



**Gold Coast Transit**  
**Comprehensive Annual Financial Report**  
**June 30, 2009 and 2008**



# Gold Coast Transit 2009 Board of Directors



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Mayor, City of Oxnard  
**Alternate Director, Councilman Bryan MacDonald**



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District 5 Supervisor, County of Ventura  
**Alternate Director, Supervisor Steve Bennett**



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Deputy Mayor, City of Ventura  
**Alternate Director, Councilmember Brian Brennan**



**Maricela P. Morales, Director**  
Councilmember, City of Port Hueneme  
**Alternate Director, Councilmember Sylvia Muñoz Schnopp**

**Gold Coast Transit**  
**Comprehensive Annual Financial Report**  
**For the Years Ended June 30, 2009 and 2008**

**Gold Coast Transit  
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For the Years Ended June 30, 2009 and 2008**

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# **Introductory Section**





August 15, 2009

The Board of Directors  
Gold Coast Transit  
Oxnard, California

Members of the Board:

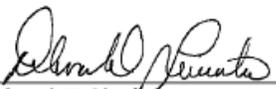
In fiscal year 2008-09, Gold Coast Transit (GCT) delivered 3.65 million passenger trips and operated more than 2.25 million miles of revenue service in western Ventura County, California. Fixed route bus ridership rose 2.1% in fiscal year 2008-09 and paratransit ridership increased 3.7%. In total, system wide ridership increased 2.1% over the prior year.

The transit services utilized by increasing numbers of residents and visitors are made possible through the continued and generous funding support of GCT's five member governments: the Cities of Oxnard, Ventura, Port Hueneme and Ojai, and the County of Ventura.

Key developments at GCT during fiscal year 2008-09 included:

- Fully implementing the *Gold Coast Transit* graphic identity on the fleet, facilities and marketing/public information materials.
- Replacing the obsolete on-site Compressed Natural Gas (CNG) fueling station with a technologically advanced system that includes three electric powered compressors that are more reliable than the original gas powered compressors, provide built-in backup capability and are less expensive to operate.
- Introducing a new demonstration program in which surplus GCT vehicles are donated to selected local non-profit organizations to provide transportation for people with disabilities, senior citizens and low income residents. The demonstration program was approved in March 2009 and the first fourteen surplus minibuses, vans and sedans were donated to six non-profit organizations in June 2009.
- Replacing nine 1996 high-floor Orion buses with nine new low-floor 35-foot CNG NABI buses. The fixed route bus fleet now consists entirely of easy to board low-floor buses.
- Ratifying two-year collective bargaining agreements with GCT employees represented by Service Employees International Union (SEIU) Local 721.

As always, it has been a privilege to serve the Board, member governments, transit riders and area residents as GCT's general manager. I thank the Board for its ongoing leadership and support and look forward to continued improvements in transit service in fiscal year 2009-10.

  
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Deborah C. Linellan  
General Manager

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August 15, 2009

Board of Directors  
Gold Coast Transit  
Oxnard, California

Members of the Board:

This is Gold Coast Transit's (GCT) Comprehensive Annual Financial Report (CAFR) covering the fiscal year ended June 30, 2009 and is submitted in compliance with Section 4(b) of our Joint Powers Agreement.

The CAFR has been prepared by the Office of the Director of Administrative Services in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). This Office is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

We believe that the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of GCT. All disclosures necessary to enable the reader to gain the maximum understanding of GCT financial affairs have been included.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by GCT during the fiscal year. The CAFR is organized into three sections:

1. The **Introductory Section** is intended to familiarize the reader with the organizational structure of GCT and the nature and scope of the provided services.
2. The **Financial Section** includes a Management Discussion and Analysis narrative to introduce the financial statements and analyze the financial activities during the fiscal year. This section also includes the Independent Auditor's Report, audited financial statements, disclosure notes, supplementary budget information, supporting statements and schedules necessary to fairly present the financial position and the results of the operations of GCT in conformity with generally accepted accounting principles.
3. The **Statistical Section** contains comparative statistical data on GCT's financial, physical, economic and social characteristics.

The preparation of this Comprehensive Annual Financial Report required the cooperation of GCT management, staff and independent auditors, Charles Z. Fedak & Co, CPAs. I wish to express my appreciation to all those individuals who contributed to the preparation of this report, with special recognition to Lili Marlene T. Tomen, GCT's Accounting Manager, who prepared tirelessly for this year's financial audit and whose professionalism and dedication continues to be invaluable to this organization.

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Steve L. Rosenberg  
Director, Administrative Services

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## **Gold Coast Transit** *Organizational Information*

### **History<sup>1</sup>**

South Coast Area Transit (SCAT) was established in 1973. On July 17, 1973 the Cities of Ojai, Oxnard, Port Hueneme and San Buenaventura executed a Joint Powers Agreement that created SCAT to develop and operate local and intercity public transportation in western Ventura County. The County of Ventura became a SCAT member agency in October of 1977.

Prior to SCAT's creation, two municipal bus lines operated the region's public transit service. Ventura Transit City Lines operated local service in Ventura and intercity service to Ojai. Oxnard Municipal Bus Lines served Oxnard and Port Hueneme. Following a national trend, the bus systems flourished through the mid 1940's but both ridership and service levels declined in the years following. By the late 1960's it became increasingly difficult for cities to maintain municipal bus lines with local general funds.

The outlook for public transit systems in California brightened in 1971 when the State Legislature created a source of dedicated transportation funding through passage of the Transportation Development Act (TDA). The availability of TDA funds to local governments provided an impetus for forming a single regional transit entity to operate coordinated transit services across municipal boundaries and in some unincorporated areas of western Ventura County.

After SCAT's creation in 1973, the operating systems of Ventura Transit City Lines and Oxnard Municipal Bus Lines were merged to create the SCAT regional transit system. Bus service was implemented on November 4, 1973. SCAT originally operated from two facilities located in Ventura and Oxnard. In February of 1980 all SCAT functions were consolidated in a single administrative, operating and maintenance facility on a three-acre site at 301 E. Third Street in Oxnard. In June 2007, SCAT's Joint Powers Agreement was amended to, among other changes, rename the agency from South Coast Area Transit to Gold Coast Transit; this change became effective July 1, 2007.

### **Services**

GCT provides fixed-route bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme and Ventura, and in the unincorporated County areas between the cities. The service area is approximately 91 square miles with an estimated population of 375,000.

GCT served 3.65 million passenger boardings in fiscal year 2009, an increase of 2.1% from the previous year, and operated 2.25 million miles of revenue service. GCT operates a fleet of 46 full-size (35-foot and 40-foot) buses on fixed route service and 24 cutaway buses primarily on paratransit service, all using clean burning compressed natural gas (CNG). GCT replaced nine (9) older Orion buses with nine (9) new NABI buses (eight of which were placed into service in fiscal year 2009), and replaced its entire fleet of 21 Paratransit vehicles with 24 new cutaway buses during fiscal year 2009. GCT operates its own onsite CNG fueling station, and in 2009 GCT placed into service a new state-of-the-art CNG fueling station.

In fiscal year 2009, GCT fixed-route service served 3.57 million passenger boardings, an increase of 2% from the previous year, while the ACCESS paratransit system transported 82,655 passengers, an increase of 3.7% over the previous year.

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<sup>1</sup> Historical information excerpted from "A Historical Summary of Gold Coast Transit," by Peter G. Drake, retired SCAT general manager.

## **Gold Coast Transit** *Organizational Information*

### **Mission Statement**

GCT's mission is to provide a safe, efficient, quality bus transportation system for the western Ventura County area, which serves the needs of the greatest number of people by:

- Balancing the needs of customers with the need for operational efficiency;
- Providing transit services which appeal to increasing numbers of people;
- Operating responsibly and cost effectively within budgets;
- Coordinating services with other public transportation operators in Ventura County; and
- Providing services that contribute to a safer, cleaner and less congested environment.

### **Board of Directors**

Gold Coast Transit is a joint powers agency governed by a Board of Directors. Each of GCT's five member agencies appoints one elected official from its governing body to serve on the Board of Directors and a second to serve as an alternate member. The Board of Directors regular monthly meetings are held on the first Wednesday of each month at 10 a.m.

### **Management**

The General Manager is appointed by the Board of Directors and is charged with carrying out the Board's policies and directives. The General Manager leads a management team made up of four internal directors who head departments and one manager. The current General Manager has served in the position since February 2001. Members of the fiscal year 2009 management team are:

Deborah C. Linehan, General Manager  
Steven P. Brown, Director of Planning and Marketing  
Steve L. Rosenberg, Director of Administrative Services  
Robert Lurie, Director of Fleet and Facilities  
Andrew Mikkelson, Director of Transit Operations  
Ken Mills, Buyer and DBE Officer

GCT has 147 employees, the majority of whom provide or supervise bus service. The operations department has 112 employees including 104 bus operators, six transit supervisors, an operations support specialist and a director. The maintenance department has 19 employees and the administration department has 16 employees. Service Employees International Union Local 721 represents all bus operators, most maintenance employees and five administrative employees.

In addition to its directly operated fixed route bus service, GCT contracts with MV Transportation, Inc for the management and operation of GCT ACCESS, a regional paratransit service providing curb-to-curb transportation for people with disabilities and senior citizens.

Gold Coast Transit  
*Organizational Information*

**Map of Ventura County, California**



# Gold Coast Transit Organizational Information

## Gold Coast Transit Bus System Map



# **Financial Section**





# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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## Independent Auditor's Report

Board of Directors  
Gold Coast Transit  
Oxnard, California

We have audited the accompanying financial statements of the Gold Coast Transit (GCT) as of and for the years ended June 30, 2009 and 2008, which collectively comprise GCT's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of GCT's management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audits provide a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Gold Coast Transit as of June 30, 2009 and 2008, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 15, 2009, on our consideration of GCT'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 important for assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

### Independent Auditor's Report, continued

Our audits were conducted for the purpose of forming opinions on the basic financial statements of GCT taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments*. The Schedule of Federal Financial Assistance has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory section and statistical section listed in that table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 it.

August 15, 2009  
Cypress, California

Chapman & Hall, CPAs  
An Accounting Corporation

**Gold Coast Transit**  
**Management's Discussion and Analysis**  
**For the Years Ended June 30, 2009 and 2008**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Gold Coast Transit (GCT) provides an introduction to the financial statements of GCT for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Statistical Section.

