

**COUNTY OF NEVADA  
TRANSPORTATION DEVELOPMENT ACT FUNDS**

Audited Financial Statements  
and Compliance Report

June 30, 2024

(This page intentionally left blank.)

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements  
and Compliance Report

June 30, 2024 and 2023

Audited Financial Statements

Independent Auditor’s Report .....	1
Statements of Net Position – Transit Services Fund.....	3
Statements of Revenues, Expenses, and Changes in Net Position – Transit Services Fund.....	4
Statements of Cash Flows – Transit Services Fund.....	5
Balance Sheet – Transportation Fund.....	7
Statements of Revenues, Expenditures and Changes in Fund Balances – Transportation Fund .....	8
Notes to Financial Statements .....	9

Supplementary Information

Statement of Revenues, Expenses, and Changes in Net Position – by Operation .....	19
---	----

Compliance Report

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 <i>Government Auditing Standards</i> , the Transportation Development Act and the Other State Program Guidelines.....	20
Schedule of Findings and Responses.....	22

(This page intentionally left blank.)



550 Howe Avenue, Suite 210  
Sacramento, California 95825  
Telephone: (916) 564-8727  
FAX: (916) 564-8728

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
County of Nevada  
Nevada City, California

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the Transportation Development Act Funds (TDA Funds) of the County of Nevada, California (the County), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Funds of the County of Nevada, as of June 30, 2024 and 2023, and the respective changes in financial position, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the TDA Funds of the County of Nevada and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis-of-Matter**

As discussed in Note A, the financial statements present only the TDA Funds of the County and do not purport to, and do not present fairly the financial position of the County as of June 30, 2024 and 2023, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial

To the Board of Supervisors  
Nevada City, California

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TDA Funds of the County of Nevada's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025, on our consideration of the County's internal control over financial reporting related to the TDA funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the Transportation Development Act. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

May 23, 2025

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT SERVICES FUND

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	2024	Restated 2023
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 13,294	\$ 49,573
Accounts receivable	1,590	722
Due from other governments	1,912,955	5,386,202
TOTAL CURRENT ASSETS	1,927,839	5,436,497
Noncurrent Assets:		
Restricted cash - insurance reserve	89,668	87,320
Capital assets:		
Capital assets - not being depreciated	1,243,363	444,038
Capital assets - being depreciated, net	3,346,367	3,795,422
TOTAL NONCURRENT ASSETS	4,679,398	4,326,780
TOTAL ASSETS	6,607,237	9,763,277
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension-related deferred outflows of resources	660,431	723,652
OPEB-related deferred outflows of resources	92,889	74,159
TOTAL DEFERRED OUTFLOWS OF RESOURCES	753,320	797,811
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	189,327	2,204,625
Accrued salaries and benefits	29,552	27,593
Due to other governments		2,060,201
Advances from other funds	253,000	
Unearned revenue	1,857,362	1,372,840
Compensated absences - due within one year	56,959	53,555
Subscription-based IT arrangement (SBITA) liabilities	9,756	
TOTAL CURRENT LIABILITIES	2,395,956	5,718,814
Noncurrent Liabilities:		
Net pension liability	2,885,382	2,838,065
Net OPEB liability	185,786	178,271
SBITA liabilities	10,957	
TOTAL NONCURRENT LIABILITIES	3,082,125	3,016,336
TOTAL LIABILITIES	5,478,081	8,735,150
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB-related deferred inflows of resources	51,160	69,864
TOTAL DEFERRED INFLOWS OF RESOURCES	51,160	69,864
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	4,589,730	2,179,259
Restricted for:		
Insurance claims	89,668	87,320
Capital projects	802,254	802,254
Unrestricted (deficit)	(3,650,336)	(1,312,759)
TOTAL NET POSITION	\$ 1,831,316	\$ 1,756,074

