

**VENTURA COUNTY
TRANSPORTATION COMMISSION
SINGLE AUDIT REPORT ON FEDERAL
AWARDS
YEAR ENDED JUNE 30, 2012**

VENTURA COUNTY TRANSPORTATION COMMISSION

SINGLE AUDIT REPORT ON FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

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

Board of Commissioners
Ventura County Transportation Commission
Ventura, California

We have audited the financial statements of the governmental activities and each major fund of the Ventura County Transportation Commission (the Commission), as of and for the year ended June 30, 2012, and have issued our report thereon dated October 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of 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*.

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

Vavriach, Train, Day & Co., LLP

Rancho Cucamonga, California

October 29, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Ventura County Transportation Commission
Ventura, California

Compliance

We have audited the Ventura County Transportation Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2012. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

In our opinion, the Commission complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Commission'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities and each major fund of the Commission as of and for the year ended June 30, 2012, and have issued our report thereon dated October 29, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that effectively comprise the Commission's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

Vavrinch, Train, Day & Co., LLP

Rancho Cucamonga, California
October 29, 2012

VENTURA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation				
Direct Assistance:				
Highway Planning and Construction	20.205	CA-17-X001	\$ 48,051	\$ -
Passed through the State of California				
Department of Transportation:				
Federal Railroad Administration				
High Speed Ground Transportation - Next Generation				
High Speed Rail Program	20.205	75LX106	2,252	-
Highway Planning and Construction:				
Rideshare Grant	20.205	CMLG-6155(071)	44,048	-
Rideshare Grant	20.205	CMLG-6155(076)	325,502	-
Lewis Road Project	20.205	RPMSTPL-6155(055)	267,405	267,405
		Sub-total	636,955	267,405
		Total 20.205	687,258	267,405
Passed through the State of California Association of Governments:				
Metropolitan Planning Program:				
Internship	20.505	145.SGG01527.01	18,030	-
Heritage Valley Study	20.505	145.SGG01527.01	60,000	-
		Total 20.505	78,030	-
Direct Assistance:				
Federal Transit Formula Grant Cluster				
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y253	2,547	2,547
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y365	52,337	52,337
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y399	36,671	36,671
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y737	68,154	68,154
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y803	2,141,202	73,973
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y858	2,917,000	257,443
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y991	625,217	625,217
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X044	19,733	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X130	300,515	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X158	234,853	85,631
		Total 20.507	6,398,229	1,201,973
Direct Assistance:				
Transit Services Programs Cluster				
Job Access - Reverse Commute	20.516	CA-37-X108	33,565	22,160
Job Access - Reverse Commute	20.516	CA-37-X122	115,393	97,128
Job Access - Reverse Commute	20.516	CA-37-X153	44,093	43,792
New Freedom Program	20.521	CA-57-X016	5,979	5,979
New Freedom Program	20.521	CA-57-X028	22,541	22,541
New Freedom Program	20.521	CA-57-X046	200,439	196,439
New Freedom Program	20.521	CA-57-X066	41,244	41,244
		Total 20.516 & 20.521	463,254	429,283
Total U.S. Department of Transportation			7,626,771	1,898,661
Total Federal Expenditures			\$ 7,626,771	\$ 1,898,661

See Note to Schedule of Expenditures of Federal Awards.

VENTURA COUNTY TRANSPORTATION COMMISSION

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2012

NOTE 1 – BASIS OF PRESENTATION

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Ventura County Transportation Commission (Commission) that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Commission from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting, which is further described in Note 1 to the Commission's basic financial statements. Under the modified accrual basis of accounting, expenditures are recognized when the Commission becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

C. Subrecipients

During the fiscal year ended June 30, 2012, the Commission provided \$1,898,661 in federal awards to subrecipients.

VENTURA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	
Identification of major programs:	<u>No</u>

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>20.507</u>	<u>Federal Transit Formula Grant Cluster - Urbanized Area Formula Program</u>
<u>20.516 & 20.521</u>	<u>Transit Services Programs Cluster - Urbanized Area Formula Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

VENTURA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS

None noted.

VENTURA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

VENTURA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

None reported.