



Item #10

March 3, 2021

TO: Gold Coast Transit District Board of Directors

From: Dawn Perkins *dlp*
Director of Finance

RE: Receive and File FY 2019-20 TDA Audit Reports for GCTD and Each of its Five (5) Members, and GCTD Single Audit Report, as Prepared by Brown Armstrong Accountancy Corporation

I. EXECUTIVE SUMMARY

The Board of Directors has contracted with Brown Armstrong Accountancy Corporation to audit GCTD's financial operations and prepare GCTD's FY 2019-20 financial statements. The Board accepted GCTD's FY 2019-20 Comprehensive Annual Financial Report in January 2021 and received GCTD's TDA Audit Report in February 2021.

Presented today for the Board's review and information are TDA Audit Reports for GCTD and each of the five member jurisdictions (Oxnard, Ventura, Ojai, Port Hueneme, and the County of Ventura) that receive TDA Article 4 Local Transportation Funds (LTF) from GCTD, as well as GCTD's FY 2019-20 Single Audit Report.

All members were found to be in compliance with respect to all expended funds having been spent on TDA-eligible expenses. TDA's farebox recovery ratio requirements were suspended for the fiscal year due to COVID-19.

On January 7, 2021, Ryan Nielsen from Brown Armstrong Accountancy Corporation presented a draft of the FY 2019-20 Comprehensive Annual Financial Report (CAFR) and made an oral presentation to the Board to discuss the FY 2019-20 audit. The GCTD FY 2019-20 Comprehensive Annual Financial Report (CAFR) was presented to the Board for its acceptance on January 7, 2021, and the TDA Audit Report and Audit Management Letter were received by the Board on February 12, 2021. Going forward, every effort will be made to provide all audit documents at the time the CAFR is presented.

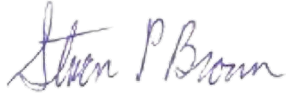
Except as noted, the TDA compliance reports express Brown Armstrong Accountancy Corporation's opinion that GCTD and its five members each complied, in all material

GOLD COAST TRANSIT DISTRICT

aspects, with the compliance requirements of TDA. Copies of the reports are attached to this report and have been provided to all members of the Board.

II. SUMMARY AND RECOMMENDATIONS

IT IS RECOMMENDED that the Board receive and file the FY 2019-20 TDA Audit Reports for GCTD and each of its Five (5) Members, and GCTD Single Audit Report, as Prepared by Brown Armstrong Accountancy Corporation.



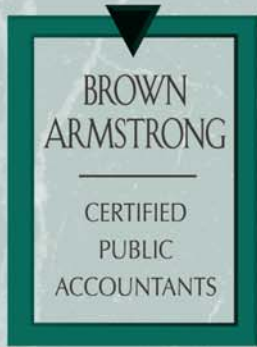
General Manager's Concurrence

**GOLD COAST TRANSIT DISTRICT
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

**GOLD COAST TRANSIT DISTRICT
SINGLE AUDIT REPORT**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Gold Coast Transit District
Oxnard, California

We have audited, in accordance with the 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, the financial statements of the Gold Coast Transit District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

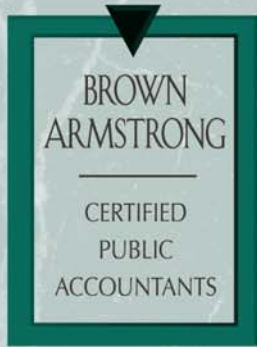
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 30, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Gold Coast Transit District
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited the Gold Coast Transit District's (District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 District'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

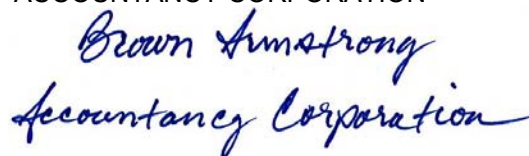
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 30, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures we applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
February 17, 2021

FINANCIAL STATEMENTS

**GOLD COAST TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Agency or Grant Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation/ Federal Transit Administration				
Federal Transit Cluster				
Direct Programs:				
Federal Transit - Capital Investment Grants	20.500	CA-04-0235	\$ -	\$ 39,878
Bus and Bus Facilities Formula & Discretionary Programs				
Federal Transit - Formula Grants (Transit Facility/Business System Upgrades)	20.507	CA-90-0237	-	93,320
Federal Transit - Formula Grants (Transit Facility-DS)	20.507	CA-90-0323	-	317,676
Federal Transit - Formula Grants (Operating Assistance)	20.507	CA-90-Z393	-	1,383,542
Federal Transit - Formula Grants (Operating Assistance)	20.507	CA-90-Z432	-	4,264,160
Federal Transit - Formula Grants (Operating Assistance)	20.507	CA-90-Z456	-	5,154,747
Federal Transit - Formula Grants (New buses)	20.507	CA-95-0037	-	2,478,840
Federal Transit - Formula Grants (Engine Replacements-Repowers)	20.507	CA-95-0050	-	1,617,485
Total Federal Transit Cluster			-	16,702,506
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	CA-16-X073	-	26,460
Total Federal Transit Administration			-	16,728,966
Total Expenditures of Federal Awards			\$ -	\$ 16,728,966

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

**GOLD COAST TRANSIT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – REPORTING ENTITY

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), consists of the primary government, which is the Gold Coast Transit District (District), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

NOTE 2 – BASIS OF ACCOUNTING

Funds received under the various grant programs have been recorded within the operating fund of the District. The District utilizes the accrual method of accounting for the operating fund. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the District's basic financial statements.

NOTE 3 – SEFA

The accompanying SEFA presents the activity of all Federal financial assistance programs of the District. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through the State of California are included in the SEFA. The SEFA was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the District.

NOTE 4 – INDIRECT COST RATE

The District elected not to use the 10% de minimis cost rate allowed under the Uniform Guidance.

FINDINGS AND QUESTIONED COSTS SECTION

**GOLD COAST TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ___ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness identified? ___ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Clusters</u>
20.500	Federal Transit Cluster
20.507	Capital Investment Grants
20.526	Formula Grants
	Bus and Bus Facilities Formula Program

Dollar threshold used to distinguish Type A and B programs: \$750,000

Auditee qualified as low risk auditee? X Yes ___ No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards (GAGAS)

None.

III. Federal Award Findings and Questioned Costs

None.

