

**VENTURA COUNTY
TRANSPORTATION COMMISSION
SINGLE AUDIT REPORT ON FEDERAL
AWARDS
YEAR ENDED JUNE 30, 2011**

VENTURA COUNTY TRANSPORTATION COMMISSION

SINGLE AUDIT REPORT ON FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

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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, 2011, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 4, 2011. Our report included an explanatory paragraph regarding the Commission's adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010. 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 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 above.

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 Directors, 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
November 4, 2011



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, 2011. 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, 2011.

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, 2011, and have issued our report thereon dated November 4, 2011. Our report included an explanatory paragraph regarding the Commission's adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Commission's basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management 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.


Rancho Cucamonga, California
November 4, 2011

VENTURA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Transportation				
Direct Assistance:				
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y177	\$ 29,648	\$ -
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y253	66,878	66,878
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y365	11,849	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y399	28,768	28,768
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y522	39,960	39,960
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y611	4,413	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y737	2,258,475	129,310
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-Y803	3,306,147	526,252
Formula Grants - Urbanized Area Formula Program	20.507	CA-90-y858	830,871	830,871
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X044	28,857	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X107	220,382	-
Formula Grants - Urbanized Area Formula Program	20.507	CA-95-X130	262,315	-
ARRA - Formula Grants - Urbanized Area Formula Program	20.507	CA-96-X020	1,681,744	1,681,744
		Sub-total	8,770,307	3,303,783
Transit Services Programs Cluster				
Formula Grants - Urbanized Area Formula Program	20.516	CA-37-X094	11,946	11,946
Formula Grants - Urbanized Area Formula Program	20.516	CA-37-X108	45,981	17,830
Formula Grants - Urbanized Area Formula Program	20.516	CA-37-X122	80,645	80,645
Formula Grants - Urbanized Area Formula Program	20.521	CA-57-X016	12,187	12,187
Formula Grants - Urbanized Area Formula Program	20.521	CA-57-X028	40,363	29,959
Formula Grants - Urbanized Area Formula Program	20.521	CA-57-X036	12,441	12,441
Formula Grants - Urbanized Area Formula Program	20.521	CA-57-X046	44,709	44,709
		Sub-total	248,272	209,717
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	445,605	-
Highway Planning and Construction:				
Rideshare Grant	20.205	CMLG-6155(071)	453	-
Rideshare Grant	20.205	CMLG-6155(074)	301,358	-
Lewis Road Project	20.205	RPSTPL-6155(055)	2,085,322	2,085,322
		Sub-total	2,387,133	2,085,322
Total U.S. Department of Transportation			11,851,317	5,598,822
Total Federal Expenditures			\$ 11,851,317	\$ 5,598,822

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, 2011

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. 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, 2011, the Commission provided \$5,598,822 in federal awards to subrecipients.

VENTURA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2011

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, 20.507 (ARRA)</u>	<u>Federal Transit - Formula Grants (includes ARRA)</u>
<u>20.205</u>	<u>Highway Planning and Construction</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 355,540</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

VENTURA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

II. FINANCIAL STATEMENT FINDINGS

None noted.

VENTURA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

VENTURA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2011

Prior Year Findings

2010-1 FTA Subrecipient Monitoring/Special Tests & Provisions

2010-2 FTA Subrecipient Monitoring

2010-3 HPC Subrecipient Monitoring

Status

Implemented

Implemented

Implemented