AMADOR TRANSIT SYSTEM

Audited Financial Statements
and Compliance Reports

June 30, 2024

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and Compliance Reports

June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amador Transit System
Jackson, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Amador Transit System (Amador Transit) as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of Amador Transit as of June 30, 2024 and 2023 and the changes in financial position and cash flows for the years 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. 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 Amador Transit and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Amador Transit'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.

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 opinion. 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 judgement 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 Amador Transit'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 Amador Transit'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 management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 on our consideration of the Authority'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. 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 Amador Transit's internal control over financial reporting and compliance.

Richardson & Company, LLP

April 23, 2025

AMADOR TRANSIT

Management's Discussion and Analysis
For Years Ended June 30, 2024 and 2023

The management of Amador Transit presents this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2024 and 2023. This section is designed to be read in conjunction with Amador Transit's basic financial statements and the footnotes.

The primary objective of the Management Discussion and Analysis (MD&A) is to enhance the understandability and usefulness of this external financial audit report to the general public and oversight government bodies.

Financial and Operational Highlights

- Net position of Amador Transit is **$1,595,205**.
- $(559,130) of negative unrestricted net position due to the required accrual of the net pension liability on the balance sheet. This liability totaled **$1,163,988** as of June 30, 2024.
- Amador Transit provided **40,155** trips: an average of **159** trips per day. Of those trips, **70%** were for the elderly and people with disabilities.

Overview of Financial Statements

Amador Transit submits proprietary fund financial statements under the enterprise accounting methodology. Enterprise funds account for service where all or a portion of the cost is recovered via user fees. Prepared under the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), revenues are recorded in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

This report includes Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and Compliance Reports. These financial statements are prepared by independent auditors. Notes to the financial statements provide additional information that is essential for a reader to fully understand the financial data provided.

The basic financial statements are designed to follow corporate presentation models.

- The focus of the **Balance Sheet** is the total net resources available to continue providing public transportation services. This statement consolidates current spendable assets with capital assets.
- The **Statements of Revenues, Expenses and Changes in Net Position** focus on the "bottom line results" of Amador Transit's operations. The intent is to report the net cost of Amador Transit's activities that are mainly supported by local sales taxes and passenger fares.

- The **Statement of Cash Flows** provides an accounting of cash receipts and cash payments that occurred during the fiscal year. This statement includes the cash effects on Amador Transit's operations, financing and investment transactions.

Financial Analysis

The following schedule was prepared from Amador Transit's Balance Sheets using the accrual basis of accounting. Assets purchased above $5,000 are capitalized and depreciated. Net position is the difference between liabilities and assets and are one measure of the financial health of Amador Transit.

	Summary of Net Position			
	2024	2023	Increase (Decrease)	2022
Assets				
Current assets	$ 1,355,932	$ 1,387,937	$ (32,005)	$ 1,119,447
Capital assets	2,162,838	2,137,656	25,182	2,084,278
Total assets	$ 3,518,770	$ 3,525,593	$ (6,823)	$ 3,203,725
Deferred outflows of resources	$ 643,045	$ 762,695	$ (119,650)	$ 287,035
Liabilities				
Current and other liabilities	$ 1,072,306	$ 779,926	$ 292,380	$ 121,951
Noncurrent liabilities	1,180,632	1,108,604	72,028	1,278,762
Total liabilities	2,252,938	1,888,530	364,408	1,400,713
Deferred inflows of resources	$ 313,672	$ 439,732	$ (126,060)	$ 664,369
Net Position				
Net investment in capital assets	$ 2,143,009	$ 2,137,656	$ 5,353	$ 2,084,278
Restricted net position	11,326	13,940	(2,614)	8,026
Unrestricted net position	(559,130)	(191,570)	(367,560)	(256,726)
Total net position	$ 1,595,205	$ 1,960,026	$ (364,821)	$ 1,835,578

The net position decreased by **$361,821** on June 30, 2024, due to a decrease in STA revenue recognized. Ridership has increased on fixed routes since the 2020 pandemic decline. The expanded Dial-A-Ride service areas to Pioneer, Plymouth and Ione have increased ridership for transit dependent residents. Local transportation fund revenue recognized increased **$138,493** and Amador Transit received **$576,548** of State Transit Assistance funding for fleet purchases and State of Good Repair funding for a 9-passenger van. Overall operating expenses for FY 23/24 have seen a slight increase of $3,606.