IV. Summary of Prior Audit (June 30, 2019) Findings and Current Year Status

None.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT FUND**

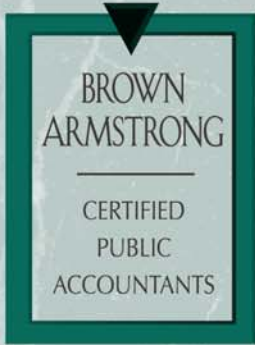
**INDEPENDENT AUDITOR'S REPORTS,
FUND FINANCIAL STATEMENTS, AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2020 AND 2019

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
JUNE 30, 2020 AND 2019**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of San Buenaventura
San Buenaventura, California

Report on the Financial Statements

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California (City), which comprise the balance sheets as of June 30, 2020 and 2019; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Fund of the City as of June 30, 2020 and 2019, and the respective changes in its financial position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020 and 2019, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 8-9 and the schedules of project status on page 10 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2021, on our consideration of the City's internal control over financial reporting relating to the TDA Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 11, 2021

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,034	\$ 2,281
Total current assets	\$ 75,034	\$ 2,281
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,015	\$ 4,915
Total current liabilities	2,015	4,915
Fund balance:		
Restricted for TDA Article 4 expenditures	73,019	-
Unassigned	-	(2,634)
Total fund balance (deficit)	73,019	(2,634)
Total liabilities and fund balance	\$ 75,034	\$ 2,281

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
REVENUES		
Local transportation funds allocation	\$ 264,165	\$ 217,208
Interest earnings	672	417
	264,837	217,625
EXPENDITURES		
Operating	238,476	233,816
Capital outlay	13,708	52,782
	252,184	286,598
OTHER FINANCING SOURCES (USES)		
Transfers in	63,000	-
	63,000	-
Changes in fund balance	75,653	(68,973)
Fund balance (deficit), beginning	(2,634)	66,339
Fund balance (deficit), ending	\$ 73,019	\$ (2,634)

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California, (City) only and are not intended to present fairly the financial position or results of operations of the City in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are to be used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the City on behalf of the Gold Coast Transit District.

B. Governmental Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the TDA Article 4, Section 99260(a) Fund in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

C. Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

D. Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenue also arises when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E. Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2020, the fund balance for the TDA Fund of the City is Restricted. As of June 30, 2019, the fund balance for the TDA Fund of the City was unassigned.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Unassigned fund balance is used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in fund balance during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments balance as of June 30, 2020 and 2019, was \$75,034 and \$2,281, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Public Utilities Code TDA Article 4 §99260(a) may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2020 and 2019, in the opinion of the City administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2020 and 2019, expenditures exceeded appropriations as follows:

2020	
<u>Appropriations Category</u>	<u>Excess Expenditures</u>
Capital Outlay	\$ -
2019	
<u>Appropriations Category</u>	<u>Excess Expenditures</u>
Capital Outlay	\$ 3,065

NOTE 6 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosures is February 11, 2021, which is the date that the financial statements were available to be issued. There were no other events brought to our attention that were deemed to be reportable at that time.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that are likely to negatively impact course-related income; however, the related financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Actual	Variance With Final Budget
REVENUES			
Local transportation funds allocation	\$ 333,669	\$ 264,165	\$ (69,504)
Interest earnings	2,000	672	(1,328)
Total revenues	<u>335,669</u>	<u>264,837</u>	<u>(70,832)</u>
EXPENDITURES			
Operating	272,669	238,476	34,193
Capital outlay	63,000	13,708	49,292
Total expenditures	<u>335,669</u>	<u>252,184</u>	<u>83,485</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	63,000	63,000
Total other financing sources (uses)	<u>-</u>	<u>63,000</u>	<u>63,000</u>
Changes in fund balance	<u>\$ -</u>	75,653	<u>\$ 75,653</u>
Fund balance (deficit), beginning		<u>(2,634)</u>	
Fund balance, ending		<u>\$ 73,019</u>	

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local transportation funds allocation	\$ 267,675	\$ 217,208	\$ (50,467)
Interest earnings	2,000	417	(1,583)
Total revenues	<u>269,675</u>	<u>217,625</u>	<u>(52,050)</u>
EXPENDITURES			
Operating	287,584	233,816	53,768
Capital outlay	<u>49,717</u>	<u>52,782</u>	<u>(3,065)</u>
Total expenditures	<u>337,301</u>	<u>286,598</u>	<u>50,703</u>
Changes in fund balance	<u>\$ (67,626)</u>	(68,973)	<u>\$ (1,347)</u>
Fund balance, beginning		<u>66,339</u>	
Fund balance (deficit), ending		<u>\$ (2,634)</u>	

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULES OF PROJECT STATUS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

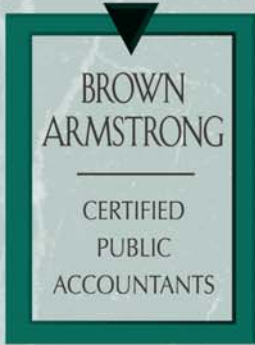
For the Fiscal Year Ended June 30, 2020

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ventura Transportation Center (VTC)	\$ (12,885)	\$ 264,165	\$ -	\$ 672	\$ 214,443	\$ 37,509
Total Operating	(12,885)	264,165	-	672	214,443	37,509
Capital:						
Wells Center Bus Stop Upgrade	36	-	63,000	-	37,741	25,295
Truck Purchase	7,219	-	-	-	-	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total Capital	10,251	-	63,000	-	37,741	35,510
Total	\$ (2,634)	\$ 264,165	\$ 63,000	\$ 672	\$ 252,184	\$ 73,019

For the Fiscal Year Ended June 30, 2019

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ventura Transportation Center (VTC)	\$ 3,343	\$ 208,608	\$ -	\$ 417	\$ 225,253	\$ (12,885)
Total Operating	3,343	208,608	-	417	225,253	(12,885)
Capital:						
Wells Center Bus Stop Upgrade	-	8,600	-	-	8,564	36
Truck Purchase	60,000	-	-	-	52,781	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total Capital	62,996	8,600	-	-	61,345	10,251
Total	\$ 66,339	\$ 217,208	\$ -	\$ 417	\$ 286,598	\$ (2,634)

OTHER REPORTS



BROWN ARMSTRONG

Certified Public Accountants

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 AND THE TRANSPORTATION DEVELOPMENT ACT

To the Honorable Mayor and Members of the
City Council of the City of San Buenaventura
San Buenaventura, California

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We have audited, in accordance with the 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, the balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California (City), as of June 30, 2020; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year then ended; and the related notes to the fund financial statements, which collectively comprise the financial statements of the TDA Fund of the City, and have issued our report thereon dated February 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as it relates to the TDA Fund 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 the City's internal control over financial reporting relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, 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 or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 11, 2021

