Ventura County
Transportation Commission
Ventura, California

Single Audit
and Independent Auditors’ Reports

For the Year Ended June 30, 2016
Ventura County Transportation Commission
Single Audit Report
For the Year Ended June 30, 2016

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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
of the 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 governmental activities and each major fund of the
Ventura County Transportation Commission (“VCTC”), as of and for the year ended June 30, 2016, and the related
notes to the financial statements and have issued our report thereon dated November 4, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the VCTC’s internal control over
financial reporting 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 VCTC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the
VCTC’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 VCTC’s financial statements 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 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.
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 VCTC’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.

Santa Ana, California
November 4, 2016
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Ventura County Transportation Commission’s (“VCTC”) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the VCTC’s major federal programs for the year ended June 30, 2016. The VCTC’s major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the VCTC’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the VCTC’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of VCTC’s compliance.

Opinion on Each Major Federal Program

In our opinion, the VCTC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the VCTC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we
considered the VCTC’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the VCTC’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities and each major fund of the VCTC as of and for the year ended June 30, 2016, and have issued our report thereon dated November 4, 2016 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the Commission’s financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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 Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Santa Ana, California
November 4, 2016
### Ventura County Transportation Commission
#### Single Audit Report
**Schedule of Expenditures of Federal Awards**
**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Federal Agency or Pass-Through Number</th>
<th>Federal Expenditures</th>
<th>Amount Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Defense</strong></td>
<td>Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies</td>
<td>12.610</td>
<td>EN1202-12-01</td>
<td>$45,012</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subtotal 12.610</td>
<td>45,012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total U.S. Department of Defense</td>
<td>45,012</td>
</tr>
<tr>
<td><strong>U.S. Department of Transportation</strong></td>
<td>Federal Transit Cluster</td>
<td><strong>Direct Programs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Y399</td>
<td>92,504</td>
<td>92,504</td>
</tr>
<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Y737</td>
<td>208,718</td>
<td>208,718</td>
</tr>
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<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Y803</td>
<td>632</td>
<td>632</td>
</tr>
<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Y858</td>
<td>64,690</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-YY91</td>
<td>186,176</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z055</td>
<td>217,315</td>
<td>65,190</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z074</td>
<td>121,816</td>
<td>121,816</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z151</td>
<td>757,650</td>
<td>280,255</td>
</tr>
<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z152</td>
<td>124,927</td>
<td>124,927</td>
</tr>
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<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z240</td>
<td>1,534,854</td>
<td>67,028</td>
</tr>
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<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-90-Z266</td>
<td>101,021</td>
<td>101,021</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-95-X044</td>
<td>16,031</td>
<td>-</td>
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<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-95-X196</td>
<td>477,362</td>
<td>477,362</td>
</tr>
<tr>
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<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-95-X266</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Federal Transit Formula Grant</td>
<td>20.507</td>
<td>CA-2016-028</td>
<td>332,092</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subtotal 20.507</td>
<td>4,735,788</td>
</tr>
<tr>
<td></td>
<td>State of Good Repair Grants Program</td>
<td>20.526</td>
<td>CA-34-0033</td>
<td>902,110</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subtotal 20.526</td>
<td>902,110</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Federal Transit Cluster Total</td>
<td>5,637,898</td>
</tr>
<tr>
<td></td>
<td>Passed Through California Department of Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Highway Planning and Construction</td>
<td>20.205</td>
<td>CMLG-6155(083)</td>
<td>229,204</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Highway Planning and Construction</td>
<td>20.205</td>
<td>CMLG-6155(086)</td>
<td>247,036</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subtotal 20.205</td>
<td>476,240</td>
</tr>
</tbody>
</table>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.
### Ventura County Transportation Commission

**Single Audit Report**

**Schedule of Expenditures of Federal Awards (Continued)**

**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Federal CFDA Number</th>
<th>Agency or Pass-Through Number</th>
<th>Federal Expenditures</th>
<th>Amount Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transit Services Cluster:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct Programs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assistance Elderly and Disabled</td>
<td>20.513</td>
<td>CA-16-X062</td>
<td>124,845</td>
<td>124,845</td>
</tr>
<tr>
<td>Capital Assistance Elderly and Disabled</td>
<td>20.513</td>
<td>CA-16-X071</td>
<td>141,342</td>
<td>141,342</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Subtotal 20.513</strong></td>
<td><strong>266,187</strong></td>
</tr>
<tr>
<td><strong>Direct Programs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Access - Reverse Commute</td>
<td>20.516</td>
<td>CA-37-X179</td>
<td>34,942</td>
<td>8,045</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Subtotal 20.516</strong></td>
<td><strong>34,942</strong></td>
</tr>
<tr>
<td><strong>Direct Programs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Freedom Program</td>
<td>20.521</td>
<td>CA-57-X092</td>
<td>46,952</td>
<td>46,952</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Subtotal 20.521</strong></td>
<td><strong>46,952</strong></td>
</tr>
<tr>
<td><strong>Transit Services Cluster Total</strong></td>
<td></td>
<td></td>
<td><strong>348,081</strong></td>
<td><strong>321,184</strong></td>
</tr>
<tr>
<td><strong>Total U.S. Department of Transportation</strong></td>
<td>6,462,219</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES OF FEDERAL AWARDS</strong></td>
<td>$ 6,507,231</td>
<td></td>
<td><strong>$ 1,926,007</strong></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.
Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The Ventura County Transportation Commission (the “Commission”) was created in January 1989 under Senate Bill No. 1880 as the successor agency to the Ventura County Association of Governments assuming all the assets and liabilities of that Association. The Commission was reorganized in 2004 under Assembly Bill 2784. The Commission is a transit planning agency governed by a seventeen-member Board of Commissioners (Board) consisting of one representative from each city in the County, all five County Supervisors, two citizens, and one nonvoting state representative.

The Commission is responsible for establishing transportation policies, setting priorities and coordinating activities between the various transportation operators, agencies, cities, and the County of Ventura (County). The Commission’s mission is to improve mobility within the County and to increase funding to meet the County’s transportation needs. The Commission controls and reviews the County’s funding allocations from federal, state and local resources for highway, transit, rail, aviation, bicycle and other transportation projects.

Effective January 13, 1989, the Commission was designated to act as the Airport Land Use Commission (ALUC) by the Ventura County Board of Supervisors and the City Selection Committee.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting, which is further described in Note 1 to the Commission’s basic financial statements. Under the modified accrual basis of accounting, expenditures are recognized when the Commission becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

C. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the Commission. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through the California Department of Transportation, is included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the Commission.
Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<table>
<thead>
<tr>
<th>Name of Federal Program or Cluster</th>
<th>CFDA Number(s)</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures of All Major Federal Programs</strong></td>
<td></td>
<td><strong>$5,637,898</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures of Federal Awards</strong></td>
<td></td>
<td><strong>$6,507,231</strong></td>
</tr>
<tr>
<td>Percentage of Total Expenditures of Federal Awards</td>
<td></td>
<td><strong>86.64%</strong></td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs $750,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? Yes
Section II – Financial Statement Findings

A. Current Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2016.

B. Prior Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2015.

Section III – Federal Awards Findings and Questioned Costs

C. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the Commission’s major programs for the year ended June 30, 2016.

D. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the Commission’s major programs for the year ended June 30, 2015.