Summary of Changes in Net Position

	2024	2023	Increase (Decrease)	2022
Operating revenue	$ 95,559	$ 85,381	$ 10,178	$ 68,946
Operating expenses	2,316,393	2,312,787	3,606	2,114,277
Net operating loss	(2,220,834)	(2,227,406)	6,572	(2,045,331)
Nonoperating revenues (expenses):				
Local transportation fund allocation	615,892	465,000	150,892	574,000
Local transportation funds recognized/deferre	254,190	266,589	(12,399)	(5,228)
Federal transit administration grants	450,021	602,469	(152,448)	633,263
State transit assistance fund allocation		361,065	(361,065)	416,682
Sacramento contract	104,124	103,696	428	96,136
Other nonoperating revenues	56,120	60,310	(4,190)	97,083
State grants	137,937	136,085	1,852	29,663
Amador Rides grant			-	2,165
Gain on sale of capital assets	23,800		23,800	
Interest revenue	1,211	481	730	302
Nonoperating expenses			-	(44,820)
Total nonoperating revenues (expenses)	1,643,295	1,995,695	(352,400)	1,799,246
Loss before capital contributions	(577,539)	(231,711)	(345,828)	(246,085)
Capital contributions	212,718	285,413	(72,695)	
Change in net position	(364,821)	53,702	(418,523)	(246,085)
Net position, beginning of year	1,960,026	1,835,578	124,448	2,081,663
Restatement		70,746	70,746	
Net position, end of year	$ 1,595,205	$ 1,960,026	$ (223,329)	$ 1,835,578

Due to an increase in salaries and depreciation, expenses increased by **$3,606** during fiscal year 2023/24, with all other operating expenses decreasing. Amador Transit's expansion of Dial-A-Ride transportation services throughout the county continues to improve ridership numbers with new eligible residents accessing this service from Pioneer, Plymouth and Ione extended service areas. Amador Transit procured 1 additional 9-passnger van, additional hiring and training of new drivers to meet the increased demand of transit services.

Transportation Development Act (TDA)

Enacted by the California legislature in 1972, the Mills-Alquist-Deddeh Act, better known as the Transportation Development Act (TDA) provides a major source of funding for public transportation implemented by regional transportation planning agencies. TDA statutes are under Government Code Title 3, Division 3, Chapter 2, Article 11 and Public Utilities Code Division 10, Part 11, Chapter 4, Articles 1 – 8.

Each county establishes a Local Transportation Fund (LTF) for TDA purposes. LTF revenues are derived from ¼ cent of the retail sales tax dollars collected statewide. The

State Board of Equalization returns the ¼ cent to each county according to the amount of tax collected within its boundaries. As noted, Amador Transit utilizes all of the TDA available for transit. TDA for transit operating is determined following the allocation of TDA by the Amador County Transportation Commission.

Annual audits of TDA recipients include a compliance report to verify that the allocations are made within California Code of Regulations. For this fiscal year, Amador Transit saw an increase in the allocation of Local Transportation Funds, which totaled $**615,892.** The original board approved amount of **$565,000** was increased by **$50,892** to cover expenses for the newly expanded Dial-A-Ride service area to Ione and Plymouth. The LTF allocation received is used in its entirety for operating expenditures.

Capital Assets

Amador Transit purchased a 9-passenger van during FY 2023-24, for a total cost of **$109,713.61**. See Note D of the notes to financial statements for additional information on capital assets.

