

**NEVADA COUNTY TRANSPORTATION COMMISSION**

Audited Financial Statements  
Supplementary Information and Compliance Reports

June 30, 2025

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NEVADA COUNTY TRANSPORTATION COMMISSION

Audited Financial Statements,  
Supplementary Information and Compliance Reports

June 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Nevada County Transportation Commission  
Nevada City, California

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nevada County Transportation Commission (the Commission) as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Commission's basic 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 governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2025 and the respective changes in financial position, then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our 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 Nevada County Transportation Commission 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.

#### ***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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors  
Nevada County Transportation Commission

### ***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 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 Commission'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors  
Nevada County Transportation Commission

Management has omitted management's discussion and analysis and budgetary comparison information for the major governmental funds 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedules of allocations and expenditures are presented for purposes of additional analysis and are 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 basic 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 schedules of allocations and expenditures and schedule of direct and indirect costs are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026 on our consideration of the Commission's internal control over financial reporting 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 and other state program guidelines. The purpose of that report is 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 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 Commission's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

June 30, 2026

NEVADA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2025

|                                                      | <u>Governmental<br/>Activities</u> |
|------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                        |                                    |
| Cash and investments                                 | \$ 442,329                         |
| Sales tax receivable                                 | 1,162,247                          |
| Due from other governments                           | 1,739,388                          |
| Restricted cash                                      | 15,010,773                         |
| Capital Assets:                                      |                                    |
| Depreciable, net                                     | 118,837                            |
| <b>TOTAL ASSETS</b>                                  | <u><u>18,473,574</u></u>           |
| <b>LIABILITIES</b>                                   |                                    |
| Accounts payable                                     | 66,853                             |
| Retentions payable                                   | 23,602                             |
| Accrued salaries and benefits                        | 2,158                              |
| Unearned revenues                                    | 113,973                            |
| Allocations payable to other governments             | 955,510                            |
| Due to other governments - due within one year       | 72,023                             |
| Compensated absences - due within one year           | 64,959                             |
| Lease liability - due within one year                | 22,987                             |
| Noncurrent Liabilities:                              |                                    |
| Compensated absences - due in more than one year     | 167,037                            |
| Lease liability - due in more than one year          | 95,850                             |
| Due to other governments - due in more than one year | 2,677,825                          |
| <b>TOTAL LIABILITIES</b>                             | <u><u>4,262,777</u></u>            |
| <b>NET POSITION</b>                                  |                                    |
| Restricted                                           | 13,818,016                         |
| Unrestricted                                         | 392,781                            |
| <b>TOTAL NET POSITION</b>                            | <u><u>\$ 14,210,797</u></u>        |

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

NEVADA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

|                                     | <u>Governmental<br/>Activities</u> |
|-------------------------------------|------------------------------------|
| <b>PROGRAM EXPENSES</b>             |                                    |
| Planning and administration:        |                                    |
| Transportation projects             | \$ 8,682,048                       |
| Salaries and benefits               | 930,185                            |
| Program costs and professional fees | 362,369                            |
| Rents and leases                    | 3,886                              |
| Administrative costs                | 39,159                             |
| Insurance                           | 15,173                             |
| Utilities                           | 2,670                              |
| Interest                            | 253                                |
| Depreciation                        | 22,273                             |
| TOTAL PROGRAM EXPENSES              | <u>10,058,016</u>                  |
| <b>PROGRAM REVENUES</b>             |                                    |
| Operating grants                    | <u>10,636,200</u>                  |
| NET PROGRAM EXPENSE                 | 578,184                            |
| <b>GENERAL REVENUES</b>             |                                    |
| Interest income                     | 428,681                            |
| Other revenues                      | 37,003                             |
| TOTAL GENERAL REVENUES              | <u>465,684</u>                     |
| CHANGE IN NET POSITION              | 1,043,868                          |
| Net position, beginning of year     | <u>13,166,929</u>                  |
| NET POSITION, END OF YEAR           | <u><u>\$ 14,210,797</u></u>        |

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

NEVADA COUNTY TRANSPORTATION COMMISSION

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2025

|                                           | General Fund      | Special Revenue Funds |                          |
|-------------------------------------------|-------------------|-----------------------|--------------------------|
|                                           |                   | Major Funds           |                          |
|                                           |                   | Local Transportation  | State Transit Assistance |
| <b>ASSETS</b>                             |                   |                       |                          |
| Current Assets:                           |                   |                       |                          |
| Cash                                      | \$ 442,329        |                       |                          |
| Sales tax receivable                      |                   | \$ 861,954            | \$ 254,724               |
| Due from other governments                | 222,633           |                       |                          |
| Due from other funds                      | 166,401           |                       |                          |
| Total Current Assets                      | <u>831,363</u>    | <u>861,954</u>        | <u>254,724</u>           |
| Noncurrent Assets:                        |                   |                       |                          |
| Restricted cash and investments           |                   | 3,595,210             | 5,778,075                |
| Total Noncurrent Assets                   |                   | <u>3,595,210</u>      | <u>5,778,075</u>         |
| <b>TOTAL ASSETS</b>                       | <u>\$ 831,363</u> | <u>\$ 4,457,164</u>   | <u>\$ 6,032,799</u>      |
| <b>LIABILITIES AND FUND BALANCE</b>       |                   |                       |                          |
| <b>LIABILITIES:</b>                       |                   |                       |                          |
| Accounts payable                          | \$ 66,853         |                       |                          |
| Retentions payable                        | 23,602            |                       |                          |
| Allocations payable to other governments  |                   | \$ 34,694             | \$ 51,006                |
| Accrued salaries and benefits             | 2,158             |                       |                          |
| Advances from grantors                    | 113,973           |                       |                          |
| Due to other agencies                     |                   |                       |                          |
| Due to other funds                        |                   | 159,404               |                          |
| <b>TOTAL LIABILITIES</b>                  | <u>206,586</u>    | <u>194,098</u>        | <u>51,006</u>            |
| <b>FUND BALANCE:</b>                      |                   |                       |                          |
| Nonspendable                              |                   |                       |                          |
| Restricted for:                           |                   |                       |                          |
| Pedestrian and bikeway projects           |                   | 497,412               |                          |
| Transportation projects                   |                   | 3,765,654             | 5,981,793                |
| Unassigned                                | 624,777           |                       |                          |
| <b>TOTAL FUND BALANCE</b>                 | <u>624,777</u>    | <u>4,263,066</u>      | <u>5,981,793</u>         |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 831,363</u> | <u>\$ 4,457,164</u>   | <u>\$ 6,032,799</u>      |

