

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Financial Statements

Fiscal Years Ended June 30, 2024 and 2023

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Fiscal Years Ended June 30, 2024 and 2023

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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 State of Good Repair, Section 99212.1(c) fund ("SGR Fund") of the Gold Coast Transit District ("District"), 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 SGR Fund of the District, as of June 30, 2024, and the respective changes in financial position of the SGR Fund of the District 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 District 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 SGR Fund of the District and do not purport to, and do not present fairly, the financial position of the District 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 SGR Fund of the District’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 Matters

Prior Year Comparative Information

The financial statements of the District as of June 30, 2023, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in its report dated March 14, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2024 on our consideration of the District's internal control over financial reporting for the SGR 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 District's internal control over financial reporting and compliance.

ASM LLP

Rancho Santa Margarita, California
December 19, 2024

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Comparative Statement of Net Position

June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Cash and investments (Note 3)	\$ -	\$ -
Due from other governmental agencies	<u>10,906</u>	<u>7,694</u>
Total assets	<u>10,906</u>	<u>7,694</u>
<u>Liabilities</u>		
Unearned revenue	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<u>Net position</u>		
Restricted (Note 4)	<u>10,906</u>	<u>7,694</u>
Total net position	<u>\$ 10,906</u>	<u>\$ 7,694</u>

See accompanying notes to financial statements

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Comparative Statement of Revenues, Expenses, and Changes in Net Position

Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenues (Note 4):		
Passenger fares for transit services	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>
Operating expenditures (Note 4):		
Capital acquisition and construction	<u>43,897</u>	<u>83,042</u>
Total operating expenditures	<u>43,897</u>	<u>83,042</u>
Operating loss (Note 4)	<u>(43,897)</u>	<u>(83,042)</u>
Non-operating revenues (Note 4):		
State of Good Repair allocation	47,109	45,290
Interest income	<u>-</u>	<u>91</u> *
Total non-operating revenues	<u>47,109</u>	<u>45,381</u>
Change in net position	<u>3,212</u>	<u>(37,661)</u>
Net position at beginning of year	<u>7,694</u>	<u>45,355</u>
Net position at end of year	<u>\$ 10,906</u>	<u>\$ 7,694</u>

* Interest income is from VCTC

See accompanying notes to financial statements

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Comparative Statement of Cash Flows For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash flow from operating activities		
Cash paid for operating costs activities	\$ (43,897)	\$ (325)
Net cash (used) by operating activities	(43,897)	(325)
Cash flow from noncapital financing activities		
Cash received from local transportation fund, SGR	47,109	45,290
Cash paid to other funds	-	(83,042)
Net cash used by noncapital financing activities	47,109	(37,752)
Cash flows from investing activities:		
Cash received from interest from investments	(3,212)	91
Net cash provided by investing activities	(3,212)	91
Net decrease in cash in county treasury	-	(37,986)
Cash in county treasury		
Cash and investments, beginning of year	-	37,986
Cash and investments, end of year	\$ -	\$ -

See accompanying notes to the financial statements.

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Comparative Statement of Cash Flows For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash used for operating activities (Note 4):		
Operating income (loss)	<u>\$ (43,897)</u>	<u>\$ (83,042)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease due from other government agencies	<u>-</u>	<u>82,717</u>
Total adjustments	<u>-</u>	<u>82,717</u>
Net cash used for operating activities	<u>\$ (43,897)</u>	<u>\$ (325)</u>

Noncash investing, capital, and financing activities:

The State of Good Repair Fund had no non-cash financing activity in fiscal years 2023/24, and 2022/23.

See accompanying notes to the financial statements.

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2024 and 2023

(1) **General Information**

The Road Repair and Accountability Act of 2017, Senate Bill (“SB”) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. State of Good Repair (“SGR Fund”) funding received by the Gold Coast Transit District (“District”) for fiscal years ended June 30, 2024 and 2023 were \$47,109 and \$45,290, respectively and was used for preventative maintenance, vehicle engine replacements, and the vehicle and camera replacement project.

The financial statements present only the activity of the SGR Fund of the District and are not intended to present the financial position or changes in financial position of the District in conformity with accounting principles generally accepted in the United States of America.

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

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups. 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 District accounts for the activity of the SGR Fund as an Enterprise Fund. Enterprise Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Enterprise Funds are accounted for using the accrual basis of accounting. The revenues are recognized in the accounting period when they are earned, and expenses are recognized in the accounting period in which the 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 District. For the District, funds received under Section 99314 of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under Section 99314 of the Public Utilities Code are recognized in the period when all eligibility requirements have been met.