**Activities and Highlights**

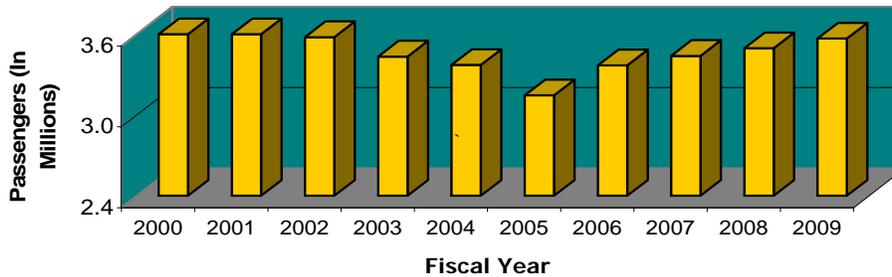
GCT provides bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme and Ventura, and in the unincorporated Ventura County areas between the cities. The service area is approximately 91 square miles with a population of approximately 375,000.

GCT owns 70 passenger vehicles which are 100% fueled with clean burning compressed natural gas (CNG), primarily from GCT's owned and operated CNG fueling station. In fiscal year 2009, GCT vehicles carried over 3.65 million passengers while traveling over 2.25 million revenue miles.

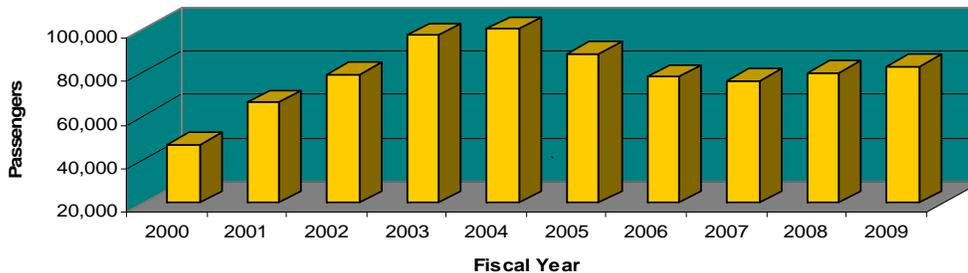
GCT operates a fleet of 46 fixed-route buses, and periodically deploys up to three ACCESS buses into temporary fixed-route service on an as-needed and as-available basis. In fiscal year 2009, GCT fixed-route buses operated 1.7 million miles of revenue service and served 3.57 million passenger boardings, an increase of 2.1% over the previous year. In fiscal year 2009, the ACCESS paratransit system transported 82,655 passengers, an increase of 3.7% from the previous year. GCT owns the paratransit fleet consisting of 24 buses, which are operated under contract by MV Transportation, Inc.

	<u>2009</u>	<u>2008</u>	<u>Increase/ (Decrease)</u>
<b>Fixed-Route Passengers Trips</b>	3,568,028	3,495,875	2.1%
<b>ACCESS Paratransit One-Way Trips</b>	<u>82,655</u>	<u>79,686</u>	<u>3.7%</u>
<b>Total Boardings</b>	<u><b>3,650,683</b></u>	<u><b>3,575,561</b></u>	<u><b>2.1%</b></u>

**Fixed Route Bus Ridership – Unlinked Passenger Trips from 2000 to 2009**



**ACCESS Paratransit Ridership – One-way Trips from 2000 to 2009**



**Gold Coast Transit**  
**Management's Discussion and Analysis**  
**For the Years Ended June 30, 2009 and 2008**

GCT is unique compared to the majority of transit operations in California since it provides transit service without support from direct sales tax measures, tax levies or dedicated general funds. As GCT does not have the authority to levy taxes, the use of Local Transportation Funds (LTF) provided by the Transportation Development ACT (TDA) has historically been the only local means available to GCT to support transit services. In July 2007, GCT's Joint Powers Agreement (JPA) was revised to give the agency the authority to accept local funds from other sources (in the form of route guarantees) to support local transit services.

In fiscal year 2008, TDA funds accounted for 50% of the total revenue for operating expenses, while fares and other local funds accounted for 21%. The remainder was met by state and federal funds, advertising revenue, interest income and other revenue. During fiscal year 2009, the State announced its intention to eliminate State Transportation Assistance (STA) funds for five years starting in fiscal year 2009. This funding source accounted for 1.6% of GCT's total revenues in fiscal year 2009, but the loss of this revenue stream for Ventura County places an additional burden on the availability of LTF funding.

**Financial Position Summary**

Total net assets serve over time as a useful indicator of GCT's financial position. GCT's assets exceed liabilities by \$23,941,665 as of June 30, 2009, a 37.3% increase from June 30, 2008. A condensed summary of net assets at June 30 is shown below:

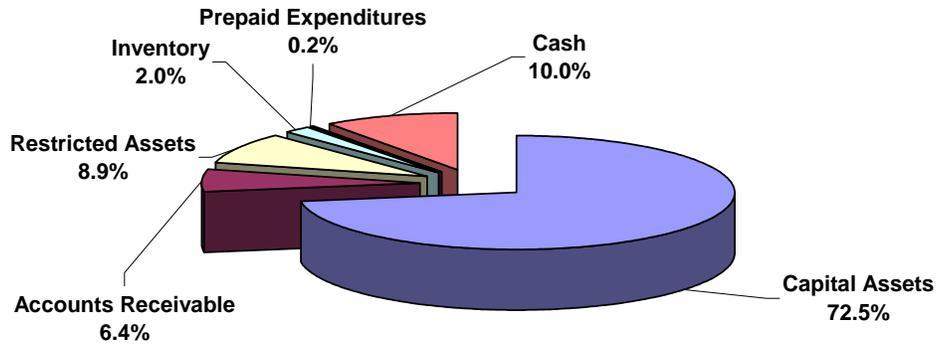
<b>Condensed Statement of Net Assets</b>			
	<b>2009</b>	<b>2008</b>	<b>Change</b>
<b>Assets:</b>			
Current assets	\$ 7,701,443	7,395,124	306,319
Capital assets, net	20,274,686	13,956,407	6,318,279
<b>Total assets</b>	<b>27,976,129</b>	<b>21,351,531</b>	<b>6,624,598</b>
<b>Liabilities:</b>			
Current liabilities	4,034,464	3,914,863	119,601
<b>Total liabilities</b>	<b>4,034,464</b>	<b>3,914,863</b>	<b>119,601</b>
<b>Net assets:</b>			
Net investment in capital assets	20,274,686	13,956,407	6,318,279
Restricted for capital projects	2,480,894	2,074,920	405,974
Unrestricted	1,186,085	1,405,341	(219,256)
<b>Total net assets</b>	<b>23,941,665</b>	<b>17,436,668</b>	<b>6,504,997</b>
<b>Total liabilities and net assets</b>	<b>\$ 27,976,129</b>	<b>21,351,531</b>	<b>6,624,598</b>

The largest portion of GCT's net assets (\$20,274,686 or 72% at June 30, 2009) represents its net investment in capital assets, such as buses, buildings, improvements, and equipment. GCT uses these capital assets to provide services to its passengers; consequently, these assets are not available for future spending. The significant increase in GCT's net assets in fiscal year 2009 reflects the addition of eight (8) new 35-foot NABI buses into the revenue service fleet, the addition of twenty-four (24) new cutaway buses into the paratransit fleet, and GCT's new Compressed Natural Gas (CNG) fueling station.

Restricted net assets have been set aside to fund the purchase of future capital projects and transit vehicle acquisitions. The remaining unrestricted net assets (\$1,186,085 or 5% at June 30, 2009) may be used to meet GCT's capital and ongoing operating obligations.

**Gold Coast Transit**  
**Management's Discussion and Analysis**  
**For the Years Ended June 30, 2009 and 2008**

**Total Assets - FY2008-09**



**GCT Passenger Fares**

Passenger fares are set by the Board of Directors and changed when determined necessary by the Board. The most recent increase took place effective July 1, 2004. The adopted fare policy included a “tie bar” requiring that the paratransit fare automatically be set at twice the amount of the fixed route fares.

**Fixed Route Service Fares – Fiscal Year 2009**

**Cash Fares**

Adult	\$ 1.25
Youth (through age 18)	1.25
Seniors*	.60
Medicare (with Medicare Card)	.60
Disabled (Medicare card or GCT I.D.)	.60
Seniors 75+ (GCT I.D. – restricted hours)	FREE
Children under 45” tall (when accompanied by paid fare)	FREE

**Multi-Ride Ticket or Monthly Pass**

<b>Adult</b>	
10-Ride	\$ 11.50
20-Ride	21.50
30-Ride	30.00
Monthly Pass	41.00
<b>Youth</b>	
10-Ride	\$ 9.00
20-Ride	17.00
30-Ride	24.00
Monthly Pass	32.00
<b>Senior/Disabled</b>	
10-Ride	\$ 5.50
20-Ride	10.00
30-Ride	14.50
Monthly Pass	18.00
<b>One-Day, Unlimited Ride Pass (Pilot Program, Introduced June 2007)</b>	
Adult/Youth	\$ 3.00
Senior/Medicare/Disabled	\$ 1.50

**Gold Coast Transit**  
*Management's Discussion and Analysis*  
**For the Years Ended June 30, 2009 and 2008**

**GCT ACCESS Transit Service Fares – Fiscal Year 2009**

**Cash Fare (one-way)**

ADA Certified and Senior*	\$2.50
Senior Nutrition Program (registered with County program)	Donation

**Book of Ten Tickets**

ADA Certified and Senior*	\$25.00
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\* 65 years of age and older with proof of age

**Financial Operations Highlights**

Operating revenues increased by 3.6% from \$3,093,606 in fiscal year 2008 to \$3,206,142 in fiscal year 2009, primarily as the result of receiving the route guarantee funding from local government members which was increased from \$250,000 to \$335,000.

Operating expenses before depreciation increased by 8.0% from \$14,059,873 to \$15,187,284. The increase was driven by:

- A 39.3% increase in paratransit contract services resulting primarily from the transition from our previous five-year old below-market contract with Laidlaw First Transit to a new contract with MV Transportation Inc., which commenced on July 1, 2008. A 3.7% increase in ACCESS ridership also contributed to the increase;
- A 7.6% increase in labor plus health benefits costs resulting from a combination of increased service levels, increased wages and higher benefit contributions levels, the latter two driven primarily by new Memoranda of Understanding (MOUs) between GCT and Service Employees International Union (SEIU) Local 721, which took effect November 1, 2008;
- An 11% increase in pension costs resulting in fiscal year 2009 being the first full year after GCT's November 1, 2007 change from the California Public Employees Retirement System (CalPERS) 2.0% @ 55 benefit formula to the CalPERS 2.7% @ 55 pension plan, as negotiated in our 2005 MOUs;

These increases were partially offset by a 15.5% reduction in fuel expenses resulting from a substantial drop in the price of natural gas. CNG expenditures for fixed route service dropped 32.5% compared to the previous year despite a 1.4% increase in miles driven.

CNG expenditures for paratransit service increased 65% in fiscal year 2009 as CNG station construction required that most ACCESS vehicle fueling be completed at an off-site retail facility.

