase/(decrease) in net OPEB obligation		16,662
Net OPEB obligation, beginning of fiscal year		<u>31,608</u>
Net OPEB obligation, end of fiscal year	\$	<u><u>48,270</u></u>

Funded Status and Funding Progress

The Funded status of the plan as of July 1, 2009, is as follows:

Actuarial accrued liability (AAL)	\$	120,494
Actuarial value of plan assets		
Unfunded actuarial accrued liability (UAAL)		<u>120,494</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		1,139,000
UAAL as a percentage of covered payroll		11%

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 revisions as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation, the level percentage of payroll method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 3.4 percent. The actuarial value of plan assets was not calculated in this, the first actuarial valuation, as there are no assets to value. The Plan unfunded actuarial accrued liability is being amortized over a 30-year amortization period.

The Agency did not pre-fund retiree healthcare costs nor did the Agency establish an irrevocable trust for retiree healthcare costs. The Agency did establish a committed fund balance, in the amount of \$85,219. However, because the assets are not in an irrevocable trust, the \$85,219 cannot be used to reduce the actuarial accrued liability shown above. The decision not to use an irrevocable trust was made because of the current national and state economic issues and the possibility that the funds may be required to provide current services.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 7– NET ASSETS

The government-wide and fiduciary funds financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted, and unrestricted.

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

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

Unrestricted Net Assets – This category represents net assets of the Agency, not restricted for any project or other purpose.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal Revenues:				
SHOPP TEA - Carmel Hill	\$ 3,623	\$ 3,623	\$ 31,474	\$ 27,851
Federal Earmark - Rail			24,930	24,930
Federal Planning (PL)	280,667	280,667	203,175	(77,492)
FHWA Earmark			67,077	67,077
FHWA 511 Planning			10,693	10,693
Investment Grant 156			3,000	3,000
Federal new start	25,000,000	25,000,000		(25,000,000)
	<u>25,284,290</u>	<u>25,284,290</u>	<u>340,349</u>	<u>(24,943,941)</u>
State Revenues:				
TCRP	10,742,000	10,742,000	656,824	(10,085,176)
Freeway Service Patrol	225,152	225,152	240,392	15,240
SAFE	363,994	363,994	344,746	(19,248)
Rural Planning Assistance	395,000	395,000	307,934	(87,066)
Planning, Programming and Monitoring	455,000	455,000	401,605	(53,395)
RSTPI & RSTPP	658,547	658,547	223,904	(434,643)
Local Transportation Fund	908,485	908,485	908,484	(1)
Prop 116 Rail Bond	4,400,000	4,400,000	113,844	(4,286,156)
Caltrans PIP	120,000	120,000	115,380	(4,620)
Sustainable community	60,000	60,000		(60,000)
	<u>18,328,178</u>	<u>18,328,178</u>	<u>3,313,113</u>	<u>(15,015,065)</u>
Local Revenues:				
CMP	243,076	243,076	243,076	
Interest			23,443	23,443
Lease revenue	210,000	210,000	255,621	45,621
Air District 2766	81,434	81,434	46,580	(34,854)
Bike week	4,000	4,000	3,550	(450)
Miscellaneous			5,000	5,000
Cities video conferencing	3,000	3,000	2,609	(391)
Gain on investments			10,010	10,010
	<u>541,510</u>	<u>541,510</u>	<u>589,889</u>	<u>48,379</u>
Total revenues	<u>44,153,978</u>	<u>44,153,978</u>	<u>4,243,351</u>	<u>(39,910,627)</u>

