



**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT FUND
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2023 and 2022**

NIGRO & NIGRO^{PC}

CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
For the Fiscal Years Ended June 30, 2023 and 2022
Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Balance Sheets	4
Statements of Revenues, Expenses and Changes in Fund Balance	5
Notes to Financial Statements	6

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules	8
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SUPPLEMENTARY INFORMATION

Schedules of Status of Funds by Projects.....	10
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OTHER INDEPENDENT AUDITORS' REPORTS

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 <i>Government Auditing Standards</i> and the Transportation Development Act.....	11
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Financial Section



INDEPENDENT AUDITORS' REPORT

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

Opinion

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 (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 TDA accounts of the City, as of June 30, 2023 and 2022, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 audit. 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, 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, 2023 and 2022, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 City's internal control relating the TDA accounts. 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, 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 information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TDA Fund’s financial statements. The Schedule of Status of Funds by Project is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Status of Funds by Project 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves , and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion , the Schedule of Status of Funds by Project is fairly stated, in all material respects , in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* and Transportation Development Act

In accordance with *Government Auditing Standards* and the Transportation Development Act, we have also issued a separate report dated December 6, 2023, on our consideration of the City’s internal control over TDA accounts’ financial reporting 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* and the Transportation Development Act in considering the City’s internal control over the TDA accounts’ financial reporting and compliance.



Murrieta, California
December 6, 2023

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

Balance Sheets

June 30, 2023 and 2022

	Article 4	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents (note 2)	\$ 79,289	\$ 108,935
Total current assets	<u>79,289</u>	<u>108,935</u>
LIABILITIES & FUND BALANCE		
Current liabilities:		
Accounts payable and accrued expenses	4,543	2,660
Total liabilities	<u>4,543</u>	<u>2,660</u>
Fund balance:		
Restricted for TDA Article 4 expenditures	74,746	106,275
Total fund balance	<u>74,746</u>	<u>106,275</u>
Total liabilities and fund balance	<u>\$ 79,289</u>	<u>\$ 108,935</u>

CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND
Statements of Revenues Expenses and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2023 and 2022

	Article 4	
	2023	2022
REVENUES		
Local Transportation Funding allocation	\$ 278,264	\$ 251,454
Interest earnings	2,078	1,223
Fair-value adjustment	2,193	(5,842)
Total revenues	<u>282,535</u>	<u>246,835</u>
EXPENDITURES		
Operating	<u>314,064</u>	<u>283,267</u>
Total expenditures	<u>314,064</u>	<u>283,267</u>
Change in fund balance	(31,529)	(36,432)
Fund Balance:		
Beginning of year	<u>106,275</u>	<u>142,707</u>
End of year	<u>\$ 74,746</u>	<u>\$ 106,275</u>

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

*Notes to Financial Statements
June 30, 2023 and 2022*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

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 (GCTD). The Article 4 funds are passed through GCTD, the District is not a direct claimant.

Basis of Accounting and Measurement Focus

The TDA Fund is a Special Revenue Fund, and is 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.

Financial Reporting

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.

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.

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

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

*Notes to Financial Statements
June 30, 2023 and 2022*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Control

The City administration approves an operating and capital budget annually and submits it to Gold Coast Transit District. The budget reflects the City's priorities and needs for the upcoming year and provides the basis for reporting and control of financial operations and accountability for the TDA 4 Fund activities. The budget and reporting treatment applied to the TDA 4 Fund are consistent with the modified accrual basis of accounting and the financial statement basis.

Fund Balance

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation. As of June 30, 2023 and 2022, respectively, the fund balances for the TDA Fund of the City are Restricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these 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, 2023 and 2022, was \$79,289 and \$108,935, 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.

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 4 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, 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 District has evaluated subsequent events through December 6, 2023, the date which the financial statements were available to be issued.