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT SERVICES FUND

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>Restated 2023</u>
<b>OPERATING REVENUES</b>		
Passenger fares	\$ 237,143	\$ 237,708
Contributions from other agencies	93,109	82,934
Other operating revenues	925	2,250
<b>TOTAL OPERATING REVENUES</b>	<u>331,177</u>	<u>322,892</u>
<b>OPERATING EXPENSES</b>		
Salaries and benefits	1,943,882	1,705,747
Professional services	1,843,090	1,759,888
Maintenance, supplies and utilities	673,481	974,745
Insurance claims payments	136,316	117,871
Administration and overhead	156,036	262,993
Depreciation	714,450	256,619
<b>TOTAL OPERATING EXPENSES</b>	<u>5,467,255</u>	<u>5,077,863</u>
<b>OPERATING LOSS</b>	<u>(5,136,078)</u>	<u>(4,754,971)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Local transportation funds - operating	2,931,802	3,132,821
State transit assistance - operating	31,211	23,802
Federal transit administration grant	1,162,239	1,343,979
Low carbon transit operations program	115,430	8,325
Net interest income (loss)	105,699	(55,435)
Gain on sale of capital assets	4,383	
Other revenues	1,141	49,226
Interest expenses	(558)	
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>4,351,347</u>	<u>4,502,718</u>
<b>NET LOSS BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(784,731)</u>	<u>(252,253)</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Local transportation funds - capital	297,859	
State transit assistance - capital	104,820	
Federal transit administration grants	197,682	401,138
California Air Resources Board grant	259,612	2,201,041
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<u>859,973</u>	<u>2,602,179</u>
<b>CHANGES IN NET POSITION</b>	<u>75,242</u>	<u>2,349,926</u>
Net position at beginning of year	<u>1,756,074</u>	<u>(593,852)</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,831,316</u>	<u>\$ 1,756,074</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT SERVICES FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	Restated 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 331,177	\$ 322,892
Payments to employees and related benefits	(1,614,600)	(1,740,413)
Payments to suppliers	(6,791,557)	(3,313,319)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(8,074,980)</b>	<b>(4,730,840)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Local transportation funds - operating	5,741,098	3,912,967
State transit assistance funds - operating	31,211	23,802
Federal operating grants	575,865	768,114
Low carbon transit operations program	339,499	823
Other revenues	1,581	21,135
<b>NET CASH PROVIDED BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>6,689,254</b>	<b>4,726,841</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital grants received	1,966,206	
Local transportation funds - capital	297,859	
State transit assistance funds - capital	104,820	
Purchases of capital assets	(1,034,307)	(545,981)
Proceeds from sale of capital assets	4,383	
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>1,338,961</b>	<b>(545,981)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earnings on investments	12,834	14,046
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>12,834</b>	<b>14,046</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(33,931)</b>	<b>(535,934)</b>
Cash and cash equivalents, beginning of year	136,893	672,827
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 102,962</b>	<b>\$ 136,893</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET</b>		
Cash and cash equivalents	\$ 13,294	\$ 49,573
Restricted cash and cash equivalents	89,668	87,320
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 102,962</b>	<b>\$ 136,893</b>

(Continued)

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT SERVICES FUND

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2024 and 2023

	2024	Restated 2023
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$(5,136,078)	\$(4,754,971)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	714,450	256,619
Unrealized gains losses on investments	92,865	(69,481)
Changes in operating assets and liabilities:		
Deferred outflows/inflows of resources--pension plan	63,221	(911,002)
Deferred outflows/inflows of resources--OPEB plan	(37,434)	(111,027)
Advances from other funds	253,000	
Accounts payable	(2,015,298)	43,260
Accrued salaries	1,959	(49,499)
Other accrued liabilities	(2,060,201)	(171,601)
Compensated absences payable	3,404	5,005
SBITA liabilities	(9,700)	
Net pension liability	47,317	959,563
Net OPEB liability	7,515	72,294
	\$(8,074,980)	\$(4,730,840)

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSPORTATION FUND

BALANCE SHEET

June 30, 2024

ASSETS

Due from other governments - Regional Transportation Mitigation Fee (RTMF)	\$ 1,906
Due from other governments - Local Transportation Fund Pedestrian and Bike	45,000
Due from other funds	<u>82,777</u>