Economic Factors and Related Budget Impact

(53%) of Amador Transit's operating and non-operating revenues are TDA/LTF funds derived from retail sales tax receipts in Amador County for fiscal year 2023/24. The increase in fuel prices for the FY 2023-24 fiscal year helped increase retail sales tax receipts, while COVID-19 pandemic still lingers and affects fixed route transit ridership.

Requests for Information

This discussion is designed to provide general overview to those persons with an interest in Amador Transit's financial position. Questions or comments may be directed to:

Patricia Maggie Amarant, General Manager
Amador Transit
11400 American Legion Drive
Jackson, CA95642

AMADOR TRANSIT SYSTEM

BALANCE SHEETS

June 30, 2024 and 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 636,456	$ 527,382
Accrued interest receivable	848	
Due from other governments	666,927	794,648
Other receivables	1,380	800
Other assets	38,996	51,167
TOTAL CURRENT ASSETS	1,344,607	1,373,997
NONCURRENT ASSETS		
Restricted cash and cash equivalents	11,325	13,940
Capital assets:		
Not depreciated	254,026	254,026
Depreciated, net	1,908,812	1,883,630
TOTAL CAPITAL ASSETS	2,162,838	2,137,656
TOTAL NONCURRENT ASSETS	2,174,163	2,151,596
TOTAL ASSETS	3,518,770	3,525,593
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	643,045	762,695
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 4,161,815	$ 4,288,288
LIABILITIES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 57,387	$ 49,229
Accrued payroll	22,390	35,562
Due to other governments	160,559	44,611
Unearned revenues	771,067	595,359
Current portion of long-term liabilities	3,185	
Compensated absences, due within one year	57,718	55,165
TOTAL CURRENT LIABILITIES	1,072,306	779,926
NONCURRENT LIABILITIES		
Noncurrent portion of long-term liabilities	16,644	
Net pension liability	1,163,988	1,108,604
TOTAL LIABILITIES	2,252,938	1,888,530
DEFERRED INFLOWS OF RESOURCES		
Pensions	313,672	439,732
NET POSITION		
Net investment in capital assets	2,143,009	2,137,656
Restricted for Amador Rides program	11,326	13,940
Unrestricted	(559,130)	(191,570)
TOTAL NET POSITION	1,595,205	1,960,026
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 4,161,815	$ 4,288,288

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

AMADOR TRANSIT SYSTEM

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Fares	$ 80,528	$ 65,823
Other operating revenue	15,031	19,558
TOTAL OPERATING REVENUES	95,559	85,381
OPERATING EXPENSES		
Salaries and benefits	1,458,657	1,480,371
Insurance	126,028	113,955
Equipment, maintenance and fuel	402,571	368,900
General administration	73,171	65,186
Professional and special	58,846	48,729
Other expenses	9,586	3,611
Depreciation	187,534	232,035
TOTAL OPERATING EXPENSES	2,316,393	2,312,787
OPERATING LOSS	(2,220,834)	(2,227,406)
NONOPERATING REVENUES (EXPENSES)		
Local transportation fund allocation	615,892	465,000
Local transportation fund recognized/(deferred)	254,190	266,589
Federal transit administration grants	450,021	602,469
State transit assistance fund allocation		361,065
Sacramento contract	104,124	103,696
Other nonoperating revenues	55,570	49,059
State grants	109,214	102,360
State of good repair	28,724	33,725
Gain on sale of assets	23,800	
Contributions	550	11,251
Interest revenue	1,210	481
TOTAL NONOPERATING REVENUES (EXPENSES)	1,643,295	1,995,695
LOSS BEFORE CAPITAL CONTRIBUTIONS	(577,539)	(231,711)
CAPITAL CONTRIBUTIONS		
State transit assistance fund allocation	60,088	226,147
Federal transit administration capital grants	152,630	
State of good repair		59,266
TOTAL CAPITAL CONTRIBUTIONS	212,718	285,413
CHANGE IN NET POSITION	(364,821)	53,702
Net position, beginning of year	1,960,026	1,906,324
NET POSITION, END OF YEAR	$ 1,595,205	$ 1,960,026