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

| Special Revenue Funds |                     |                   |                         |                   |                      |
|-----------------------|---------------------|-------------------|-------------------------|-------------------|----------------------|
| Major Funds           |                     |                   | Non Major Funds         |                   | Total                |
| RSTP                  | RTMF                | TIRCP             | State of<br>Good Repair | ZETCP             |                      |
|                       |                     |                   |                         |                   | \$ 442,329           |
|                       |                     |                   | \$ 45,569               |                   | 1,162,247            |
| \$ 1,354,826          | \$ 161,929          |                   |                         |                   | 1,739,388            |
|                       |                     |                   |                         |                   | 166,401              |
| <u>1,354,826</u>      | <u>161,929</u>      |                   | <u>45,569</u>           |                   | <u>3,510,365</u>     |
| <br>                  |                     |                   |                         |                   |                      |
| <u>1,775,355</u>      | <u>2,896,170</u>    | <u>\$ 639,731</u> |                         | <u>\$ 326,232</u> | <u>15,010,773</u>    |
| <u>1,775,355</u>      | <u>2,896,170</u>    | <u>639,731</u>    |                         | <u>326,232</u>    | <u>15,010,773</u>    |
| <br>                  |                     |                   |                         |                   |                      |
| <u>\$ 3,130,181</u>   | <u>\$ 3,058,099</u> | <u>\$ 639,731</u> | <u>\$ 45,569</u>        | <u>\$ 326,232</u> | <u>\$ 18,521,138</u> |
| <br>                  |                     |                   |                         |                   |                      |
|                       |                     |                   |                         |                   | \$ 66,853            |
|                       |                     |                   |                         |                   | 23,602               |
| \$ 496,093            | \$ 72,023           | \$ 328,148        | \$ 45,569               |                   | 1,027,533            |
|                       |                     |                   |                         |                   | 2,158                |
|                       |                     |                   |                         |                   | 113,973              |
|                       | 2,677,825           |                   |                         |                   | 2,677,825            |
|                       | 3,741               |                   |                         | \$ 3,256          | 166,401              |
| <u>496,093</u>        | <u>2,753,589</u>    | <u>328,148</u>    | <u>45,569</u>           | <u>3,256</u>      | <u>4,078,345</u>     |
| <br>                  |                     |                   |                         |                   |                      |
| <br>                  |                     |                   |                         |                   | 497,412              |
| 2,634,088             | 304,510             | 311,583           |                         | 322,976           | 13,320,604           |
|                       |                     |                   |                         |                   | 624,777              |
| <u>2,634,088</u>      | <u>304,510</u>      | <u>311,583</u>    | <u>-</u>                | <u>322,976</u>    | <u>14,442,793</u>    |
| <br>                  |                     |                   |                         |                   |                      |
| <u>\$ 3,130,181</u>   | <u>\$ 3,058,099</u> | <u>\$ 639,731</u> | <u>\$ 45,569</u>        | <u>\$ 326,232</u> | <u>\$ 18,521,138</u> |

NEVADA COUNTY TRANSPORTATION COMMISSION  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUND TO THE STATEMENT OF NET POSITION

June 30, 2025

|                                                                                                                                                          |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Fund balance - governmental funds                                                                                                                        | \$ 14,442,793               |
| Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds above because: |                             |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.                     | 96,564                      |
| Lease liability, and related right of use asset, is not due and payable in the current period and therefore are not reported in the fund statements.     |                             |
| Right of use asset                                                                                                                                       | 22,273                      |
| Lease liability                                                                                                                                          | (118,837)                   |
| Compensated absences liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.                 | <u>(231,996)</u>            |
| NET POSITION OF GOVERNMENTAL ACTIVITIES                                                                                                                  | <u><u>\$ 14,210,797</u></u> |

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

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NEVADA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2025

