

CITY OF OXNARD, CALIFORNIA
(Direct Claimant - Gold Coast Transit District)

Transportation Development Act Local Transportation Fund
Article 4, Section 99260 Public Utilities Code

Financial Statements

Fiscal Year Ended June 30, 2024

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 4, Section 99260 Public Utilities Code

Fiscal Year Ended June 30, 2024

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Board of Commissioners
Ventura County Transportation Commission
Camarillo, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 4 Fund ("TDA Fund") of the City of Oxnard, California ("City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the City, as of June 30, 2024, and the respective changes in financial position of the TDA Fund of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 TDA Fund of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 13, 2025 on our consideration of the City's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ASM LLP

Rancho Santa Margarita, California
dated February 13, 2025

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 4, Section 99260 Public Utilities Code

Balance Sheet

June 30, 2024

Assets

Current assets:

Cash and cash equivalents (Note 3)	\$	205,066
Interest receivable		2,249
Lease receivable		216,900
Due from other governments		<u>54,663</u>
Total current assets	\$	<u>478,878</u>

Liabilities, deferred inflow of resources & fund balance

Current liabilities:

Accounts payable and accrued expenses	\$	106,227
Unearned revenue (Note 4)		<u>14,563</u>
Total current liabilities		<u>120,790</u>

Deferred inflow of Resources

Deferred inflow on leases (Note 5)		<u>208,862</u>
Total deferred inflow of resources		<u>208,862</u>

Fund balance:

Restricted		<u>149,226</u>
Total fund balance		<u>149,226</u>
Total liabilities, deferred inflow of resources and fund balance	\$	<u><u>478,878</u></u>

See accompanying notes to financial statements

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 4, Section 99260 Public Utilities Code

Statement of Revenues, Expenses, and Changes in Fund Balance

Fiscal Year Ended June 30, 2024

Revenues	
Local Transportation Funding allocation	\$ 641,415
Lease revenue	251,691
Interest earnings	7,627
Fair-value adjustment	7,004
Other revenue	<u>14,462</u>
Total revenues	<u>922,199</u>
Expenditures	
Operating	<u>922,199</u>
Total expenditures	<u>922,199</u>
Excess (deficiency) of revenues over (under) expenditures	-
Fund balance at beginning of year, as previously reported	148,229
Prior period adjustment (Note 6)	<u>997</u>
Fund balance at beginning of year, as restated	<u>149,226</u>
Fund balance at the end of year	<u>\$ 149,226</u>

See accompanying notes to financial statements

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 4, Section 99260 Public Utilities Code

Notes to Financial Statements

Fiscal Year Ended June 30, 2024

(1) **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 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 (“GCTD”). The Article 4 funds are passed through GCTD, the City is not the direct claimant.

(2) **Summary of Significant Accounting Policies**

Fund Accounting

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.

Measurement Focus and Basis of Accounting

The TDA Fund is a Special Revenue Fund and is 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.

CITY OF OXNARD, CALIFORNIA

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Article 4, Section 99260 Public Utilities Code

Notes to Financial Statements

Fiscal Year Ended June 30, 2024

(2) **Summary of Significant Accounting Policies (Continued)**

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.

Unearned revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unearned 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 unearned revenue is removed from the balance sheet and revenue is recognized.

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below:

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed Fund Balance* – this includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.
- *Assigned Fund Balance* – this includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- *Unassigned Fund Balance* – this includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
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Notes to Financial Statements

Fiscal Year Ended June 30, 2024

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(3) 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, 2024 was \$205,066.

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.

See the City’s basic financial statements for disclosures related to cash and investments, including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) Unearned Revenue

TDA funds allocated by VCTC to GCTD is paid to the City on behalf GCTD for transportation services are considered earned when they are properly spent for the specific projects authorized. Allocations and any interest received but not used are recorded as unearned revenue. The balance of unearned revenue as of June 30, 2024 consists of the following:

Unearned revenue as of July 1	\$ -
TDA 4 allocation received during the year	655,978
Interest income	7,627
Fair value adjustment	7,004
Expenditures	<u>(656,046)</u>
Unearned revenue as of June 30	<u>\$ 14,563</u>

CITY OF OXNARD, CALIFORNIA

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Notes to Financial Statements

Fiscal Year Ended June 30, 2024

(5) Deferred Inflow on Leases

As a lessor, the City recognizes both a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received over the lease term. The deferred inflow of resources is initially recorded at an amount equal to the lease receivable, plus any lease payments received at or before the commencement of the lease term that are related to future periods.