continued

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		Budget Positive (Negative)
Expenditures:				
Salaries and wages	\$ 1,396,649	\$ 1,396,649	\$ 1,304,938	\$ 91,711
Fringe benefits	619,799	619,799	506,458	113,341
Total personnel	<u>2,016,448</u>	<u>2,016,448</u>	<u>1,811,396</u>	<u>205,052</u>
Services and supplies	521,370	521,370	337,361	184,009
Total operating expenditures	<u>2,537,818</u>	<u>2,537,818</u>	<u>2,148,757</u>	<u>389,061</u>
Direct Programs:				
Plans Coordination	87,000	87,000	84,364	2,636
Public Involvement	150,000	150,000	54,099	95,901
Freeway Service Patrol (FSP)	190,167	190,167	191,418	(1,251)
Call Boxes (SAFE)	166,354	166,354	110,341	56,013
ITS	50,000	50,000		50,000
Data Collection	50,000	50,000	23,800	26,200
Regional Transportation model	15,000	15,000	15,000	0
Electric Vehicle Chargers	19,250	19,250		19,250
Bicycle and Pedestrian	11,500	11,500	7,660	3,840
Carmel Hill Trail	4,574	4,574	31,759	(27,185)
Bike Protection Racks & Lockers	17,184	17,184	17,301	(117)
Bike/Ped master plan direct			7,462	(7,462)
Beach range road improvements			61,072	(61,072)
Bike Sharing Study	45,000	45,000	14,086	30,914
Tri-County Bike Week			2,500	(2,500)
RTIP & EIR Update	15,000	15,000		15,000
Video Conferencing	3,000	3,000	4,778	(1,778)
RDIF Agency	10,000	10,000		10,000
RTIP/ Project Delivery	70,000	70,000		70,000
Prunedale Improvements	10,000	10,000	2,591	7,409
San Juan Road	10,000	10,000	38,295	(28,295)
HW 156 improvement			9,000	(9,000)
FSP-PIP			919	(919)
Rail Program			5,000	(5,000)
Commuter Rail	35,756,371	35,756,371	678,284	35,078,087
Branch Line Maintenance	137,842	137,842	7,590	130,252
Rail and FORA property	62,158	62,158	34,638	27,520
Rail-Monterey Branch Line	4,487,225	4,487,225	70,686	4,416,539
Commuter Rail Leases			914	(914)
Total Direct Programs	<u>41,367,625</u>	<u>41,367,625</u>	<u>1,473,557</u>	<u>39,894,068</u>
Total expenditures	<u>43,905,443</u>	<u>43,905,443</u>	<u>3,622,314</u>	<u>40,283,129</u>
Excess (deficiency) of revenues over expenditures	248,535	248,535	621,037	372,502
Fund balance, beginning of fiscal year	<u>6,072,120</u>	<u>6,072,120</u>	<u>6,072,120</u>	
Fund balance, end of fiscal year	<u>\$ 6,320,655</u>	<u>\$ 6,320,655</u>	<u>\$ 6,693,157</u>	<u>\$ 372,502</u>

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS
OTHER THAN PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The following table provides required supplementary information regarding the Agency's post employment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2009	\$ -	\$ 120,494	\$ 120,494	0.0%	\$ 1,139,000	11%

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SUPPLEMENTARY INFORMATION SECTION

