

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund
Section 99212.1(c) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund
Section 99212.1(c) Public Utilities Code

Fiscal Years Ended June 30, 2021 and 2020

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Board of Commissioners
Ventura County Transportation Commission
Ventura, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the State of Good Repair, Section 99212.1(c) fund ("SGR Fund") of the City of Camarillo, California ("City"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements as listed in the table of contents.

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 entity'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 entity's internal control. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SGR Fund of the City as of June 30, 2021 and 2020, and the change in financial position of the SGR Fund of the City for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the SGR Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2021 and 2020, the changes in its financial position, or where applicable, its cash flows for the years 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on financial statements of the SGR Fund of the City. The *Schedule of Status of Funds by Project*, listed as supplemental data in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The *Schedule of Status of Funds by Project* 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 for the SGR Fund of the City. Such 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 *Schedule of Status of Funds by Project* is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 on our consideration of the City'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 solely 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 effectiveness of the City's 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.



Lake Forest, California
November 30, 2021

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund
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Comparative Statement of Net Position

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 9,755	\$ 1,799
Total assets	<u>9,755</u>	<u>1,799</u>
<u>Liabilities</u>		
Unearned revenue (Note 4)	<u>9,755</u>	<u>1,799</u>
Total liabilities	<u>9,755</u>	<u>1,799</u>
<u>Net Position</u>		
Net Position - restricted	<u>-</u>	<u>-</u>
Total net position	<u>\$ 9,755</u>	<u>\$ 1,799</u>

See accompanying notes to financial statements

CITY OF CAMARILLO, CALIFORNIA

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Comparative Statement of Revenues, Expenses
and Changes in Net Position

Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
State of Good Repair allocation	\$ -	\$ 9,027
Total revenues	<u>-</u>	<u>9,027</u>
Expenses:		
Metrolink station maintenance	<u>-</u>	<u>9,027</u>
Total expenses	<u>-</u>	<u>9,027</u>
Change in net position	<u>-</u>	<u>-</u>
Net position at beginning of year	<u>-</u>	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

CITY OF CAMARILLO, CALIFORNIA

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Comparative Statement of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flow from operating activities:		
Cash received from operating income	\$ 7,889	\$ 10,791
Cash paid for operating costs	<u>-</u>	<u>(9,027)</u>
Net cash provided by (used for) operating activities	<u>7,889</u>	<u>1,764</u>
Cash flow from noncapital financing activities:		
Cash received from other sources	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>
Cash flow from capital and related financing activities:		
Net sale (purchase) of capital assets	<u>-</u>	<u>-</u>
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>-</u>
Cash from investing activities:		
Cash from interest received from investments	<u>67</u>	<u>35</u>
Net cash provided by (used for) investing activities	<u>67</u>	<u>35</u>
Net increase (decrease) in cash and cash equivalents	7,956	1,799
Cash and cash equivalents, beginning of year	<u>1,799</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 9,755</u>	<u>\$ 1,799</u>

See accompanying notes to the financial statements.

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Comparative Statement of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income (loss) to net cash provided (used) for operating activities:		
Operating income (loss)	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities:		
Depreciation expense	-	-
Changes in operating assets and liabilities:		
Increase (decrease) in deferred revenue	<u>7,889</u>	<u>1,764</u>
Total adjustments	<u>7,889</u>	<u>1,764</u>
Net cash provided by (used for) operating activities	<u>\$ 7,889</u>	<u>\$ 1,764</u>

Noncash investing, capital, and financing activities:

The State of Good Repair fund had no non-cash financing activity in fiscal years 2020/21 and 2019/20.

See accompanying notes to the financial statements.

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Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position for the Section 99212.1(c) State of Good Repair Fund (“SGR Fund”) of the City of Camarillo, California (“City”) only.

Pursuant to Section 99212.1(c) of the California Public Utilities Code, State of Good Repair (“SGR”) monies may be used only for transit capital projects or services to maintain or repair a transit operator’s existing vehicle fleet or transit facilities, including rehabilitation or modernization of existing vehicles or fleets; the design, acquisition, and construction of new vehicles or facilities that improve existing transit services; and transit services that complement local efforts for repair and improvement of local transportation infrastructure. Funding for this program was authorized by the Ventura County Transportation Commission (“VCTC”).

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

Fund Accounting

The accounts of the City 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 City accounts for the activity of the Section 99212.1(c) funds in an Enterprise Fund. Enterprise Funds are used to account for “business-type activities” similar to those found in the private sector such as services primarily funded through user charges.

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.

The Fund applies pronouncements of the Financial Accounting Standards Board (“FASB”) issued on or before November 30, 1989 that are not in conflict with applicable Governmental Accounting Standards Board (“GASB”) pronouncements.

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Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

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

Revenue Recognition

Recognition of revenues arising from non-exchange 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 Section 99212.1(c) of the State of Good Repair Fund possess the characteristic of a voluntary non-exchange transaction similar to a grant. Revenues under SGR Section 99212.1(c) are recognized when related costs have been incurred. An unearned revenue arises when grant receipts are collected in excess of reimbursable costs incurred.

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 City's policy that restricted resources will be applied first, followed by unrestricted resources.

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

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Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(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 SGR Fund's cash and investments as of June 30, 2021 and 2020 were \$9,755 and \$1,799, respectively.

The SGR 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 SGR 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

SGR funds allocated to the City by VCTC for specific transportation infrastructure projects are considered earned when they are properly spent for the specific projects authorized. Allocations received but not used are recorded as unearned revenue. The balance of unearned revenue as of June 30, 2021 consists of the following:

Unearned revenue as of July 1, 2020	\$ 1,799
Grant receipts - SGR	7,889
Interest income – FY 2021	<u>67</u>
Unearned revenue as of June 30, 2021	<u>\$ 9,755</u>

(5) Restrictions

Funds received pursuant to the California Public Utilities Code §99212.1(c) may only be used for transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or existing transit facilities; for the design acquisition, and construction of new vehicles or facilities that improve existing transit services; and for transit services that complement local efforts for repair and improvement of local transportation infrastructure.

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Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(6) 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.

Supplemental Data

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund
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Schedule of Status of Funds by Project

Fiscal Year Ended June 30, 2021

<u>Project Name</u>	<u>Program Year</u>	<u>State Allocation Received</u>	<u>Approved Transfer</u>	<u>Current Interest Received from VCTC</u>	<u>Current Interest Accrued by City</u>	<u>Prior Interest Received from VCTC</u>	<u>Prior Year Interest Accrued by City</u>	<u>Current Expenses</u>	<u>Prior Expenses</u>	<u>Unearned Revenue</u>	<u>Program Status</u>
Annual Rolling Stock Replacement	2019-20	\$ 2,126	\$ -	\$ -	\$ -	\$ 5	\$ 35	\$ -	\$ -	\$ 2,166	Open
Annual Rolling Stock Replacement	2020-21	<u>7,522</u>	-	-	67	-	-	-	-	<u>7,589</u>	Open
Totals		<u>\$ 9,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 5</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,755</u>	



Board of Commissioners
Ventura County Transportation Commission
Ventura, 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 financial statements of the State of Good Repair, Section 99212.1(c) fund (“SGR Fund”) of the City of Camarillo, California (“City”), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2021.

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) 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the SGR 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 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*, including §6666 of Part 21 of the California Code of Regulations.

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 blue ink that reads "Conrad LLP". The signature is written in a cursive, slightly stylized font.

Lake Forest, California
November 30, 2021