



CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL STATEMENTS

Focused
on YOU



CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Ventura County Transportation Commission
Ventura, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the State Transit Assistance ("STA") Fund ("STA Fund") of the City of Moorpark, California, (the "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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the STA Fund of the City as of June 30, 2021 and 2020, and the changes in financial position for the years 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 (GAAS) 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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the STA 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 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.

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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.





To the Board of Commissioners
Ventura County Transportation Commission
Ventura, California

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 opinion. 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 GAAS 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 GAAS 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 City'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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 Reporting Responsibilities

Our audit was conducted for the purpose of forming opinions on the financial statements of the STA Fund of the City. The *Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actuals* and 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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated, in all material respects in relation to the basic financial statements as a whole.



To the Board of Commissioners
Ventura County Transportation Commission
Ventura, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the City's internal control over financial reporting for the STA Fund 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 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.

Lance, Soll & Lingham, LLP

Brea, California
December 15, 2021

CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
COMPARATIVE BALANCE SHEETS

JUNE 30, 2021 AND 2020

	2021	2020
Assets:		
Cash and investments (Note 3)	\$ 2,736	\$ 30,605
Accounts receivable	6	62
Total Assets	\$ 2,742	\$ 30,667
 Liabilities and Fund Balance:		
Liabilities:		
Accounts payable	\$ -	\$ 13,100
Total Liabilities	-	13,100
 Fund Balance:		
Restricted	2,742	17,567
Total Fund Balance	2,742	17,567
Total Liabilities and Fund Balance	\$ 2,742	\$ 30,667

See Accompanying Notes to Financial Statements

CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Revenues:		
State transit assistance funds	\$ 15,247	\$ 19,024
Interest income - VCTC	19	79
Interest income - City of Moorpark	(641)	1,276
Total Revenues	14,625	20,379
Expenditures:		
Construction, maintenance, and engineering	29,450	19,900
Total Expenditures	29,450	19,900
Net Change in Fund Balance	(14,825)	479
Fund Balance at the Beginning of the Year	17,567	17,088
Fund Balance at the End of the Year	\$ 2,742	\$ 17,567

See Accompanying Notes to Financial Statements

CITY OF MOORPARK

**FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1: General Information

The financial statements are intended to reflect the financial position and changes in financial position for the State Transit Assistance Fund (“STA Fund”) of the City of Moorpark, California (“City”) only.

Pursuant to Public Utilities Code Section 99314, funds are provided 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.

Note 2: Summary of Significant Accounting Policies

a. 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 state transit assistance in a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

b. 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 to be 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 60 days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred.

c. 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 the state transit assistance funding possess the characteristic of a voluntary nonexchange transaction similar to a grant. Such revenues 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.

FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Note 2: Summary of Significant Accounting Policies (Continued)

d. Fund Equity

The components of the fund balances of governmental funds reflect the component classifications described below.

- *Non-spendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed Fund Balance* – this includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.
- *Assigned Fund Balance* – this includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- *Unassigned Fund Balance* – this includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

e. 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.

Note 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 STA Fund's cash and investments as of June 30, 2021 and 2020 was \$2,736 and \$30,605, respectively.

The STA 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 STA 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 MOORPARK

**FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 4: Restrictions

Funds received pursuant to the California Public Utilities Code §99314 may only be used for public transportation and transit.

Note 5: 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.

Note 6: 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 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 MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
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:				
State transit assistance funds	\$ 23,000	\$ 23,000	\$ 15,247	\$ (7,753)
Interest income - VCTC	-	-	19	19
Interest income - City of Moorpark	-	-	(641)	(641)
Total Revenues	23,000	23,000	14,625	(8,375)
Expenditures:				
Construction, maintenance, and engineering	23,000	57,234	29,450	27,784
Total Expenditures	23,000	57,234	29,450	27,784
Net Change in Fund Balance	\$ -	\$ (34,234)	(14,825)	\$ 19,409
Fund Balance at the Beginning of the Year			17,567	
Fund Balance at the End of the Year			\$ 2,742	

