

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

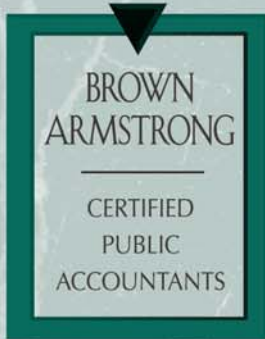
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**COUNTY OF VENTURA  
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. 0600 (Fund) of the County of Ventura (the County), California which comprise the balance sheet as of June 30, 2018, and the related statement of revenues, expenditures and change in fund balance for the year ended June 30, 2018, 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 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.

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## 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, 2018, 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 of Ventura, California and does not purport to, and does not, present fairly the financial position of the County of Ventura, California, as of June 30, 2018, 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 31, 2018, 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 31, 2018

COUNTY OF VENTURA  
LOCAL TRANSPORTATION FUND  
BALANCE SHEET  
AS OF JUNE 30, 2018

**Assets**

Assets:		
Cash and investments	\$	3,239,754
Interest receivable		<u>38,995</u>
Total assets	\$	<u><u>3,278,749</u></u>

**Liabilities and Fund Balance**

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

Fund balance:		
Restricted		<u>3,278,749</u>
Total fund balance		<u>3,278,749</u>
Total liabilities and fund balance	\$	<u><u>3,278,749</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, 2018

**Revenues:**

Apportionments received from the State Board of Equalization	\$	34,873,427
Investment income		78,110
Total revenues		34,951,537

**Expenditures:**

Allocations for the current year:

Administration	Article 3 PUC 99233.1	973,998
Planning	Article 3 PUC 99233.2	682,000
Pedestrian and bicycle	Article 3 PUC 99233.3	680,720
Rail passenger services	Article 3 PUC 99233.4	2,864,233
Public transportation	Article 4 PUC 99260	23,775,343
Local streets and roads	Article 8a PUC 99400(a)	3,696,940
Transit	Article 8c PUC 99400(c)	1,458,606
Total expenditures		34,131,840

**Net change in fund balance**

819,697

Fund balance - beginning		2,459,052
Fund balance - ending	\$	3,278,749

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, 2018**

**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 State Board of Equalization 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 governmental funds that make it possible both: (a) to present fairly and with full disclosure the activities of the governmental unit 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, 2018**

**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, this government 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, 2018, 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 expenses 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. 0600  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 3 - CASH AND INVESTMENTS**

The unexpended cash of the fund 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, 2018, the LTF County Treasury Investment Pool (Pool) percentage of participation is 0.1269. 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, 2018, 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, 2018 is uncategorized and not defined as Level 1, Level 2 or Level 3 input.

**NOTE 4 - COMMITMENTS AND CONTINGENCIES**

As of June 30, 2018, in the opinion of the County 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 31, 2018, which is the date the statements were available to be issued. No events have occurred that would require disclosure.

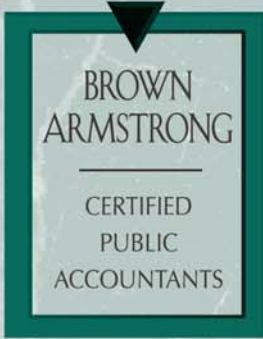
## **SUPPLEMENTARY INFORMATION**

COUNTY OF VENTURA  
LOCAL TRANSPORTATION FUND  
SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Entity Allocations	Allocations Payable/(Receivable) July 01, 2017	Net Amount Allocated	Net Amount Disbursed	Allocations Payable/(Receivable) June 30, 2018
CAMARILLO				
99233.3	\$ -	\$ 8,499	\$ 8,499	\$ -
99400(a)	-	2,349,298	2,349,298	-
Total	-	2,357,797	2,357,797	-
FILLMORE				
99233.3	-	9,349	9,349	-
99400(a)	-	249,895	249,895	-
99400(c)	-	279,299	279,299	-
Total	-	538,543	538,543	-
GOLD COAST TRANSIT				
99260	-	15,043,768	15,043,768	-
Total	-	15,043,768	15,043,768	-
MOORPARK				
99233.3	-	3,670	3,670	-
99400(a)	-	567,692	567,692	-
99400(c)	-	675,000	675,000	-
Total	-	1,246,362	1,246,362	-
OJAI				
99233.3	-	773	773	-
Total	-	773	773	-
OXNARD				
99233.3	-	4,906	4,906	-
Total	-	4,906	4,906	-
PORT HUENEME				
99233.3	-	9,851	9,851	-
Total	-	9,851	9,851	-
SAN BUENAVENTURA				
99233.3	-	62,199	62,199	-
Total	-	62,199	62,199	-
SANTA PAULA				
99233.3	-	271,795	271,795	-
99400(a)	-	530,055	530,055	-
99400(c)	-	504,307	504,307	-
Total	-	1,306,157	1,306,157	-
SIMI VALLEY				
99233.3	-	26,271	26,271	-
99260	-	4,295,804	4,295,804	-
Total	-	4,322,075	4,322,075	-
THOUSAND OAKS				
99233.3	-	258,295	258,295	-
99260	-	4,435,771	4,435,771	-
Total	-	4,694,066	4,694,066	-
VENTURA COUNTY				
99233.1	-	13,500	13,500	-
99233.3	-	25,112	25,112	-
Total	-	38,612	38,612	-
VCTC				
99233.1	-	960,498	960,498	-
99233.2	-	682,000	682,000	-
99233.4	-	2,864,233	2,864,233	-
Total	-	4,506,731	4,506,731	-
Grand Total	\$ -	\$ 34,131,840	\$ 34,131,840	\$ -

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

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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, 2018, and the related statement of revenues, expenditures and change in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2018.

### **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.

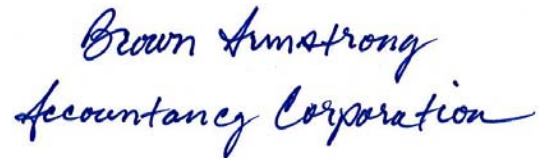
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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*.

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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
October 31, 2018