

**CITY OF CAMARILLO, CALIFORNIA**

Transportation Development Act Local Transportation Fund  
Article 8, Section 99400(a) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

# CITY OF CAMARILLO, CALIFORNIA

## Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Fiscal Years Ended June 30, 2021 and 2020

### **TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Comparative Balance Sheets	4
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	5
Notes to Financial Statements:	
General Information	6
Summary of Significant Accounting Policies	6
Cash and Investments	8
Transfers Out	9
Restrictions	9
Contingencies	9
Budgetary Data	9
Supplemental Data:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – 2021 Budget and Actual	11
Schedule of Revenues, Expenditures and Changes in Fund Balance – 2020 Budget and Actual	12
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 <i>Government Auditing Standards</i>	13



Board of Commissioners  
Ventura County Transportation Commission  
Ventura, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Article 8, Section 99400(a) of the Transportation Development Act Local Transportation Fund ("TDA 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 TDA Fund of the City as of June 30, 2021 and 2020, and the change in financial position of the TDA 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 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, 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 TDA Fund of the City. The *Schedules of Revenues, Expenditures and Changes in Fund Balance– Budget and Actual*, 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 *Schedules of Revenues, Expenditures and Changes in Fund Balance– Budget and Actual* 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 TDA 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 *Schedules of Revenues, Expenditures and Changes in Fund Balance– Budget and Actual* 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 18, 2021 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 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.

*Conrad LLP*

Lake Forest, California  
November 18, 2021

**CITY OF CAMARILLO, CALIFORNIA**

Local Transportation Development Act Fund  
Article 8, Section 99400 (a) Public Utilities Code

Comparative Balance Sheets

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 2,247,964	\$ 3,169,407
Interest receivable	<u>4,047</u>	<u>11,536</u>
Total assets	<u>\$ 2,252,011</u>	<u>\$ 3,180,943</u>
<u>Liabilities and fund balance</u>		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
Fund balance - restricted	<u>2,252,011</u>	<u>3,180,943</u>
Total liabilities and fund balance	<u>\$ 2,252,011</u>	<u>\$ 3,180,943</u>

See accompanying notes to financial statements

## CITY OF CAMARILLO, CALIFORNIA

Local Transportation Development Act Fund  
Article 8, Section 99400 (a) Public Utilities Code

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
Local transportation allocation Article 8(a)	\$ 2,394,959	\$ 2,589,527
Interest income	<u>13</u>	<u>73,013</u>
Total revenues	<u>2,394,972</u>	<u>2,662,540</u>
Expenditures:		
Construction, maintenance, and engineering (Note 4)	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,394,972</u>	<u>2,662,540</u>
Other financing sources (uses):		
Transfers out (Note 4)	<u>(3,323,904)</u>	<u>(2,605,900)</u>
Net change in fund balance	<u>(928,932)</u>	<u>56,640</u>
Fund balance at beginning of year	<u>3,180,943</u>	<u>3,124,303</u>
Fund balance at end of year	<u>\$ 2,252,011</u>	<u>\$ 3,180,943</u>

See accompanying notes to financial statements

# CITY OF CAMARILLO, CALIFORNIA

Transportation Development Act Local Transportation Fund  
Article 8, Section 99400(a) Public Utilities Code

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 Article 8, Section 99400(a) Transportation Development Act Local Transportation Fund (“TDA Fund”) of the City of Camarillo, California (“City”) only.

Pursuant to Section 99400(a) of the California Public Utilities Code, Article 8 monies may be used only for local streets and roads, and projects, which are provided for use by pedestrians and bicycles. 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 Article 8, Section 99400(a) funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

### Measurement Focus and Basis of Accounting

Special Revenue Funds are 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 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 90 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.



# CITY OF CAMARILLO, CALIFORNIA

Transportation Development Act Local Transportation Fund  
Article 8, Section 99400(a) Public Utilities Code

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 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 Transportation Development Act Article 8, Section 99400(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8, Section 99400(a) are recognized in the period when all eligibility requirements have been met.