|                                          | Planning<br>Fund  | Special Revenue Funds   |                             |
|------------------------------------------|-------------------|-------------------------|-----------------------------|
|                                          |                   | Local<br>Transportation | State Transit<br>Assistance |
| REVENUES                                 |                   |                         |                             |
| Sales tax                                |                   | \$ 4,761,561            | \$ 1,070,654                |
| Rural Planning Assistance                | \$ 441,875        |                         |                             |
| STIP Planning (PPM)                      | 16,311            |                         |                             |
| Regional Surface Transportation Program  |                   |                         |                             |
| Regional Transportation Mitigation Funds |                   |                         |                             |
| State of good repair                     |                   |                         |                             |
| Transit & Intercity Rail Cap Program     |                   |                         |                             |
| Zero Emission Transit Cap Program        |                   |                         |                             |
| Interest                                 | 13,928            | 116,170                 | 171,183                     |
| Other                                    | 37,003            |                         |                             |
| TOTAL REVENUES                           | <u>509,117</u>    | <u>4,877,731</u>        | <u>1,241,837</u>            |
| EXPENDITURES                             |                   |                         |                             |
| Transportation projects                  |                   | 4,907,855               | 424,676                     |
| Salaries and benefits                    | 900,463           |                         |                             |
| Program costs and professional fees      | 362,369           |                         |                             |
| Rents and leases                         | 3,886             |                         |                             |
| Insurance                                | 15,173            |                         |                             |
| Administrative costs                     | 39,160            |                         |                             |
| Utilities                                | 2,670             |                         |                             |
| Capital outlay                           | 118,837           |                         |                             |
| Debt service:                            |                   |                         |                             |
| Principal retirement                     | 23,245            |                         |                             |
| Interest                                 | 253               |                         |                             |
| TOTAL EXPENDITURES                       | <u>1,466,056</u>  | <u>4,907,855</u>        | <u>424,676</u>              |
| OTHER FINANCING SOURCES (USES)           |                   |                         |                             |
| Transfers in                             | 950,958           |                         |                             |
| Transfers out                            |                   | (943,418)               |                             |
| Proceeds from lease                      | 118,837           |                         |                             |
| TOTAL OTHER FINANCING<br>SOURCES (USES)  | <u>1,069,795</u>  | <u>(943,418)</u>        |                             |
| NET CHANGE IN FUND BALANCE               | 112,856           | (973,542)               | 817,161                     |
| Fund balance, beginning of year          | <u>511,921</u>    | <u>5,236,608</u>        | <u>5,164,632</u>            |
| FUND BALANCE, END OF YEAR                | <u>\$ 624,777</u> | <u>\$ 4,263,066</u>     | <u>\$ 5,981,793</u>         |

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

Special Revenue Funds

| Major Funds         |                   | Non Major Funds   |                         |                   | Total                |
|---------------------|-------------------|-------------------|-------------------------|-------------------|----------------------|
| RSTP                | RTMF              | TIRCP             | State of<br>Good Repair | ZETCP             |                      |
|                     |                   |                   |                         |                   | \$ 5,832,215         |
|                     |                   |                   |                         |                   | 441,875              |
|                     |                   |                   |                         |                   | 16,311               |
| \$ 1,354,826        |                   |                   |                         |                   | 1,354,826            |
|                     | \$ 397,452        |                   |                         |                   | 397,452              |
|                     |                   |                   | \$ 182,278              |                   | 182,278              |
|                     |                   | \$ 1,856,685      |                         |                   | 1,856,685            |
|                     |                   |                   |                         | \$ 554,558        | 554,558              |
| 72,220              |                   | 42,097            |                         | 13,083            | 428,681              |
|                     |                   |                   |                         |                   | 37,003               |
| <u>1,427,046</u>    | <u>397,452</u>    | <u>1,898,782</u>  | <u>182,278</u>          | <u>567,641</u>    | <u>11,101,884</u>    |
|                     |                   |                   |                         |                   |                      |
| 1,338,630           |                   | 1,587,199         | 182,278                 | 241,410           | 8,682,048            |
|                     |                   |                   |                         |                   | 900,463              |
|                     |                   |                   |                         |                   | 362,369              |
|                     |                   |                   |                         |                   | 3,886                |
|                     |                   |                   |                         |                   | 15,173               |
|                     |                   |                   |                         |                   | 39,160               |
|                     |                   |                   |                         |                   | 2,670                |
|                     |                   |                   |                         |                   | 118,837              |
|                     |                   |                   |                         |                   | 23,245               |
|                     |                   |                   |                         |                   | 253                  |
| <u>1,338,630</u>    | <u>-</u>          | <u>1,587,199</u>  | <u>182,278</u>          | <u>241,410</u>    | <u>10,148,104</u>    |
|                     |                   |                   |                         |                   |                      |
|                     |                   |                   |                         |                   | 950,958              |
| (544)               | (3,741)           |                   |                         | (3,255)           | (950,958)            |
|                     |                   |                   |                         |                   | 118,837              |
| <u>(544)</u>        | <u>(3,741)</u>    |                   |                         | <u>(3,255)</u>    | <u>118,837</u>       |
| 87,872              | 393,711           | 311,583           | -                       | 322,976           | 1,072,617            |
| <u>2,546,216</u>    | <u>(89,201)</u>   |                   |                         |                   | <u>13,370,176</u>    |
| <u>\$ 2,634,088</u> | <u>\$ 304,510</u> | <u>\$ 311,583</u> | <u>\$ -</u>             | <u>\$ 322,976</u> | <u>\$ 14,442,793</u> |

NEVADA COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND \$ 1,072,617

Amounts reported for governmental activities in the statement of activities  
are different because:

Capital outlay and lease proceeds are reported in governmental funds.  
Lease payments reduce long-term liabilities in the statement of net  
position. Right of use asset is recorded in the statement of activities  
and is allocated over the life of the lease as amortization expense.

|                                       |           |
|---------------------------------------|-----------|
| Proceeds from leased asset            | 118,837   |
| Capital outlay for right of use asset | (118,837) |
| Amortization - right of use asset     | (22,273)  |
| Principal payments on lease liability | 23,245    |

Some expenses reported in the statement of activities do not require the  
use of current financial resources and, therefore, are not reported as  
expenditures in governmental funds.

|                                          |                 |
|------------------------------------------|-----------------|
| Change in compensated absences liability | <u>(29,721)</u> |
|------------------------------------------|-----------------|

|                                                   |                            |
|---------------------------------------------------|----------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 1,043,868</u></u> |
|---------------------------------------------------|----------------------------|

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

NEVADA COUNTY TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Commission have been prepared in accordance with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission’s accounting policies are described below.