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

AMADOR TRANSIT SYSTEM

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from passengers	$ 94,131	$ 85,531
Cash paid to suppliers for goods and services	(649,873)	(591,932)
Cash paid to employees for services	(1,420,302)	(1,385,126)
NET CASH USED BY OPERATING ACTIVITIES	(1,976,044)	(1,891,527)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and subsidies	2,057,370	1,813,437
Other non-operating revenue	160,244	164,006
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,217,614	1,977,443
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants received for capital acquisitions	32,766	36,744
Copier lease liability	19,829	
Proceeds from disposal of capital assets	23,800	
Acquisition of capital assets	(212,716)	(285,413)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(136,321)	(248,669)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	1,210	481
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,210	481
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,459	(162,272)
Cash and cash equivalents, beginning of year	541,322	703,594
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 647,781	$ 541,322
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET		
Cash and cash equivalents	$ 636,456	$ 527,382
Restricted cash and cash equivalents	11,325	13,940
TOTAL CASH AND CASH EQUIVALENTS	$ 647,781	$ 541,322

(Continued)

AMADOR TRANSIT SYSTEM

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (2,220,834)	$ (2,227,406)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization	187,534	232,035
Changes in operating assets and liabilities:		
Accounts receivable	(580)	150
Accrued interest receivable	(848)	
Other assets	12,171	(1,885)
Accounts payable	8,158	10,334
Accrued payroll	(13,172)	5,542
Compensated absences	2,553	2,129
Deferred outflows/inflows	(6,410)	(290,397)
Net pension liability	55,384	377,971
NET CASH USED BY OPERATING ACTIVITIES	$ (1,976,044)	$ (1,891,527)

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Amador Transit System (Amador Transit) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Amador Transit follows Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of Amador Transit's accounting policies are described below.

Description of Reporting Entity: The Amador Transit was created in 1977 to meet the transportation needs of the general public and provide transit services for the elderly and handicapped for Amador County. A Joint Exercise of Powers Agreement was signed between Amador County and the Cities of Amador City, Ione, Jackson, Plymouth and Sutter Creek whereby Amador Transit would operate as a Joint Powers Agency pursuant to Section 6500 of the California Government Code. In addition to fare revenues, Amador Transit receives funds under the provisions of the Transportation Development Act from the Amador County Transportation Commission's Local Transportation Fund, State Transit Assistance Fund and State of Good Repair Fund. Amador Transit also receives revenue from other federal and state grantor agencies. The Amador Rides program is included in these financial statements of Amador Transit.

All significant activities on which Amador Transit exercises oversight responsibility have been included in the financial statements. Amador Transit is governed by a Board of Directors comprised of six members, with two members appointed by the Board of Supervisors of Amador County and three members appointed by the City Councils of the member cities and one Citizen at large. Although Amador Transit has the same Board as the Amador County Transportation Commission, there is no financial benefit or burden relationship, so Amador Transit is not considered a component unit of the Commission.

Basis of Presentation: Amador Transit's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies.

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

Amador Transit uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Non-exchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenues are recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received before eligibility requirements are met they are recorded as deferred revenues until earned.

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

When both restricted and unrestricted resources are available for use, it is Amador Transit's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: For purposes of the statement of cash flows, Amador Transit considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including bank deposits. Amador Transit has bank deposits that are restricted for the Amador Rides program totaling $11,325 and $13,940 at June 30, 2024 and 2023 respectively.

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

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

Unearned Revenues: Unearned revenues arise when resources are received by Amador Transit before it has legal claim to them, such as when cost reimbursement grant and other intergovernmental revenues are received prior to the incurrence of qualifying expenses. Information on unearned revenues is reported in Note G.

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

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Authority's pension plan as described in Note I.

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

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

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The amount reported as restricted net position represents contributions for the Amador Rides program that were not expended as of June 30, 2024.