The increases were also partially offset by a 14.4% decrease in GCT's public liability and property damage insurance costs.

Capital contributions received in the form of grants from the federal and state governments and matching funds from local governments increased from \$2,616,894 in fiscal year 2008 to \$8,322,085, reflecting funds received for the addition of eight (8) new 35-foot NABI buses, twenty-four (24) new cutaway buses for the paratransit fleet, and substantial completion of GCT's new Compressed Natural Gas (CNG) fueling station.

Operating revenues generally equal operating expenditures before depreciation in order to comply with State Transportation Development Act requirements of GCT, as a publicly funded transportation entity.

**Gold Coast Transit**  
**Management's Discussion and Analysis**  
**For the Years Ended June 30, 2009 and 2008**

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Operating revenues	\$ 3,206,142	3,093,606	112,536
Operating expenses	<u>(15,187,284)</u>	<u>(14,059,873)</u>	<u>(1,127,411)</u>
<b>Operating loss before depreciation</b>	(11,981,142)	(10,966,267)	(1,014,875)
Depreciation	<u>(1,817,089)</u>	<u>(1,524,851)</u>	<u>(292,238)</u>
<b>Operating loss</b>	(13,798,231)	(12,491,118)	(1,307,113)
Non-operating revenues	<u>11,981,142</u>	<u>10,966,267</u>	<u>1,014,875</u>
<b>Loss before capital contributions</b>	(1,817,089)	(1,524,851)	(292,238)
Capital contributions	<u>8,322,086</u>	<u>2,616,894</u>	<u>5,705,192</u>
<b>Change in net assets</b>	6,504,997	1,092,043	5,412,954
<b>Net assets – beginning of period</b>	<u>17,436,668</u>	<u>16,344,625</u>	<u>1,092,043</u>
<b>Net assets – end of period</b>	<u>\$ 23,941,665</u>	<u>17,436,668</u>	<u>6,504,997</u>

**Revenues**

A summary of revenues for the year ended June 30, 2009 including the amount and percentage of change in relation to prior year amounts is as follows:

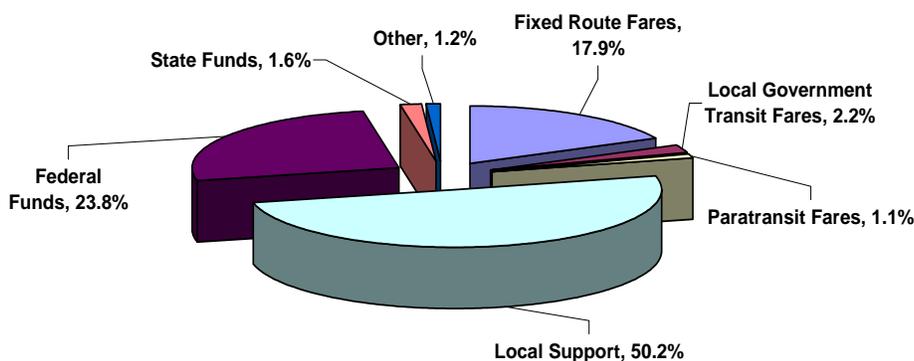
	<u>2009</u>	<u>Percentage of Total</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
<b>Operating:</b>					
Fixed-route passenger fares	\$ 2,709,666	17.8%	2,681,149	28,517	1.1%
Local government transit fees	335,000	2.2%	250,000	85,000	34.0%
ACCESS paratransit fares	<u>161,476</u>	<u>1.1%</u>	<u>162,457</u>	<u>(981)</u>	<u>-0.6%</u>
<b>Total operating</b>	<u>3,206,142</u>	<u>21.1%</u>	<u>3,093,606</u>	<u>112,536</u>	<u>3.6%</u>
<b>Nonoperating:</b>					
Local assistance	7,618,873	50.2%	7,314,731	304,142	4.2%
Federal funding	3,925,318	25.8%	3,346,048	579,270	17.3%
State funding	245,741	1.6%	80,270	165,471	206.1%
Other	<u>191,210</u>	<u>1.3%</u>	<u>225,218</u>	<u>(34,008)</u>	<u>-15.1%</u>
<b>Total nonoperating</b>	<u>11,981,142</u>	<u>78.9%</u>	<u>10,966,267</u>	<u>1,014,875</u>	<u>9.3%</u>
<b>Total revenues</b>	<u>\$ 15,187,284</u>	<u>100.0%</u>	<u>14,059,873</u>	<u>1,127,411</u>	<u>8.0%</u>

The total revenue increase of 8.0% is attributable to increased reliance on local transportation funding (TDA and Local Government Transit Fares) as well as increased use of federal funding and a one-time increase in state assistance. Passenger fares were up very slightly, and increased advertising revenue offset reduced interest income resulting from lower interest rates.

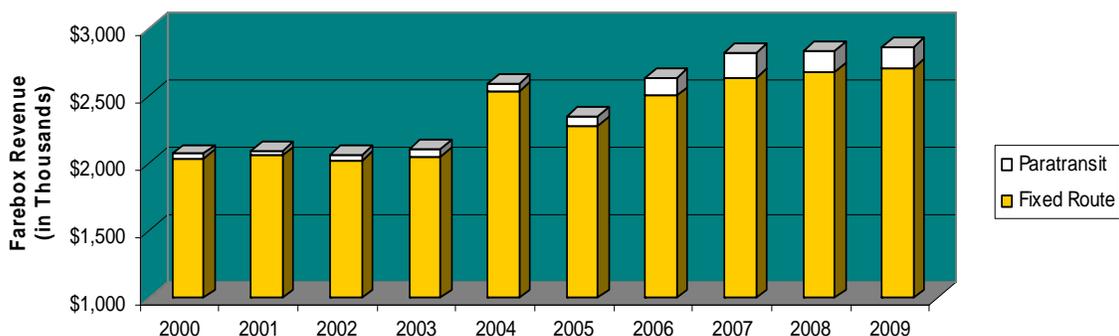
**Gold Coast Transit**  
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The following chart shows the major sources of operating and non-operating revenues for the year ended June 30, 2009 (fares, grants and others).

**Total Revenue FY2008-09**



The following chart shows GCT's farebox revenues over the past ten years:



**Expenses**

A summary of expenses for the year ended June 30, 2009, including the amount and percentage of change in relation to prior year amounts, is as follows:

	<u>2009</u>	<u>Percentage of Total</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
<b>Operating expenses:</b>					
Vehicle operation	\$ 7,943,918	46.7%	7,439,772	504,146	6.8%
Vehicle maintenance	2,218,968	13.0%	2,282,857	(63,889)	-2.8%
Planning and marketing	678,804	4.0%	662,305	16,499	2.5%
Operations and administration	1,877,436	11.0%	1,902,619	(25,183)	-1.3%
Paratransit	2,468,158	14.5%	1,772,320	695,838	39.3%
<b>Operating expenses before depr.</b>	<u>15,187,284</u>	<u>89.3%</u>	<u>14,059,873</u>	<u>1,127,411</u>	<u>8.0%</u>
Depreciation	1,817,089	10.7%	1,524,851	292,238	19.2%
<b>Total operating expenses</b>	<u>\$ 17,004,373</u>	<u>100.0%</u>	<u>15,584,724</u>	<u>1,419,649</u>	<u>9.1%</u>

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Vehicle operation costs for fiscal year 2009 were 6.8% greater than fiscal year 2008. Wages and benefits represent 84% of the vehicle operation costs. The increase in vehicle operation costs for fiscal year 2009 is primarily attributable to increased wage and benefit costs driven by increased service levels and greater wage and benefit contribution levels. Other factors include the addition of costs for electric compression power to operate the CNG station, which is offset by reduced natural gas costs.

Vehicle maintenance costs for fiscal year 2009 were 2.8% lower than fiscal year 2008. Wages and benefit costs increased 4.4% as higher wages and benefit contributions were partially offset by persistent understaffing issues. Costs for repair parts and tire services were 15% greater in fiscal year 2009 as prior year expenses in this category were unusually low. Contract repair costs were down 44% as GCT placed nine new buses into service and anticipated retiring GCT's oldest and most repair-prone fleet. Workers' compensation insurance costs for the maintenance department were down 48% as a result of lower overall costs and a revised cost allocation process.

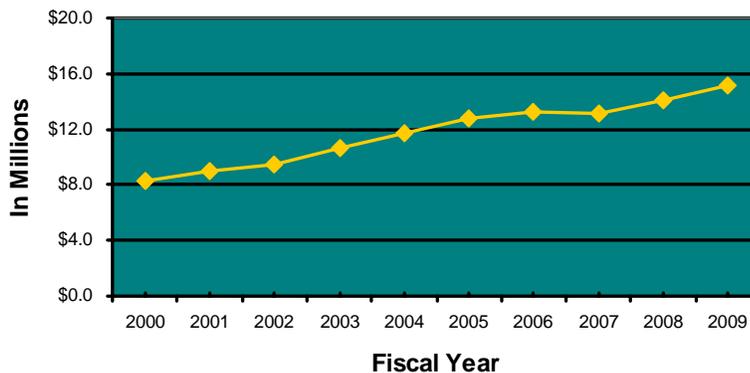
Planning and marketing department costs were 2.5% greater than in fiscal year 2008. Wages and benefits were 27% higher than the prior year, a combination of an additional half-time position added in May of 2008 and an extended period with a key vacancy in the previous year. Contract services were down 51% in fiscal year 2009 as the additional staffing meant less contract support was required, and marketing expense was down 53% as the prior year's re-branding project phased out.

Operations and administration department costs for fiscal year 2009 were 1.3% lower than fiscal year 2009. Wages and benefits were 2.2% lower as the result of transferring one employee's payroll costs to the operations department, as well as cost reductions associated with the retirement of a long-tenured employee during the prior year. Contract services were 75% higher than the prior year as the result of GCT's Facility Master Planning project, for which federal grant funding was utilized, however that cost was offset by a 14% reduction in GCT's public liability and property damage insurance costs, the department's largest expense.

Paratransit costs for fiscal year 2009 were 39.3% greater than fiscal year 2008. The paratransit service contract represents 88% of paratransit costs. The increase in paratransit costs for fiscal year 2009 is attributable to the transition from our previous five-year old below-market contract with Laidlaw First Transit to a new contract with MV Transportation Inc. which commenced on July 1, 2008. A 3.7% increase in ridership also contributed to the increase.