The Nevada County Transportation Commission (the Commission), the regional transportation planning agency for the County of Nevada (the County), was created pursuant to Title 7.88 of the State of California Government Code Section 67920. The Commission is responsible for coordinating transportation planning and allocation of funding resources for the City of Grass Valley (Grass Valley), the City of Nevada City (Nevada City), the County of Nevada, and the Town of Truckee (Truckee). The Commission is also responsible for administration of the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA), programs created under the Transportation Development Act (TDA) by the State of California as well as Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) Funds in accordance with Senate Bill (SB) 125. The objective of the TDA is to allocate priority-based funding for public transportation services, local streets and roads, bicycle and pedestrian facilities, and transportation planning activities. The Commission is also responsible for the administration of the Regional Surface Transportation Program (RSTP) and Regional Transportation Mitigation Fee (RTMF) funding.

The Commission is governed by a seven-member board of commissioners. The Board of Supervisors of the County appoints four members and the incorporated municipalities in the County appoint three members. The Board of Supervisors has appointed two members from the Board and two County at large representatives. The municipalities have appointed three city/town council members, one each from Nevada City, Grass Valley, and Truckee.

The Commission has no component units, related organizations, or jointly governed organizations.

Effective May 19, 2010, the Commission was designated to act as the Nevada County Airport Land Use Commission (NCALUC) by the Nevada County Board of Supervisors and members of the City Selection Committee.

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange revenues are

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenues until earned. Sales tax revenue is recorded as revenue when collected and apportioned to the Commission.

Basis of Presentation – Fund Financial Statements: The accounts of the Commission are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting, except for compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Sales taxes are recognized as revenue when the appropriation becomes effective, which is in the same fiscal year as the sales taxes are collected by the State of California. Expenditures in the Local Transportation (LTF), State Transit Assistance (STA), and State of Good Repair (SGR) Funds are recorded when the amounts are apportioned to jurisdictions. Expenditures in the Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) funds are recorded when the jurisdiction incurs qualifying expenditures.

The Commission reports the following major governmental fund in the accompanying financial statements:

Planning Fund – The Planning Fund is the general operating fund of the Commission and accounts for revenues collected to provide services and finance the fundamental operations of the Commission. The major revenue source for this fund is local transportation funds and federal and state planning grants. Expenditures are made for administration, as well as local and regional planning projects.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In its capacity as a Regional Transportation Planning Agency, the Commission is responsible for the administration of several special revenue funds which provide funding for transportation planning, transit operations, pedestrian and bicycle facilities and street and roads maintenance and improvements. The following Special Revenue Funds are considered to be major funds:

Local Transportation Fund – This fund accounts for revenues generated from a ¼ cent of the general sales tax imposed by the State of California pursuant to the Transportation Development Act (TDA). The County and cities file claims with the Commission for the monies and

NEVADA COUNTY TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

allocations are made for planning, transit, pedestrian, bicycle, streets and roads purposes. The Commission reviews the claims, determines the Commission's eligibility to receive funds, and, upon approval, allocates the funds to the agencies.

State Transit Assistance Fund – Revenues for this fund are earned based on a portion of the State gasoline tax. The tax is allocated to the Nevada County Transportation Commission by the State Controller's office. Agencies file claims with the Commission for the funds and allocations are made solely for transit-related projects.

Regional Surface Transportation Program Fund – The Regional Surface Transportation Program Fund represents an apportionment under the Federal Transportation Bill whereby the Commission allocates funds to agencies for projects included in the adopted Federal Statewide Transportation Improvement Program.

Regional Transportation Mitigation Fee (RTMF) Fund – The Western Nevada County Regional Transportation Mitigation Fee (RTMF) program is a partnership between the County, the City of Grass Valley, the City of Nevada City and the Commission. These funds provide revenue for street and highway improvements needed to accommodate traffic generated by development projects in western Nevada County.

Transit and Intercity Rail Capital Program Fund – The Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by SB 9 (Chapter 710, Statutes of 2015), to provide grants from the State of California Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. SB 1 (Chapter 5, Statutes of 2017) continues to provide a historic funding increase for transportation with funds directed to the TIRCP from the Public Transportation Account (PTA). The TIRCP was created to fund transformative capital improvements that modernize California's intercity rail, bus (including feeder buses to intercity rail services, as well as vanpool and micro transit services that are eligible to report as public transit to the Federal Transit Administration), ferry, and rail transit systems (collectively referred to as transit services or systems inclusive of all aforementioned modes unless otherwise specified) to achieve all of the following policy objectives, as codified in Section 75220(a) of the PRC: reduce emissions of greenhouse gases; expand and improve transit service to increase ridership; integrate the rail service of the state's various rail operations, including integration with the high-speed rail system; and improve transit safety.

The Commission reporting the following non-major governmental funds in the accompanying financial statements:

State of Good Repair Fund – Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, a new Transportation Improvement Fee (Fee) on vehicle registrations due on or after January 1, 2018, a portion of which is provided to the California State Controller's Office for the State of Good Repair (SGR) program. SGR fees are available for capital assistance to rehabilitate and modernize existing local transportation systems, including the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles.

