

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT FUND**

**INDEPENDENT AUDITOR'S REPORTS,
FUND FINANCIAL STATEMENTS, AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2021 AND 2020

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
JUNE 30, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of San Buenaventura
San Buenaventura, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California (City), which comprise the balance sheets as of June 30, 2021 and 2020; the related statements of revenues, expenditures, and changes in fund balance for the fiscal years then ended; and the related notes to the fund 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 an opinion on these basic financial statements based on our audits. We conducted our audits 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 audits 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 basic 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 City'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 City'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 opinion.

Opinion

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

Emphasis of Matter

As discussed in Note 1, these financial statements present only the TDA Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021 and 2020, or the changes in its financial position for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of project status, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing MD&A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021, on our consideration of the City's internal control over financial reporting relating to the TDA 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 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 relating to the TDA Fund.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2021

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	Article 4	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 144,381	\$ 75,034
Total current assets	\$ 144,381	\$ 75,034
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,674	\$ 2,015
Total current liabilities	1,674	2,015
Fund balance:		
Restricted for TDA Article 4 expenditures	142,707	73,019
Total fund balance	142,707	73,019
Total liabilities and fund balance	\$ 144,381	\$ 75,034

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	Article 4	
	2021	2020
REVENUES		
Local transportation funds allocation	\$ 277,978	\$ 264,165
Interest earnings	1,461	672
Total revenues	<u>279,439</u>	<u>264,837</u>
EXPENDITURES		
Operating	188,775	238,476
Capital outlay	<u>20,976</u>	<u>13,708</u>
Total expenditures	<u>209,751</u>	<u>252,184</u>
OTHER FINANCING SOURCES		
Transfers in	<u>-</u>	<u>63,000</u>
Total other financing sources	<u>-</u>	<u>63,000</u>
Changes in fund balance	69,688	75,653
Fund balance (deficit), beginning	<u>73,019</u>	<u>(2,634)</u>
Fund balance, ending	<u><u>\$ 142,707</u></u>	<u><u>\$ 73,019</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO THE FUND FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

The accompanying financial statements are intended to reflect the financial position and changes in financial position for the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California, (City) only and are not intended to present fairly the financial position or results of operations of the City in accordance with accounting principles generally accepted in the United States of America.

Pursuant to Section 99260(a) of the California Public Utilities Code, Article 4 monies are to be used only for public transportation. Funding for this program is authorized by the County of Ventura and is paid to the City on behalf of the Gold Coast Transit District.

B. Governmental Fund Financial Statements

The accounts of the City are organized on the basis of funds. 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 TDA Article 4, Section 99260(a) Fund in its TDA Fund, which is a Special Revenue Fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

C. 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 generally are recorded when a liability is incurred.

D. 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 TDA Article 4, Section 99260(a) of the Public Utilities Code possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4, Section 99260(a) are recognized in the period when all eligibility requirements have been met.

Unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Unavailable revenue also arises 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 unavailable revenue is removed from the balance sheet and revenue is recognized.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E. Fund Balance

As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of June 30, 2021, the fund balance for the TDA Fund of the City is Restricted. As of June 30, 2020, the fund balance for the TDA Fund of the City was Restricted.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Unassigned fund balance is used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

F. 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in fund balance during the reporting period. Actual results could differ from those estimates.

NOTE 2 – 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 balance as of June 30, 2021 and 2020, was \$144,381 and \$75,034, 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.

NOTE 3 – RESTRICTIONS

Funds received pursuant to Public Utilities Code TDA Article 4 §99260(a) may only be used for public transportation activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2021 and 2020, in the opinion of the City administration, there were no outstanding matters which would have a significant effect on the financial position of these financial statements.

NOTE 5 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2021, have been evaluated for possible adjustments to the financial statements or disclosures is December 27, 2021, which is the date that the financial statements were available to be issued. There were no other events brought to our attention that were deemed to be reportable at that time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local transportation funds allocation	\$ 317,781	\$ 277,978	\$ (39,803)
Interest earnings	2,000	1,461	(539)
Total revenues	<u>319,781</u>	<u>279,439</u>	<u>(40,342)</u>
EXPENDITURES			
Operating	273,229	188,775	84,454
Capital outlay	<u>46,552</u>	<u>20,976</u>	<u>25,576</u>
Total expenditures	<u>319,781</u>	<u>209,751</u>	<u>110,030</u>
Changes in fund balance	<u>\$ -</u>	69,688	<u>\$ 69,688</u>
Fund balance, beginning		<u>73,019</u>	
Fund balance, ending		<u>\$ 142,707</u>	

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local transportation funds allocation	\$ 333,669	\$ 264,165	\$ (69,504)
Interest earnings	2,000	672	(1,328)
Total revenues	<u>335,669</u>	<u>264,837</u>	<u>(70,832)</u>
EXPENDITURES			
Operating	272,669	238,476	34,193
Capital outlay	63,000	13,708	49,292
Total expenditures	<u>335,669</u>	<u>252,184</u>	<u>83,485</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	63,000	63,000
Total other financing sources (uses)	<u>-</u>	<u>63,000</u>	<u>63,000</u>
Changes in fund balance	<u>\$ -</u>	75,653	<u>\$ 75,653</u>
Fund balance (deficit), beginning		<u>(2,634)</u>	
Fund balance, ending		<u>\$ 73,019</u>	

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT – ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULES OF PROJECT STATUS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

For the Fiscal Year Ended June 30, 2021

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ventura Transportation Center (VTC)	\$ 13,476	\$ 277,978	\$ -	\$ 1,461	\$ 188,775	\$ 104,140
Total Operating	13,476	277,978	-	1,461	188,775	104,140
Capital:						
Wells Center Bus Stop Upgrade	49,328	-	-	-	20,976	28,352
Truck Purchase	7,219	-	-	-	-	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total Capital	59,543	-	-	-	20,976	38,567
Total	\$ 73,019	\$ 277,978	\$ -	\$ 1,461	\$ 209,751	\$ 142,707

For the Fiscal Year Ended June 30, 2020

Project Description	Beginning Balance	Local Transportation Funds Allocation	Allocation Adjustments	Interest Earnings Allocation	Expenditures	Ending Balance
Operating:						
Ventura Transportation Center (VTC)	\$ (12,885)	\$ 264,165	\$ -	\$ 672	\$ 238,476	\$ 13,476
Total Operating	(12,885)	264,165	-	672	238,476	13,476
Capital:						
Wells Center Bus Stop Upgrade	36	-	63,000	-	13,708	49,328
Truck Purchase	7,219	-	-	-	-	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total Capital	10,251	-	63,000	-	13,708	59,543
Total	\$ (2,634)	\$ 264,165	\$ 63,000	\$ 672	\$ 252,184	\$ 73,019

OTHER REPORT

**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* AND THE
TRANSPORTATION DEVELOPMENT ACT**

To the Honorable Mayor and Members of the
City Council of the City of San Buenaventura
San Buenaventura, 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 balance sheet of the Transportation Development Act (TDA) Article 4, Section 99260(a) Fund (TDA Fund) of the City of San Buenaventura, California (City), as of June 30, 2021; the related statement of revenues, expenditures, and changes in fund balance for the fiscal year then ended; and the related notes to the fund financial statements, which collectively comprise the financial statements of the TDA Fund of the City, and have issued our report thereon dated December 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as it relates to the TDA Fund as a basis for designing auditing 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 over financial reporting relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting relating to the TDA Fund.

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 City's TDA Fund 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 from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the TDA, including Section 6666 and 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, 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* or the TDA.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the TDA Fund and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Fund. 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 relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2021