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2024 and 2023

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

A deferred inflow of resources arises when potential revenues do not meet both the measurable availability criteria for recognition in the current period. Deferred inflows of resources also arise when the District 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 District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet, and revenue is recognized.

Net Position

The components of net position reflect the component classifications described below.

- *Net Investment in Capital Assets* – this includes capital assets, net of depreciation, reduced by the outstanding balances of bonds and notes, if any, that are attributable to the acquisition, construction, or improvement of those assets. Applicable deferred outflows of resources and deferred inflows of resources, if any, should also be included in this component of net position.
- *Restricted* – this includes assets, mainly cash and investments, bound by constraints on resources that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- *Unrestricted* – this includes the remaining balance of the net amount of assets, deferred outflows of resources that are not included in the determination of net investment in capital, or the restricted components of net position.

It is the District's policy that restricted resources will be applied first, followed by unrestricted resources, in the absence of a formal policy adopted by the District Board of Directors.

Cash and Investments

Substantially all of the District's cash is invested in interest bearing cash accounts (money market funds). The District considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2024 and 2023

(2) Summary of Significant Accounting Policies (Continued)

Amounts Due From Other Governments

Generally, amounts due from other governments are recorded as revenues when received. However, when expenditures of funds are the prime factor for determining eligibility for grants, revenues are accrued when the expenditures have been made on approved grants.

(3) Cash and Investments

The District 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 SGR Fund's cash and investments as of June 30, 2024 and 2023 were \$0.

The SGR Fund's cash is deposited in the District'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 SGR Fund are those of the District and are included in the District's basic financial statements.

See the District's Annual Comprehensive Financial Report ("ACFR") for disclosures related to cash and investments including those disclosures relating to demand deposits, custodial credit risk, interest rate risk, credit rate risk, fair value, and concentration of credit risk.

(4) Change in Presentation

The presentation of the Comparative Statement of Net Position, Comparative Statement of Revenues, Expenses, and Changes in Net Position, as well as certain prior year amounts, has been reclassified to align with the current year's presentation. Similarly, certain prior year amounts in the Comparative Statement of Cash Flows have been reclassified for consistency. These reclassifications did not impact the reported results of operations.

An adjustment has also been made to the Comparative Statement of Revenues, Expenses, and Changes in Net Position and the Comparative Statement of Cash Flows for the fiscal year ended June 30, 2023, to more accurately reflect the activity of an Enterprise Fund.

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2024 and 2023

(5) Restrictions

Funds received pursuant to State of Good Repairs and the Road Repair and Accountability Act of 2017 may only be used for preventative maintenance, vehicle engine replacements, and vehicle and camera replacement activities.

(6) Contingencies

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

Supplementary Information

GOLD COAST TRANSIT DISTRICT

State of Good Repair Fund

Schedule of Status of Funds by Project

Fiscal Year Ended June 30, 2024

<u>Project Name</u>	<u>Program Year</u>	<u>State Allocation Received</u>	<u>Current Interest Received from VCTC</u>	<u>Current Interest Accrued by District</u>	<u>Prior Interest Received from VCTC</u>	<u>Note</u>	<u>Prior Year Interest Accrued by District</u>	<u>Note</u>	<u>Current Year Expenditures</u>	<u>Prior Year Expenditures</u>	<u>Net Position</u>	<u>Program Status</u>
Vehicles - Fixed Route (Replacement)	2022-23	\$ 45,290	\$ -	\$ -	\$ 91	(1)	\$ -	(1)	\$ 7,694	\$ 37,687	\$ -	Closed
Vehicles - Fixed Route (Replacement)	2023-24	<u>47,109</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>36,203</u>	<u>-</u>	<u>10,906</u>	Open
Totals		<u>\$ 92,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>		<u>\$ -</u>		<u>\$ 43,897</u>	<u>\$ 37,687</u>	<u>\$ 10,906</u>	

Note:

(1) The interest in the amount of \$91 for fiscal year 2022/23 was received by the District from VCTC and not accrued by the District, as indicated in fiscal year 2022/23 report. Adjustment was made in current report to reflect the correction.



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 State of Good Repair, Section 99212.1(c) fund (“SGR Fund”) of the Gold Coast Transit District (“District”), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s SGR Fund financial statements, and have issued our report thereon dated December 19, 2024.

Report on 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 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 SGR Fund of the District 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
December 19, 2024