

**COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND NO. 0600
FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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LOCAL TRANSPORTATION FUND NO. 0600
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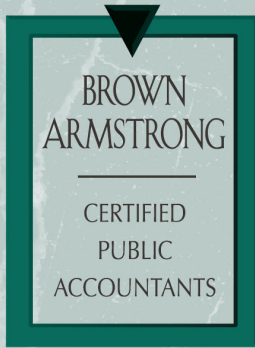
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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LOCAL TRANSPORTATION FUND NO. 0600
FINANCIAL STATEMENTS
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FINANCIAL SECTION



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Mr. Jeff Burgh, Auditor-Controller
County of Ventura
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Fund No. O600 (Fund) of the County of Ventura (the County), California which comprise the balance sheet as of June 30, 2020, the related statement of revenues, expenditures and changes in fund balance for the year ended June 30, 2020, and the related notes to the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 over the 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 opinions.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Opinions

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

Emphasis of Matter

As described in Note 2, the financial statements present only the Local Transportation Fund of the County and does not purport to, and does not, present fairly the financial position of the County, as of June 30, 2020, nor the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's financial statements as a whole. The Schedule of Allocations and Disbursements on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020, on our consideration of the Fund's internal control over financial reporting 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 Fund's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 7, 2020

COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND
BALANCE SHEET
AS OF JUNE 30, 2020

Assets

Assets:		
Cash and investments	\$	2,999,328
Interest receivable		<u>34,786</u>
Total assets	\$	<u><u>3,034,114</u></u>

Liabilities and Fund Balance

Liabilities:		
Accounts payable	\$	<u> -</u>
Total liabilities		<u> -</u>

Fund balance:		
Restricted		<u>3,034,114</u>
Total fund balance		<u>3,034,114</u>
Total liabilities and fund balance	\$	<u><u>3,034,114</u></u>

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

COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenues:

Apportionments received from the CA Department of Tax and Fee Administration	\$ 35,623,647
Prior year allocations returned from City of Simi Valley	82,310
Investment income	<u>105,830</u>
Total revenues	<u>35,811,787</u>

Expenditures:

Allocations for the current year:

Administration	Article 3 PUC 99233.1	1,187,480
Planning	Article 3 PUC 99233.2	764,000
Pedestrian and bicycle	Article 3 PUC 99233.3	386,958
Rail passenger services	Article 3 PUC 99233.4	3,780,796
Public transportation	Article 4 PUC 99260	21,249,721
Local streets and roads	Article 8a PUC 99400(a)	5,791,196
Transit	Article 8c PUC 99400(c)	<u>4,701,836</u>
Total expenditures		<u>37,861,987</u>

Change in fund balance (2,050,200)

Fund balance - beginning	<u>5,084,314</u>
Fund balance - ending	<u><u>\$ 3,034,114</u></u>

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

**COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND NO. O600
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Ventura, Local Transportation Fund No. O600 (LTF) conform with the accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies.

Reporting Entity

Accountability

The LTF was created under the Transportation Development Act (Act) of the State of California to account for public transportation monies derived from statewide sales tax. The California Department of Tax and Fee Administration returns to each county 1/4 cent of the retail sales tax collected in the county and such is deposited into this fund. Payments from this fund are made by the Ventura County Auditor-Controller in accordance with written allocation instructions issued in compliance with the Act by the Ventura County Transportation Commission. The money from the fund is used to support public transportation systems, community transit services, as well as the development of pedestrian and bicycle facilities in the County of Ventura.

Financial Statement Presentation

The LTF is organized as a Fiduciary Type-Agency Fund within the accounting system of the County of Ventura and is used to account for assets of others for which the County of Ventura acts as an agent. However, for this stand-alone financial statement presentation, the LTF is being presented as a Special Revenue Fund that is used to account for and report on a particular source of revenue.

Fund Accounting

The accounts of the County of Ventura are organized and operated as funds that make it possible both: (a) to present fairly and with full disclosure the activities of the fund in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND NO. O600
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the modified accrual basis of accounting. Under this method, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the LTF considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, the fund balance for LTF is Restricted.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Cash and Investments

Cash and investments include cash in banks and investments held by the Ventura County Treasury (County Treasury) in a cash management pool, generally with original maturities of 90 days or less. Investments are stated at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon liquidation, maturity, or sale of investments.

Use of Estimates

The preparation of basic 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 at the reporting date and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - ANNUAL FINANCIAL STATEMENTS

The accompanying financial statements present only the financial activities of the LTF and are not intended to present fairly the financial position and results of operations of the County of Ventura in accordance with accounting principles generally accepted in the United States of America.

**COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND NO. O600
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 - CASH AND INVESTMENTS

The unexpended cash of the LTF is deposited in the County Treasury. Cash is pooled to maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds, including the LTF, based upon the fund's average daily cash balances. As of June 30, 2020, the LTF County Treasury Investment Pool (Pool) percentage of participation is 0.1030. The cash of the LTF deposited in the County Treasury is insured or collateralized as required by the California Government Code. For further information regarding the Pool, refer to the County of Ventura Comprehensive Annual Financial Report.

Investment earnings are allocated based on the average daily balance in the Pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

Fair Value Measurement and Application

The LTF categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets for identical assets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The LTF assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of June 30, 2020, the LTF held no individual investments. All funds are invested in the Pool. Deposits and withdrawals are made on the basis of \$1 and not fair value. Consequently, the LTF proportionate share of investments in the Pool at June 30, 2020 is uncategorized and not defined as Level 1, Level 2 or Level 3 input.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

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

NOTE 5 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 7, 2020, which is the date the statements were available to be issued.

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. In response, the Governor of California issued a statewide Stay at Home Order effective March 19, 2020, closing all non-essential businesses and restricting travel. In the midst of this economic uncertainty, management is unable to quantify the potential impacts of this pandemic on future sales tax revenues.

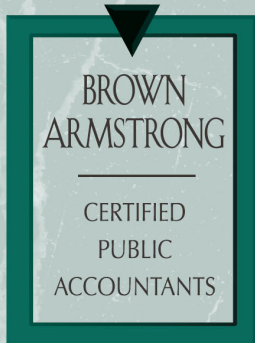
SUPPLEMENTARY INFORMATION

COUNTY OF VENTURA
LOCAL TRANSPORTATION FUND
SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Entity Allocations	Allocations		Allocations	
	Payable/(Receivable) July 01, 2019	Net Amount Allocated	Net Amount Disbursed	Payable/(Receivable) June 30, 2020
CAMARILLO				
99233.3	\$ -	\$ 9,666	\$ 9,666	\$ -
99400(a)	-	2,589,527	2,589,527	-
Total	-	2,599,193	2,599,193	-
FILLMORE				
99233.3	-	10,633	10,633	-
99400(a)	-	231,827	231,827	-
99400(c)	-	358,302	358,302	-
Total	-	600,762	600,762	-
GOLD COAST TRANSIT				
99260	-	17,207,983	17,207,983	-
Total	-	17,207,983	17,207,983	-
MOORPARK				
99233.3	-	5,273	5,273	-
99400(a)	-	696,842	696,842	-
99400(c)	-	675,000	675,000	-
Total	-	1,377,115	1,377,115	-
OJAI				
99233.3	-	204,879	204,879	-
Total	-	204,879	204,879	-
OXNARD				
99233.3	-	5,580	5,580	-
Total	-	5,580	5,580	-
PORT HUENEME				
99233.3	-	11,204	11,204	-
Total	-	11,204	11,204	-
SAN BUENAVENTURA				
99233.3	-	70,740	70,740	-
Total	-	70,740	70,740	-
SANTA PAULA				
99233.3	-	3,954	3,954	-
99400(a)	-	806,194	806,194	-
99400(c)	-	334,376	334,376	-
Total	-	1,144,524	1,144,524	-
SIMI VALLEY				
99233.3	-	29,878	29,878	-
99260	-	4,041,738	4,041,738	-
Total	-	4,071,616	4,071,616	-
THOUSAND OAKS				
99233.3	-	6,591	6,591	-
99400(a)	-	1,466,806	1,466,806	-
99400(c)	-	3,334,158	3,334,158	-
Total	-	4,807,555	4,807,555	-
VENTURA COUNTY				
99233.1	-	14,500	14,500	-
99233.3	-	28,560	28,560	-
Total	-	43,060	43,060	-
VCTC				
99233.1	-	1,172,980	1,172,980	-
99233.2	-	764,000	764,000	-
99233.4	-	3,780,796	3,780,796	-
Total	-	5,717,776	5,717,776	-
Grand Total	\$ -	\$ 37,861,987	\$ 37,861,987	\$ -

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

OTHER REPORTING



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

Mr. Jeff Burgh, Auditor-Controller
County of Ventura
Ventura, California

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

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 Local Transportation Fund No. O600 (Fund) of the County of Ventura, California, as of June 30, 2020, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 entity'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 Fund'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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 7, 2020