Required Supplementary Information

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

*Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2023*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Local Transportation Funding allocation	\$ 299,000	\$ 278,264	\$ (20,736)
Interest earnings	800	2,078	1,278
Fair-value adjustment	-	2,193	2,193
Total revenues	<u>299,800</u>	<u>282,535</u>	<u>(17,265)</u>
EXPENDITURES			
Operating	<u>351,283</u>	<u>314,064</u>	<u>37,219</u>
Total expenditures	<u>351,283</u>	<u>314,064</u>	<u>37,219</u>
Change in fund balance	<u>\$ (51,483)</u>	<u>(31,529)</u>	<u>\$ 19,954</u>
Fund balance:			
Beginning of year		<u>106,275</u>	
End of year		<u>\$ 74,746</u>	

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

*Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2022*

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Local Transportation Funding allocation	\$ 299,176	\$ 251,454	\$ (47,722)
Interest earnings	430	1,223	793
Fair-value adjustment	-	(5,842)	(5,842)
Total revenues	<u>299,606</u>	<u>246,835</u>	<u>(52,771)</u>
EXPENDITURES			
Operating	<u>299,606</u>	<u>283,267</u>	<u>16,339</u>
Total expenditures	<u>299,606</u>	<u>283,267</u>	<u>16,339</u>
Change in fund balance	<u>\$ -</u>	<u>(36,432)</u>	<u>\$ (36,432)</u>
Fund balance:			
Beginning of year		<u>142,707</u>	
End of year		<u>\$ 106,275</u>	

Supplementary Information

**CITY OF SAN BUENAVENTURA
TRANSPORTATION DEVELOPMENT ACT –ARTICLE 4
TRANSPORTATION DEVELOPMENT ACT FUND**

Schedules of Status of Funds by Project

For the Fiscal Years Ended June 30, 2023 and 2022

Changes for the fiscal year ended June 30, 2023, were as follows:

	Beginning Balance	Local Transportation Fund Allocation	Fair-Value Adjustments	Interest Earnings Allocation (Expense)	Expenditures	Ending Balance
OPERATING						
Ventura Transportation Center (VTC)	\$ 67,708	\$ 278,264	\$ 2,193	\$ 2,078	\$ (314,064)	\$ 36,179
Total operating	<u>67,708</u>	<u>278,264</u>	<u>2,193</u>	<u>2,078</u>	<u>(314,064)</u>	<u>36,179</u>
CAPITAL						
Wells Center Bus Stop Upgrade	28,352	-	-	-	-	28,352
Truck Purchase	7,219	-	-	-	-	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total capital	<u>38,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,567</u>
Total	<u>\$ 106,275</u>	<u>\$ 278,264</u>	<u>\$ 2,193</u>	<u>\$ 2,078</u>	<u>\$ (314,064)</u>	<u>\$ 74,746</u>

As of June 30, 2023, all the above-mentioned capital projects have been completed, and the remaining unused funds of \$38, 567 will be returned to Gold Coast Transit District in the fiscal year ending June 30, 2024.

Changes for the fiscal year ended June 30, 2022, were as follows:

	Beginning Balance	Local Transportation Fund Allocation	Fair-Value Adjustments	Interest Earnings Allocation (Expense)	Expenditures	Ending Balance
OPERATING						
Ventura Transportation Center (VTC)	\$ 104,140	\$ 251,454	\$ (5,842)	\$ 1,223	\$ (283,267)	\$ 67,708
Total operating	<u>104,140</u>	<u>251,454</u>	<u>(5,842)</u>	<u>1,223</u>	<u>(283,267)</u>	<u>67,708</u>
CAPITAL						
Wells Center Bus Stop Upgrade	28,352	-	-	-	-	28,352
Truck Purchase	7,219	-	-	-	-	7,219
VTC Bathroom Remodel	2,996	-	-	-	-	2,996
Total capital	<u>38,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,567</u>
Total	<u>\$ 142,707</u>	<u>\$ 251,454</u>	<u>\$ (5,842)</u>	<u>\$ 1,223</u>	<u>\$ (283,267)</u>	<u>\$ 106,275</u>

Other Independent Auditors' Reports



**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* 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 financial statements of the Transportation Development Act (TDA) Fund of the City of San Buenaventura (City) which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 6, 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) relating to the TDA Fund as a basis for designing audit procedures to determine the 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 relating to the TDA Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control 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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TDA Fund financial statements are free of material misstatement we performed tests of the District’s compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules, and regulations of the Transportation Development Act, including Section 6667 of Title 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* or the Transportation Development Act.

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 District'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 District's internal control and compliance relating to the TDA Fund. Accordingly, this communication is not suitable for any other purpose.



Murrieta, California
December 6, 2023