TOTAL ASSETS \$ 129,683

LIABILITIES

Due to other City funds	\$ 46,906
Due to RTMF Fund	<u>82,777</u>

TOTAL LIABILITIES 129,683

FUND BALANCE

Restricted for transportation-related expenditures	
	<u>-</u>

TOTAL FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ 129,683

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSPORTATION FUND

STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2024 and 2023

	2024	2023
<b>REVENUES</b>		
Regional surface transportation program	\$ 651,180	\$ 503,314
Regional transportation mitigation fees (RTMF) collected	268,049	500,457
PTMISEA		32,013
Pedestrian and bike funding from Nevada County		
Transportation Commission (NCTC) Local Transportation Fund	45,000	
Local participation funding from NCTC	7,500	7,500
Reimbursements from NCTC for traffic counts	1,864	6,204
Investment income	37,407	9,743
<b>TOTAL REVENUES</b>	<b>1,011,000</b>	<b>1,059,231</b>
<b>EXPENDITURES</b>		
Road maintenance	645,159	490,594
Bus stop improvements		32,013
Road safety	1,906	
Road capital improvements	4,115	12,720
Combie multi-purpose trail	45,000	
Local participation staff time	7,500	7,500
Traffic count expenses	1,864	6,204
RTMF fees passed through to NCTC	305,456	510,200
<b>TOTAL EXPENDITURES</b>	<b>1,011,000</b>	<b>1,059,231</b>
<b>NET CHANGE IN FUND BALANCE</b>	-	-
Fund balance at beginning of year	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Nevada Transit Services Fund receives funds from the Nevada County Transportation Commission (NCTC) under the provisions of the TDA from the Nevada County Local Transportation Fund (LTF) under Article 4, Section 99400 (c) and Article 4.5 and State Transit Assistance Fund (STAF) under Article 4, Section 6731(b). The County's Article 4 LTF funds are for the support of public transportation systems as defined in the TDA. The County also receives State of Good Repair funds under the STAF program, representing Senate Bill 1, the Road Repair and Accountability Act of 2017 funds.

The Transit Services Fund also receives revenue from other federal and state grantor agencies, including Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) and Low Carbon Transit Operations Program (LCTOP) funds.

The County also receives allocations from NCTC from the Regional Surface Transportation Program (RSTP) that is reflected in these financial statements of the Transportation Fund.

The County collects the Western Nevada County Regional Transportation Mitigation Fee (RTMF) as part of the fees collected on development in the County that are remitted to NCTC to provide funding for street and highway improvements needed to accommodate traffic generated by development projects in Western Nevada County. The County then receives reimbursements from NCTC's RTMF Fund to fund authorized development projects. No such reimbursements were received during the years ended June 30, 2024 and 2023.

Basis of Presentation: The financial statements of the Transit Services Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position, results of operations and cash flows of only transactions recorded in the Funds. The Funds are included in the financial statements of the County.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Transit Services Fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

The Transit Services Fund uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Non-exchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received before eligibility requirements are met they are recorded as deferred revenues until earned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Transit Services Fund are charges to passengers for public transit services. Operating expenses for the Transit Services Fund include the cost of transit services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Transportation Fund is reported as a special revenue fund of the governmental fund type. All governmental funds are accounted for using the *current financial resources* measurement focus which means that only *current assets* and *current liabilities* are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of *available spendable resources*. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

presenting increases and decreases in net current assets. As of June 30, 2024 and 2023, the County did not have any assets or liabilities to report in the Transportation fund.

Cash and Cash Equivalents: For the purposes of reporting cash flows, cash and cash equivalents are defined as those amounts included in the balance sheet caption “cash and investments” and consist of amounts held in the County’s cash and investment pool, which are available on demand.

Due from Other Governments: Amounts due from other governments consist mostly of amounts due from operating and capital grants. Management believes its amounts due from other governments to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Capital Assets: Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Capital assets are defined as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Provision is made for depreciation by the straight-line method over the estimated useful lives of these assets which range from five to twenty-five years. Depreciation is recorded on the full-year convention whereby a full year of depreciation is taken in the year the asset is placed into service. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Subscription-Based Information Technology Assets (SBITA): Subscription assets are recognized at the subscription commencement date and represent the right to use an underlying asset for the subscription term. Subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor before the commencement of the subscription term, less any incentive received at or before the commencement of the term, plus any initial direct costs necessary to place the asset in service. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset using the straight-line method. Short term subscription payments are expensed as incurred.