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Zero-Emission Transit Capital Program Fund – AB 102 (Chapter 38, Statutes of 2023) and SB 125 (Chapter 54, Statutes of 2023) amended the Budget Act of 2023 to appropriate \$4,000,000,000 of funding from the State of California General Fund to the TIRCP over the next two fiscal years as well as \$910,000,000 of GGRF funding and \$190,000,000 of PTA funding over the next four fiscal years to establish the Zero-Emission Transit Capital Program (ZETCP). SB 125 authorizes the use of ZETCP funding for zero-emission transit equipment, including, but not limited to, zero-emission vehicles and refueling infrastructure and to fund transit operating expenditures that prevent service reduction or elimination in order to maintain or increase ridership, including ensuring the safety and state of good repair of the vehicles and infrastructure necessary to operate service, as well as those that pay for free and reduced fare programs. Planning efforts necessary to implement one or more of the Innovative Clean Transit Plan efforts within the region, and planning expenses related to implementation of ridership recovery and retention strategies, may be programmed as operating expenses out of the PTA portion of funds disbursed to each planning agency.

Restricted Cash and Investments: The amount reported as restricted cash and investments consists of balances held in special revenue funds for specific transportation projects.

Due from Other Governments: Due from other governments consists mainly of amounts due from state and federal agencies under grant agreements and other revenue sources. Management believes these amounts to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Capital Assets: Capital assets for governmental fund types of the Commission are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. 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. 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. Provision is made for depreciation by the straight-line method over the estimated useful lives of these individual assets, which range from three to ten years for office furniture and equipment and thirty years for leasehold improvements. 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.

Right-to-use lease assets are recognized at the lease commencement date and represent the Commission's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-to-use assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Unearned Revenues: Unearned revenues arise when resources are received before the Commission has legal claim to them, such as when cost reimbursement grant and other intergovernmental revenues are received prior to the incurrence of qualifying expenses.

Compensated Absences: The Commission's personnel policy allows employees to accumulate earned but unused vacation and sick leave. Unused accrued vacation and sick leave will be paid to employees upon separation from the Commission's service, subject to a vesting policy. The cost of vacation and sick leave is recorded in the period earned.

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable are reported as expenditures and fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include prepaid expenses.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is listed on the face of the balance sheet.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, which is by resolution of the Commission. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Commission’s funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide and fiduciary fund financial statements present net position. Net position is categorized as the net investment in capital assets, restricted, committed and unrestricted.

Net investment in Capital Assets – This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding debt used to purchase capital assets 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.

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

NEVADA COUNTY TRANSPORTATION COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the Commission’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 Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in its commitment or assignment actions.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Budgetary Information: The Commission approves all budgeted revenues and expenditures for the Planning Fund. The Commission does not legally adopt annual budgets for the Local Transportation, State Transit Assistance, Regional Surface Transportation Program, Regional Transportation Mitigation Fee , TIRCP, State of Good Repair and ZETCP Special Revenue Funds. Budgeted revenues and expenditures represent the original budget, as approved by the Commission, and the final budget, which includes modifications of the original budget through amendments approved by the Commission during the year. Amendments which alter total expenditures within the Planning Fund require approval of the Board of Directors.

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. The Commission implemented this Statement during the year ended June 30, 2025. The effect of this change had no impact on net position.

In October 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 year ended June 30, 2026.

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

NOTE B – CASH AND CASH EQUIVALENTS

At June 30, 2025, the Commission’s pooled cash and investments are classified in the accompanying financial statements as follows:

|                                 |                            |
|---------------------------------|----------------------------|
|                                 | Governmental<br>Activities |
| Cash and investments            | \$ 442,329                 |
| Restricted cash and investments | 15,010,773                 |
| Total cash and investments      | \$ 15,453,102              |

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

All of the Commission’s cash and investments are held in the County pool as of June 30, 2025.

Investment Policy: California statutes authorize governmental agencies to invest surplus funds in a variety of credit instruments as provided in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. All of the Commission’s cash is held in the County pool and the Commission does not have a separate investment policy.

Investment in Nevada County Investment Pool: The Commission maintains its cash in an investment pool with the County of Nevada (the County), which is managed by the County Treasurer for the fiduciary funds. On a quarterly basis, the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risks applicable to the County’s cash and investments pool may be found in the County’s Annual Comprehensive Financial Report (ACFR). The County’s ACFR may be obtained by contacting the County of Nevada Auditor-Controller’s Office at 950 Maidu Avenue, Nevada City, CA 95959.

The County’s Treasury Oversight Committee oversees the Treasurer’s investments and policies. The value of the pool shares in the County’s cash and investments pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Commission’s position in the pool. Investments held in the County’s cash and investments pool are available on demand and are stated at amortized cost, which approximates fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2025, the weighted average maturity of the investment in the County’s cash and investments pool was approximately 554 days.

Credit Risk: Generally credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County’s cash and investments pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment securities through the use of government investment pools (such as the County of Nevada investment pool).

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE C – CAPITAL ASSETS

Capital asset activity consisted of the following for the year ended June 30, 2025:

|                                                     | <u>Balance</u><br><u>June 30, 2024</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u><br><u>June 30, 2025</u> |
|-----------------------------------------------------|----------------------------------------|------------------|--------------------|----------------------------------------|
| Governmental Activities                             |                                        |                  |                    |                                        |
| Capital assets, being depreciated:                  |                                        |                  |                    |                                        |
| Equipment                                           | \$ 24,645                              |                  |                    | \$ 24,645                              |
| Right-to-use building                               | 89,090                                 | \$ 118,837       | \$ (89,090)        | 118,837                                |
| Total depreciable assets                            | <u>113,735</u>                         | <u>118,837</u>   | <u>(89,090)</u>    | <u>143,482</u>                         |
| Less accumulated depreciation/<br>amortization for: |                                        |                  |                    |                                        |
| Equipment                                           | (24,645)                               |                  |                    | (24,645)                               |
| Right-to-use building                               | (66,817)                               | (22,273)         | 89,090             | -                                      |
| Total accumulated<br>depreciation/amortization      | <u>(91,462)</u>                        | <u>(22,273)</u>  | <u>89,090</u>      | <u>(24,645)</u>                        |
| Governmental activities capital assets, net         | <u>\$ 22,273</u>                       | <u>\$ 96,564</u> | <u>\$ -</u>        | <u>\$ 118,837</u>                      |

Depreciation/amortization expense of \$22,273 for the year ended June 30, 2025 and was allocated to planning and administration.