The deferred inflow on leases for the year ended June 30, 2024, is as follows:

Unearned revenue as of July 1	\$ 254,162
GASB 87 Adjustment	35,078
Lease Revenue	<u>(77,378)</u>
Unearned revenue as of June 30	<u>\$ 208,862</u>

(6) Prior Period Adjustment

The prior period adjustment for the fiscal year ended June 30, 2023, was due to a late journal entry related to the implementation of GASB 87 - Leases, which was recorded in the General Ledger after the TDA financial audit had been finalized. As a result, this adjustment increased the Fund Balance by \$997.

(7) Refunds and Re-allocations

In the fiscal year ending June 30, 2022, \$99,900 of capital expenditures related to bus stop improvements were reported as Oxnard Transit Center operating expenses. This caused the remaining unused funds of \$205,550 allocated for the bus stop improvements to be overstated. The \$205,550 was subsequently returned to GCTD in the fiscal year ending June 30, 2023, via a credit to the Local Transportation Funds allocated to the City of Oxnard.

(8) Restrictions

Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4), may only be used for facilities provided for exclusive use of transportation services, including planning, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles, and system operation, maintenance, and repair.

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
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Notes to Financial Statements

Fiscal Year Ended June 30, 2024

(9) Contingencies

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(10) Budgetary Data

The City administration approves an operating and capital budget annually and submits it to Gold Coast Transit District. The budget reflects the City's priorities and needs for the upcoming year and provides the basis for reporting and control of financial operations and accountability for the TDA 4 Fund activities. The budget and reporting treatment applied to the TDA 4 Fund are consistent with the modified accrual basis of accounting and the financial statement basis.

Required Supplementary Information

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 4, Section 99260 Public Utilities Code

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2024

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local Transportation Funding allocation	\$ 655,978	\$ 655,978	\$ 641,415	\$ (14,563)
Lease revenue	251,089	251,089	251,691	602
Interest earnings	2,711	2,711	7,627	4,916
Fair-value adjustment	-	-	7,004	7,004
Other revenue	-	-	14,462	14,462
	<u>909,778</u>	<u>909,778</u>	<u>922,199</u>	<u>12,421</u>
Total revenues				
Expenditures:				
Operating	<u>1,047,583</u>	<u>1,047,583</u>	<u>922,199</u>	<u>125,384</u>
Total expenditures	<u>1,047,583</u>	<u>1,047,583</u>	<u>922,199</u>	<u>125,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (137,805)</u>	<u>\$ (137,805)</u>	-	<u>\$ 137,805</u>
Fund balance at beginning of year, as previously reported			148,229	
Prior period adjustment (Note 4)			<u>997</u>	
Fund balance at beginning of year, as restated			<u>149,226</u>	
Fund balance at the end of year			<u>\$ 149,226</u>	

Supplementary Information

CITY OF OXNARD, CALIFORNIA

Transportation Development Act Local Transportation Fund
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Schedules of Status of Funds by Project

Fiscal Year Ended June 30, 2024

	Beginning Balance July 1, 2023	Local Transportation Fund Allocation	Other Local Revenue	Fair-Value Adjustments	Interest Earnings Allocation (Expense)	Expenditures	Ending Balance June 30, 2024
Operating:							
Oxnard Transit Center	<u>\$ 248,129</u>	<u>\$ 641,415</u>	<u>\$ 267,150</u>	<u>\$ 7,004</u>	<u>\$ 7,627</u>	<u>\$ (922,199)</u>	<u>\$ 249,126</u>
Total operating	<u>248,129</u>	<u>641,415</u>	<u>267,150</u>	<u>7,004</u>	<u>7,627</u>	<u>(922,199)</u>	<u>249,126</u>
Capital:							
Bus stop improvements (Note 6)	<u>(99,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,900)</u>
Total capital	<u>(99,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,900)</u>
Total	<u>\$ 148,229</u>	<u>\$ 641,415</u>	<u>\$ 267,150</u>	<u>\$ 7,004</u>	<u>\$ 7,627</u>	<u>\$ (922,199)</u>	<u>\$ 149,226</u>

See accompanying notes to financial statements



Board of Commissioners
Ventura County Transportation Commission
Camarillo, California

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

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 Transportation Development Act Local Transportation Fund pursuant to Article 4 ("TDA Fund") of the City of Oxnard ("City"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated February 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 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*, including §6666 of Part 21 of the California Code of Regulations, §99268 and §99268.5 of the Public Utilities Code.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ASM LLP

Rancho Santa Margarita, California
February 13, 2025