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT FUND
ARTICLE 4, SECTION 99260(A) OF
THE PUBLIC UTILITIES CODE**

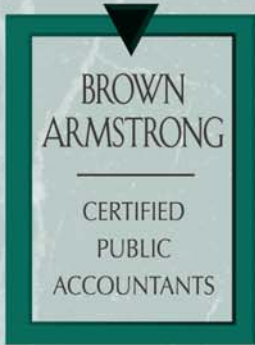
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of Ojai
Ojai, California

Report on the Financial Statements

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of Ojai, California (City), which comprise the balance sheets as of June 30, 2020 and 2019; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the TDA compliance requirements included in Note 5 to these financial statements for Ojai Trolley. Those disclosures were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City's compliance with the farebox recovery ratio, are based solely on the reports of the other auditors. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relating to the TDA Fund relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Fund of the City as of June 30, 2020 and 2019, and the respective changes in its financial position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020 and 2019, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of project status, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the City's internal control over financial reporting for the TDA Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 10, 2021

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 87,145
Total current assets	\$ -	\$ 87,145
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	\$ -	\$ -
Total current liabilities	-	-
Fund balance:		
Restricted for TDA Article 4 expenditures	-	87,145
Total fund balance	-	87,145
Total liabilities and fund balance	\$ -	\$ 87,145

The accompanying notes are an integral part of these financial statements.

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
REVENUES		
Local transportation funds allocation	\$ 158,000	\$ 184,000
Interest earnings	3,064	1,280
	161,064	185,280
EXPENDITURES		
Operating	177,302	173,360
	177,302	173,360
Excess (deficiency) of revenues over (under) expenditures	(16,238)	11,920
OTHER FINANCING USES		
Transfers out to the City	(70,907)	-
Changes in fund balance	(87,145)	11,920
Fund balance, beginning	87,145	75,225
Fund balance, ending	\$ -	\$ 87,145

The accompanying notes are an integral part of these financial statements.

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Article 4, Section 99260(a) Transportation Development Act (TDA) Fund of the City of Ojai, California, (City) only and are not intended to present fairly the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are to be used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the City from Gold Coast Transit District (the District).

B. Governmental Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 4, Section 99260(a) Fund in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

C. Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the *current financial resources* measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

D. Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E. Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2020 and 2019, the fund balance for the TDA Fund of the City is restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in City net position during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments balance as of June 30, 2020 and 2019, was \$0 and \$87,145, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Public Utilities Code Section 99260(a) may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2020 and 2019, in the opinion of the City administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

California Public Utilities Code
Chapter 4 – Transportation Development
Article 4 – Claims for Funds
Section 99268.5(c) – Fare Ratio Requirement for Exclusive Services to Elderly and Disabled Persons

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS (Continued)

In a county which had less than 500,000 population, as determined by the 1970 federal decennial census, and more than 500,000 in population, as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 (“operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243), at least equal to one-fifth (20%) if serving an urbanized area or one-tenth (10%) if serving a nonurbanized area.

Ojai Trolley

The following information is provided from the City’s TDA Fund.

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Passenger fares for transit services	\$ 111,664	\$ 110,827
Total operating revenues	111,664	110,827
Operating expenses	727,641	931,914
Less:		
Insurance: Insurance reimb for trolley damage	-	11,993
Transfers	4,620	7,713
Depreciation expense	102,013	202,428
Net operating expenses	\$ 621,008	\$ 709,780
Total fare ratio	17.98%	15.61%
Total fare ratio requirement pursuant to Section 99268.5(c)	20%	20%

For purposes of the fare ratio requirement calculation, only the expenses of the City’s bus system were included in the operating expenses.

For the fiscal year ended June 30, 2016, the City operated the Ojai Trolley with TDA funds passed-through from the District to the City and the County of Ventura. The City utilized the TDA funds passed-through from the County of Ventura as a local support to offset its fare box requirements. However, at the May 13, 2016 Ventura County Transportation Commission (VCTC) meeting, the VCTC board approved a TDA policy that indicates that TDA funds allocated to eligible claimants and passed-through to other entities retain TDA requirements for policy implementation effective July 1, 2016.

For the fiscal year ended June 30, 2020, the City did not comply with the fare ratio requirement; however, due to the COVID-19 pandemic, the fare ratio requirement was not required to be met. The City did not comply with the fare ratio requirement for the fiscal year ended June 30, 2019.

NOTE 6 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosures is February 10, 2021, which is the date that the financial statements were available to be issued. There were no events brought to our attention that were deemed to be reportable at that time.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that are likely to negatively impact course-related income; however, the related financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Actual	Variance With Final Budget
REVENUES			
Local transportation funds allocation	\$ 200,000	\$ 158,000	\$ (42,000)
Interest earnings	-	3,064	3,064
Total revenues	<u>200,000</u>	<u>161,064</u>	<u>(38,936)</u>
EXPENDITURES			
Operating	<u>182,300</u>	<u>177,302</u>	<u>4,998</u>
Total expenditures	<u>182,300</u>	<u>177,302</u>	<u>4,998</u>
OTHER FINANCING USES			
Transfers out to the City		<u>(70,907)</u>	<u>(70,907)</u>
Changes in fund balance	<u>\$ 17,700</u>	<u>(87,145)</u>	<u>\$ (104,845)</u>
Fund balance, beginning		<u>87,145</u>	
Fund balance, ending		<u>\$ -</u>	

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Actual	Variance With Final Budget
REVENUES			
Local transportation funds allocation	\$ 164,000	\$ 184,000	\$ 20,000
Interest earnings	-	1,280	1,280
Total revenues	<u>164,000</u>	<u>185,280</u>	<u>21,280</u>
EXPENDITURES			
Operating	<u>173,207</u>	<u>173,360</u>	<u>(153)</u>
Total expenditures	<u>173,207</u>	<u>173,360</u>	<u>(153)</u>
Changes in fund balance	<u>\$ (9,207)</u>	11,920	<u>\$ 21,127</u>
Fund balance, beginning		<u>75,225</u>	
Fund balance, ending		<u>\$ 87,145</u>	

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULES OF PROJECT STATUS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

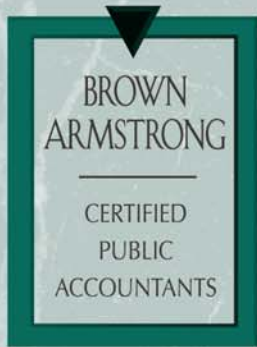
For the Fiscal Year Ended June 30, 2020

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ojai Trolley	\$ (8,080)	\$ 158,000	\$ -	\$ 3,064	\$ 163,955	\$ (10,971)
Total operating	(8,080)	158,000	-	3,064	163,955	(10,971)
Capital:						
Ojai Automatic Voice Annunciators	20,000	-	-	-	13,347	6,653
Ojai Trolley Washpad and Collection System	45,134	-	-	-	45,134	-
Ojai Trolley Storage Area	30,091	-	-	-	25,773	4,318
Total capital	95,225	-	-	-	84,254	10,971
Total	\$ 87,145	\$ 158,000	\$ -	\$ 3,064	\$ 248,209	\$ -