Due to Other Governments: Amounts due from other governments consist of amounts borrowed from the NCTC’s LTF for the purchase of buses until grant funds are received.

Compensated Absences: The Transit Services Fund’s policy allows employees to accumulate earned but unused vacation that will be paid to employees upon separation from the Fund’s service, subject to a vesting policy. The cost of vacation is recorded in the period accrued.

Deferred Inflows/Outflows of Resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. In addition to liabilities, the statement of net assets reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2024 and 2023, the Transit Services Fund has deferred outflows and inflows of resources related to the County’s pension and OPEB plans, as described in Notes H and I.

Net Position: Net position are categorized as invested in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Transit Fund has no restricted net position as of June 30, 2024 and 2023.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Position – This category represents net position of the Fund’s not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the Transit Services Fund’s policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Transit Services Fund considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Transit Services Fund has provided otherwise in its commitment or assignment actions.

The Transportation Fund reports fund balance, if any, as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Transportation Fund is bound to honor constraints on how specific amounts can be spent.

Use of Estimates: The preparation of the financial statements in conformity with GAAP required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a government that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, or begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for the years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will result in changes to the financial reporting model including the Management’s Discussion and Analysis, display of inflows and outflows of unusual and infrequent items, and changing the definition of proprietary fund nonoperating revenues and expenses. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The County is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND CASH EQUIVALENTS

Investment in the County’s Cash and Investments Pool: The Fund’s cash and investments are held in the County’s cash and investments pool. The County maintains a cash and investment pool and allocates interest to the various funds based upon average cash balances. Investments held in the County’s investment pool are available on demand to the TDA Funds and are stated at cost, which approximates fair value. The County’s investment policy, interest rate risk and credit risk may be found in the notes to the County’s basic financial statements.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS

Capital assets consisted of the following for the year ended June 30:

	Balance June 30, 2023	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2024
Capital assets, not being depreciated					
Land easements	\$ 9,750				\$ 9,750
Construction in progress	434,288	\$ 799,325			1,233,613
Total capital assets, not being depreciated	444,038	799,325	-	-	1,243,363
Capital assets, being depreciated:					
Buildings and structures	1,872,437	76,312			1,948,749
Vehicles and equipment	4,978,255	158,670	\$ (291,820)		4,845,105
Subscription Based Technology		30,413			30,413
Total capital assets, being depreciated	6,850,692	265,395	(291,820)	-	6,824,267
Less accumulated depreciation for:					
Buildings and structures	(626,700)	(68,636)			(695,336)
Vehicles and equipment	(2,428,570)	(638,211)	291,820		(2,774,961)
Subscription Based Technology		(7,603)			(7,603)
Total accumulated depreciation	(3,055,270)	(714,450)	291,820	-	(3,477,900)
Total capital assets, being depreciated, net	3,795,422	(449,055)	-	-	3,346,367
Total capital assets, net	\$ 4,239,460	\$ 350,270	\$ -	\$ -	\$ 4,589,730
	Balance June 30, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated					
Land easements	\$ 9,750				\$ 9,750
Construction in progress	146,365	\$ 348,575		\$ (60,652)	434,288
Total capital assets, not being depreciated	156,115	348,575	-	(60,652)	444,038
Capital assets, being depreciated:					
Buildings and structures	1,811,785			60,652	1,872,437
Vehicles and equipment	2,720,648	2,257,607			4,978,255
Total capital assets, being depreciated	4,532,433	2,257,607	-	60,652	6,850,692
Less accumulated depreciation for:					
Buildings and structures	(558,062)	(68,638)			(626,700)
Vehicles and equipment	(2,240,589)	(187,981)			(2,428,570)
Total accumulated depreciation	(2,798,651)	(256,619)	-	-	(3,055,270)
Total capital assets, being depreciated, net	1,733,782	2,000,988	-	60,652	3,795,422
Total capital assets, net	\$ 1,889,897	\$ 2,349,563	\$ -	\$ -	\$ 4,239,460