NOTE D – INTERFUND TRANSACTIONS

Interfund transfers are used to move revenues from a fund that is required by statute to receive them to a fund that statute or budget requires to expend them. During the fiscal year, the Local Transportation Fund transferred \$943,418 to the Planning Fund as a part of the annual allocation of local transportation funds to support transit planning and Transportation Development Act administration. The RSTP and RTMF funds transferred \$544 and \$3,741, respectively, to the Planning Fund for certain program costs. The Zero-Emission Transit Capital Program transferred \$3,255 to the Planning Fund for certain program costs.

Amounts due to the Planning Fund from the Local Transportation Fund for \$159,404 represents the Commission's allocation of LTF funds not yet transferred as of June 30, 2025. Amounts due to the Planning Fund from the ZETCP and RTMF funds of \$3,256 and \$3,741, respectively, represent approved allocations not yet remitted as of June 30, 2025.

NEVADA COUNTY TRANSPORTATION COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE E – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2025.

|                                            | Balance<br>July 1, 2024 | Additions         | Retirements         | Balance<br>June 30, 2025 | Current<br>Portion |
|--------------------------------------------|-------------------------|-------------------|---------------------|--------------------------|--------------------|
| Compensated absences                       | \$ 202,275              | \$ 29,721         |                     | \$ 231,996               | \$ 64,959          |
| Due to other governments<br>(Grass Valley) | 2,933,937               |                   | \$ (184,089)        | 2,749,848                | 72,023             |
| Lease liability                            | 23,245                  | 118,837           | (23,245)            | 118,837                  | 22,987             |
|                                            | <u>\$ 3,159,457</u>     | <u>\$ 148,558</u> | <u>\$ (207,334)</u> | <u>\$ 3,100,681</u>      | <u>\$ 159,969</u>  |

Due to Other Agencies: In July 2017, the Commission entered into an agreement with the City of Grass Valley to reimburse the City for expenditures incurred in relation to the Dorsey Drive Interchange Project. The Commission agreed to reimburse the City over time with RTMF funds. The amount recorded as due to other governments of \$2,749,848 represents future RTMF monies that will be paid by the Commission to the City to reimburse them for the project as the fees become available.

Lease Liability: The Commission leases its administrative facility under a 1993 lease that has been extended through June 30, 2030. For the purposes of discounting future payments on the lease, the Commission used a discount rate of 2%, which represents the Commission’s estimated incremental borrowing rate. The total amount of lease assets for the year ended June 30, 2025 was \$118,837, and related accumulated amortization was \$0. The intangible right of use asset is being amortized over 5 years, the remaining term of the lease. Amortization expense was \$22,273 and interest expense was \$253 during the year ended June 30, 2025. Minimum lease payments over the remaining term of the lease include:

| <u>Year Ending June 30:</u> | <u>Principal</u>  | <u>Interest</u> |
|-----------------------------|-------------------|-----------------|
| 2026                        | \$ 22,987         | \$ 1,967        |
| 2027                        | 23,249            | 1,705           |
| 2028                        | 23,718            | 1,235           |
| 2029                        | 24,197            | 757             |
| 2030                        | 24,686            | 268             |
| Total                       | <u>\$ 118,837</u> | <u>\$ 5,932</u> |

NOTE F – PENSION PLAN

The Commission adopted by resolution a 457 Deferred Compensation Plan and a 401(a) Money Purchase Plan. Both plans are administered by Mission Square Retirement and the funds are held in the Mission Square Retirement Trust, a trust established by public employers for the collective investment of funds held under their respective retirement and deferred compensation plans. Employees have the option to select from one of the following two plans:

NEVADA COUNTY TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE F – PENSION PLAN (Continued)

The 457 Deferred Compensation Plan provides for retirement income and other deferred benefits to the participants under the authority of Internal Revenue Code section 457. All Commission employees are eligible to participate. The plan provides for employer contributions of 17.13% of each participant's salary up to the maximum contribution allowed by the IRS. Employee matching contributions are not required. Contributions are 100% vested. The plan is maintained for the exclusive benefit of eligible employees and their beneficiaries and no part is reported as assets of the Commission or subject to the claims of the Commission's creditors. During the year ended June 30, 2025, there were five participants in the plan and the employer contributions to the plan totaled \$39,969.

The 401(a) Money Purchase Plan provides retirement income to participants under the authority of Internal Revenue Code section 401(a). All employees are eligible to participate. The plan provides for required employer contributions of 17.13% of each participant's earnings up to the maximum contribution allowed by the IRS. No participant contributions are required. Contributions are 100% vested. The plan is maintained for the exclusive benefit of eligible employees and their beneficiaries and no part is reported as assets of the Commission or subject to the claims of the Commission's creditors. During the year ended June 30, 2025, there were four participants in the plan and employer contributions to the plan totaled \$69,855.

NOTE G – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

NOTE H – CONTINGENT LIABILITIES

Grants: The Commission receives grant funding for specific purposes that are subject to review and audit by the granting agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

Concentration: The Commission receives a significant amount of its Planning Fund revenues from LTF and state subvention funds. A loss of these revenue sources would have a significant impact on the Commission's activities.