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FEDERAL HIGHWAY ADMINISTRATION FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal Planning (PL)	\$ 284,645	\$ 203,175	\$ (81,470)
Total revenues	<u>284,645</u>	<u>203,175</u>	<u>(81,470)</u>
Expenditures:			
101 Work program	50,000	50,000	0
112 Plan coordinations & intern	9,407	9,407	0
113 Public participation	45,064	34,792	10,272
621 Elderly and Disabled (ADA)	5,000	1,945	3,055
622 Regional transportation plan	65,000	33,468	31,532
641 Regional transportation improvement program	106,196	69,584	36,612
671 Hwy 156 improvement	3,978	3,979	(1)
Total expenditures	<u>284,645</u>	<u>203,175</u>	<u>81,470</u>
Excess (deficit) of revenues over expenditures	<u>\$ -</u>		<u>\$ -</u>
Federal Planning carryover, beginning of fiscal year		<u> </u>	
Federal Planning carryover, end of fiscal year		<u>\$ -</u>	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE) FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
SAFE	\$ 363,994	\$ 344,746	\$ (19,248)
Interest Recovery		2,133	2,133
Total revenues	<u>363,994</u>	<u>346,879</u>	<u>(17,115)</u>
Expenditures:			
Salaries/Fringe/Materials and services	25,000	34,591	(9,591)
Direct Programs	111,354	110,341	1,013
FSP Match	56,288	60,098	(3,810)
ITS Support	50,000	1,619	48,381
511 Support	55,000	26,116	28,884
Electric Vehicle Chargers		36,052	(36,052)
Prunedale Improvement Project		48,988	(48,988)
Total expenditures	<u>297,642</u>	<u>317,805</u>	<u>(20,163)</u>
Excess (deficit) of revenues over expenditures	<u>\$ 66,352</u>	29,074	<u>\$ (37,278)</u>
SAFE carryover, beginning of fiscal year		<u>1,001,345</u>	
SAFE carryover, end of fiscal year		<u>\$ 1,030,419</u>	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF STATE AND REGIONAL PLANNING ASSISTANCE FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Rural planning assistance	\$ 395,000	\$ 307,934	\$ (87,066)
Total revenues	<u>395,000</u>	<u>307,934</u>	<u>(87,066)</u>
Expenditures:			
101 Work program	58,057	58,057	0
112 Planning coordination	90,000	90,000	0
113 Public involvement	48,000	25,726	22,274
622 RTIP/Project delivery	40,000	24,764	15,236
641 Regional transportation improvement program	68,947	24,655	44,292
671 Corridor studies & state highways	<u>89,996</u>	<u>84,732</u>	<u>5,264</u>
Total expenditures	<u>395,000</u>	<u>307,934</u>	<u>87,066</u>
Excess (deficit) of revenues over expenditures	<u>\$ -</u>		<u>\$ -</u>
State and regional planning assistance carryover, beginning of fiscal year		<u> </u>	
State and regional planning assistance carryover, end of fiscal year		<u>\$ -</u>	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PLANNING, PROGRAMMING AND MONITORING FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Planning, Programming and Monitoring	\$ 455,000	\$ 401,605	\$ (53,395)
Total revenues	<u>455,000</u>	<u>401,605</u>	<u>(53,395)</u>
Expenditures:			
101 Work program	6,502	29,689	(23,187)
102 LTF Administration	13,174	29,630	(16,456)
112 Planning coordination	94,995	23,303	71,692
113 Public involvement		18,967	(18,967)
251 Regional transportation model		7,356	(7,356)
411 Document review	5,641	17,054	(11,413)
614 Bicycle/pedestrian planning		13,042	(13,042)
6145 Monterey County bike/ped master plan		11,440	(11,440)
6147 Bike sharing study		5,860	(5,860)
622 Regional transportation plan	28,693		28,693
634 Transit planning/Livable Communities	3,234	9,270	(6,036)
641 Regional transportation improvement program	45,206	22,008	23,198
650 Project development and grant implementation		26,689	(26,689)
671 Corridor studies and state highways		42,999	(42,999)
6712 SR68/CHOMP		305	(305)
6714 CC Commercial Flows Study		3,305	(3,305)
680 Rail planning		8,652	(8,652)
6803 Commuter rail	137,555	77,636	59,919
6806 Monterey Branch line alternative analysis	120,000	54,400	65,600
Total expenditures	<u>455,000</u>	<u>401,605</u>	<u>53,395</u>
Excess (deficit) of revenues over expenditures	<u>\$ -</u>		<u>\$ -</u>
Planning, Programming and Monitoring carryover, beginning of fiscal year		<u>-</u>	
Planning, Programming and Monitoring carryover, end of fiscal year		<u>\$ -</u>	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FREEWAY SERVICE PATROL
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2012

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Freeway service patrol	\$ 225,152	\$ 240,392	\$ 15,240
Interest Recovery		146	146
Local match (SAFE)	56,288	60,098 *	3,810
Total revenues	<u>281,440</u>	<u>300,636</u>	<u>19,196</u>
Expenditures:			
Salaries/Fringe/Materials & Supplies	25,000	23,487	1,513
Direct Programs	190,167	191,418	(1,251)
Total expenditures	<u>215,167</u>	<u>214,905</u>	<u>262</u>
Excess (deficit) of revenues over expenditures	<u>\$ 66,273</u>	85,731	<u>\$ 19,458</u>
Freeway service patrol carryover, beginning of fiscal year		<u>211,834</u>	
Freeway service patrol carryover, end of fiscal year		<u>\$ 297,565</u>	

* The Agency is required to provide a local match of 20% of eligible costs and 25% of total grant received. The Agency has met this requirement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF EXPENDITURES BY WORK ELEMENT
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

