

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Fiscal Years Ended June 30, 2023 and 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Comparative Statement of Net Position	4
Comparative Statement of Revenues, Expenses and Changes in Net Position	5
Comparative Statement of Cash Flows	6
Notes to Financial Statements:	
General Information	8
Summary of Significant Accounting Policies	8
Cash and Investments	10
Due from other programs	10
Unearned Revenue	10
Transfers out	11
Restrictions	11
Contingencies	11
Supplementary Information:	
Schedule of Status of Funds by Project	13
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>	14



Board of Commissioners
Ventura County Transportation Commission
Ventura, California

INDEPENDENT AUDITOR'S REPORT

Opinion

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, 2023 and 2022, 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 SGR Fund of the City, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2023, and 2022, 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.

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; 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 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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 SGR Fund 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on financial statements of the SGR Fund of the City. The *Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* and the *Schedule of Status of Funds by Project*, listed as supplemental data in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the SGR Fund of the City. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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* are 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 December 19, 2023 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
December 19, 2023

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Comparative Statement of Net Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ -	\$ 17,429
Due from other programs (Note 4)	<u>3,040</u>	<u>-</u>
Total assets	<u><u>3,040</u></u>	<u><u>17,429</u></u>
 <u>Liabilities</u>		
Unearned revenue (Note 5)	<u>3,040</u>	<u>17,429</u>
Total liabilities	<u><u>3,040</u></u>	<u><u>17,429</u></u>
 <u>Net Position</u>		
Net Position - restricted	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Comparative Statement of Revenues, Expenses and Changes in Net Position

Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues:		
Passenger fares for transit services	\$ -	\$ -
Total operating revenues	-	-
Operating expenses:		
Rolling stock vehicle replacement	-	-
Total operating expenses	-	-
Operating income/(loss)	-	-
Nonoperating revenues:		
State of good repair allocation	14,389	-
Interest income	6	-
Total nonoperating revenues	14,395	-
Other financing sources (uses):		
Transfers out (Note 6)	(14,395)	-
Change in net position	-	-
Net position at beginning of year	-	-
Net position at end of year	\$ -	\$ -

See accompanying notes to financial statements

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Comparative Statement of Cash Flows For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Cash received from operating income	\$ -	\$ 7,674
Cash paid for operating costs	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>-</u>	<u>7,674</u>
Cash flow from noncapital financing activities:		
Cash due from other programs	(3,040)	
Cash transferred out to other funds	<u>(14,395)</u>	<u>-</u>
Net cash used by noncapital financing activities	<u>(17,435)</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>6</u>	<u>-</u>
Net cash provided by investing activities	<u>6</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(17,429)	7,674
Cash and cash equivalents, beginning of year	<u>17,429</u>	<u>9,755</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 17,429</u>

See accompanying notes to the financial statements.

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Comparative Statement of Cash Flows For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</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	-	7,674
Total adjustments	-	7,674
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 7,674</u>

Noncash investing, capital, and financing activities:

The State of Good Repair fund had no non-cash financing activity in fiscal years 2022/23 and 2021/22.

See accompanying notes to the financial statements.

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(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 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.

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(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.

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(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, 2023 and 2022 were \$0 and \$17,429, 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) Due from Other Programs

SGR funds are accounted for within a fund that includes other programs. As of June 30, 2023, SGR funds were borrowed by other programs within the fund in the amount of \$3,040 and \$0 for fiscal years ended June 30, 2023 and 2022, respectively.

(5) 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, 2023 and 2022 consists of the following:

	<u>FY 2022/23</u>	<u>FY 2021/22</u>
Unearned revenue as of July 1	\$ 17,429	\$ 9,755
Grant receipts - SGR	-	7,703
Revenue recognized	(14,395)	-
Interest income accrued during the year	<u>6</u>	<u>(29)</u>
Unearned revenue as of June 30	<u>\$ 3,040</u>	<u>\$ 17,429</u>

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(6) Transfers Out

In Fiscal Year 2023, transfers out of the SGR totaling \$14,395 was to partially fund a minivan used for the City's public transit dial-a-ride program.

(7) 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.

(8) 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.

Supplementary Information

CITY OF CAMARILLO, CALIFORNIA

State of Good Repair Fund

Schedule of Status of Funds by Project

Fiscal Year Ended June 30, 2023

Project Name	Program Year	State Allocation Received	Approved Transfer	Current	Current	Prior	Prior Year	Current	Prior Expenses	Unearned Revenue	Program Status
				Interest Received from VCTC	Interest Accrued by City	Interest Received from VCTC	Interest Accrued by City	Expense s			
Annual Rolling Stock Replacement	2019-20	\$ 2,126	\$ -	\$ -	\$ -	\$ 5	\$ 35	\$ 2,166	\$ -	\$ -	Closed
Annual Rolling Stock Replacement	2020-21	7,522	-	-	-	-	67	7,589	-	-	Closed
Annual Rolling Stock Replacement	2021-22	7,703	-	-	6	-	(29)	4,640	-	3,040	Open
Totals		<u>\$ 17,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$ 73</u>	<u>\$ 14,395</u>	<u>\$ -</u>	<u>\$ 3,040</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, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2023.

Report on 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.

Report on 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.



Lake Forest, California
December 19, 2023