Gold Coast Transit District
Oxnard, California

Single Audit
and Independent Auditors’ Reports

For the Year Ended June 30, 2015
Gold Coast Transit District
Single Audit Report
For the Year Ended June 30, 2015

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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

Independent Auditors’ Report

To the Board of Directors
of the Gold Coast Transit District
Oxnard, 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 Gold Coast Transit District (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

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 District’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 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.

Santa Ana, California
October 26, 2015
REPORT ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditors’ Report

To the Board of Directors
of the Gold Coast Transit District
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited the Gold Coast Transit District’s (District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2015. The District’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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’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 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 District’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 the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the 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, 2015.
To the Board of Directors
of the Gold Coast Transit District
Oxnard, California
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Report on Internal Control over Compliance

Management of the District 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 District’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 OMB Circular A-133, 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 District’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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 7, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the District’s financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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.
Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Santa Ana, California
December 7, 2015, except for the Schedule of Expenditures of Federal Awards, which is as of October 26, 2015.
Gold Coast Transit District  
Single Audit Report  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Program Title</th>
<th>Federal CFDA Number</th>
<th>Agency or Pass-Through Number</th>
<th>Federal Expenditures</th>
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<tr>
<td><strong>U.S. Department of Transportation</strong></td>
<td><strong>Federal Transit Cluster:</strong></td>
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<tr>
<td><strong>Direct Programs:</strong></td>
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<tr>
<td>Federal Transit Capital Investment Grants</td>
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<td>CA-04-0235</td>
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<td>$8,472,588</td>
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<td>8,472,588</td>
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<td>Federal Transit Formula Grant</td>
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<td>CA-95-X159</td>
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<td>432,705</td>
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<td>Federal Transit Formula Grant</td>
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<td><strong>Subtotal 20.507</strong></td>
<td>5,889,699</td>
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<td><strong>Federal Transit Cluster Total</strong></td>
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<td>14,362,287</td>
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<tr>
<td>Job Access - Reverse Commute</td>
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<td>146,195</td>
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<tr>
<td></td>
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<td><strong>Subtotal 20.516</strong></td>
<td>146,195</td>
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<tr>
<td><strong>Transit Services Cluster Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>146,195</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Transportation</strong></td>
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<td></td>
<td>14,508,482</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES OF FEDERAL AWARDS</strong></td>
<td></td>
<td></td>
<td></td>
<td>$14,508,482</td>
</tr>
</tbody>
</table>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.
Note 1 – Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (“GASB”) Codification, consists of the primary government, which is the Gold Coast Transit District (District), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District’s financial statements to be misleading or incomplete.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

Funds received under the various grant programs have been recorded within the operating fund of the District. The District’s financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the District’s basic financial statements.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the District. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through the State of California Department of Transportation. 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 District.
Section I – Summary of Auditors’ Results

Financial Statements

Types of auditors’ report issued: Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Noted

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
- Material weakness (es) identified? No
- Significant deficiency (ies) identified? None Noted

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

Any audit findings disclosed that are required to be reported in Accordance with section 510(a) of OMB Circular A-133 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>Federal Transit Cluster</td>
<td>20.500/20.507</td>
<td>$14,362,287</td>
</tr>
</tbody>
</table>

Total Expenditures of All Major Federal Programs $14,362,287

Total Expenditures of Federal Awards $14,508,482

Percentage of Total Expenditures of Federal Awards 98.99%

Dollar threshold used to distinguish between type A and type B programs $435,254

Auditee qualified as low-risk auditee under Section 530 of OMB Circular A-133? Yes
Section II – Financial Statement Findings

No financial statements findings were noted.

Section III – Federal Awards Findings and Questioned Costs

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

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

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

No findings or questioned costs were noted on the District’s major programs for the year ended June 30, 2014.