For the Fiscal Year Ended June 30, 2019

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ojai Trolley	\$ -	\$ 164,000	\$ -	\$ 1,280	\$ 173,360	\$ (8,080)
Total operating	-	164,000	-	1,280	173,360	(8,080)
Capital:						
Ojai Automatic Voice Annunciators	-	20,000	-	-	-	20,000
Ojai Trolley Washpad and Collection System	45,134	-	-	-	-	45,134
Ojai Trolley Storage Area	30,091	-	-	-	-	30,091
Total capital	75,225	20,000	-	-	-	95,225
Total	\$ 75,225	\$ 184,000	\$ -	\$ 1,280	\$ 173,360	\$ 87,145

OTHER REPORT



BROWN ARMSTRONG

Certified Public Accountants

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 AND THE TRANSPORTATION DEVELOPMENT ACT

To the Honorable Mayor and Members of the
City Council of the City of Ojai
Ojai, California

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We have audited, in accordance with the 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, the balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of Ojai, California (City), as of June 30, 2020; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year ended; and the related notes to the financial statements, which collectively comprise the financial statements of the TDA Fund of the City, and have issued our report thereon dated February 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) related to the TDA Fund 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 the City's internal control over financial reporting relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. 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* or the TDA.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
February 10, 2021

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Findings

None.

**CITY OF OJAI
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Finding – 2019-001

Fare Ratio Requirement

Condition

For the year ended June 30, 2019, the fare ratio calculation for the City of Ojai (the City) was 15.6%, which is lower than the fare ratio requirement of 20% for the type of transit service provided.

Criteria

Section 99268.5(c) of the Transportation Development Act (TDA) indicates that an operator in Ventura County providing regular public transportation service shall be eligible for Local Transportation Funds if it maintains for the fiscal year a ratio of fare revenue to operating costs at least equal to 20.00%.

During the year ended June 30, 2019, the funds received from the Local Transportation Fund did not comply with the above provision. The City did not meet the TDA required farebox recovery ratio during the year ended June 30, 2019.

If the year ended June 30, 2020, is deemed a non-compliant year, Section 6634 requires that the claimant be penalized in a future year (the year ended June 30, 2021). This will result in the claimant's TDA funds being reduced by the difference between the required farebox revenues and the actual revenues. Additionally, pursuant to Section 6633.9(4), the claimant shall be required to demonstrate how it will achieve the required farebox recovery ratio during any penalty year.

Recommendation

We recommend that the City take the necessary steps to comply with the fare ratio requirement pursuant to Section 99268.5(c) of the TDA.

Management's Response

Management concurs.

Current Year Status

In 2019/20, the City was not required to meet the fare ratio requirement due to the COVID-19 coronavirus pandemic.

**CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT FUND
ARTICLE 4, SECTION 99260(A) OF
THE PUBLIC UTILITIES CODE**

**INDEPENDENT AUDITOR'S REPORTS,
FINANCIAL STATEMENTS, AND
SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Oxnard
Oxnard, California

Report on the Financial Statements

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of Oxnard, California (City), which comprise the balance sheets as of June 30, 2020 and 2019; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relating to the TDA Fund relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Fund of the City, as of June 30, 2020 and 2019, and the respective changes in financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020 and 2019, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and Schedules of Project Status, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the City's internal control over financial reporting relating to the TDA Fund and on our tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
February 10, 2021

**CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
ASSETS		
Current assets:		
Cash and investments	\$ 535,194	\$ 489,591
Due from other governments	16,489	17,459
Total current assets	<u>\$ 551,683</u>	<u>\$ 507,050</u>
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	\$ 51,999	\$ 100,135
Unearned revenue	13,094	12,745
Total current liabilities	<u>65,093</u>	<u>112,880</u>
Fund balance:		
Restricted for TDA Article 4 expenditures	<u>486,590</u>	<u>394,170</u>
Total fund balance	<u>486,590</u>	<u>394,170</u>
Total liabilities and fund balance	<u>\$ 551,683</u>	<u>\$ 507,050</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
REVENUES		
Local Transportation Fund allocation	\$ 422,729	\$ 535,351
Lease revenue	250,242	228,777
Interest earnings	6,802	14,614
Total revenues	<u>679,773</u>	<u>778,742</u>
EXPENDITURES		
Operating	581,763	723,087
Other	5,590	-
Capital	-	64,595
Total expenditures	<u>587,353</u>	<u>787,682</u>
Changes in fund balance	92,420	(8,940)
Fund balance, beginning	<u>394,170</u>	<u>403,110</u>
Fund balance, ending	<u>\$ 486,590</u>	<u>\$ 394,170</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of Oxnard, California, (City) only and are not intended to present fairly the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the City on behalf of the Gold Coast Transit District.

Governmental Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 4, Section 99260(a) Fund in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

The lease revenue comprises rents from transit related facilities including space, cell site, and share of facilities.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Fund Balance

As prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2020 and 2019, the fund balance for the TDA Fund of the City is Restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in fund balance during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments balance as of June 30, 2020 and 2019, was \$535,194 and \$489,591, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Section 99260(a) of the Public Utilities Code may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2020, in the opinion of the City administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2020, expenditures exceeded appropriations as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
Other	\$ 5,590

NOTE 6 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosures is February 10, 2021, which is the date that the financial statements were available to be issued. There were no events brought to our attention that were deemed to be reportable at that time.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring certain non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT FUND – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local Transportation Fund allocation	\$ 535,351	\$ 422,729	\$ (112,622)
Lease revenue	215,000	250,242	35,242
Interest earnings	<u>3,261</u>	<u>6,802</u>	<u>3,541</u>
Total revenues	<u>753,612</u>	<u>679,773</u>	<u>(73,839)</u>
EXPENDITURES			
Operating	621,008	581,763	39,245
Other	<u>-</u>	<u>5,590</u>	<u>(5,590)</u>
Total expenditures	<u>621,008</u>	<u>587,353</u>	<u>33,655</u>
Changes in fund balance	<u>\$ 132,604</u>	92,420	<u>\$ (40,184)</u>
Fund balance, beginning		<u>394,170</u>	
Fund balance, ending		<u>\$ 486,590</u>	

