



December 19, 2025

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

We have audited the financial statements of the Ventura County Transportation Commission (Commission) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 19, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 17, 2025, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a significant control deficiency during our audit in our 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* dated December 19, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. As discussed in Note 14 to the financial statements, the Commission has changed accounting policies related to accounting for compensated absences to adopt the provisions of Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are management's estimates of the pension liability and OPEB asset, the related deferred inflows and outflows of resources, and the related pension and OPEB expense and disclosures.

Management's estimate of the pension and OPEB information is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to:

The pension liability and OPEB asset in Notes 8 and 9, respectively, are sensitive to the underlying actuarial assumptions used, including, but not limited to, the investment rate of return, discount rate, and for OPEB, healthcare cost trend rates. As disclosed in Notes 8 and 9, a 1% increase or decrease in the discount rate, or the healthcare cost trend rate, has a significant effect on the Commission's net pension liability and OPEB asset.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The attached schedule of corrected misstatements summarizes the misstatements identified as a result of our audit procedures. These were brought to the attention of, and corrected by, management.

The attached schedule of uncorrected misstatements summarizes uncorrected financial statement misstatements whose effects in the current period, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 14 to the financial statements, due to the adoption of GASB Statement No. 101, *Compensated Absences*, the Commission restated opening balances as of July 1, 2024. The purpose of the paragraph is to draw attention to the disclosures for the adoption of the standard update. We have included an emphasis of matter in our report regarding this restatement. We did not modify our opinion related to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 19, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Additionally, in accordance with such standards, we have read the introductory and statistical sections of the Commission's annual report and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Group Audits

The financial statements include the financial activity of the Service Authority for Freeway Emergencies (SAFE) Fund, a blended component unit of the Commission. For the purpose of our audit, we do not consider the SAFE Fund to be a significant component of the financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the SAFE Fund and its environment, including internal control, sufficient to assess the risks of material misstatements of the financial statements of the SAFE Fund and completion of further audit procedures.

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California

Ventura County Transportation Commission

Schedule of Corrected Misstatements
For the year ended June 30, 2025

Number	Fund	Account	Account Description	Debit	Credit
1	100	1348-90-000-00	Capital Assets - Const in Prog	\$ 198,382	
	100	1348-90-000-00	Capital Assets - Const in Prog	675,379	
	100	1353-90-000-00	Capital Assets - Transit	793,529	
	100	1543-90-000-00	Accum Depreciation Transit	19,838	
	100	7100-90-000-00	Transit GF	1,667,291	
	106	7145-09-320-15	VE Depreciation Expense	19,838	
	100	1353-90-000-00	Capital Assets - Transit		\$ 1,667,291
	100	7100-90-000-00	Transit GF		19,838
	106	1543-09-000-00	Accumulated Depreciation - Transit VE		19,838
	106	7145-09-318-15	Valley Express bus & Equip		198,382
	106	7145-09-318-15	Valley Express bus & Equip		675,379
	106	7145-09-318-15	Valley Express bus & Equip		793,529
	<i>To reduce capital assets from the governmental activities and properly record and report the assets and associated depreciation within the Valley Express fund (Business Type Activities).</i>				
2	100	1348-90-000-00	Capital Assets - Const in Prog	91,109	
	100	1353-90-000-00	Capital Assets - Transit		91,109
<i>To correctly report assets not placed into service as of the end of the fiscal year as Work-in-Progress.</i>					
3	100	2300-01-000-00	Due to Other Funds GF	410,010	
	100	1220-01-000-00	Due From Other Funds GF		410,010
<i>To correctly eliminate intra-fund activity from in the General Fund.</i>					

Ventura County Transportation Commission

Schedule of Uncorrected Misstatements

For the year ended June 30, 2025

Number	Opinion Unit	Account/Description	Debit	Credit
1	Governmental Activities	Compensated Absences	\$ 144,564	
		Net Position - Beginning		\$ 144,564
		Compensated Absences	84,059	
		Payroll Expense		84,059
	VCTC Intercity	Compensated Absences	9,207	
		Net Position - Beginning		9,207
		Compensated Absences	7,335	
		Payroll Expense		7,335

The purpose of the proposed entry was to appropriately remove pension related costs from the Compensated Absences calculation as required by GASB Statement No. 101, Compensated Absences.