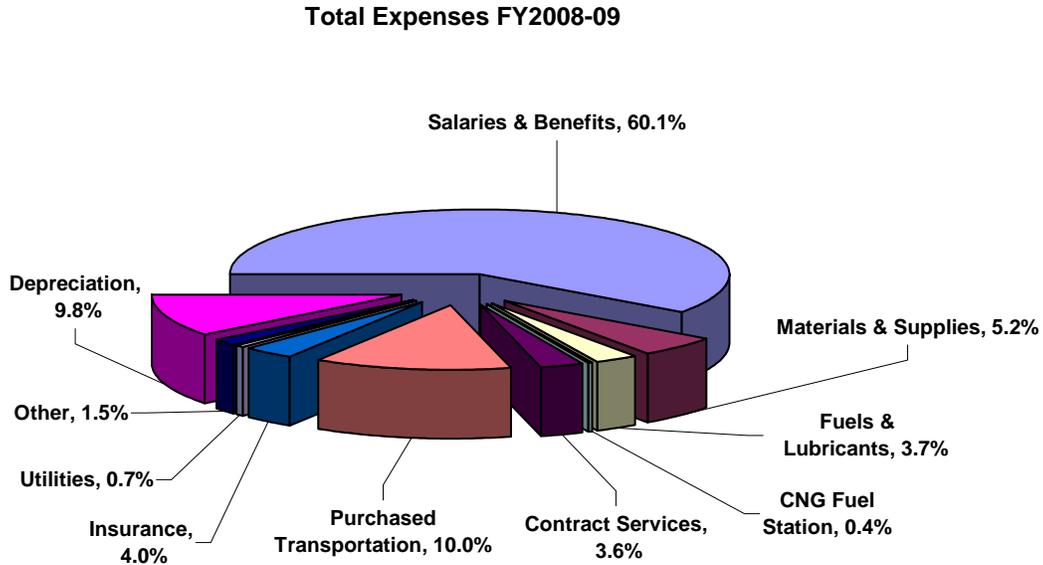
The 19.2% increase in depreciation expense is the result of adding the new CNG Station and eight new buses and twenty-four new cutaway buses to GCT's depreciable assets.

Total operating expenses before depreciation were about 8.0% higher than the previous year. The following chart shows operating expense trends over the last ten-year period.



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The following chart shows the major cost categories and the percentage of operating expenses for the year ended June 30, 2009:



**Financial Statements**

GCT's basic financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board. GCT is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and (except for land and construction in progress) depreciated over their estimated useful lives. See the notes to the financial statements for a summary of GCT's significant accounting policies.

**Capital Asset Acquisition**

During fiscal year 2009, GCT added \$9,270,087 in depreciable capital asset additions. This included \$3,201,610 for the new CNG fueling station, \$3,472,395 for eight (8) 35-foot NABI CNG transit buses, \$2,220,253 for twenty-four (24) new paratransit vehicles, \$212,713 for eight (8) new Honda CNG service vehicles, \$88,106 for paratransit operations equipment, \$40,946 to upgrade facility lighting and \$34,064 to resurface the parking lot. Capital asset acquisitions are capitalized at cost. Acquisitions are funded using primarily federal grants with matching local funds; in fiscal year 2009 GCT also expended state grants from the Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and Safety and Security programs. Additional information on GCT's capital assets can be found in the notes to the financial statements.

**Gold Coast Transit**  
*Management's Discussion and Analysis*  
**For the Years Ended June 30, 2009 and 2008**

**Economic and Other Factors**

Gold Coast Transit is committed to developing and delivering quality public transportation service. In carrying out this mission, GCT provides fixed route bus and paratransit service and carries out these activities in a cost-effective, fiscally responsible manner. Furthermore, GCT recognizes its responsibility to work with governments and agencies to meet the transportation needs of the people, communities and businesses of western Ventura County.

The financial condition of GCT is strong. The agency has a young fleet 100% powered by CNG, a clean, domestically produced, plentiful and currently tax-advantaged fuel. We have an additional eight (8) buses on order funded 100% by the American Recovery and Reinvestment Act (ARRA). In addition, we anticipate using ARRA funds, which require no local match from capital reserve, to partially fund paratransit service as well as fully fund several important capital projects, including upgraded fareboxes and a facility modernization program, over the next two years.

Fiscally, we have a capital reserve fund adequate to meet its projected short-term needs and a reasonable cash position backed up by a one million dollar line of credit. Just as for every California public agency that depends on State funding, these are tenuous times as Local Transportation Fund revenues are down and may go lower and State Transit Assistance (STA) has been eliminated completely for the next five years, pending the outcome of current litigation being brought by the California Transit Association (CTA) on behalf of the state's public transit providers.

Nonetheless, demand for GCT services can be expected to increase as the economy improves, more people go back to work and the increased demand for gasoline drives fuel prices higher. Citizens will demand more and better public transit. As local, state and federal governments come to grips with how best to restructure public transit funding over the next several years, GCT's goal is to position itself to be ready for higher public transit demand. This will require making the financial commitment during the next several years to acquire and develop a new, larger facility to support the anticipated growth that a higher level of public transit service will require. GCT's ten-year capital project plan provides for the major investment of site acquisition and construction of a new Operations, Maintenance and Administration facility as well as the scheduled replacement and gradual expansion of the CNG fixed route and paratransit fleets.

**Requests for Information**

This financial report is designed to provide GCT's funding sources, customers, stakeholders and other interested parties with an overview of GCT's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Director of Administrative Services at Gold Coast Transit, 301 E. Third St., Oxnard, California, 93030-6048.

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# **Basic Financial Statements**

**Gold Coast Transit  
Statement of Net Assets  
June 30, 2009 and 2008**

<i>Assets</i>	<b>2009</b>	<b>2008</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 2,801,077	3,892,623
Accrued interest receivable	4,318	23,033
Accounts receivable – federal funding	1,310,097	268,165
Accounts receivable – state funding	151,458	-
Accounts receivable – other	336,170	283,747
Materials and supplies inventory	562,703	522,208
Prepaid expenditures	54,726	61,565
Total current assets	<u>5,220,549</u>	<u>5,051,341</u>
<b>Restricted assets – current:</b>		
Cash and cash equivalents (note 2)	2,471,268	2,334,527
Accrued interest receivable	9,626	9,256
Total restricted assets – current	<u>2,480,894</u>	<u>2,343,783</u>
<b>Total current assets</b>	7,701,443	7,395,124
<b>Non-current assets:</b>		
Capital assets, net (note 3)	<u>20,274,686</u>	<u>13,956,407</u>
<b>Total assets</b>	<u>\$ 27,976,129</u>	<u>21,351,531</u>
<hr/> <b><i>Liabilities and Net Assets</i></b> <hr/>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,589,835	1,140,621
Accrued salaries and wages	328,882	276,410
Compensated absences (note 4)	545,258	513,694
Deferred revenue	10,150	7,784
Deferred revenue – PTMISEA (note 5)	-	268,863
Deferred revenue – CA Prop. 1B (note 6)	2,563	-
Deferred local transportation funding (note 7)	1,557,776	1,707,491
<b>Total liabilities</b>	<u>4,034,464</u>	<u>3,914,863</u>
<b>Net assets: (note 9)</b>		
Net investment in capital assets	20,274,686	13,956,407
Restricted for capital acquisitions (note 8)	2,480,894	2,074,920
Unrestricted (note 10)	1,186,085	1,405,341
<b>Total net assets</b>	<u>23,941,665</u>	<u>17,436,668</u>
<b>Total liabilities and net assets</b>	<u>\$ 27,976,129</u>	<u>21,351,531</u>

See accompanying notes to the basic financial statements

**Gold Coast Transit**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Passenger fares:		
Fixed route	\$ 3,044,666	2,931,149
Paratransit	161,476	162,457
<b>Total operating revenues</b>	<u>3,206,142</u>	<u>3,093,606</u>
Operating expenses:		
Vehicle operation	7,943,918	7,439,772
Vehicle maintenance	2,218,968	2,282,857
Planning and marketing	678,804	662,305
Operations and administration	1,877,436	1,902,619
Paratransit	2,468,158	1,772,320
<b>Total operating expenses</b>	<u>15,187,284</u>	<u>14,059,873</u>
<b>Operating loss before depreciation</b>	<u>(11,981,142)</u>	<u>(10,966,267)</u>
Depreciation:		
Capital assets – operations	1,633,003	1,430,633
Capital assets – paratransit operations	184,086	94,218
<b>Total depreciation</b>	<u>1,817,089</u>	<u>1,524,851</u>
<b>Operating loss</b>	<u>(13,798,231)</u>	<u>(12,491,118)</u>
Non-operating revenues(expenses):		
Local transportation funding	7,618,873	7,314,731
Federal funding – operating grants	3,409,318	2,811,648
Federal funding – matching grants	516,000	534,400
State funding – operating grants	245,741	80,270
Interest earnings	52,444	119,413
Advertising revenue	120,534	61,784
Other, net	18,232	44,021
<b>Total non-operating revenues, net</b>	<u>11,981,142</u>	<u>10,966,267</u>
<b>Loss before capital contributions</b>	<u>(1,817,089)</u>	<u>(1,524,851)</u>
Capital contributions:		
Federal capital grants	6,564,741	1,366,540
State capital grants	485,105	-
Local capital grants	1,272,240	1,250,354
<b>Total capital contributions</b>	<u>8,322,086</u>	<u>2,616,894</u>
<b>Change in net assets</b>	<u>6,504,997</u>	<u>1,092,043</u>
<b>Net assets – beginning of period</b>	<u>17,436,668</u>	<u>16,344,625</u>
<b>Net assets – end of period</b>	<u>\$ 23,941,665</u>	<u>17,436,668</u>

See accompanying notes to the basic financial statements

**Gold Coast Transit**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
Cash flows from operating activities:		
Receipts from passenger fares – fixed route	\$ 2,992,243	2,776,695
Receipts from passenger fares – paratransit	161,476	162,457
Payments to employees for salaries and wages	(6,510,242)	(6,085,026)
Payments to vendors for services	(8,441,382)	(7,899,501)
Net cash used in operating activities	(11,797,905)	(11,045,375)
Cash flows from non-capital financing activities:		
Proceeds from local transportation funding	7,469,158	7,048,485
Proceeds from federal funding – operating grants	3,409,318	2,569,270
Proceeds from federal funding – matching grants	516,000	534,400
Proceeds from state funding – operating grants	245,741	80,270
Other non-operating revenue, net	138,766	105,805
Net cash provided by non-capital financing activities	11,778,983	10,338,230
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(8,135,368)	(1,592,238)
Proceeds from federal capital grants	5,522,809	1,738,012
Proceeds from state capital grants	333,647	-
Proceeds from local capital grants	1,272,240	1,250,354
Net cash provided(used) by capital and related financing activities	(1,006,672)	1,396,128
Cash flows from investing activities:		
Interest earnings on cash and cash equivalents	70,789	127,224
Net cash provided by investing activities	70,789	127,224
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(954,805)</b>	<b>816,207</b>
Cash and cash equivalents, beginning of year	6,227,150	5,410,943
Cash and cash equivalents, end of year	\$ 5,272,345	6,227,150
Reconciliation of cash and cash equivalents to statement of net assets:		
Cash and cash equivalents	\$ 2,801,077	3,892,623
Restricted assets – cash and cash equivalents	2,471,268	2,334,527
<b>Total cash and cash equivalents</b>	<b>\$ 5,272,345</b>	<b>6,227,150</b>

Continued on next page

See accompanying notes to the basic financial statements

**Gold Coast Transit**  
**Statement of Cash Flows, continued**  
**For the Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Reconciliation of operating income to net cash used by operating activities:		
Operating loss	\$ (13,798,231)	(12,491,118)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,817,089	1,524,851
Change in assets – (increase)decrease:		
Accounts receivable – other	(52,423)	(154,454)
Materials and supplies inventory	(40,495)	(36,813)
Prepaid expenditures	6,839	1,377
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	449,214	(235,206)
Accrued salaries and wages	52,472	43,404
Compensated absences	31,564	28,897
Deferred revenue	4,929	4,824
Deferred revenue – grant funding	(268,863)	268,863
Total adjustments	<u>2,000,326</u>	<u>1,445,743</u>
Net cash used by operating activities	<u>\$ (11,797,905)</u>	<u>(11,045,375)</u>

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The principal business activity of Gold Coast Transit (GCT) is to provide public transportation service to customers in the geographic area known as Western Ventura County located in Southern California.