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

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

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Amador Transit's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement are effective for years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resources flows in the government-wide, governmental fund, and proprietary fund statement of resources flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective for years beginning after June 15, 2025.

Amador Transit is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND CASH EQUIVALENTS

Amador Transit's cash and cash equivalents as of June 30, 2024 and 2023 consisted of the following:

	2024	2023
Unrestricted cash and investments		
Deposits in financial institutions	$ 636,456	$ 527,382
Restricted cash and investments		
Deposits in financial institutions	11,325	13,940
	$ 647,781	$ 541,322

Investment Policy: California statutes, and the Joint Exercise of Powers Agreement establishing Amador Transit discussed in Note A, 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. Amador Transit's investment policy further restricts investments to bank deposits, including certificates of deposit, and the Local Agency Investment Fund (LAIF).

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, 2024, the weighted average maturity of the investments contained in the LAIF investment pool was approximately 217 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. LAIF 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. The custodial credit risk for investments is the risk that, in the event of a failure of the counter party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of governmental investment pools.

At June 30, 2024 and 2023 the carrying amounts of Amador Transit's deposits were $647,781 and $541,322, and the balances in financial institutions were $670,645 and $547,580 respectively. Of the balance in financial institutions, $409,320 and $263,940 was not covered by federal depository insurance at June 30, 2024 and 2023 respectively.

NOTE C – DUE FROM OTHER GOVERNMENTS

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

	2024	2023
Federal Transit Administration (FTA) grants	$ 187,227	$ 311,252
State Transit Assistance Funds	130,050	
State of Good Repair Funds	17,991	27,442
Mobility Management	58,242	125,729
CRRSSA Grant	152,630	211,789
Logisticare		5,195
Low Carbon Transit Operators Funds	109,214	102,360
Sacramento County contract	7,948	8,877
Other	3,625	2,004
	$ 666,927	$ 794,648

NOTE D – CAPITAL ASSETS

Capital assets consisted of the following at June 30:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	$ 254,026			$ 254,026
Total capital assets, not being depreciated	254,026			254,026
Capital assets, being depreciated:				
Buildings and improvements	2,393,776	$ 26,627		2,420,403
Transit vehicles	2,264,811	154,217	$ (246,350)	2,172,678
Equipment	211,102	31,872	(22,396)	220,578
Total capital assets, being depreciated	4,869,689	212,716	(268,746)	4,813,659
Less accumulated depreciation:				
Building and improvements	(880,970)	(82,469)		(963,439)
Transit vehicles	(1,967,291)	(88,156)	246,350	(1,809,097)
Equipment	(137,798)	(16,909)	22,396	(132,311)
Total accumulated depreciation	(2,986,059)	(187,534)	268,746	(2,904,847)
Total capital assets being depreciated, net	1,883,630	25,182		1,908,812
Capital assets, net	$ 2,137,656	$ 25,182	$ -	$ 2,162,838

NOTE D – CAPITAL ASSETS (Continued)

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	$ 254,026			$ 254,026
Total capital assets, not being depreciated	254,026			254,026
Capital assets, being depreciated:				
Buildings and improvements	2,381,635	$ 12,141		2,393,776
Transit vehicles	2,024,152	240,659		2,264,811
Equipment	244,245	32,613	$ (65,756)	211,102
Total capital assets, being depreciated	4,650,032	285,413	(65,756)	4,869,689
Less accumulated depreciation:				
Building and improvements	(800,609)	(80,361)		(880,970)
Transit vehicles	(1,834,673)	(132,618)		(1,967,291)
Equipment	(184,498)	(19,056)	65,756	(137,798)
Total accumulated depreciation	(2,819,780)	(232,035)	65,756	(2,986,059)
Total capital assets being depreciated, net	1,830,252	53,378	-	1,883,630
Capital assets, net	$ 2,084,278	$ 53,378	$ -	$ 2,137,656

NOTE E – DESIGNATIONS/RESERVES

Amador Transit has established various designations or cash reserves as follows as of June 30:

	2024	2023
Fleet reserve	$ 440,093	$ 197,793
Building reserve	75,418	137,205
Equipment reserve	44,980	63,376
Capital reserves	560,491	398,374
Operating reserve	44	41,129
Other operating cash	75,921	87,879
Total cash and cash equivalents	$ 636,456	$ 527,382

NOTE F – LONG-TERM LIABILITIES

Long-term liability activity consisted of the following for the year ended June 30:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Financed purchase agreement		$ 23,625	$ (3,796)	$ 19,829	$ 3,185
Compensated absences	$ 55,165	2,553		57,718	57,718
Net pension obligation	1,108,604	55,384		1,163,988	
Totals	$ 1,163,769	$ 57,937	$ -	$ 1,221,706	$ 60,903

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Compensated absences	$ 53,036	$ 2,129		$ 55,165	$ 55,165
Net pension obligation	730,633	377,971		1,108,604	
Totals	$ 783,669	$ 380,100	$ -	$ 1,163,769	$ 55,165

Financed Purchase Agreement: Amador Transit has entered into a financing lease arrangements under which the related asset will become the property of Amador Transit when all terms of the financing agreements are met. In the current year, Amador Transit entered into a 63-month lease agreement as lessee for financing the acquisition of a copier with an interest rate of 5.70%. The cost and accumulated depreciation on leased assets at June 30, 2024 is $20,387 and $510, respectively.

Year Ending June 30:	Principal	Interest	Total
2025	$ 3,185	$ 1,037	$ 4,222
2026	3,665	771	4,436
2027	3,599	582	4,181
2028	4,105	375	4,480
2029	4,344	156	4,500
2030	931	2	933
	$ 19,829	$ 2,923	$ 22,752

NOTE G – UNEARNED REVENUES

A schedule of changes in unearned revenue for the year ended June 30, is as follows:

	LTF Operating	STA Capital/ Operating	State of Good Repair	Total
Balance, June 30, 2023	$ 312,028	$ 224,306	$ 59,025	$ 595,359
Allocations	615,892	507,800	68,748	1,192,440
Expenditures	(927,920)	(60,088)	(28,724)	(1,016,732)
Balance, June 30, 2024	$ -	$ 672,018	$ 99,049	$ 771,067

	LTF Operating	STA Capital/ Operating	State of Good Repair	Total
Balance, June 30, 2022	$ 578,617	$ 450,453	$ 87,831	$ 1,116,901
Allocations	465,000	361,065	64,185	890,250
Expenditures	(731,589)	(587,212)	(92,991)	(1,411,792)
Balance, June 30, 2023	$ 312,028	$ 224,306	$ 59,025	$ 595,359

Local Transportation Fund: The Local Transportation Fund (LTF) provides support to the transit system to fund its operation. The Transportation Development Act (TDA) requires that funds in excess of actual operating costs as defined by section 6634 of the California Code of Regulations must be either returned to their source or retained and used in the following fiscal year. The maximum amount allowed is based on operating costs after certain adjustments. Allocations in excess of this amount are recorded as unearned revenue. At June 30, 2024 and 2023 Amador Transit had deferred LTF allocations for operating purposes determined as follows:

NOTE G – UNEARNED REVENUES (Continued)

	2024	2023
Unearned LTF allocations at beginning of year	$ 312,028	$ 578,617
LTF allocation		
Total amount allocated	615,892	465,000
LTF allocations available for operating costs	927,920	1,043,617
Maximum amount allowed:		
Operating expenses	2,316,417	2,312,787
Less: Depreciation	(187,534)	(232,035)
Actual operating cost of existing service	2,128,883	2,080,752
Adjustments:		
Advertising contract	(55,464)	(47,482)
Gain on sale of asset	(23,800)	
Refunds and reimbursements	(106)	(1,577)
Contributions	(25)	(11,251)
State of Good repair	(28,724)	(33,725)
Fares and Amador Rides contributions	(95,559)	(85,381)
Federal transit administration grants	(603,175)	(602,469)
STA used for operations		(361,065)
LCTOP operating funds	(109,214)	(102,360)
Interest revenue available for operating costs	(70)	(157)
Sacramento Service Contract	(104,124)	(103,696)
Maximum amount allowed	1,108,622	731,589
Unearned LTF allocations at end of year	$ (180,702)	$ 312,028