Work Element:	Budget	Actual	Variance Favorable (Unfavorable)
101 Work program administration operating	\$ 174,304	\$ 197,927	\$ (23,623)
102 LTF administration operating	102,497	76,536	25,961
1121 Planning coordination & Interagency liaison operating	295,788	216,180	79,608
1121 Planning coordination & Interagency liaison direct	87,000	84,364	2,636
1122 Legislative advocacy		8,455	(8,455)
113 Public involvement program operating	155,791	132,928	22,863
113 Public involvement program direct	150,000	54,099	95,901
175 Traveler info system feasibility plan operating	67,845	36,808	31,037
177 Freeway Service Patrol operating	29,237	23,488	5,749
177 Freeway Service Patrol direct	190,167	191,418	(1,251)
178 SAFE operating	74,061	34,592	39,469
178 SAFE direct	166,354	110,341	56,013
1781 ITS operating	6,392		6,392
1781 ITS direct	50,000	1,619	48,381
231 Data collection operating	13,602	5,828	7,774
231 Data collection direct	50,000	23,800	26,200
251 Regional transportation model operating	9,012	10,414	(1,402)
251 Regional transportation model direct	15,000	15,000	
411 Document review operating	54,269	30,333	23,936
415 Electric vehicle charger	19,250	36,052	(16,802)
6010 SCS transit		1,360	(1,360)
614 Bicycle/Pedestrian planning operating	74,533	48,295	26,238
614 Bicycle/Pedestrian planning direct	11,500	7,660	3,840
6142 Carmel Hill trail operating		5,393	(5,393)
6142 Carmel Hill trail direct	4,574	31,759	(27,185)
6144 Bike protection operating	1,735	7,306	(5,571)
6144 Bike protection direct	17,184	17,301	(117)
6145 Bike/Ped master plan operating	3,669	16,120	(12,451)
6145 Bike/Ped master plan direct		7,462	(7,462)
6146 Beach range road improvements operating	4,590	8,494	(3,904)
6146 Beach range road improvements direct		61,072	(61,072)
6147 Bike sharing study operating	26,028	13,684	12,344
6147 Bike sharing study direct	45,000	14,086	30,914
6148 Tri-County bike week operating		30,000	(30,000)
6148 Tri-County bike week direct		2,500	(2,500)
621 Elderly and disabled operating	11,150	25,453	(14,303)
622 Regional transportation plan operating	203,418	84,584	118,834
622 Regional transportation plan direct	15,000		15,000
626 Congestion management program operating	4,921	2,211	2,710
626 Congestion management program direct	3,000	4,778	(1,778)
6262 RDIF Agency operating	86,173		86,173
6262 RDIF Agency direct	10,000	76,644	(66,644)
6263 Regional impact fee		3,107	(3,107)
634 Transit planning/Livable Communities operating	30,469	13,122	17,347
641 Regional trans imp plan (RTIP) operating	266,485		266,485
641 Regional trans imp plan (RTIP) direct	70,000	166,975	(96,975)
650 Project development		41,771	(41,771)
671 Corridor studies operating	177,900	178,803	(903)
671 Corridor studies operating direct	10,000		10,000
6712 SR68/CHOMP operating	34,425	415	34,010
6714 CC commercial flows study operating	2,295	6,518	(4,223)
6715 Prunedale improvement operating	134,919	160,812	(25,893)
6715 Prunedale improvement direct	10,000	2,591	7,409
6716 San Juan road improvements direct		38,295	(38,295)
6717 Hwy 156 sustain rating		6,622	(6,622)
6718 Hwy 156 improvements operating		31,415	(31,415)
6718 Hwy 156 improvements direct		9,000	(9,000)
6719 PIP - FSP operating		1,493	(1,493)
6719 PIP - FSP direct		919	(919)
6800 Railroad operating	3,669	12,329	(8,660)
6800 Railroad direct		5,000	(5,000)
6803 Commuter rail operating	257,124	185,024	72,100
6803 Commuter rail direct	35,756,371	678,284	35,078,087
6804 Railroad leases operating	14,749	11,623	3,126
6804 Railroad leases direct	137,842	7,590	130,252
6805 Railroad Fort Ord property operating	20,471	6,932	13,539
6805 Railroad Fort Ord property direct	62,158	34,639	27,519
6806 Mtry Branch line alternative analysis operating	196,297	113,808	82,489
6806 Mtry Branch line alternative analysis direct	4,487,225	70,686	4,416,539
6807 Commuter rails lease operating		1,100	(1,100)
6807 Commuter rails lease direct		914	(914)
911 Admin overhead		76,183	(76,183)
Total expenditures by work element	\$ 43,905,443	\$ 3,622,314	\$ 40,283,129