GCT is a joint powers authority created in 1973 by the Cities of Ojai, Oxnard, Port Hueneme and San Buenaventura for the purpose of operating a public transportation system within and about Western Ventura County. Subsequent to the initial creation of the agency, the City of Santa Paula and County of Ventura were added as participating members. Each of these governments is represented on GCT's Board of Directors.

On October 5, 1994, the City of Santa Paula withdrew from the joint powers authority agreement and surrendered its representation on the Board of Directors. Santa Paula's member equity was reallocated to the other members during the fiscal year ended June 30, 1995.

**B. Basis of Accounting and Measurement Focus**

GCT reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of GCT is that the costs (including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges (passenger fares) and transportation grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows takes place.

Operating revenues, such as passenger fares, result from exchange transactions associated with the principal activity of GCT. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grant funding and investment income, result from nonexchange transactions in which GCT gives (receives) value without directly receiving (giving) value in exchange.

**C. Financial Reporting**

GCT's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" (GASB No. 34), and all of its amendments. This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements and amendments provide for a revised view of financial information and a restructure of the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB No. 34, enterprise funds, such as GCT, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. GCT has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Assets**

**1. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported changes in GCT's equity during the reporting period. Actual results could differ from those estimates.

**2. Cash and Investments**

GCT maintains its cash and investments in accordance with an investment policy adopted by its Board of Directors. The investment policy is more restrictive than applicable state statutes. GCT's investment policy authorizes investments in securities of the U.S. government or its agencies (i.e., Treasury notes or bonds), certificates of deposit, the Ventura County Pooled Investment Fund (VCPIF) and the State of California Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board. Oversight of the VCPIF is conducted by the Ventura County Treasury Oversight Committee.

LAIF and the VCPIF are carried at fair value based on the value of each participating dollar as provided by the LAIF and VCPIF, respectively. The fair value of GCT's position in the LAIF and VCPIF is the same as the value of the pooled shares. Investments in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize GCT's deposits with the bank in accordance with the Code.

**3. Materials and Supplies Inventory**

Materials and supplies inventory consists primarily of bus replacement parts, supplies for vehicle maintenance, spare components, vehicle fuel and oil. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**4. Prepaid Expenses**

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**5. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. GCT policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Revenue vehicles – fixed route – 10 to 12 years
- Facilities – 15 to 30 years
- Equipment and furniture – 3 to 10 years
- Revenue vehicles – paratransit – 4 to 5 years
- Paratransit equipment – 3 to 5 years

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Assets, continued**

**6. Restricted Assets**

Restricted assets consist of funds for capital asset acquisitions that are held in the Capital Reserve Fund administered by the Ventura County Treasurer's Office.

**7. Compensated Absences**

GCT's policy is to permit employees to accumulate earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for GCT's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be used up within the next fiscal year. Sick leave can be accumulated, but, under GCT's policy, is not paid until termination or retirement with a minimum of ten years of service. Payment shall be made in an amount of 50% of accrued sick leave upon termination, retirement or death of the employee. Accordingly, 50% of the accumulated sick leave is accrued at year-end to account for GCT's obligation to the employees for the amount owed.

**8. Deferred Local Transportation Funding**

Authorized and received Local Transportation Funds that exceed current year expenditure requirements are deferred to future periods.

**9. Grant Funding**

Grants for operating assistance and capital acquisitions are included in their respective non-operating and capital contribution sections of the statement of activities. Grant funds are claimed on a reimbursement basis and receivables for grant funds are recorded as the related obligations are incurred. Grant funds advanced but not yet earned are treated as deferred revenue until the respective obligations the grants were funded for are incurred.

**10. Non-Operating Revenues and Capital Contributions**

GCT receives Local Transportation Funds (LTF) under provisions of the State of California's Transportation Development Act of 1971. This act provides that a portion of state sales tax proceeds be made available for support and development of public transportation. These funds are generated within Ventura County and are allocated based on annual claims filed by GCT and approved by the Ventura County Transportation Commission (VCTC). A portion of these proceeds (at the discretion of GCT's Board of Directors) is set aside to fund capital acquisitions and is classified as local capital grants in the capital contribution section of the statement of activities. The remaining portion of local transportation funding is used to subsidize current operations and is included in the non-operating revenue section of the statement of revenues, expense and changes in net assets.

Under provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Act of 2005, Federal planning and capital assistance grants (under Section 5307) are made available to local urbanized mass transportation systems on a formula basis. Federal operating and matching grants provided to GCT under this act are included in the non-operating revenue section of the statement of revenues, expense and changes in net assets, and capital grants are reported as federal capital grants in the capital contribution section of the statement of revenues, expense and changes in net assets.

State operating grants are included in the non-operating revenue section of the statement of activities, and state capital grants are reported as state capital grants in the capital contribution section of the statement of revenues, expense and changes in net assets.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Assets, continued**

**11. Net Assets**

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Net Investment in Capital Assets** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.
- **Restricted Net Assets** – This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Assets** – This component of net assets consists of net assets that do not meet the definition of *restricted* or *net investment in capital assets*.

**(2) Cash, Cash Equivalents and Investments**

Cash and cash equivalents as June 30, are classified in the accompanying financial statements as follows:

	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	\$ 2,801,077	3,892,623
Restricted assets - cash and cash equivalents	2,471,268	2,334,527
Total	\$ 5,272,345	6,227,150

Cash and cash equivalents as of June 30, consist of the following:

	<b>2009</b>	<b>2008</b>
Cash on hand	\$ 54,806	19,737
Deposits held with financial institutions	1,597,443	1,543,888
Deposits held with California Local Agency Investment Fund (LAIF)	1,148,828	2,597,861
Deposits held with the Ventura County Investment Pool Fund (VCPIF)	2,471,268	2,065,664
Total	\$ 5,272,345	6,227,150

As of June 30, SCAT's authorized deposits had the following maturities:

	<b>2009</b>	<b>2008</b>
Deposits held with California Local Agency Investment Fund (LAIF)	235 days	212 days
Deposits held with the Ventura County Investment Pool Fund (VCPIF)	346 days	248 days

***Authorized Deposits and Investments***

GCT's investment policy only authorizes investments in the local government investment pools administered by the Ventura County Treasurer (VCPIF) and the State of California (LAIF). GCT's investment policy does not contain any specific provisions intended to limit GCT's exposure to interest rate risk, credit risk, and concentration of credit risk.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(2) Cash, Cash Equivalents and Investments, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and GCT's investment policy does 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 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 GCT's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of GCT's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in GCT's name.

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 Code and GCT's investment policy does 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 LAIF and VCPIF).

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. GCT's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

***Credit Risk***

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. As of June 30, 2009 and 2008, GCT's investment in the VCPIF was rated by Standard & Poor's as AA Af / S1+. LAIF is not rated.

***Concentration of Credit Risk***

GCT's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. GCT's deposit portfolio with governmental agencies, LAIF and VCPIF, are 22% and 47% for 2009, respectively, and 42% and 33% for 2008, respectively, of GCT's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of GCT's total investments.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(3) Capital Assets**

Changes in capital assets for 2009 were as follows:

	<u>Balance 2008</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2009</u>
Non-depreciable assets:				
Land	\$ 300,298	-	-	300,298
Construction-in-process	1,687,695	8,183,697	(9,318,416)	552,976
Total non-depreciable assets	<u>1,987,993</u>	<u>8,183,697</u>	<u>(9,318,416)</u>	<u>853,274</u>
Depreciable assets:				
Revenue vehicles – fixed route	16,602,907	3,472,395	(926,340)	19,148,962
Facilities	4,301,194	3,235,674	(1,208,169)	6,328,699
Equipment and furniture	1,623,834	253,659	(264,293)	1,613,200
Paratransit revenue vehicles	1,490,752	2,220,252	(555,660)	3,155,344
Paratransit equipment	253,938	88,107	(171,289)	170,756
Total depreciable assets	<u>24,272,625</u>	<u>9,270,087</u>	<u>(3,125,751)</u>	<u>30,416,961</u>
Accumulated depreciation				
Revenue vehicles – fixed route	(5,559,480)	(1,175,648)	926,340	(5,808,788)
Facilities	(3,580,273)	(361,630)	1,208,169	(2,733,734)
Equipment and furniture	(1,430,275)	(95,725)	264,293	(1,261,707)
Paratransit revenue vehicles	(1,480,243)	(166,465)	555,660	(1,091,048)
Paratransit equipment	(253,940)	(17,621)	171,289	(100,272)
Total depreciation	<u>(12,304,211)</u>	<u>(1,817,089)</u>	<u>3,125,751</u>	<u>(10,995,549)</u>
Total depreciable assets	<u>11,968,414</u>	<u>7,452,998</u>	<u>-</u>	<u>19,421,412</u>
Total capital assets, net	<u>\$ 13,956,407</u>			<u>20,274,686</u>

During fiscal year 2009, GCT added \$9,270,087 in depreciable capital asset additions. This included \$3,201,610 for the new CNG fueling station, \$3,472,395 for eight (8) 35-foot NABI CNG transit buses, \$2,220,253 for twenty-four (24) new paratransit vehicles, \$212,713 for eight (8) new Honda CNG service vehicles, \$88,106 for paratransit operations equipment, \$40,946 to upgrade facility lighting and \$34,064 to resurface the parking lot.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(3) Capital Assets, continued**