State Transit Assistance: State Transit Assistance (STA) allocations were used to fund capital asset purchases. Allocations in excess of qualifying expenses are unearned until future periods. The maximum STA revenues available for the fiscal years ended June 30, 2024 and 2023 as determined as follows:

	2024	2023
Unearned STA allocations at beginning of year	$ 224,306	$ 450,453
STA allocation for operating		361,065
STA allocations for capital	507,800	
STA allocations available	732,106	811,518
Maximum amount allowed:		
Applied to operating expenditures		361,065
Capital assets purchased	60,088	226,147
Maximum amount allowed	60,088	587,212
Unearned STA allocations at end of year	$ 672,018	$ 224,306

NOTE G – UNEARNED REVENUES (Continued)

State of Good Repair: The State of Good Repair (SGR) program was established by the California Legislature in 2017 by Senate Bill 1. SGR is a program that provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of the transportation infrastructure and improve transportation services. As of June 30, 2024 and 2023, SGR funds allocated and expended were verified in the course of the audit as follows:

	2024	2023
Unearned SGR allocations at beginning of year	$ 59,025	$ 87,831
SGR allocations	68,748	64,185
SGR allocations available	127,773	152,016
Maximum amount allowed:		
Applied to operating expenditures	28,724	33,725
Capital assets purchased		59,266
Maximum amount allowed	28,724	92,991
Unearned SGR allocations at end of year	$ 99,049	$ 59,025

Low Carbon Transit Operators: The California Department of Transportation has awarded Amador Transit $109,214 and $102,360 for Low Carbon Transit Operation Program Projects during the fiscal year ended June 30, 2024 and 2023 respectively, which was used to fund the upcountry routes. There were no unexpended proceeds as of June 30, 2024 or 2023.

NOTE H – FARE REVENUE RATIO

Amador Transit is required to maintain a fare revenue to operating expense ratio in accordance with the Transportation Development Act. The fare revenue to operating expenses ratio for Amador Transit is calculated as follows for the year ended June 30, 2024 and 2023:

	2024	2023
Fare revenues	$ 95,559	$ 85,381
Less Sacramento service revenue	(5,282)	
Add Local support:		
Contributions	550	11,251
Advertising revenue	55,570	49,059
Federal grants	450,021	602,469
	596,418	748,160
Operating expenses	2,316,393	2,312,787
Less: Sacramento service contract expenses	(109,406)	(86,709)
Less allowable exclusions:		
Depreciation and amortization	(187,534)	(232,035)
Net operating expenses	$ 2,019,453	$ 1,994,043
Fare revenue ratio	29.53%	37.52%

NOTE H – FARE REVENUE RATIO (Continued)

Amador Transit was in compliance with the required 10% fare revenue for the year ended June 30, 2024 and 2023. Assembly Bill (AB) 149 permits the inclusion of federal funds as local support, which allows Amador Transit to meet its fare revenue ration.

NOTE I –PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Board has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is the following: the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024 and 2023 are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates - 2023/24	7.00%	7.75%
Required employer contribution rates - 2023/24	11.84%	7.68%
Required employee contribution rates - 2022/23	6.92%	6.75%
Required employer contribution rates - 2022/23	10.32%	7.47%

NOTE I –PENSION PLANS (Continued)

In addition to the contribution rates above, Amador Transit was also required to make a payment of $61,428 and $69,342 toward its unfunded actuarial liability during the year ended June 30, 2024 and 2023 respectively. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Amador Transit is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions to the Plans were $159,924 and $153,810 for the years ended June 30, 2024 and 2023 respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2024 and 2023, Amador Transit reported a net pension liability for its proportionate share of the net pension liability of and $1,163,988 and $1,108,604 respectively.