**REQUIRED SUPPLEMENTARY INFORMATION**

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NEVADA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PLANNING FUND

June 30, 2025

|                                                         | Budgeted Amounts    |                     | Actual                          | Variance             |
|---------------------------------------------------------|---------------------|---------------------|---------------------------------|----------------------|
|                                                         | Original            | Final               | Amounts<br>(Budgetary<br>Basis) | with Final<br>Budget |
| <b>REVENUES</b>                                         |                     |                     |                                 |                      |
| Rural Planning Assistance                               | \$ 816,790          | \$ 548,810          | \$ 441,875                      | \$ (106,935)         |
| STIP Planning (PPM)                                     | 114,804             | 130,284             | 16,311                          | (113,973)            |
| Interest                                                |                     |                     | 13,928                          | 13,928               |
| Other revenues                                          | 23,000              | 51,000              | 37,003                          | (13,997)             |
| <b>TOTAL REVENUES</b>                                   | <b>954,594</b>      | <b>730,094</b>      | <b>509,117</b>                  | <b>(220,977)</b>     |
| <b>EXPENDITURES</b>                                     |                     |                     |                                 |                      |
| Current:                                                |                     |                     |                                 |                      |
| Salaries and benefits                                   | 931,548             | 928,583             | 900,463                         | 28,120               |
| Program costs and professional fees                     | 1,070,566           | 865,151             | 362,369                         | 502,782              |
| Rents and leases                                        | 28,000              | 28,000              | 3,886                           | 24,114               |
| Insurance                                               | 22,250              | 22,250              | 15,173                          | 7,077                |
| Administrative costs                                    | 29,120              | 32,590              | 39,160                          | (6,570)              |
| Utilities                                               | 3,000               | 3,000               | 2,670                           | 330                  |
| Debt service:                                           |                     |                     |                                 |                      |
| Principal retirement                                    |                     |                     | 23,245                          | (23,245)             |
| Interest                                                |                     |                     | 253                             | (253)                |
| <b>TOTAL EXPENDITURES</b>                               | <b>2,084,484</b>    | <b>1,879,574</b>    | <b>1,347,219</b>                | <b>532,355</b>       |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>(1,129,890)</b>  | <b>(1,149,480)</b>  | <b>(838,102)</b>                | <b>311,378</b>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                     |                     |                                 |                      |
| Transfers in                                            |                     |                     | 950,958                         | 950,958              |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>         | <b>-</b>            | <b>-</b>            | <b>950,958</b>                  | <b>950,958</b>       |
| <b>NET CHANGE IN FUND BALANCE</b>                       | <b>(1,129,890)</b>  | <b>(1,149,480)</b>  | <b>112,856</b>                  | <b>1,262,336</b>     |
| <b>FUND BALANCE</b>                                     |                     |                     |                                 |                      |
| Beginning of year                                       | 511,921             | 511,921             | 511,921                         |                      |
| <b>END OF YEAR</b>                                      | <b>\$ (617,969)</b> | <b>\$ (637,559)</b> | <b>\$ 624,777</b>               | <b>\$ 1,262,336</b>  |

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

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**SUPPLEMENTARY INFORMATION**

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NEVADA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2025

| Section             | Purpose                                                                                       | Allocations         | Disbursements       | Undisbursed/<br>Unclaimed |
|---------------------|-----------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------------|
| 99233.1 (Article 3) | TDA Administration<br>NCTC                                                                    | \$ 800,571          | \$ 667,026          | \$ 133,545                |
|                     |                                                                                               | <u>800,571</u>      | <u>667,026</u>      | <u>133,545</u>            |
| 99233.2 (Article 3) | TDA Planning & Programming<br>NCTC                                                            | 142,847             | 116,989             | 25,858                    |
|                     |                                                                                               | <u>142,847</u>      | <u>116,989</u>      | <u>25,858</u>             |
| 99234 (Article 3)   | Pedestrian & Bicycle<br>Nevada County                                                         | -                   | -                   | -                         |
|                     |                                                                                               | <u>-</u>            | <u>-</u>            | <u>-</u>                  |
| 99275 (Article 4.5) | Community Transit Services<br>Nevada County                                                   | 134,787             | 134,787             |                           |
|                     | Town of Truckee                                                                               | 27,116              | 27,116              |                           |
|                     |                                                                                               | <u>161,903</u>      | <u>161,903</u>      | <u>-</u>                  |
| 99400c (Article 8)  | Contracted Transit Service<br>Grass Valley                                                    | 642,298             | 630,222             | 12,076                    |
|                     | Nevada City                                                                                   | 158,923             | 156,216             | 2,707                     |
|                     | Town of Truckee                                                                               | 542,563             | 412,346             | 130,217                   |
|                     | Nevada County                                                                                 | 3,512,476           | 3,512,476           |                           |
|                     |                                                                                               | <u>4,856,260</u>    | <u>4,711,260</u>    | <u>145,000</u>            |
|                     | Total apportionment                                                                           | <u>5,961,581</u>    | <u>\$ 5,657,178</u> | <u>304,403</u>            |
|                     | Less: Disbursements transferred<br>to Planning Fund                                           | (943,418)           |                     |                           |
|                     | Less: Deduction in eligibility                                                                | <u>(110,308)</u>    |                     | (110,308)                 |
|                     | Total expenditures                                                                            | <u>\$ 4,907,855</u> |                     |                           |
|                     | Less: Amounts owed to Planning Fund<br>Deduction in eligiblity in accordance<br>with CCR 6649 |                     |                     | (159,401)                 |
|                     |                                                                                               |                     |                     | <u>(159,401)</u>          |
|                     | Total allocations payable                                                                     |                     |                     | <u>\$ 34,694</u>          |