Changes in capital assets for 2008 were as follows:

	<u>Balance 2007</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2008</u>
Non-depreciable assets:				
Land	\$ 300,298	-	-	300,298
Construction-in-process	<u>277,823</u>	<u>1,409,872</u>	<u>-</u>	<u>1,687,695</u>
Total non-depreciable assets	<u>578,121</u>	<u>1,409,872</u>	<u>-</u>	<u>1,987,993</u>
Depreciable assets:				
Revenue vehicles – fixed route	16,602,907	-	-	16,602,907
Facilities	4,291,028	48,666	(38,500)	4,301,194
Equipment and furniture	1,597,478	133,700	(107,344)	1,623,834
Paratransit revenue vehicles	1,490,752	-	-	1,490,752
Paratransit equipment	<u>253,938</u>	<u>-</u>	<u>-</u>	<u>253,938</u>
Total depreciable assets	<u>24,236,103</u>	<u>182,366</u>	<u>(145,844)</u>	<u>24,272,625</u>
Accumulated depreciation				
Revenue vehicles – fixed route	(4,395,278)	(1,164,202)	-	(5,559,480)
Facilities	(3,432,559)	(186,214)	38,500	(3,580,273)
Equipment and furniture	(1,457,401)	(80,218)	107,344	(1,430,275)
Paratransit revenue vehicles	(1,421,159)	(59,084)	-	(1,480,243)
Paratransit equipment	<u>(218,807)</u>	<u>(35,133)</u>	<u>-</u>	<u>(253,940)</u>
Total depreciation	<u>(10,925,204)</u>	<u>(1,524,851)</u>	<u>145,844</u>	<u>(12,304,211)</u>
Total depreciable assets	<u>13,310,899</u>	<u>(1,342,485)</u>	<u>-</u>	<u>11,968,414</u>
Total capital assets, net	<u>\$ 13,889,020</u>			<u>13,956,407</u>

Capital assets additions in 2008 included \$182,366 for the following capitalized projects: purchase of a service van, new carpeting and HVAC system for the administration building, hardware and software upgrades to GCT's business systems, a new CCTV system for the facility, and a new coin sorter for the treasury operation. Additionally, \$1,409,872 was expended into work in process, primarily for the design and construction of the new CNG Station.

**(4) Compensated Absences**

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. GCT's liability for compensated absences is determined annually.

The changes to compensated absences balances at June 30, were as follows:

	<u>Balance 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2009</u>	<u>Due Within One Year</u>
\$	<u>513,694</u>	<u>674,123</u>	<u>(642,559)</u>	<u>545,258</u>	<u>545,258</u>
	<u>Balance 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2008</u>	<u>Due Within One Year</u>
\$	<u>484,797</u>	<u>630,423</u>	<u>(601,526)</u>	<u>513,694</u>	<u>513,694</u>

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(5) Deferred Revenue – PTMISEA Grant Funding**

The changes to deferred revenue – PTMISEA at June 30, were as follows:

<u>Balance</u> <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2009</u>
\$ 268,863	5,758	(274,621)	-
<hr/>			
<u>Balance</u> <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2008</u>
\$ -	268,863	-	268,863
<hr/>			

**(6) Deferred Revenue – CA Prop 1B Grant Funding**

The changes to deferred revenue – CA Prop 1B balances at June 30, were as follows:

<u>Balance</u> <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2009</u>
\$ -	60,865	(58,302)	2,563
<hr/>			

**(7) Deferred Local Transportation Funding**

In accordance with Transportation Development Act statutes and the California Code of Regulations, Title 21, Chapter 3, Subchapter 2, Article 5, Section 6649(b), Local Transportation Funds (LTF) received for operating assistance in excess of the amount that GCT is eligible to receive is recorded as a deferred revenue and is to be recognized as revenue and a reduction of eligible LTF during the following fiscal years.

<u>Amount</u> <u>Authorized</u>	<u>Year</u> <u>Received</u>	<u>Deferred</u> <u>LTF Amount</u>	<u>Year to be</u> <u>Recognized</u>
\$ 8,248,484	2007-2008	552,672	2009-2010
8,623,976	2008-2009	1,005,104	2010-2011
		\$ <u>1,557,776</u>	

**(8) Net Assets – Restricted for Capital Acquisitions**

Local Transportation Funds granted for operating assistance, but are to be used, to purchase new buses, fareboxes, coach equipment, facility and other improvements as part of a service expansion program and related interest earnings included in restricted net assets at June 30, 2009 and 2008, are as follows:

	<u>2009</u>	<u>2008</u>
Balance – beginning of period	\$ 2,074,920	1,168,420
Additions: Local transportation funding	1,200,000	1,200,000
Deletions: Capital acquisitions	(849,898)	(343,853)
Allocated interest earnings	55,872	50,353
Balance – end of period	\$ <u>2,480,894</u>	<u>2,074,920</u>

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(9) Net Asset Rollforward**

The following is a summary of changes in net assets for the year ended June 30, 2009, as follows:

	<u>Net Investment in Capital Assets</u>	<u>Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Net Assets Total</u>
<b>Beginning of period</b>	\$ 13,956,407	2,074,920	1,405,341	17,436,668
Net loss before capital contributions	-	-	(1,817,089)	(1,817,089)
Depreciation expense	(1,817,089)	-	1,817,089	-
Federal capital grants	6,564,741	-	-	6,564,741
State capital grants	485,105	-	-	485,105
Local capital contributions	-	1,272,240	-	1,272,240
Capital asset acquisition matching	1,085,522	(866,266)	(219,256)	-
Change in net assets	<u>6,318,279</u>	<u>405,974</u>	<u>(219,256)</u>	<u>6,504,997</u>
<b>End of period</b>	<u>\$ 20,274,686</u>	<u>2,480,894</u>	<u>1,186,085</u>	<u>23,941,665</u>

The following is a summary of changes in net assets for the year ended June 30, 2008, as follows:

	<u>Net Investment in Capital Assets</u>	<u>Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Net Assets Total</u>
<b>Beginning of period</b>	\$ 13,889,020	1,168,420	1,287,185	16,344,625
Net loss before capital contributions	-	-	(1,524,851)	(1,524,851)
Depreciation expense	(1,524,851)	-	1,524,851	-
Federal capital contributions	1,366,541	-	-	1,366,541
Local capital contributions	-	1,250,353	-	1,250,353
Capital asset acquisition matching	225,697	(343,853)	118,156	-
Change in net assets	<u>67,387</u>	<u>906,500</u>	<u>118,156</u>	<u>1,092,043</u>
<b>End of period</b>	<u>\$ 13,956,407</u>	<u>2,074,920</u>	<u>1,405,341</u>	<u>17,436,668</u>

**(10) Unrestricted Net Assets**

Unrestricted net assets:	<u>2009</u>	<u>2008</u>
Non-spendable net assets:		
Materials and supplies inventory	\$ 562,703	522,208
Prepaid expenditures	54,726	61,565
Total non-spendable net assets	<u>617,429</u>	<u>583,773</u>
Spendable net assets are designated as follows:		
Undesignated net assets reserve	568,656	821,568
Total spendable net assets	<u>568,656</u>	<u>821,568</u>
Total unrestricted net assets	<u>1,186,085</u>	<u>1,405,341</u>
Total net assets	<u>\$ 1,186,085</u>	<u>1,405,341</u>

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(11) Deferred Compensation Savings Plan**

For the benefit of its employees, GCT participates in three 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, GCT is in compliance with this legislation. Therefore, these assets are not the legal property of GCT, and are not subject to claims of GCT's general creditors. Market value of all plan assets held in trust by Nationwide at June 30, 2009 and 2008 were \$768,195 and \$898,282, respectively; The Hartford at June 30, 2009 and 2008 was \$912,016 and \$886,301, respectively, and ICMA Retirement Corp at June 30, 2009 and 2008 was \$651,301 and \$670,972, respectively. GCT has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since GCT has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net assets.

**(12) Defined Benefit Pension Plan**

***Plan Description***

GCT contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the GCT. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA, 95814.

***Funding Policy***

The contribution rate for plan members in the CalPERS 2.7% at 55 Risk Pool Retirement Plan is 8% of their annual covered salary. GCT makes these contributions required of GCT employees on their behalf and for their account. Also, GCT is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for fiscal year 2009, 2008 and 2007 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2009, 2008 and 2007, GCT's annual contributions for the CalPERS plan were equal to GCT's required and actual contributions for each fiscal year as follows:

***Three-Year Trend Information for CalPERS***

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2007	\$ 443,992	100%	\$ -	8.301%
2008	703,143	100%	-	13.721%
2009	795,327	100%	-	12.846%

In fiscal year 2008, GCT changed its CalPERS Plan from a 2.0% @ 55 years-old Plan to a 2.7% @ 55 years-old Plan which increased their APC in 2008 from 8.260% to 13.721%.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(13) Risk Management**

GCT is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. GCT has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources.

GCT participates in the California Transit Insurance Pool (CalTIP), a joint powers agency created to provide liability and physical damage insurance to its members through an insurance pool. GCT holds property insurance, general and automotive liability, and public officials' errors and omissions liability with CalTIP on a first dollar basis, up to \$20 million on liability.

GCT purchases blanket insurance coverage from commercial brokers for the following:

Insurance coverage limits:	<b>2009</b>	<b>2008</b>
CNG fueling station	\$ 3,273,000	2,975,904
Buildings and structures	2,576,600	2,469,000
Business and property	2,221,500	2,100,000
Boiler and machinery	8,957,600	2,500,000

Some of the above insurance policies are subject to various deductibles.

GCT's employee practices liability insurance coverage is \$2.0 million and handled through Navigators Insurance. Also, GCT participates in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) a joint powers agency created to provide workers' compensation insurance to its members through a risk retention insurance pool. GCT holds workers' compensation insurance coverage with CSAC-EIA up to statutory limits.

Settled claims have not exceeded any of the coverage amounts in any of the last five fiscal years and there were no reductions in GCT's insurance coverage during those years. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred, but not reported (IBNR).

**(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2008, that has effective dates that may impact future financial presentations. Management has not currently determined what total impact, if any, the implementation of the following statements may have on GCT's future financial statements.

***Governmental Accounting Standards Board Statement No. 51***

In June 2008, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This statement is not effective for GCT until the fiscal year ended June 30, 2010. This statement is not expected to have a significant impact on the presentation of GCT's financial statements.