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE D – DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Federal Section 5311	\$ 1,162,239	\$ 575,865
Federal Section 5310 Capital	76,700	401,138
California Air Resources Board Grant	259,612	2,201,041
Local Transportation Fund	297,859	
State Transit Assistance	104,820	
Capital Loan due from NCTC		2,060,201
Fares		1,866
SB 90	7,342	7,342
LCTOP		138,749
Proceeds from capital asset disposal	<u>4,383</u>	
Total due from other governments	<u>\$ 1,912,955</u>	<u>\$ 5,386,202</u>

NOTE E – UNEARNED REVENUE

A schedule of changes in unearned revenue for the Transit Services Fund for the years ended June 30, 2024 and 2023 is as follows:

	<u>LTF</u>	<u>STA</u>	<u>LCTOP</u>	<u>Total</u>
Beginning balance, June 30, 2023	\$ 1,108,782		\$ 264,058	\$ 1,372,840
Allocations	3,821,154	\$ 136,031		3,957,185
Interest			8,459	8,459
Maximum eligibility:				
Operating and other expenses	(2,931,802)	(31,211)	(115,430)	(3,078,443)
Capital	<u>(297,859)</u>	<u>(104,820)</u>		
Ending balance, June 30, 2024	<u>\$ 1,700,275</u>	<u>\$ -</u>	<u>\$ 157,087</u>	<u>\$ 1,857,362</u>
	<u>LTF</u>	<u>STA</u>	<u>LCTOP</u>	<u>Total</u>
Beginning balance, June 30, 2022	\$ 979,560		\$ 132,811	\$ 1,112,371
Allocations	3,262,043	\$ 23,802	139,572	3,425,417
Maximum eligibility:				
Operating and other expenses	<u>(3,132,821)</u>	<u>(23,802)</u>	<u>(8,325)</u>	<u>(3,164,948)</u>
Ending balance, June 30, 2023	<u>\$ 1,108,782</u>	<u>\$ -</u>	<u>\$ 264,058</u>	<u>\$ 1,372,840</u>

At June 30, 2024 and 2023, unearned revenue consists of amounts in receivables and thus is not liquid.

Local Transportation Fund (LTF): LTF is allocated to the transit system to support operations. LTF allocations are considered earned when they are properly spent for operations by the transit system. Allocations in excess of this amount are recorded as unearned revenue. The maximum eligibility for LTF allocations for the year ended June 30, was determined as follows:

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE E – UNEARNED REVENUE (Continued)

	<u>2024</u>	<u>2023</u>
LTF allocations		
Community transit services	\$ 134,877	\$ 167,449
Local transportation fund allocations	<u>3,686,277</u>	<u>3,094,594</u>
LTF allocations available for operating costs	<u>3,821,154</u>	<u>3,262,043</u>
Maximum amount allowed:		
Operating expenses	5,467,255	5,077,863
Other expenses	558	
Adjustments:		
Less: Depreciation	(714,450)	(256,619)
Less: Passenger fares	(237,143)	(237,708)
Less: Contributions from other agencies	(93,109)	(82,934)
Less: State Transit Assistance used for operating	(31,211)	(23,802)
Less: Local Transportation Fund used for capital	(297,859)	
Less: Other operating grants	<u>(1,162,239)</u>	<u>(1,343,979)</u>
Maximum amount allowed	<u>2,931,802</u>	<u>3,132,821</u>
Net revenue over maximum eligibility	<u>\$ 889,352</u>	<u>\$ 129,222</u>
Capital expenditures	\$ 1,034,307	\$ 2,799,544
Adjustments:		
Federal contributions	(197,682)	(401,138)
California air resources board grant	(259,612)	(2,201,041)
State Transit Assistance capital	<u>(104,820)</u>	
Maximum eligible for capital	<u>\$ 472,193</u>	<u>\$ 197,365</u>

State of Good Repair: The State of Good Repair (SGR) program was established by the California Legislature in 2017 by Senate Bill 1. SGR is a program that provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of the transportation infrastructure and improve transportation services. As of June 30, 2024 and 2023, the County had an agreement to send the SGR funds to the Town of Truckee and received no SGR funds.

