

**CITY OF THOUSAND OAKS, CALIFORNIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2015**

CITY OF THOUSAND OAKS, CALIFORNIA

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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*

To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, 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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Thousand Oaks, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 10, 2015.

#### **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) 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. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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*.





CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 10, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Thousand Oaks, California (the City)'s 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 City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of 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 City'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 City'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 City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City 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, 2015.



To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

### **Report on Internal Control over Compliance**

Management of the City 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 City'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 City'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.

### **Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Thousand Oaks, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 10, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements. The 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 basic financial statements or to the basic 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.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

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.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 10, 2015

CITY OF THOUSAND OAKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through the State of California			
Office of Natural Resources Conservation Services:			
Watershed Protection and Flood Prevention	10.904	69-9104-5-352	\$ 96,710
<b>Total U.S. Department of Homeland Security</b>			<b>96,710</b>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grant*	14.218	B-13-MC-06-05-49	180,706
Community Development Block Grant*	14.218	B-14-MC-06-05-49	223,281
<b>Total U.S. Department of Housing and Urban Development</b>			<b>403,987</b>
<u>U.S. Department of Justice</u>			
Passed through the County of Ventura			
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-H3396-CA-DJ	76
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-H1568-CA-DJ	10,627
Edward Byrne Memorial Justice Assistance Grant	16.738	BJA-2013-3599	2,931
Passed through the County of Ventura			
Equitable Sharing Program	16.922	CA0560001	112,187
<b>Total U.S. Department of Justice</b>			<b>125,821</b>
<u>U.S. Department of Transportation</u>			
Passed through the State of California			
Department of Transportation:			
Highway Planning and Construction			
Wendy Route 101 Interchange*	20.205	STPL-5392-(038)	779,482
Safe Routes to School Program*	20.205	SRTSLNI-5392(042)	28,875
Erbes Road Improvements*	20.205	CML-5392(048)	1,204,664
Erbes Road Improvements*	20.205	VEN110308	175,832
Sidewalk - Westlake Blvd*	20.205	HSIPL-5392(054)	35,841
Passed through the Ventura County			
Transportation Commission			
Federal Transit - Formula Grants:			
Travel Training*	20.507	CA-37-X179	774
Free Bus Rides DAR/ADA*	20.507	CA-57-Y092	6,420
Bus Shelter Enhancements*	20.507	CA-90-Y803	19,790
DAR Vehicle Maintenance*	20.507	CA-90-Y858	32,001
Transportation Center Expansion*	20.507	CA-90-Y858	11,037
Bus Stop Maintenance*	20.507	CA-90-Y991	4,884
Phone System*	20.507	CA-90-Y991	10,173
TOTC Maintenance*	20.507	CA-90-Y991	33,611
Bus Stop Maintenance*	20.507	CA-90-Z055	27,569
Bus Vehicle Maintenance*	20.507	CA-90-Z055	198,226
DAR Maintenance*	20.507	CA-90-Z055	78,031
DAR Vehicle Maintenance*	20.507	CA-90-Z055	14,403
Transit Marketing*	20.507	CA-90-Z055	40,000
Transit Planning*	20.507	CA-90-Z055	33,324
Bus Vehicle Maintenance*	20.507	CA-90-Z151	142,728
DAR Capital Lease*	20.507	CA-90-Z151	28,672
TOTC Maintenance*	20.507	CA-90-Z151	64,976
Transit Marketing*	20.507	CA-90-Z151	16,510
Extended Bus Hours*	20.507	CA-95-X158	41,747

CITY OF THOUSAND OAKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Extended DAR Rides*	20.507	CA-95-X158	20,666
Bus Extended Evening Hours*	20.507	CA-95-X196	24,059
Electronic Dispatch*	20.507	CA-95-X196	40,339
Extended Bus Hours*	20.507	CA-95-X196	28,570
Farebox Upgrades*	20.507	CA-95-X196	2,034
Saturday Bus Hours*	20.507	CA-95-X196	75,945
Fleet Technology*	20.507	CA-95-X196	124,653
Transit Bus Purchase*	20.507	CA-90-Y399	258,150
Transit Bus Purchase*	20.507	CA-96-X196	156,213
Transit Interns*	20.507	145.SCG03170.01	9,875
<b>Total U.S. Department of Transportation</b>			<b>3,770,074</b>
<b>Total Federal Expenditures</b>			<b>\$ 4,396,592</b>

\* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$403,987.

CITY OF THOUSAND OAKS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**a. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") presents only the expenditures incurred by the City of Thousand Oaks, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this Schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying Schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying Schedule.

**b. Basis of Accounting**

The expenditures included in the accompanying Schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City 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.

CITY OF THOUSAND OAKS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

- Significant deficiencies identified?                    \_\_\_yes            Xno
- Material weaknesses identified?                    \_\_\_yes            Xnone reported

Noncompliance material to financial statements noted?                    \_\_\_yes            Xno

Federal Awards

Internal control over major programs:

- Significant deficiencies identified?                    \_\_\_yes            Xno
- Material weaknesses identified?                    \_\_\_yes            Xnone reported

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?                    \_\_\_yes            Xno

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
20.205	Highway Planning and Construction
20.507	Federal Transit - Formula Grants

Dollar threshold used to distinguish between type A and type B program                    \$300,000

Auditee qualified as low-risk auditee?                    Xyes            \_\_\_no

**CITY OF THOUSAND OAKS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**CITY OF THOUSAND OAKS**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.