A deferred inflow of resources arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Deferred inflows of resources also arise 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 deferred inflow of resources 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* – Amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash; such as, inventories and prepaid amounts.
- *Restricted Fund Balance* – Amounts that are restricted for specific purposes by external resource providers, constitutionally, through enabling legislation, or restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – Amounts that can only be used for the specific purposes determined by a formal adopted resolution of the City Council. Commitments may be changed or lifted only by a formal adopted resolution of the City.
- *Assigned Fund Balance* – Amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to

# CITY OF CAMARILLO, CALIFORNIA

Transportation Development Act Local Transportation Fund  
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

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

which the assigned amounts are to be used for specific purposes; such as, continued capital projects, capital improvement plan, and budget. The City Council did not delegate another body to assign fund balances. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted or committed.

- *Unassigned Fund Balance* – Residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts also include any residual negative amounts in governmental funds.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

### 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.

## (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 as of June 30, 2021 and 2020 was \$2,247,964 and \$3,169,407, respectively.

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.

# CITY OF CAMARILLO, CALIFORNIA

Transportation Development Act Local Transportation Fund  
Article 8, Section 99400(a) Public Utilities Code

## Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

### (4) **Transfers Out**

In Fiscal Year 2020 TDA 8a funded overlay projects, annual resurfacing projects, and the Earl Joseph Drive Paving project totaling \$2,605,900. This \$2,605,900 was shown as expenditure in Fiscal Year 2020. However, as the Fiscal Year 2020 funding was through transfers out, for better presentation it has been presented as transfers out totaling \$2,605,900. In Fiscal Year 2021, TDA 8a funded resurfacing projects and Daily Drive Sidewalk & Gutter projects totaling \$3,323,904 and are presented as transfers out for better presentation.

The transfers out consisted of the following:

	<u>FY 2021</u>	<u>FY 2020</u>
Capital Improvement Projects Fund	\$ 3,091,650	\$ 2,605,900
Camarillo Corridor Project Area Fund	<u>232,254</u>	<u>-</u>
Total Transfers Out	<u>\$ 3,323,904</u>	<u>\$ 2,605,900</u>

### (5) **Restrictions**

Funds received pursuant to the California Public Utilities Code §99400(a) may only be used for local streets and roads, and projects, which are provided for use by pedestrians and bicycles.

### (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.

### (7) **Budgetary Data**

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

## Supplemental Data

**CITY OF CAMARILLO, CALIFORNIA**

Local Transportation Development Act Fund  
Article 8, Section 99400 (a) Public Utilities Code

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

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local transportation allocation Article 8(a)	\$ 1,600,000	\$ 2,394,959	\$ 2,394,959	\$ -
Interest income	<u>31,896</u>	<u>31,896</u>	<u>13</u>	<u>(31,883)</u>
Total revenues	<u>1,631,896</u>	<u>2,426,855</u>	<u>2,394,972</u>	<u>(31,883)</u>
Expenditures:				
Construction, maintenance, and engineering	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,631,896</u>	<u>2,426,855</u>	<u>2,394,972</u>	<u>(31,883)</u>
Other financing sources (uses):				
Transfers out (Note 4)	<u>(1,680,187)</u>	<u>(4,690,288)</u>	<u>(3,323,904)</u>	<u>1,366,384</u>
Net change in fund balance	<u>\$ (48,291)</u>	<u>\$ (2,263,433)</u>	(928,932)	<u>\$ 1,334,501</u>
Fund balance at beginning of year			<u>3,180,943</u>	
Fund balance at end of year			<u>\$ 2,252,011</u>	

**CITY OF CAMARILLO, CALIFORNIA**

Local Transportation Development Act Fund  
Article 8, Section 99400 (a) Public Utilities Code

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

Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local transportation allocation Article 8(a)	\$ 2,448,000	\$ 2,492,500	\$ 2,589,527	\$ 97,027
Interest income	62,000	62,000	73,013	11,013
Total revenues	2,510,000	2,554,500	2,662,540	108,040
Expenditures:				
Construction, maintenance, and engineering (Note 4)	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	2,510,000	2,554,500	2,662,540	108,040
Other financing sources (uses):				
Transfers out (Note 4)	(2,850,000)	(5,416,002)	(2,605,900)	2,810,102
Net change in fund balance	\$ (340,000)	\$ (2,861,502)	56,640	\$ 2,918,142
Fund balance at beginning of year			3,124,303	
Fund balance at end of year			\$ 3,180,943	



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 Article 8, Section 99400(a) of the Transportation Development Act Local Transportation Fund (“TDA 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 18, 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 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 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.

The image shows a handwritten signature in blue ink that reads "Conrad LLP". The signature is written in a cursive, flowing style.

Lake Forest, California  
November 18, 2021