Low Carbon Transit Operations Program (LCTOP): The LCTOP was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and many include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

As of June 30, funds received and expended were verified in the course of the audit as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 264,058	\$ 132,811
LCTOP allocated		138,749
Interest earnings	8,459	823
Expenses incurred:		
Subsidized monthly passes	<u>(115,430)</u>	<u>(8,325)</u>
Unexpended proceeds	<u>\$ 157,087</u>	<u>\$ 264,058</u>

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE F – LONG-TERM LIABILITIES

Changes in long-term liabilities consisted of the following for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Used	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 53,555	\$ 3,404		\$ 56,959	\$ 56,959
SBITA		30,413	\$ (9,700)	20,713	9,756
Net pension liability	2,838,065	47,317		2,885,382	
Net OPEB liability	178,271	7,515		185,786	
	<u>\$ 3,069,891</u>	<u>\$ 88,649</u>	<u>\$ (9,700)</u>	<u>\$ 3,148,840</u>	<u>\$ 66,715</u>

  

	Balance June 30, 2022	Additions	Used	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 48,551	\$ 5,004		\$ 53,555	\$ 53,555
Net pension liability	1,878,502	959,563		2,838,065	
Net OPEB liability	105,977	72,294		178,271	
	<u>\$ 2,033,030</u>	<u>\$ 1,036,861</u>	<u>\$ -</u>	<u>\$ 3,069,891</u>	<u>\$ 53,555</u>

NOTE G – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Transit Fund (lessor) entered into a three-year subscription for the use of certain software available to the County. The agreement began October 1, 2023 and ends on September 30, 2026. The discount rate used was the County’s incremental borrowing rate as the date of inception of 3.591%. Subscription asset cost was \$30,413 and accumulated amortization was \$7,603 as of June 30, 2024

Principal and interest payments to maturity are as follows:

Year Ending June 30:	Principal	Interest	Total
2025	\$ 9,756	\$ 744	\$ 10,500
2026	10,957	393	11,350
Total	<u>\$ 20,713</u>	<u>\$ 1,137</u>	<u>\$ 21,850</u>

NOTE H – PENSION PLAN

The County’s transit employees are included in the County’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan on a cost sharing basis, administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. The actuarial valuation for the County’s Miscellaneous Plan received from CalPERS does not separately disclose information that is required to be reported under GASB 68 and 71 for the Funds; however, the County allocated the proportional share of the deferred outflows of resources, deferred inflows of resources, net pension liability, and pension expense to the Funds based on the cash basis employer contributions paid on behalf of the Funds’ employees compared to all of the County’s Miscellaneous Plan employees. As of and for the year ended June 30, 2024, the deferred outflows of resources, net pension liability, and pension expense related to the Funds were \$660,431, \$2,885,382, and \$110,538, respectively. As of and for the year ended June 30, 2023, the deferred outflows of resources, net pension liability, and pension expense related to the Funds were \$723,652, \$2,838,065, and \$48,561, respectively. Pension expense was reported as part

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE H – PENSION PLAN (Continued)

of salaries and benefits expenses. Detailed information about the County’s collective net pension liability is available in the County’s separately issued Annual Comprehensive Financial Report (ACFR). The County’s ACFR may be obtained by contacting the County’s Finance Department or on the internet at [www.nevadacountyca.gov](http://www.nevadacountyca.gov).

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

The actuarial valuation for the County’s OPEB plan does not separately disclose information that is required to be reported for the Transit Fund. This information is available in the County’s Annual Comprehensive Financial Report for the County’s OPEB plan as a whole. The net OPEB liability and related deferred inflows and outflows of resources reported in the Fund represents a proportional share of the OPEB liability for the County as a whole. The percentage of the County’s OPEB liability that is recorded in the Fund is based on a proportion of contributions by each fund for the County as a whole. As of and for the year ended June 30, 2024, deferred outflows of resources, the net OPEB liability, deferred inflows of resources and OPEB credit were \$92,889, \$185,786, \$51,160, and \$29,921, respectively. As of and for the year ended June 30, 2023, deferred outflows of resources, the net OPEB liability, deferred inflows of resources and OPEB credit were \$74,159, \$178,271, \$69,864, and \$38,732, respectively. OPEB expense was reported as part of salaries and benefits expense. Detailed information regarding the County’s OPEB plan is available in the County’s ACFR.