CITY OF OXNARD
TRANSPORTATION DEVELOPMENT ACT FUND – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Actual</u>	Variance With <u>Final Budget</u>
REVENUES			
Local Transportation Fund allocation	\$ 535,351	\$ 535,351	\$ -
Lease revenue	224,191	228,777	4,586
Interest earnings	2,363	14,614	12,251
Other revenue	74,509	-	(74,509)
	<u>836,414</u>	<u>778,742</u>	<u>(57,672)</u>
EXPENDITURES			
Operating	777,958	723,087	54,871
Capital outlay	-	64,595	(64,595)
	<u>777,958</u>	<u>787,682</u>	<u>(9,724)</u>
Total expenditures			
Changes in fund balance	<u>\$ 58,456</u>	(8,940)	<u>\$ (67,396)</u>
Fund balance, beginning		<u>403,110</u>	
Fund balance, ending		<u>\$ 394,170</u>	

**CITY OF OXNARD
 TRANSPORTATION DEVELOPMENT ACT FUND – ARTICLE 4
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULES OF PROJECT STATUS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

For the fiscal year ended June 30, 2020:

Project Description	Beginning Balance	Local Transportation Fund Allocation	Other Local Revenue	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:							
Oxnard Transit Center	\$ 188,620	\$ 383,482	\$ 250,242	\$ -	\$ 6,802	\$ 548,106	\$ 281,040
Bus Stop Maintenance	-	39,247	-	-	-	39,247	-
Total Operating	188,620	422,729	250,242	-	6,802	587,353	281,040
Capital:							
Bus Stop Capital Improvement Program	205,550	-	-	-	-	-	205,550
Total Capital	205,550	-	-	-	-	-	205,550
Total	\$ 394,170	\$ 422,729	\$ 250,242	\$ -	\$ 6,802	\$ 587,353	\$ 486,590

For the fiscal year ended June 30, 2019:

Project Description	Beginning Balance	Local Transportation Fund Allocation	Other Local Revenue	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:							
Oxnard Transit Center	\$ 132,965	\$ 535,351	\$ 228,777	\$ -	\$ 14,614	\$ 723,087	\$ 188,620
Total Operating	132,965	535,351	228,777	-	14,614	723,087	188,620
Capital:							
Oxnard Transit Center Roof Repair and Other Improvements	-	-	-	-	-	-	-
Relocate Bus Stop at Victoria & Gonzales	57,700	-	-	6,895	-	64,595	-
Bus Stop Capital Improvement Program	212,445	-	-	(6,895)	-	-	205,550
Total Capital	270,145	-	-	-	-	64,595	205,550
Total	\$ 403,110	\$ 535,351	\$ 228,777	\$ -	\$ 14,614	\$ 787,682	\$ 394,170

OTHER REPORT

**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 AND THE
TRANSPORTATION DEVELOPMENT ACT**

To the City Council
City of Oxnard
Oxnard, California

We have audited, in accordance with the 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, the balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of Oxnard, California (City), as of June 30, 2020; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year then ended; and the related notes to the fund financial statements, which collectively comprise the financial statements of the TDA Fund of the City, and have issued our report thereon dated February 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as it relates to the TDA Fund as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, 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 or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the results of that testing, and not to approve an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
February 10, 2021

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT FUND**

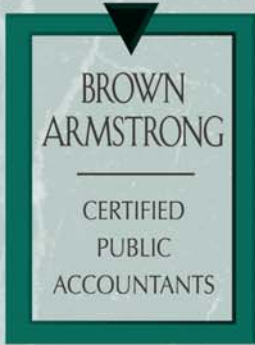
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Port Hueneme
Port Hueneme, California

Report on the Financial Statements

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund of the City of Port Hueneme, California (City), which comprise the balance sheets as of June 30, 2020 and 2019; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Fund of the City as of June 30, 2020 and 2019, and the respective changes in its financial position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020 and 2019, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of project status, as listed on the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021, on our consideration of the City's internal control over financial reporting relating to the TDA Fund, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 18, 2021

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
ASSETS		
Current assets:		
Cash and investments	\$ 145,375	\$ 107,120
Due from other governments	3,298	-
Total current assets	\$ 148,673	\$ 107,120
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Total current liabilities	\$ -	\$ -
Fund balance:		
Restricted for TDA Article 4 expenditures	148,673	107,120
Total fund balance	148,673	107,120
Total liabilities and fund balance	\$ 148,673	\$ 107,120

The accompanying notes are an integral part of these financial statements.

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
REVENUES		
Local transportation fund	\$ 39,466	\$ -
Interest earnings	2,087	2,018
	41,553	2,018
EXPENDITURES		
Operating	-	38,258
	-	38,258
Changes in fund balance	41,553	(36,240)
Fund balance, beginning	107,120	143,360
Fund balance, ending	\$ 148,673	\$ 107,120

The accompanying notes are an integral part of these financial statements.

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund of the City of Port Hueneme, California (City), only and are not intended to present fairly the financial position or results of operations of the City in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are to be used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the City on behalf of the Gold Coast Transit District.

Governmental Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 4, Section 99260(a) Fund in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2020 and 2019, the fund balance for the TDA Fund of the City is Restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in fund balance during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments balance as of June 30, 2020 and 2019, was \$145,375 and \$107,120, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Public Utilities Code §99260(a) may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2020, in the opinion of the City administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosure is February 18, 2021, which is the date that the financial statements were available to be issued. There were no other events brought to our attention that were deemed to be reportable at that time.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that are likely to negatively impact course-related income; however, the related financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local transportation fund	\$ -	\$ 39,466	\$ 39,466
Interest earnings	-	2,087	2,087
	<u>-</u>	<u>41,553</u>	<u>41,553</u>
EXPENDITURES			
Operating	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-
Changes in fund balance	<u>\$ -</u>	41,553	<u>\$ 41,553</u>
Fund balance, beginning		<u>107,120</u>	
Fund balance, ending		<u>\$ 148,673</u>	

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local transportation fund	\$ 26,039	\$ -	\$ (26,039)
Interest earnings	1,600	2,018	418
	<u>27,639</u>	<u>2,018</u>	<u>(25,621)</u>
EXPENDITURES			
Operating	52,039	38,258	13,781
Capital outlay	26,039	-	26,039
	<u>78,078</u>	<u>38,258</u>	<u>39,820</u>
Changes in fund balance	<u>\$ (50,439)</u>	(36,240)	<u>\$ 14,199</u>
Fund balance, beginning		<u>143,360</u>	
Fund balance, ending		<u>\$ 107,120</u>	

**CITY OF PORT HUENEME
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULES OF PROJECT STATUS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

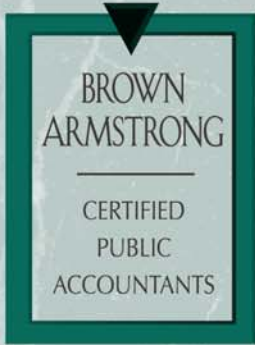
For the fiscal year ended June 30, 2020:

Project Description	Beginning Balance	Local Transportation Fund Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Bus stop maintenance	\$ (13,026)	\$ -	\$ 12,615	\$ (6)	\$ -	\$ (417)
Total operating	(13,026)	-	12,615	(6)	-	(417)
Capital:						
Bus stop amenities	369	-	-	5	-	374
Bus stop - Ventura Road & Bard	76,684	-	-	1,092	-	77,776
Upgrade bus stops and shelters	43,093	-	26,851	996	-	70,940
Total capital	120,146	-	26,851	2,093	-	149,090
Total	\$ 107,120	\$ -	\$ 39,466	\$ 2,087	\$ -	\$ 148,673

For the fiscal year ended June 30, 2019:

Project Description	Beginning Balance	Local Transportation Fund Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Bus stop maintenance	\$ 24,882	\$ -	\$ -	\$ 350	\$ 38,258	\$ (13,026)
Total operating	24,882	-	-	350	38,258	(13,026)
Capital:						
Bus stop amenities	26,196	-	(26,196)	369	-	369
Bus stop - Ventura Road & Bard	75,620	-	-	1,064	-	76,684
Upgrade bus stops and shelters	16,662	-	26,196	235	-	43,093
Total capital	118,478	-	-	1,668	-	120,146
Total	\$ 143,360	\$ -	\$ -	\$ 2,018	\$ 38,258	\$ 107,120

OTHER REPORTS



BROWN ARMSTRONG

Certified Public Accountants

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 AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Port Hueneme
Port Hueneme, California

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We have audited, in accordance with the 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, the balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund of the City of Port Hueneme, California (City), as of June 30, 2020; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year ended; and the related notes to the fund financial statements, which collectively comprise the financial statements of the TDA Fund of the City, and have issued our report thereon dated February 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as it relates to the TDA Fund 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 the City's internal control over financial reporting relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, 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 or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
February 18, 2021

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT FUND
ARTICLE 4, SECTION 99260(A) OF
THE PUBLIC UTILITIES CODE**

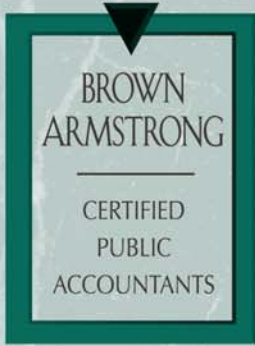
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
of the County of Ventura
Ventura, California

Report on the Financial Statements

We have audited the financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) fund (TDA Fund) of the County of Ventura, California (County), which comprise of the balance sheets as of June 30, 2020 and 2019; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the TDA Compliance requirements included in Note 5 to these financial statements for Valley Express, City of Thousand Oaks Dial-A Ride, and East County Transit Alliance TDA Funds. Those disclosures were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities' compliance with the farebox recovery ratios, are based solely on the reports of the other auditors. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relating to the TDA Fund, relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relating to the TDA Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Fund of the County as of June 30, 2020 and 2019, and the changes in financial position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the County as of June 30, 2020 and 2019, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of project status, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the County's internal control over financial reporting relating to the TDA Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
February 10, 2021

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,209,331	\$ 747,116
Total current assets	\$ 1,209,331	\$ 747,116
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	\$ 202,783	\$ 130,587
Total current liabilities	202,783	130,587
Fund balance:		
Restricted for TDA Article 4 expenditures	1,006,548	616,529
Total fund balance	1,006,548	616,529
Total liabilities and fund balance	\$ 1,209,331	\$ 747,116

The accompanying notes are an integral part of these financial statements.

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Article 4	
	2020	2019
REVENUES		
Local transportation fund	\$ 1,497,169	\$ 1,146,402
Interest earnings	20,197	21,964
	1,517,366	1,168,366
EXPENDITURES		
Operating	1,051,809	1,059,698
Capital outlay	75,538	138,157
	1,127,347	1,197,855
Changes in fund balance	390,019	(29,489)
Fund balance, beginning	616,529	646,018
Fund balance, ending	\$ 1,006,548	\$ 616,529

The accompanying notes are an integral part of these financial statements.

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Article 4, Section 99260(a) Transportation Development Act (TDA) Fund of the County of Ventura, California (County), only and are not intended to present fairly the financial position or results of operations of the County in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are to be used only for public transportation. Funding for this program is authorized by the County and is paid to the County on behalf of the Gold Coast Transit District.

Governmental Fund Financial Statements

The accounts of the County are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The County accounts for the activity of the Article 4, Section 99260(a) funds in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the County. For the County, funds received under TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2020 and 2019, the fund balance for the TDA Fund of the County is Restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in fund balance during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosures is February 10, 2021, which is the date that the financial statements were available to be issued. There were no other events brought to our attention that were deemed to be reportable at that time.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that are likely to negatively impact course-related income; however, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 2 – CASH AND INVESTMENTS

The County has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments balance as of June 30, 2020 and 2019, was \$1,209,331 and \$747,116, respectively.

The TDA Fund's cash is deposited in the County's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the County and are included in the County's basic financial statements.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Public Utilities Code §99260(a) may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2020 and 2019, in the opinion of the County administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

California Public Utilities Code
Chapter 4 – Transportation Development
Article 4 – Claims for Funds
Section 99268.5(c) – Fare Ratio Requirement for Exclusive Services to Elderly and Disabled Persons

In a county which had less than 500,000 population as determined by the 1970 federal decennial census and more than 500,000 in population as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 (“operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243), at least equal to one-fifth (20%) if serving an urbanized area or one-tenth (10%) if serving a non-urbanized area.

Valley Express

Valley Express provides transit service (fixed route and Dial-A-Ride) for the City of Fillmore, City of Santa Paula, and the County’s unincorporated area and all revenues and expenses are recorded with the Ventura County Transportation Commission (VCTC). The County paid \$264,710 and \$242,294 to VCTC to operate the service in the unincorporated areas on its behalf for the fiscal years ended June 30, 2020 and 2019, respectively.

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Fares	\$ 56,014	\$ 94,223
Organization paid fares	3,096	756
Passenger route guarantee	130,000	120,000
Total operating revenues	<u>189,110</u>	<u>214,979</u>
Operating expenses	1,679,394	1,685,580
Less: Capital expenditure	<u>(309)</u>	<u>(51,390)</u>
Net operating expenses	<u>\$ 1,679,085</u>	<u>\$ 1,634,190</u>
Total fare ratio	<u>11%</u>	<u>13%</u>
Total fare ratio requirement pursuant to Section 99268.5(c)	<u>10%</u>	<u>10%</u>

For purposes of the fare ratio requirement calculation, only the expenses of the bus system were included in the operating expenses. The County pays for a share of the operations of this service. Valley Express also received TDA Article 8 revenue, and its full operations are audited for farebox recovery ratio by VCTC. Contact VCTC for a complete copy of the Valley Express TDA financial statements.

