

City of Thousand Oaks, California

Single Audit Report on Federal Awards
Year Ended June 30, 2019



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

City of Thousand Oaks
Single Audit Report on Federal Awards
Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs:	
Section I: Summary of Auditor's Results	8
Section II: Financial Statements Findings	9
Section III: Federal Awards Findings and Questioned Costs	9
Summary Schedule of Prior Audit Findings	10



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

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

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



A Worldwide Alliance of Independent
Accounting, Law and Consulting Firms

Independent Auditor's Report

To the Honorable Mayor and Members of City Council
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 the City of Thousand Oaks, California (the City), as of and for the year ended June 30, 2019, 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, 2019.

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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 10, 2019



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA

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

Report on Compliance for Each Major Federal Program

We have audited the City of Thousand Oaks' (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) 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, 2019. 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 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 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



A Worldwide Alliance of Independent
Accounting, Law and Consulting Firms

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, 2019.

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 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 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 were not 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended June 30, 2019, 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, 2019 which contained unmodified opinions 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 purposes of additional analysis as required by the Uniform Guidance 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 10, 2019

City of Thousand Oaks
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Program Identification Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through County of Ventura</i>				
Emergency Management Performance Grant 2017	97.042	2017-0007-111-00000	\$ 31,111	\$ -
Emergency Management Performance Grant 2018	97.042	2018-0007-111-00000	27,682	-
<i>Passed through County of Ventura</i>				
Homeland Security Grant Program	97.067	2017-0083-111-00000	9,934	-
Total U.S. Department of Homeland Security			68,727	-
U.S. Department of Housing and Urban Development				
<i>Direct Assistance</i>				
Community Development Block Grant/Entitlement Grants	14.218	B-16-MC-06-05-49	4,878	4,878
Community Development Block Grant/Entitlement Grants	14.218	B-17-MC-06-05-49	142,674	142,674
Community Development Block Grant/Entitlement Grants	14.218	B-18-MC-06-05-49	313,394	229,241
Total U.S. Department of Housing and Urban Development			460,946	376,793
U.S. Department of Justice				
<i>Direct Assistance</i>				
Equitable Sharing Program	16.922	CA056001	176,710	-
<i>Passed-through City of Oxnard</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-H2984-CA-DJ	750	-
Total U.S. Department of Justice			177,460	-
U.S. Department of Transportation				
<i>Highway Planning & Construction Cluster</i>				
<i>Passed through the California Department of Transportation</i>				
<i>Highway Planning & Construction</i>				
Wendy Rte 101 Interchange	20.205	STPL-5392 (038)	12,940	-
N. Moorpark Road Sidewalk/Bike Lane	20.205	CML-5392 (056)	964,366	-
Rancho Rd Sidewalk/Bike Lane	20.205	CML-5392 (055)	21,232	-
Sidewalk - Westlake Blvd	20.205	HSIPL-5392(054)	224,135	-
Total Highway Planning and Construction Cluster			1,222,673	-
<i>Federal Transit Cluster</i>				
<i>Passed through Ventura County Transportation Commission</i>				
TO Bus Stop Enhancements	20.507	CA-90-Z055	4,932	-
Transit Technology Upgrades	20.507	CA-90-Z151	16,294	-
TO Bus Stop Enhance	20.507	CA-90-Z151	20,000	-
TO Transit Planning	20.507	CA-90-Z151	34,457	-
Bus Purchase/Fleet Technology	20.507	CA-95-X196	54,775	-
TO Planning & Tech	20.507	CA-2016-060	9,537	-
TO Beach Shuttle Operating	20.507	CA-2016-060	10,714	-
TO Bus Stop Enhancements	20.507	CA-2016-060	7,433	-
TO Facilities/Bus Stop Maint.	20.507	CA-2016-060	110,497	-
TO - Bus/DAR Cap Maintenance	20.507	CA-2016-060	131,839	-
TO-Transit Facil/Bus Stop Cap Maint	20.507	CA-2018-003	101,011	-
TO-Transit Plan&Tech Supp	20.507	CA-2018-003	5,603	-
TO-Transit Vehicle Cap Maint	20.507	CA-2018-003	259,197	-
TO-ADA East County Paratransit Serv	20.507	CA-2018-003	66,990	-
TO-Summer Beach Shuttle	20.507	CA-2018-003	14,446	-
TO-DAR Vehicle Cap contract Cost	20.507	CA-2018-003	84,272	-
TO-4 30Ft CNG Bus Expansion Capital	20.507	CA-2018-076	1,500,000	-
TO-Bus Stop Enhancements	20.507	CA-2018-076	13,361	-
TO-Transit Plan & Educate	20.507	CA-2018-076	33,915	-
TO-Summer Beach Shuttle Oper.	20.507	CA-2018-076	4,398	-
TO-ADA East County Service	20.507	CA-2018-076	50,000	-
Total Federal Transit Cluster			2,533,671	-
<i>Transit Services Program Cluster</i>				
<i>Passed through Ventura County Transportation Commission</i>				
<i>Enhanced Mobility of Seniors and Individuals with Disabilities</i>				
TO-ECTA Service Vehicle Lease	20.513	CA-2018-042	20,000	-
TO-Travel Training	20.513	CA-2018-042	2,259	-
TO-ECTA Senior Service Operating Assistance	20.513	CA-2018-042	30,846	-
TO-ECTA Sat Senior ADA Service	20.513	CA-2018-042	16,084	-
TO-Free Bus Rides ADA Patrons	20.513	CA-2018-042	15,042	-
Total Transit Services Programs Cluster			84,231	-
Total U.S. Department of Transportation			3,840,575	-
Total Expenditures of Federal Awards			\$ 4,547,708	\$ 376,793

See accompanying notes to the schedule of expenditures of federal awards.

City of Thousand Oaks
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Thousand Oaks, California, that are reimbursable under federal program of federal financial assistance. The information in the schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the city, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City. 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, 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

c. Indirect Cost Rate

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance where allowable.

**City of Thousand Oaks
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2019**

Section I: Summary of Auditor's 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 identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weakness identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified	_____	Yes	<u> X </u>	None Reported

Type of auditor's 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)?	_____	Yes	<u> X </u>	No
--	-------	-----	--------------	----

Identification of major programs:

<u>CFDA Number</u> 20.507	<u>Name of Federal Program</u> Federal Transit Cluster
------------------------------	---

Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>
--	----------------------

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
--	-------	-----	--------------	----

**City of Thousand Oaks
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

Section II: Financial Statement Findings

No findings to be reported.

Section III: Federal Awards Findings and Questioned Costs

No findings to be reported.

**City of Thousand Oaks
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019**

No prior year findings to be reported.