NOTE J – FARE REVENUE RATIO

The Fund is subject to the provision of Section 6633.2 of Title 21, Division 3, Chapter 2, Article 4 of the *California Code of Regulations* requiring the calculation and adherence of fare and local support ratios for TDA transit funding. Accordingly, the Fund must maintain a ratio equaling or exceeding 10%. The Fund’s fare ratio of operating revenues to operating expenses, as calculated below, indicates the Fund was in compliance with the provisions of the TDA for the fiscal year ended June 30. The fare ratio calculations are as follows:

	2024	2023
Passenger fare revenues (excludes charter revenues)	\$ 237,143	\$ 237,708
Local funds - contributions from other agencies	93,109	82,934
Local funds - other operating revenues	925	2,250
Local funds - federal funds	1,162,239	1,343,979
	<u>\$ 1,493,416</u>	<u>\$ 1,666,871</u>
Operating expenses	\$ 5,467,255	\$ 5,077,863
Less allowable exclusions:		
Depreciation	(714,450)	(256,619)
	<u>\$ 4,752,805</u>	<u>\$ 4,821,244</u>
Fare revenue ratio	<u>31.42%</u>	<u>34.57%</u>

The County was in compliance with the 10.00% minimum required fare revenue ratio for the years ended June 30, 2024 and 2023. AB 149 permits the inclusion of federal funds as local support, which allows the County to meet its fare revenue ratio.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE K – STATE GRANTS

Regional Surface Transportation Program (RSTP): The RSTP funds represent an apportionment under the Federal Transportation Bill whereby the County receives allocated fund from the Commission for projects included in the adopted Federal Statewide Transportation Improvement Project. These are reported in the Transportation Fund.

As of June 30, funds received and expended were verified in the course of the audit as follows:

	2024	2023
Proceeds received	\$ 651,180	\$ 503,314
Expenses incurred:		
Road maintenance projects	(645,159)	(490,594)
Road safety projects	(1,906)	
Donner pass road project	(4,115)	(12,720)
Unexpended proceeds	\$ -	\$ -

Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA): In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Accounts (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation, or replacement.

During the year ended June 30, 2024, the County did not receive any funds from the State PTMISEA account. As of June 30, 2023, funds received and expended were verified in the course of the audit as follows:

Proceeds received	\$ 32,013
Expenses incurred:	
Bus stop improvements	(32,013)
Unexpended proceeds	\$ -

NOTE L – REGIONAL ALLOCATIONS

Regional Transportation Mitigation Fee (RTMF): The RTMF Program was established in 2001 through a partnership of three local jurisdictions (unincorporated Nevada County, Nevada City, and Grass Valley) and the Commission to provide funding from new development to make improvements to the Regional Transportation System. The RTMF fees are collected from the local jurisdictions imposing the fees and the Commission. The County collects RTMF fees that are directly disbursed to the Commission. Such fees totaled \$268,049 and \$500,457 at June 30, 2024 and 2023, respectively. These funds are reported in the Transportation Fund.

As of June 30, 2024, no RTMF funds were allocated by NCTC for approved projects.

NOTE M – RISK MANAGEMENT

The Transit Services Fund is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The fund participates in the County’s self-insurance program and also maintains commercial insurance policies through third parties. Cash in the amount of \$89,668 and \$87,320 at June 30, 2024 and 2023, respectively was restricted for insurance purposes.

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE N – CONCENTRATIONS

The Transit Services Fund receives a substantial amount of their support from the TDA through a portion of statewide retail sales tax for the Local Transportation Fund and through the fuel tax for the State Transit Assistance Fund. A significant reduction in the level of this support, if this was to occur, may have a significant impact on the Funds' activities.

NOTE O – CONTINGENCIES

The Transit Services Fund receives funding from the Federal Transit Administration and the State of California that are subject to review and audit. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. It is the opinion of management that no material liabilities will result from such potential audits.