For the fiscal years ended June 30, 2020 and 2019, the Valley Express was in compliance with the fare ratio requirement.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS (Continued)

Thousand Oaks Dial-a-Ride

The County has an Agreement with the City of Thousand Oaks to operate local Senior and Americans with Disabilities Act (ADA) Dial-A-Ride services to the unincorporated areas within and near their service area. The County paid \$73,820 and \$112,207 to City of Thousand Oaks to operate this service on its behalf during the fiscal years ended June 30, 2020 and 2019, respectively.

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Passenger fares for specialized transit services	\$ 107,378	\$ 154,731
Other local funds	33,204	53,032
	140,582	207,763
Total operating revenues		
Operating expenses	2,348,961	2,280,117
Less: Capital expenditures	(41,620)	(202,487)
	2,307,341	2,077,630
Net operating expenses		
Total fare ratio	6%	10%
Total fare ratio requirement pursuant to Section 99268.5(c)	10%	10%

For purposes of the fare ratio requirement calculation, only the expenses of the bus system were included in the operating expenses. The County pays for a share of the operations of this service. Thousand Oaks Dial-a-Ride also received TDA Article 8 revenue, and its full operations are audited for farebox recovery ratio by VCTC. Contact VCTC for a complete copy of the Thousand Oaks Dial-a-Ride TDA financial statements.

For the fiscal year ended June 30, 2020, Thousand Oaks was not in compliance with the fare ratio requirement; however, due to COVID-19 pandemic, Thousand Oaks was not required to meet the fare ratio requirement. For the fiscal year ended 2019, Thousand Oaks was in compliance with the fare ratio requirement.

East County Transit Alliance

An East County Transit Alliance (ECTA) Memorandum of Understanding exists between the Cities of Camarillo, Moorpark, Simi Valley, and Thousand Oaks and the County. The City of Thousand Oaks serves as the Fiscal Agent for ECTA and administers and operates the Intercity ADA Dial-A-Ride services (“CONNECT” service) for the participating agencies, except for the City of Camarillo which operates its own Intercity Dial-A-Ride program. The County paid \$6,377 and \$12,285 to the City of Thousand Oaks to operate service to the unincorporated areas within the ECTA service area on its behalf during the fiscal years ended June 30, 2020 and 2019, respectively.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS (Continued)East County Transit Alliance (Continued)

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Passenger fares for transit services	\$ 77,178	\$ 98,830
Total operating revenues	77,178	98,830
Operating expenses:		
Operations expense	1,013,919	897,496
Total operating expenses	\$ 1,013,919	\$ 897,496
Total fare ratio	8%	11%
Total fare ratio requirement pursuant to Section 99268.5(c)	10%	10%

The County pays for a share of the operations of this service. ECTA also received TDA Article 8 revenue, and its full operations are audited for farebox recovery ratio by VCTC. Contact VCTC for a complete copy of the ECTA TDA financial statements.

For the fiscal year ended June 30, 2020, ECTA was not in compliance with the fare ratio requirement; however, due to COVID-19 pandemic, ECTA was not required to meet the fare ratio requirement. For the fiscal year ended 2019, ECTA was in compliance with the fare ratio requirement

Kanan Shuttle

The Kanan Shuttle serves the unincorporated community of Oak Park and operates fare-free which is possible due to a route guarantee provided by County Service Area (CSA) No. 4, Oak Park Unified School District (OPUSD), and the City of Agoura Hills. The County has an Agreement with the City of Thousand Oaks for operation of the Kanan Shuttle Service. The County paid \$437,313 and \$412,360 to the City of Thousand Oaks to operate the service on its behalf during the fiscal years ended June 30, 2020 and 2019, respectively.

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Local fare supplementation	\$ 70,904	\$ 83,760
Total operating revenues	70,904	83,760
Operating expenses:		
Operations expense	437,313	412,360
Less: Lease expenditures	(96,998)	-
Total operating expenses	\$ 340,315	\$ 412,360
Total fare ratio	21%	20%
Total fare ratio requirement pursuant to Section 99268.5(c)	20%	20%

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS (Continued)

Kanan Shuttle (Continued)

For purposes of the fare ratio requirement calculation, only the expenses of the shuttle service were included in the operating expenses. The County pays for the operations of this service.

For the fiscal years ended June 30, 2020 and 2019, Kanan Shuttle was in compliance with the fare ratio requirement.

Ojai Trolley

The City of Ojai operates a trolley service within the City of Ojai and the nearby unincorporated areas of Meiners Oaks and Mira Monte. The County has a Cooperative Agreement with the City of Ojai to provide Trolley service within the unincorporated areas and all revenues and expenses are recorded with the City of Ojai. The County paid \$132,533 and \$199,700 to the City of Ojai to operate this service on its behalf during the fiscal years ended June 30, 2020 and 2019, respectively.

For the fiscal years ended June 30, 2020 and 2019, the fare ratio requirement was calculated as follows:

Description	2020	2019
Operating revenues:		
Passenger fares for transit services	\$ 111,664	\$ 110,827
Total operating revenues	<u>111,664</u>	<u>110,827</u>
Operating expenses	727,641	931,914
Less:		
Insurance: Insurance reimb for trolley damage	-	(11,993)
Transfers	(4,620)	(7,713)
Depreciation expense	<u>(102,013)</u>	<u>(202,428)</u>
Net operating expenses	<u>\$ 621,008</u>	<u>\$ 709,780</u>
Total fare ratio	<u>18%</u>	<u>16%</u>
Total fare ratio requirement pursuant to Section 99268.5(c)	<u>20%</u>	<u>20%</u>

For purposes of the fare ratio requirement calculation, only the expenses of the City of Ojai's trolley operation was included in the operating expenses. The City of Ojai also received TDA Article 8 revenue, and its full operations are audited for farebox recovery ratio by the City of Ojai's auditors. Contact the City of Ojai for a complete copy of the financial statements.

For the fiscal year ended June 30, 2020, the City of Ojai did not meet the fare ratio requirement; however, due to COVID-19 pandemic, the City of Ojai was not required to meet the fare ratio requirement.

On June 29, 2020, Governor Newsom signed Assembly Bill 90 which waived penalties on operators that do not maintain the required ratio of fare revenues to operating cost during the 2019/20 or 2020/21 fiscal years.