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TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 LOCAL TRANSPORTATION FUND
 SCHEDULE OF ALLOCATIONS BY PURPOSE
 Fiscal Year Ended June 30, 2012

	Pedestrian and Bicycle <u>Sec. 99234</u>	Public Transportation Other <u>Sec. 99260 (a)</u>	Special Transportation Sects. 99260.7, <u>99400 (c)</u>	Streets and Roads <u>Sec. 99400(a)</u>
Administration	\$ -	\$ -	\$ -	\$ -
Monterey County and Unincorporated Area	227,530	3,064,680		
Cities:				
Carmel		103,669		
Del Rey Oaks		42,178		
Gonzales		233,120		
Greenfield		457,799		
King City		310,520		
Marina		497,369		
Monterey		753,407		
Pacific Grove		401,143		
Salinas		3,937,716		
Sand		8,415		
Seaside		885,723		
Soledad		453,246		
Allocations	<u>\$ 227,530</u>	<u>\$ 11,148,985</u>	<u>\$ -</u>	<u>\$ -</u>

References are to Code Sections of the Public Utilities Code, Chapter 4, Transportation Development Act.

Regional Transportation Planning Sec. 99402	Total Allocations
\$ 908,485	\$ 908,485
	3,292,210
	103,669
	42,178
	233,120
	457,799
	310,520
	497,369
	753,407
	401,143
	3,937,716
	8,415
	885,723
	453,246
\$ 908,485	\$ 12,285,000

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
 LOCAL TRANSPORTATION FUND
 SCHEDULE OF CLAIMS BY PURPOSE
 Fiscal Year Ended June 30, 2012

	Pedestrian and Bicycle Sec. 99234	Public Transportation Other Sec. 99260 (a)	Special Transportation Sects. 99260.7, 99400 (c)	Streets and Roads Sec. 99400 (a)
Administration	\$ -	\$ -	\$ -	\$ -
Monterey County and Unincorporated Area	19,801	2,908,267		
Cities:				
Carmel		97,838		
Del Rey Oaks		42,793		
Gonzales		215,210		96,614
Greenfield		428,983		9,960
King City		359,037		
Marina		518,483		
Monterey		770,654		
Pacific Grove	35,225	395,666		
Salinas		3,958,324		
Sand		71,665		
Seaside		865,779		
Soledad		401,479	92,925	570,607
Claims	<u>\$ 55,026</u>	<u>\$ 11,034,178</u>	<u>\$ 92,925</u>	<u>\$ 677,181</u>

References are to Code Sections of the Public Utilities Code, Chapter 4, Transportation Development Act.

Regional Transportation Planning Sec. 99402	Total Claims Paid
\$ 908,484	\$ 908,484
	2,928,068
	97,838
	42,793
	311,824
	438,943
	359,037
	518,483
	770,654
	430,891
	3,958,324
	71,665
	865,779
<u>9,495</u>	<u>1,074,506</u>
<u>\$ 917,979</u>	<u>\$ 12,777,289</u>

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATE TRANSIT ASSISTANCE FUND
SCHEDULE OF AMOUNTS ALLOCATED AND DISBURSED BY PURPOSE
Fiscal Year Ended June 30, 2012

	Monterey- Salinas Transit Sects. 6730(b) 6730(a) 6731(c) <u>Operating, Capital</u>	City of Greenfield Sects. 6730(a) 6730(b) <u>Capital</u>	City of Gonzales Sec. 6730(b) <u>Capital</u>	City of Soledad Sec. 6730(b) <u>Capital</u>	City of King Sec. 6730(b) <u>Capital</u>	<u>Total</u>
Allocations	<u>\$ 1,948,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,948,267</u>
Disbursements:						
2011-12 Claims	<u>\$ 1,948,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,948,267</u>
Total disbursements	<u>\$ 1,948,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,948,267</u>