**Gold Coast Transit**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2009 and 2008**

**(15) Commitments**

***Operating Lease***

Beginning October 1, 2001, GCT entered into a lease agreement with the City of Oxnard to rent office space in the Oxnard Transportation Center for customer service and administrative purposes. At the end of the lease, GCT will have the option to extend the term of the lease. In 2008, GCT extended the term of its lease through 2010. The base rent for the lease premises was \$9,973 and \$9,658 for the years ended June 30, 2009 and 2008, respectively. Interest will be accrued on rent due and unpaid. Future lease commitment is \$10,322 for fiscal year 2010.

***Litigation***

In the ordinary course of operations, GCT is subject to claims and litigation from outside parties. After consultation with legal counsel, GCT believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

***Grant Funding***

Grant funds received by GCT are subject to review by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. The management of GCT believes that such disallowances, if any, would not be significant.

***Operating Fare Revenue Ratio***

GCT is required to maintain a ratio of fares to operating costs of at least 20% to continue to be eligible for Local Transportation Funds. For the years ended June 30, 2009 and 2008, GCT met this requirement with fares to operating costs ratio of 21.11 % and 22.00%, respectively, as calculated below.

	<b>2009</b>	<b>2008</b>
Total passenger fare revenue	\$ 3,206,142	3,093,606
Operating expenses before depreciation	\$ 15,187,284	14,059,873
Operating fare revenue ratio	21.11%	22.00%

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# **Statistical Section**



**Gold Coast Transit**  
**Financial Ratios**  
**June 30, 2009, 2008 and 2007**

**Current Ratio:**

Measures GCT's ability to meet short-term commitments by dividing current assets by current liabilities.

<b>2009</b>	<u>Current Assets</u>	<u>\$ 7,701,443</u>	1.91:1
	Current Liabilities	\$ 4,034,464	
<b>2008</b>	<u>Current Assets</u>	<u>\$ 7,395,124</u>	1.89:1
	Current Liabilities	\$ 3,914,863	
<b>2007</b>	<u>Current Assets</u>	<u>\$ 6,525,932</u>	1.60:1
	Current Liabilities	\$ 4,070,327	

**Quick Ratio:**

This variation of the current ratio is an indicator of GCT's liquidity by including only those current assets that could be converted readily to cash and receivables due within 30 days.

<b>2009</b>	Cash and Cash Equivalents plus	\$ 5,272,345	
	<u>Receivables within 30 days</u>	<u>\$ 1,811,669</u>	1.76:1
	Current Liabilities	\$ 4,034,464	
<b>2008</b>	Cash and Cash Equivalents plus	\$ 6,227,150	
	<u>Receivables within 30 days</u>	<u>\$ 574,945</u>	1.74:1
	Current Liabilities	\$ 3,914,863	
<b>2007</b>	Cash and Cash Equivalents plus	\$ 5,410,943	
	<u>Receivables within 30 days</u>	<u>\$ 526,551</u>	1.46:1
	Current Liabilities	\$ 4,070,327	

**Debt Ratio:**

Reflects the long-term solvency risk, in assessing GCT's financial capacity to meet long-term debts and similar obligations, by dividing total liabilities by total assets. As of the end of each fiscal year, GCT had no long-term debt.

<b>2009</b>	<u>Total Liabilities</u>	<u>\$ 4,034,464</u>	14.4%
	Total Assets	\$27,976,129	
<b>2008</b>	<u>Total Liabilities</u>	<u>\$ 3,914,863</u>	18.3%
	Total Assets	\$21,351,531	
<b>2007</b>	<u>Total Liabilities</u>	<u>\$ 4,070,327</u>	19.9%
	Total Assets	\$20,414,952	

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**Gold Coast Transit**  
**Operating Revenues and Expenses – Ten Year Comparison**  
**Fiscal Years 2000 to 2009**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Passenger Fares	\$ 2,076,118	2,107,237	2,074,067	2,132,355	2,671,557	2,459,632	2,656,931	2,798,083	3,093,606	3,206,142
Operating Expenses	8,239,925	8,993,875	9,421,826	10,657,371	11,740,177	12,825,304	13,286,822	13,153,516	14,059,873	15,187,284
Depreciation Expense	1,328,278	1,275,122	1,352,568	1,539,157	1,887,817	1,845,824	1,941,762	2,200,792	1,542,851	1,817,089
Operating Loss	(7,492,085)	(8,161,760)	(8,700,327)	(10,064,173)	(10,956,437)	(12,211,496)	(12,571,653)	(12,556,225)	(12,509,118)	(13,798,231)
<i>Nonoperating Revenues</i>										
Local Transportation Funds	3,746,607	4,802,028	4,649,771	5,846,330	5,867,203	6,825,349	6,648,885	6,603,987	7,314,731	7,618,873
Other local funds	14,707	17,911	-	-	-	-	-	-	-	-
State Funds	54,862	56,071	321,217	62,000	49,500	45,748	59,643	180,151	80,270	245,741
Federal Funds	2,255,529	1,895,387	2,338,000	2,603,163	3,138,092	3,484,050	3,895,600	3,472,655	3,346,048	3,925,318
Interest Income	49,747	84,128	29,413	10,700	7,622	10,352	20,960	90,513	119,413	52,444
Other Income	42,344	31,113	9,358	2,823	6,203	173	4,804	8,127	105,805	138,766
Total, Nonoperating	6,163,796	6,886,638	7,347,759	8,525,016	9,068,620	10,365,672	10,629,892	10,355,433	10,966,267	11,981,142
Net Income (Loss)	\$ (1,328,289)	(1,275,122)	(1,352,568)	(1,539,157)	(1,887,817)	(1,845,824)	(1,941,761)	(2,200,792)	(1,542,851)	(1,817,089)

*Operating Expenses - Actual Dollars Compared to Constant Dollars*

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Actual Dollars	\$ 8,239,925	8,993,875	9,421,826	10,657,371	11,740,177	12,825,304	13,286,822	13,153,516	14,059,873	15,187,284
Constant Dollars	\$ 6,703,829	7,013,538	7,131,149	7,303,645	7,593,752	7,868,178	8,275,896	8,517,900	8,977,867	8,776,894
CPI Percent Change	7.3%	4.6%	1.7%	2.4%	4.0%	3.6%	5.2%	2.9%	5.4%	-2.4%
Index Number (1982=100)	171	178.9	181.9	186.3	193.7	200.7	211.1	217.3	229.0	223.9
Cumulative Percent	13.0%	18.2%	20.2%	23.1%	28.0%	29.7%	34.7%	36.3%	38.5%	30.9%

**Gold Coast Transit**  
**Passenger Cost By Mode – Ten Year Comparison**  
**Fiscal Years 2000 to 2009**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b>Bus - Fixed Route</b>										
Total Passengers	3,417,749	3,687,762	3,669,452	3,579,671	3,435,333	3,145,890	3,369,704	3,438,989	3,495,875	3,568,028
Passenger Fare Rev.	\$ 2,033,992	2,058,240	2,019,873	2,054,251	2,536,038	2,275,562	2,499,831	2,641,229	2,843,606	2,709,665
Total Operating Cost	\$ 7,266,058	7,643,231	7,736,699	8,551,749	9,699,066	10,987,915	11,589,399	11,471,558	12,287,553	12,711,838
Excluded increase items	\$ -	-	-	-	84,095	67,823	-	-	-	-
Revenue per passenger	\$ 0.60	0.56	0.55	0.57	0.74	0.72	0.74	0.77	0.81	0.76
Cost per passenger	\$ 2.13	2.07	2.11	2.39	2.82	3.49	3.44	3.34	3.51	3.56
Farebox Recovery %	28.0%	26.9%	26.1%	24.0%	26.4%	20.8%	21.6%	23.0%	23.1%	21.3%
Subsidy per passenger	\$ 1.53	1.51	1.56	1.82	2.09	2.77	2.70	2.57	2.70	2.80
Subsidy %	72.0%	73.1%	73.9%	76.0%	73.9%	79.3%	78.4%	77.0%	76.9%	78.7%
<b>Bus - Paratransit</b>										
Total Passengers	18,221	46,898	66,298	79,128	108,024	88,563	77,982	76,054	79,686	82,655
Passenger Fare Rev.	\$ 42,126	48,997	54,194	78,104	135,519	184,070	157,100	156,854	162,457	161,476
Total Operating Cost	\$ 973,827	1,350,644	1,685,129	1,968,534	2,041,111	1,837,389	1,697,423	1,681,958	1,772,320	2,468,157
Excluded increase items	\$ -	-	-	-	-	-	-	-	-	-
Revenue per passenger	\$ 2.31	1.04	0.82	0.99	1.25	2.08	2.01	2.06	2.04	1.95
Cost per passenger	\$ 53.45	28.80	25.42	24.88	18.89	20.75	21.77	22.12	22.24	29.86
Farebox Recovery %	4.3%	3.6%	3.2%	4.0%	6.6%	10.0%	9.3%	9.3%	9.2%	6.5%
Subsidy per passenger	\$ 51.13	27.75	24.60	23.89	17.64	18.67	19.75	20.05	20.20	27.91
Subsidy %	95.7%	96.4%	96.8%	96.0%	93.4%	90.0%	90.7%	90.7%	90.8%	93.5%
<b>All Mode - Total</b>										
Total Passengers	3,435,970	3,734,660	3,735,750	3,658,799	3,532,319	3,480,194	3,447,686	3,515,043	3,575,561	3,650,683
Passenger Fare Rev.	\$ 2,076,118	2,107,237	2,074,067	2,132,355	2,671,557	2,459,632	2,656,931	2,798,083	3,006,063	2,871,141
Total Operating Cost	\$ 8,239,885	8,993,875	9,421,828	10,520,283	11,740,177	12,825,304	13,286,822	13,153,516	14,059,873	15,179,995
Excluded increase items	\$ -	-	-	-	84,095	67,823	-	-	-	-
Revenue per passenger	\$ 0.60	0.56	0.56	0.58	0.76	0.71	0.77	0.80	0.84	0.79
Cost per passenger	\$ 2.40	2.41	2.52	2.88	3.32	3.69	3.85	3.74	3.93	4.16
Farebox Recovery %	25.2%	23.4%	22.0%	20.3%	22.9%	19.3%	20.0%	21.3%	21.4%	18.9%
Subsidy per passenger	\$ 1.79	1.84	1.97	2.29	2.57	2.98	3.08	2.95	3.09	3.37
Subsidy %	74.8%	76.6%	78.0%	79.7%	77.2%	80.8%	80.0%	78.7%	78.6%	81.1%

