



Federal Awards Reports in Accordance
with the Uniform Guidance
June 30, 2020

Ventura County
Transportation Commission

Ventura County Transportation Commission

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June 30, 2020

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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*

To the Board of Directors
Ventura County Transportation Commission
Camarillo, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ventura County Transportation Commission (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated November 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission '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 Commission'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 financial statements. 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 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 12, 2020



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Ventura County Transportation Commission
Camarillo, California

Report on Compliance for Each Major Federal Program

We have audited the Ventura County Transportation Commission (Commission)’s compliance with the types of compliance requirements described in the *OMB 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, 2020. 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.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission’s major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated November 12, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed text of the firm's name.

Rancho Cucamonga, California

November 20, 2020, except for our report on the schedule of expenditures of federal awards, for which the date is November 12, 2020

Ventura County Transportation Commission
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Department of Transportation				
Direct Programs:				
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Y858	\$ 161,272	\$ 161,272
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Y991	111,854	47,197
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Z055	3,841	-
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Z074	166,250	166,250
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Z151	56,261	56,261
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Z152	246,599	246,599
Formula Grants - Urbanized Area Formula Programs	20.507	CA-90-Z240	1,089	-
Formula Grants - Urbanized Area Formula Programs	20.507	CA-95-X044	68,430	-
Formula Grants - Urbanized Area Formula Programs	20.507	CA-95-X196	725	725
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2016-028	56,364	56,364
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2016-033	4,259	4,259
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2016-060	96,774	36,388
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2017-037	355,227	18,142
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2017-066	188,657	-
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2018-003	598,868	413,525
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2018-076	738,509	243,163
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2018-088	700,753	13,408
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2019-039	452,095	420,517
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2019-099	2,972,618	643,648
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2020-012	130,025	-
Formula Grants - Urbanized Area Formula Programs	20.507	CA-2020-076	498,801	498,801
COVID-19 - Formula Grants - Urbanized Area Formula Programs	20.507	CA-2020-120	204,170	93,768
Total 20.507			<u>7,813,441</u>	<u>3,120,287</u>
Direct Programs:				
Buses and Bus Facilities Formula Program	20.526	CA-2016-082	1,560	-
Buses and Bus Facilities Formula Program	20.526	CA-2019-095	9,252	-
Total 20.526			<u>10,812</u>	<u>-</u>
Total Federal Transit Cluster			<u>7,824,253</u>	<u>3,120,287</u>
Passed Through the State of California - Department of Transportation				
Highway Planning and Construction	20.205	CMLG-6155 (086)	158,171	-
Highway Planning and Construction	20.205	CMLG-6155(091)	25,489	-
Highway Planning and Construction	20.205	CMLG-6155(095)	72,632	-
Highway Planning and Construction	20.205	STPL-6155(090)	4,463,253	-
Total 20.205 - Highway Planning and Construction Cluster			<u>4,719,545</u>	<u>-</u>
Direct Programs:				
Capital Assistance Elderly and Disabled	20.513	CA-16-X071	90,053	90,053
Capital Assistance Elderly and Disabled	20.513	CA-2018-042	11,191	5,306
Capital Assistance Elderly and Disabled	20.513	CA-2019-118	124,647	105,874
Capital Assistance Elderly and Disabled	20.513	CA-2020-030	73,460	73,460
Total 20.513 - Transit Service Cluster			<u>299,351</u>	<u>274,693</u>
Total Department of Transportation			<u>12,843,149</u>	<u>3,394,980</u>
Total Federal Financial Assistance			<u>\$ 12,843,149</u>	<u>\$ 3,394,980</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Ventura County Transportation Commission (Commission) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the Commission.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, exclude for subrecipient expenditures, which are recorded on a cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Highway Planning and Construction Cluster	20.205
Federal Transit Cluster	20.507
Federal Transit Cluster	20.526
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Questioned Costs

None Reported.

Ventura County Transportation Commission
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2020

None Reported.