NOTE 6 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2020, expenditures exceeded appropriations as follows:

Capital outlay \$538

REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local transportation fund	\$ 1,497,169	\$ 1,497,169	\$ -
Interest earnings	<u>-</u>	<u>20,197</u>	<u>20,197</u>
Total revenues	<u>1,497,169</u>	<u>1,517,366</u>	<u>20,197</u>
EXPENDITURES			
Operating	1,497,169	1,051,809	445,360
Capital outlay	<u>75,000</u>	<u>75,538</u>	<u>(538)</u>
Total expenditures	<u>1,572,169</u>	<u>1,127,347</u>	<u>444,822</u>
Changes in fund balance	<u>\$ (75,000)</u>	390,019	<u>\$ 465,019</u>
Fund balance, beginning		<u>616,529</u>	
Fund balance, ending		<u>\$ 1,006,548</u>	

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Local transportation fund	\$ 1,146,402	\$ 1,146,402	\$ -
Interest earnings	<u>-</u>	<u>21,964</u>	<u>21,964</u>
Total revenues	<u>1,146,402</u>	<u>1,168,366</u>	<u>21,964</u>
EXPENDITURES			
Operating	1,146,402	1,059,698	86,704
Capital outlay	<u>140,000</u>	<u>138,157</u>	<u>1,843</u>
Total expenditures	<u>1,286,402</u>	<u>1,197,855</u>	<u>88,547</u>
Changes in fund balance	<u>\$ (140,000)</u>	(29,489)	<u>\$ 110,511</u>
Fund balance, beginning		<u>646,018</u>	
Fund balance, ending		<u>\$ 616,529</u>	

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULES OF PROJECT STATUS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

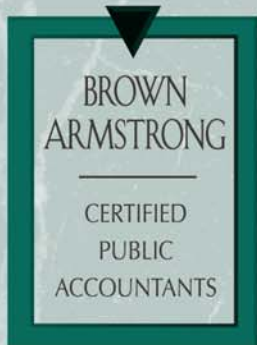
For the fiscal year ended June 30, 2020:

Project Description	Beginning Balance	Local Transportation Funds	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Valley Express	\$ 93,535	\$ 267,060	\$ -	\$ 1,710	\$ 264,711	\$ 97,594
Thousand Oaks Dial-a-Ride	75,826	248,769	-	3,376	73,820	254,151
East County Transit Alliance	44,837	33,653	-	1,152	6,377	73,265
Kanan Shuttle	85,426	615,003	-	5,334	366,409	339,354
Ojai Trolley	76,470	156,569	-	2,485	132,533	102,991
Bus Stop Maintenance	-	20,000	-	55	16,617	3,438
County Transit Services Management and Oversight	61,930	156,115	-	2,571	191,342	29,274
Total operating	438,024	1,497,169	-	16,683	1,051,809	900,067
Capital:						
Upgrade bus stops and shelters	130,092	-	(4,000)	3,514	66,515	63,091
Route 22 Bus Stops Local Match	23,413	-	-	-	9,023	14,390
Automatic AVA System - Kanan Shuttle	25,000	-	4,000	-	-	29,000
Total capital	178,505	-	-	3,514	75,538	106,481
Total	\$ 616,529	\$ 1,497,169	\$ -	\$ 20,197	\$ 1,127,347	\$ 1,006,548

For the fiscal year ended June 30, 2019:

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Valley Express	\$ 152,402	\$ 200,538	\$ (20,000)	\$ 2,889	\$ 242,294	\$ 93,535
Thousand Oaks Dial-a-Ride	1,231	185,000	-	1,802	112,207	75,826
East County Transit Alliance	11,347	45,000	-	756	12,266	44,837
Kanan Shuttle	70,814	339,183	-	4,029	328,600	85,426
Ojai Trolley	76,750	196,681	-	2,739	199,700	76,470
County Transit Services Management and Oversight	23,885	180,000	20,000	2,676	164,631	61,930
Total operating	336,429	1,146,402	-	14,891	1,059,698	438,024
Capital:						
Upgrade bus stops and shelters	254,882	-	-	7,073	131,863	130,092
Route 22 Bus Stops Local Match	29,707	-	-	-	6,294	23,413
Automatic AVA System - Kanan Shuttle	25,000	-	-	-	-	25,000
Total capital	309,589	-	-	7,073	138,157	178,505
Total	\$ 646,018	\$ 1,146,402	\$ -	\$ 21,964	\$ 1,197,855	\$ 616,529

OTHER REPORT



BROWN ARMSTRONG

Certified Public Accountants

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 AND THE TRANSPORTATION DEVELOPMENT ACT

To the Honorable Board of Supervisors
of the County of Ventura
Ventura, California

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We have audited, in accordance with the 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, the balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) fund (TDA Fund) of the County of Ventura, California (County), as of June 30, 2020; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year then ended; and the related notes to the fund financial statements, which collectively comprise the financial statements of the TDA Fund of the County, and have issued our report thereon dated February 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) relating to the TDA Fund as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the County's internal control relating to the TDA Fund.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TDA Fund's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. 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* or the TDA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the results of that testing, and not to approve an opinion on the effectiveness of the County's internal control or on compliance relating to the TDA Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the corporation.

Bakersfield, California
February 10, 2021

**COUNTY OF VENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Current Year Findings

None.

Prior Year Findings

Finding 2019-001

Fare Ratio Requirement

For the year ended June 30, 2019, the fare ratio calculation for the City of Ojai was 16%, which is lower than the fare ratio requirement of 20% for the type of transit service provided.

Criteria

Section 99268.5(c) of the Transportation Development Act (TDA) indicates that an operator in Ventura County providing regular public transportation service shall be eligible for Local Transportation Funds if it maintains for the fiscal year a ratio of fare revenue to operating costs at least equal to 20.00%.

During the year ended June 30, 2019, the funds received from the Local Transportation Fund did not comply with the above provision.

The City of Ojai did not meet the TDA required farebox recovery ratio during the year ended June 30, 2019. If the year ended June 30, 2020, is deemed a non-compliant year, Section 6634 requires that the claimant be penalized in a future year (the year ended June 30, 2021). This will result in the claimant's TDA funds being reduced by the difference between the required farebox revenues and the actual revenues. Additionally, pursuant to Section 6633.9(4), the claimant shall be required to demonstrate how it will achieve the required farebox recovery ratio during any penalty year.

Recommendation

We recommend that the City of Ojai take the necessary steps to comply with the fare ratio requirement pursuant to Section 99268.5(c) of the TDA.

Management's Response

Management concurs.

Current Year Status

In 2019/20, the County was not required to meet the fare ratio requirement due to the COVID-19 coronavirus pandemic.