CITY OF MOORPARK, CALIFORNIA
STATE TRANSIT ASSISTANCE FUND
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:				
State transit assistance funds	\$ 23,000	\$ 23,000	\$ 19,024	\$ (3,976)
Interest income - VCTC	-	-	79	79
Interest income - City of Moorpark	-	-	1,276	1,276
Total Revenues	23,000	23,000	20,379	(2,621)
Expenditures:				
Construction, maintenance, and engineering	53,228	45,903	19,900	26,003
Total Expenditures	53,228	45,903	19,900	26,003
Net Change in Fund Balance	<u>\$ (30,228)</u>	<u>\$ (22,903)</u>	479	<u>\$ 23,382</u>
Fund Balance at the Beginning of the Year			17,088	
Fund Balance at the End of the Year			<u>\$ 17,567</u>	

CITY OF MOORPARK, CALIFORNIA

State Transit Assistance Fund

Schedule of Status of Funds by Project

Fiscal Year Ended June 30, 2021

Project Name	Program Year	State Allocation Received	Approved Transfer	Current Interest Received from VCTC	Current Interest Accrued by City	Prior Interest Received from VCTC	Prior Interest Accrued by City	Current Expenditures	Prior Expenditures	Fund Balance	Program Status
M.P. Metrolink South Lot Improvements	2017-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Closed
	2018-19	22,992	-	-	(288)	49	1,011	3,864	19,900	-	Closed
M.P. Metrolink Station Improvements	2019-20	17,278	-	-	(217)	51	459	17,571	-	-	Closed
M.P. Metrolink Station Improvements	2020-21	10,874	-	19	(136)	-	-	8,015	-	2,742	Open
Totals		<u>\$ 51,144</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ (641)</u>	<u>\$ 100</u>	<u>\$ 1,470</u>	<u>\$ 29,450</u>	<u>\$ 19,900</u>	<u>\$ 2,742</u>	

Notes:

City did not receive STA funds in FY 2017/18.

Program Year 2018/19 info:

STA Received is \$22,992; \$6,112 (draw #68) received too late and was reflected as FY 19/20 revenue in audit.

Current Interest Accrued by City of (\$288.49) is allocation of \$641.66 interest expense proportionally distributed between 18/19 - 20/21 based on STA received.

Prior Interest Received from VCTC of includes \$13.66 and \$35.06 (from VCTC reports).

Prior Year Interest Accrued by City of \$1,011.00 includes \$194 + 817 from prior year report.

Prior Expenditures of \$19,900 includes \$3,000 for FY 19/20 STA audit and \$16,900 for the Metrolink South Parking Lot Second Entry Project.

Current Expenditures includes \$3,000 for FY 20/21 STA audit and \$863.23 for Metrolink South Parking Lot Second Entry Project.

Program Year 2019/20 info:

STA Received is \$17,278; \$4,366 (draw #37) received too late and was reflected as FY 20/21 revenue in audit.

Current Interest Accrued by City of (\$216.75) is allocation of \$641.66 interest expense proportionally distributed between 18/19 - 20/21 based on STA received.

Prior Interest Received from VCTC includes \$43.62 and \$7.86 (from VCTC reports).

Prior Year Interest Accrued by City of \$459.00 is from prior year report.

Current Expenditures of \$17,571.73 is for Metrolink South Parking Lot Second Entry Project.

Program Year 2020/21 info:

STA Received is \$10,874.38; \$227.38 (draw #87) received too late and was reflected as FY 21/22 revenue in City's system.

Current Interest Received from VCTC of \$18.62 is from draw 37 (\$5.30), draw 49 (\$9.32), and draw 67 (\$4.00).

Current Interest Accrued by City of (\$136.42) is allocation of \$641.66 interest expense proportionally distributed between 18/19 - 20/21 based on STA received.

Prior Interest Received from VCTC is n/a for this year's report.

Prior Year Interest Accrued by City is n/a for this year's report.

Current Expenditures of \$8,015.11 is for Metrolink South Parking Lot Second Entry Project.



INDEPENDENT AUDITORS' 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 Commissioners
Ventura County Transportation Commission
Ventura, California

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 Transit Assistance ("STA") fund ("STA Fund") of the City of Moorpark, California (the "City"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the City's STA Fund's basic financial statements, and have issued our report thereon dated December 15, 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 STA Fund financial statements of the City 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*.





To the Board of Commissioners
Ventura County Transportation Commission
Ventura, California

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California
December 15, 2021