**Gold Coast Transit**  
**Service Cost By Mode – Ten Year Comparison**  
**Fiscal Years 2000 to 2009**

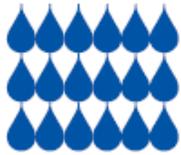
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b>Bus - Fixed Route</b>										
Revenue Miles	1,321,390	1,389,984	1,421,734	1,540,478	1,385,231	1,405,007	1,536,309	1,534,611	1,610,734	1,718,639
Revenue Hours	110,376	118,753	120,975	126,005	127,372	129,200	138,854	137,872	140,057	148,477
Total Operating Cost	\$ 6,372,615	7,266,058	7,643,231	7,736,699	8,551,749	9,699,066	10,987,915	11,471,558	12,287,553	12,711,838
Cost per Revenue Mile	\$ 4.82	5.23	5.38	5.02	6.17	6.90	7.15	7.48	7.63	7.40
Cost per Revenue Hour	\$ 57.74	61.19	63.18	61.40	67.14	75.07	79.13	83.20	87.73	85.61
<b>Bus - Paratransit</b>										
Revenue Miles	180,284	386,982	460,322	533,939	533,939	536,215	519,447	528,276	528,336	537,060
Revenue Hours	10,256	22,314	26,433	34,562	34,562	35,189	31,230	34,924	35,636	39,218
Total Operating Cost	\$ 416,305	973,827	1,350,644	1,685,129	1,968,534	2,041,111	1,837,389	1,681,958	1,772,320	2,468,157
Cost per Revenue Mile	\$ 2.31	2.52	2.93	3.16	3.69	3.81	3.54	3.18	3.35	4.60
Cost per Revenue Hour	\$ 40.59	43.64	51.10	48.76	56.96	58.00	58.83	48.16	49.73	62.93
<b>All Mode - Total</b>										
Revenue Miles	1,501,674	1,776,966	1,882,056	2,074,417	1,919,170	1,941,222	2,055,756	2,062,887	2,139,070	2,255,699
Revenue Hours	120,632	141,067	147,408	160,567	161,934	164,389	170,084	172,796	175,693	187,695
Total Operating Cost	\$ 6,788,920	8,239,885	8,993,875	9,421,828	10,520,283	11,740,177	12,825,304	13,153,516	14,059,873	15,179,995
Cost per Revenue Mile	\$ 4.52	4.64	4.78	4.54	5.48	6.05	6.24	6.38	6.57	6.73
Cost per Revenue Hour	\$ 56.28	58.41	61.01	58.68	64.97	71.42	75.41	76.12	80.03	80.88

**Gold Coast Transit**  
**Ridership and Service – Ten Year Comparison**  
**Fiscal Years 2000 to 2009**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY2008</u>	<u>FY2009</u>
<b>Passengers</b>										
Fixed Route	3,687,762	3,669,452	3,579,671	3,435,333	3,372,170	3,145,890	3,369,704	3,438,989	3,495,875	3,568,028
Paratransit	46,898	66,298	79,128	96,986	108,024	88,563	77,982	76,054	79,686	82,655
<b>TOTAL</b>	<b>3,734,660</b>	<b>3,735,750</b>	<b>3,658,799</b>	<b>3,532,319</b>	<b>3,480,194</b>	<b>3,234,453</b>	<b>3,447,686</b>	<b>3,611,038</b>	<b>3,575,561</b>	<b>3,650,683</b>
<b>Revenue Miles</b>										
Fixed Route	1,389,984	1,421,734	1,540,478	1,385,231	1,427,681	1,405,007	1,536,309	1,534,611	1,610,734	1,718,639
Paratransit	386,982	460,322	451,439	533,939	551,794	536,215	519,447	528,276	528,336	537,060
<b>TOTAL</b>	<b>1,776,966</b>	<b>1,882,056</b>	<b>1,991,917</b>	<b>1,919,170</b>	<b>1,979,475</b>	<b>1,941,222</b>	<b>2,055,756</b>	<b>2,062,887</b>	<b>2,139,070</b>	<b>2,255,699</b>
<b>Revenue Hours</b>										
Fixed Route	118,753	120,975	126,005	127,372	130,982	129,200	138,854	137,872	140,057	148,477
Paratransit	22,314	26,433	30,882	34,562	41,810	35,458	31,230	34,924	35,636	39,218
<b>TOTAL</b>	<b>141,067</b>	<b>147,408</b>	<b>156,887</b>	<b>161,934</b>	<b>172,792</b>	<b>164,658</b>	<b>170,084</b>	<b>172,796</b>	<b>175,693</b>	<b>187,695</b>
<b>Passengers Per Mile</b>										
Fixed Route	2.65	2.58	2.32	2.48	2.36	2.24	2.19	2.30	2.17	2.08
Paratransit	0.12	0.14	0.18	0.18	0.20	0.17	0.15	0.14	0.15	0.15
<b>TOTAL</b>	<b>2.10</b>	<b>1.98</b>	<b>1.84</b>	<b>1.84</b>	<b>1.76</b>	<b>1.67</b>	<b>1.68</b>	<b>1.75</b>	<b>1.67</b>	<b>1.62</b>
<b>Passengers Per Hour</b>										
Fixed Route	31.05	30.33	28.41	26.97	25.75	24.35	24.27	25.64	24.96	24.03
Paratransit	2.10	2.51	2.56	2.81	2.58	2.50	2.50	2.18	2.24	2.11
<b>TOTAL</b>	<b>26.47</b>	<b>25.34</b>	<b>23.32</b>	<b>21.81</b>	<b>20.14</b>	<b>19.64</b>	<b>20.27</b>	<b>20.90</b>	<b>20.35</b>	<b>19.45</b>

# **Report on Compliance and Internal Controls**





Charles Z. Fedak, CPA, MBA  
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## **Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Gold Coast Transit  
Oxnard, California

We have audited the basic financial statements of the Gold Coast Transit (GCT) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated August 15, 2009. We conducted our audits 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.

### ***Internal Control Over Financial Reporting***

In planning and performing our audits, we considered GCT's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCT's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GCT's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GCT's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GCT's financial statements that is more than inconsequential will not be prevented or detected by GCT's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GCT's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether GCT's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

August 15, 2009  
Cypress, California

*Charles Z. Fedak, CPA*  
An Accountancy Corporation

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# **Single-Audit Section**



**Gold Coast Transit**  
**Single-Audit Report**  
**For the Year Ended June 30, 2009**

**Gold Coast Transit  
Single Audit Report  
For the Year Ended June 30, 2009**

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## **Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Gold Coast Transit  
Oxnard, California

We have audited the basic financial statements of the Gold Coast Transit (GCT) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated August 15, 2009. We conducted our audits 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.

### ***Internal Control Over Financial Reporting***

In planning and performing our audits, we considered GCT's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCT's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GCT's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GCT's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GCT's financial statements that is more than inconsequential will not be prevented or detected by GCT's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GCT's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

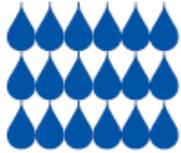
As part of obtaining reasonable assurance about whether GCT's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

August 15, 2009  
Cypress, California

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An Accountancy Corporation

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## **Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance Required by OMB Circular A-133**

Board of Directors  
Gold Coast Transit  
Oxnard, California

### ***Compliance***

We have audited the compliance of the Gold Coast Transit (GCT) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. GCT's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major federal program is the responsibility of the GCT's management. Our responsibility is to express an opinion on GCT's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the GCT's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on GCT's compliance with those requirements.

In our opinion, GCT complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

### ***Internal Control over Compliance***

The management of GCT is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered GCT's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GCT's internal control over compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GCT's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GCT's financial statements that is more than inconsequential will not be prevented or detected by GCT's internal control.

**Report on Compliance with Requirements Applicable to Each Major Program and  
On Internal Control Over Compliance Required by OMB Circular A-133, continued**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GCT's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Schedule of Expenditures of Federal Awards***

We have audited the basic financial statements of the GCT as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated August 15, 2009. 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. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

August 15, 2009  
Cypress, California

Chapman & Co. CPAs  
An Accounting Corporation

**Gold Coast Transit**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

<u>Federal Grantor/Program Title:</u>	<u>Federal CFDA Number</u>	<u>Amount Receivable 6/30/2008</u>	<u>Grant Expenditures</u>	<u>Grant Funds Received by 6/30/2009</u>	<u>Amount Receivable 6/30/2009</u>
U.S. Department of Transportation Federal Transportation Administration					
<b>Major Program:</b>					
Federal Transit – Formula Grants – Section 5307					
Operating, Planning and Capital Grants:	<b>20.507</b>				
<b>Directly Awarded:</b>					
CA-03-0715		\$ (3,986)	83,660	79,674	-
CA-90-X886		-	38,876	25,759	13,117
CA-90-X999		-	37,911	37,537	374
CA-90-Y059		-	690,481	488,929	201,552
CA-90-Y115		-	126,359	122,137	4,222
CA-90-Y190		29,772	216,492	246,264	-
CA-90-Y265		-	623,544	623,544	-
CA-90-Y336		-	813,710	810,638	3,072
CA-90-Y418		-	2,528,077	2,528,077	-
CA-90-Y601		242,379	490,418	732,797	-
CA-90-Y722		-	3,281,767	2,277,578	1,004,189
CA-95-X045		-	1,558,764	1,475,193	83,571
<b>Total for CFDA No.</b>	<b>20.507</b>	<b>\$ 268,165</b>	<b>10,490,059</b>	<b>9,448,127</b>	<b>1,310,097</b>

**Notes to Schedule of Expenditures of Federal Awards**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Gold Coast Transit (GCT) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**(2) Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements**

Statement of Revenues, Expenses and Changes in net Assets:

Non-operating revenues:

Federal funding – operating grants	\$ 3,409,318
Federal funding – matching grants	516,000

Capital contributions:

Federal capital grants	<u>6,564,741</u>
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Total federal awards	10,490,059
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Add – Accounts receivable – federal funding – June 30, 2008	268,165
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Less – Accounts receivable – federal funding – June 30, 2009	<u>(1,310,097)</u>
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Federal receipts or revenues recognized per schedule	<u><u>\$ 9,448,127</u></u>
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**Gold Coast Transit  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009**

<i>Section I—Summary of Auditor’s Results</i>	<i>Response</i>
Financial Statements	
Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Significant deficiency(ies) identified?	No
• Material weakness(es) identified?	No
Noncompliance material to financial statements noted?	No
<b><i>Federal Awards</i></b>	
Internal control over major programs:	
• Significant deficiency(ies) identified?	No
• Material weakness(es) identified?	No
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133:	No
Identification of major programs tested included:	
U.S. Department of Transportation, Federal Transportation Administration	
Federal Transit – Formula Grants – Section 5307 Operating, Planning and Capital Grants – CFDA No. 20.507	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	Yes

***Section II—Financial Statement Findings***

No matters were reported.

***Section III—Federal Award Findings and Questioned Costs***

No matters were reported.

***Section IV—Prior Year Findings and Questioned Costs***

No matters were reported.