NEVADA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2025

| <u>Section</u> | <u>Purpose</u>                                  | <u>Final<br/>Apportionment</u> | <u>Disbursements</u> | <u>Undisbursed/<br/>Unclaimed</u> |
|----------------|-------------------------------------------------|--------------------------------|----------------------|-----------------------------------|
| 6730(a)        | Public Transportation Operations                |                                |                      |                                   |
|                | Town of Truckee                                 | \$ 333,090                     | \$ 333,090           |                                   |
|                |                                                 | <u>333,090</u>                 | <u>333,090</u>       | <u>-</u>                          |
| 6731(b)        | Contracted Transportation Services Planning     |                                |                      |                                   |
|                | Nevada County                                   | 57,170                         | 57,170               |                                   |
|                | Town of Truckee                                 | 43,410                         | 43,410               |                                   |
|                |                                                 | <u>100,580</u>                 | <u>100,580</u>       | <u>-</u>                          |
|                | Total apportionment                             | <u>433,670</u>                 | <u>\$ 433,670</u>    | <u>-</u>                          |
|                | Prior year unpaid allocations:                  |                                |                      |                                   |
|                | Town of Truckee - Public Transportation Capital |                                |                      | \$ 60,000                         |
|                | Less: Deduction in eligibility                  | <u>(8,994)</u>                 |                      | <u>(8,994)</u>                    |
|                | Totals                                          | <u>\$ 424,676</u>              |                      |                                   |
|                | Total allocations payable                       |                                |                      | <u>\$ 51,006</u>                  |

NEVADA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE OF GOOD REPAIR FUND

For the Year Ended June 30, 2025

| <u>Section</u> | <u>Purpose</u>                     | <u>Final<br/>Allocation</u> | <u>Disbursements</u> | <u>Undisbursed/<br/>Unclaimed</u> |
|----------------|------------------------------------|-----------------------------|----------------------|-----------------------------------|
| 99313          | Contracted Transportation Services |                             |                      |                                   |
|                | Town of Truckee                    | \$ 182,278                  | \$ 136,709           | \$ 45,569                         |
|                |                                    | <u>182,278</u>              | <u>136,709</u>       | <u>45,569</u>                     |
|                | Totals                             | <u>\$ 182,278</u>           | <u>\$ 136,709</u>    | <u>45,569</u>                     |
|                | Total allocations payable          |                             |                      | <u>\$ 45,569</u>                  |

NEVADA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - TRANSIT AND INTERCITY  
RAIL CAPITAL PROGRAM (TIRCP) FUND

For the Year Ended June 30, 2025

| Purpose                                                       | Allocated          | Expended           | Unexpended          |
|---------------------------------------------------------------|--------------------|--------------------|---------------------|
| Current year:                                                 |                    |                    |                     |
| Nevada County                                                 |                    |                    |                     |
| Fixed route and paratransit CAD/AVL System Project            |                    |                    |                     |
| Construction                                                  | \$ 570,000         |                    | \$ 570,000          |
| NCOC charger equipment and installation                       | 1,011,820          | \$ 168,949         | 842,871             |
| Tinloy Transit Center On-Route Charger Project                |                    |                    |                     |
| Construction                                                  | 2,483,714          | 1,418,250          | 1,065,464           |
| Truckee                                                       |                    |                    |                     |
| Transit and operations facility expansion and electrification | 370,000            |                    | 370,000             |
| Totals                                                        | <u>\$4,435,534</u> | <u>\$1,587,199</u> | <u>\$ 2,278,335</u> |

NEVADA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - ZERO-EMISSION TRANSIT  
CAPITAL (ZETCP) FUND

For the Year Ended June 30, 2025

| Purpose                                | Allocated         | Expended          | Unexpended        |
|----------------------------------------|-------------------|-------------------|-------------------|
| Current year:                          |                   |                   |                   |
| Nevada County                          |                   |                   |                   |
| GGRF                                   |                   |                   |                   |
| Tinloy Transit Center On-Route Charger |                   |                   |                   |
| Project Construction                   | \$ 38,057         | \$ 38,057         |                   |
| Vehicle Lift Project Construction      | 259,520           | 69,708            | \$ 189,812        |
| PTA                                    |                   |                   |                   |
| Tinloy Transit Center On-Route Charger |                   |                   |                   |
| Project Construction                   | 133,645           | 133,645           | -                 |
| Totals                                 | <u>\$ 431,222</u> | <u>\$ 241,410</u> | <u>\$ 189,812</u> |

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## **COMPLIANCE REPORTS**

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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 Directors  
Nevada County Transportation Commission  
Nevada City, 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, each major fund, and the aggregate remaining fund information of the Nevada County Transportation Commission (the Commission) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 30, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission'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 or significant deficiencies may exist that were not identified.

To the Board of Directors  
Nevada County Transportation Commission

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

As part of obtaining reasonable assurance about whether the Commission'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 financial statements. Our audit was further made to determine that Transportation Development Act Funds allocated and received by the Commission were expended in conformance with the applicable statutes, rules, and regulations of the Transportation Development Act and Sections 6661, 6662 and 6751 of the California Code of Regulations. The results of performing these tasks disclosed no instances of noncompliance with the applicable statutes, rules, and regulations of the Transportation Development Act and other state program statutes and guidelines. 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*, the TDA or other state regulations.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the Commission'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 guidelines in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

June 30, 2026