NOTE P – RESTATEMENT

The Fund received \$177,138 in federal FTA Section 5339 funding that should have been recognized as a revenue and a receivable at June 30, 2023. Doing so would have affected the Fund's maximum eligibility calculation for recognition of Local Transportation fund revenue by the same amount. The Fund previously reported a maximum eligibility of \$374,503, which has since been restated to \$197,365. As a result of the correction of this error, the Transit Fund restated its June 30, 2023 total assets and change in net assets for the year ended June 30, 2023 as follows:

	Total Assets	Total Change in Net Position
	<u>Assets</u>	<u>Net Position</u>
As previously reported	\$ 9,586,139	\$ 2,172,788
Restatement to accrue additional revenue	<u>177,138</u>	<u>177,138</u>
As restated	<u>\$ 9,763,277</u>	<u>\$ 2,349,926</u>

SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

COUNTY OF NEVADA TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT SERVICES FUND

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BY OPERATION

For the Year Ended June 30, 2024

	Gold Country Stage	Paratransit	Total
<b>OPERATING REVENUES</b>			
Passenger fares	\$ 174,557	\$ 62,586	\$ 237,143
Contributions from other agencies	93,109		93,109
Other operating revenues	925		925
TOTAL OPERATING REVENUES	<u>268,591</u>	<u>62,586</u>	<u>331,177</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,943,882		1,943,882
Professional services	419,402	1,423,688	1,843,090
Maintenance, supplies and utilities	673,481		673,481
Insurance claims payments	136,316		136,316
Administration and overhead	156,036		156,036
Depreciation	714,450		714,450
TOTAL OPERATING EXPENSES	<u>4,043,567</u>	<u>1,423,688</u>	<u>5,467,255</u>
OPERATING (LOSS)	<u>(3,774,976)</u>	<u>(1,361,102)</u>	<u>(5,136,078)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Local transportation funds	1,555,285	1,376,517	2,931,802
State transit assistance	31,211		31,211
Federal transit administration grant	1,162,239		1,162,239
Low carbon transit operations program	115,430		115,430
Net investment income	105,699		105,699
Gain on sale of capital assets	4,383		4,383
Other revenues	1,141		1,141
Other expenses	(558)		(558)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,974,830</u>	<u>1,376,517</u>	<u>4,351,347</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(800,146)	15,415	(784,731)
<b>CAPITAL CONTRIBUTIONS</b>			
Federal transit administration grants	197,682		197,682
California Air Resources Board grant	259,612		259,612
TOTAL CAPITAL CONTRIBUTIONS	<u>457,294</u>		<u>457,294</u>
CHANGES IN NET POSITION	<u>\$ (342,852)</u>	<u>\$ 15,415</u>	<u>\$ (327,437)</u>

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank.)

## COMPLIANCE REPORT

(This page intentionally left blank.)

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*,  
THE TRANSPORTATION DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

To the Board of Supervisors  
County of Nevada  
Nevada City, California

We have audited, 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, the financial statements of the Transportation Development Act (TDA) Funds of the County of Nevada (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Funds' financial statements, and have issued our report thereon dated May 23, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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.

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 and significant deficiencies may exist that that were not identified.

**Report on Compliance and Other Matters (including Other State Programs)**

As part of obtaining reasonable assurance about whether the Funds' financial statements are free of 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 financial statements. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated and received by the County were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditures of bond funds, as presented in Notes E and J to the financial statements, in accordance with other state program guidelines.

To the Board of Supervisors  
Nevada City, California

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 performing our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards* or the TDA.

**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*, the TDA and other state program guidelines in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

*Richardson & Company, LLP*

May 23, 2025

COUNTY OF NEVADA TRANSIT FUND  
SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2024

INTERNAL CONTROL OVER FINANCIAL REPORTING

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

Finding 2023-001– Material Weakness

Condition: The County’s closing process did not identify the required closing entries to report the Fund’s financial statements on the accrual basis.

Current Status: This finding has been resolved in the fiscal year 2023/24 audit.

(This page intentionally left blank.)