Single-Audit Section
Gold Coast Transit

Single-Audit Report

For the Year Ended June 30, 2010
Gold Coast Transit  
Single Audit Report  
For the Year Ended June 30, 2010

Table of Contents

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>1</td>
</tr>
<tr>
<td>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133</td>
<td>2-3</td>
</tr>
<tr>
<td>Schedule of Expenditures of Federal Awards</td>
<td>4</td>
</tr>
<tr>
<td>Notes to Schedule of Expenditures of Federal Awards</td>
<td>4</td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td>5</td>
</tr>
</tbody>
</table>
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

Board of Directors
Gold Coast Transit
Oxnard, California

We have audited the basic financial statements of the Gold Coast Transit (GCT) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated August 15, 2010. 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.

Internal Control Over Financial Reporting
In planning and performing our audits, we considered GCT’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCT’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GCT’s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GCT’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GCT’s financial statements that is more than inconsequential will not be prevented or detected by GCT’s internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GCT’s internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether GCT’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

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

August 15, 2010
Cypress, California

Charles Z. Fedak & Company
Certified Public Accountants
An Accountancy Corporation
6081 Orange Avenue
Cypress, California 90630
(714) 527-1818
(562) 598-6585
FAX (714) 527-9154
EMAIL czlcpa@czlcpa.com

Member of: American Institute of Certified Public Accountants • California Society of Certified Public Accountants
Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance Required by OMB Circular A-133

Board of Directors
Gold Coast Transit
Oxnard, California

Compliance

We have audited the compliance of the Gold Coast Transit (GCT) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2010. GCT’s major federal program is identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major federal program is the responsibility of the GCT’s management. Our responsibility is to express an opinion on GCT’s compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 GCT’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. Our audit does not provide a legal determination on GCT’s compliance with those requirements.

In our opinion, GCT complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.

Internal Control over Compliance

The management of GCT is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered GCT’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 GCT’s internal control over compliance.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GCT’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GCT’s financial statements that is more than inconsequential will not be prevented or detected by GCT’s internal control.
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GCT's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the GCT as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated August 15, 2010. 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 audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

August 15, 2010
Cypress, California

[Signature]

Charles Z. Fedak & Company • Certified Public Accountants • An Accountancy Corporation
Member of: American Institute of Certified Public Accountants • California Society of Certified Public Accountants
Gold Coast Transit
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Federal Grantee/Program Title</th>
<th>Federal CFDA Number</th>
<th>Amount Receivable June 30, 2009</th>
<th>Grant Expenditures</th>
<th>Grant Funds Received by June 30, 2010</th>
<th>Amount Receivable June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Transportation Federal Transportation Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Program:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Transit – Formula Grants – Section 5307 Operating, Planning and Capital Grants:</td>
<td>20.507</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directly Awarded:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-X886</td>
<td>$13,177</td>
<td>25,298</td>
<td>38,415</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-X999</td>
<td>374</td>
<td>165,032</td>
<td>165,396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-Y059</td>
<td>201,552</td>
<td></td>
<td>201,552</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-Y115</td>
<td>4,222</td>
<td>141,316</td>
<td>145,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-Y180</td>
<td>-</td>
<td>91,174</td>
<td>49,619</td>
<td>41,555</td>
<td></td>
</tr>
<tr>
<td>CA-90-Y265</td>
<td>-</td>
<td>442,500</td>
<td>442,500</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CA-90-Y336</td>
<td>3,072</td>
<td>252,449</td>
<td>255,521</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-90-Y418</td>
<td>-</td>
<td>76,402</td>
<td>48,099</td>
<td>28,303</td>
<td></td>
</tr>
<tr>
<td>CA-90-Y498</td>
<td>-</td>
<td>40,000</td>
<td>-</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>CA-90-Y601</td>
<td>-</td>
<td>(7,106)</td>
<td>(9,803)</td>
<td>2,697</td>
<td></td>
</tr>
<tr>
<td>CA-90-Y722</td>
<td>1,004,189</td>
<td>298,552</td>
<td>1,302,741</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CA-95-Y793</td>
<td>-</td>
<td>3,048,500</td>
<td>2,923,928</td>
<td>124,572</td>
<td></td>
</tr>
<tr>
<td>CA-95-X045</td>
<td>83,571</td>
<td>6,236</td>
<td>89,807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-95-X112</td>
<td>-</td>
<td>270,413</td>
<td>199,203</td>
<td>71,210</td>
<td></td>
</tr>
<tr>
<td>CA-96-X006</td>
<td>-</td>
<td>3,592,099</td>
<td>3,590,344</td>
<td>1,665</td>
<td></td>
</tr>
<tr>
<td>Total for CFDA No.</td>
<td>20.507</td>
<td>1,310,697</td>
<td>8,442,765</td>
<td>9,442,860</td>
<td>310,002</td>
</tr>
<tr>
<td>Other Program:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Freedom Program</td>
<td>20.521</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directly Awarded:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA-57-Y601</td>
<td>-</td>
<td>866</td>
<td>866</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Federal Assistance</td>
<td>$1,310,697</td>
<td>8,443,631</td>
<td>9,443,726</td>
<td>310,002</td>
<td></td>
</tr>
</tbody>
</table>

Notes to Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Gold Coast Transit (GCT) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

(2) Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements

Statement of Revenues, Expenses and Changes in net Assets:

Non-operating revenues:
Federal funding – operating grants $3,714,074
Federal funding – matching grants 600,000

Capital contributions:
Federal capital grants 4,129,557

Total federal awards 8,443,631

Add – Accounts receivable – federal funding – June 30, 2009 1,310,097

Less – Accounts receivable – federal funding – June 30, 2010 (310,002)

Federal receipts or revenues recognized per schedule $9,443,726
Gold Coast Transit  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Internal control over financial reporting:
- Significant deficiency(ies) identified?
- Material weakness(es) identified?

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified?
- Material weakness(es) identified?

Type of auditor’s report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133:

Identification of major programs tested included:
- U.S. Department of Transportation, Federal Transportation Administration
  - Federal Transit – Formula Grants – Section 5307 Operating, Planning and Capital Grants – CFDA No. 20.507

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as a low-risk auditee? Yes

Section II—Financial Statement Findings

No matters were reported.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

Section IV—Prior Year Findings and Questioned Costs

No matters were reported.