Amador Transit's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. Amador Transit's proportion of the net pension liability was based on a projection of Amador Transit's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. Amador Transit's proportionate share of the net pension liability for the Plan as of June 30, 2024 was as follows:

	Miscellaneous Plan
Proportion - June 30, 2023	0.02369%
Proportion - June 30, 2024	0.02328%
Change - Increase (Decrease)	-0.00041%
Proportion - June 30, 2022	0.03848%
Proportion - June 30, 2023	0.02369%
Change - Increase (Decrease)	-0.01479%

For the year ended June 30, 2024 and 2023 Amador Transit's pension expense was $208,899 and $241,384 respectively. Amador Transit reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

NOTE I –PENSION PLANS (Continued)

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 159,924		$ 153,810	
Differences between actual and expected experience	59,463	$ (9,224)	22,263	$ (14,911)
Changes in assumptions	70,275		113,600	
Differences betweeen the employer's contribution and the employer's proportionate share of contributions	164,158	(33,479)	260,721	(12,291)
Change in employer's proportion	765	(270,969)	9,234	(412,530)
Net differences between projected and actual earnings on plan investments	188,460		203,067	
Total	$ 643,045	$ (313,672)	$ 762,695	$ (439,732)

The $159,924 and $153,810 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as net deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Miscellaneous
2025	$ 23,258
2026	10,344
2027	130,439
2028	5,408
	$ 169,449

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.8	2.8
Projected Salary Increase	0.20% -7.64%	0.20% -7.64%
Investment Rate of Return	6.90%	6.90%
Mortality	CalPERS Table	CalPERS Table

(1) Depending on entry age and service

NOTE I –PENSION PLANS (Continued)

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by Society of Actuaries. For more details on this schedule, please refer to the 2021 Experience Study report that can be found on the CalPERS website. The Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate: The discount rate used to measure the total pension liability for PERF C was 6.90% at June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

NOTE I –PENSION PLANS (Continued)

	2024		2023	
Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	New Strategic Allocation	Real Return Years 1 - 10(a)
Global equity - cap-weighted	30.0%	4.45%	30.0%	4.45%
Global equity - non-cap-weighted	12.0%	3.84%	12.0%	3.84%
Private equity	13.0%	7.28%	13.0%	7.28%
Treasury	5.0%	0.27%	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%	5.0%	0.50%
Investment grade corporates	10.0%	1.56%	10.0%	1.56%
High yield	5.0%	2.27%	5.0%	2.27%
Emerging market debt	5.0%	2.48%	5.0%	2.48%
Private debt	5.0%	3.57%	5.0%	3.57%
Real assets	15.0%	3.21%	15.0%	3.21%
Leverage	-5.0%	-0.59%	-5.0%	-0.59%
Total	100.0%		100.0%	

(a) An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents Amador Transit's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what Amador Transit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2024	2023
	Miscellaneous Plan	Miscellaneous Plan
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 1,955,528	$ 1,867,384
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 1,163,988	$ 1,108,604
1% Increase	7.90%	7.90%
Net Pension Liability	$ 512,483	$ 484,317

Pension Plan Fiduciary Net Position*:* Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan*:* At June 30, 2024 and 2023, Amador Transit reported a payable of $14,356 and $12,153, respectively, for the outstanding amount of contributions to the plan.

NOTE J – INSURANCE COVERAGE

Amador Transit participates in the California Transit Insurance Pool (CalTIP), a joint powers public entity risk pool of governmental transit operators within California, for general, automobile, public officials errors and omissions liability and vehicle physical damage (collision and comprehensive). Amador Transit is provided with an excess coverage fund for these items through commercial insurance. Loss contingency reserves established by CalTIP are funded by contributions from member agencies. Amador Transit pays an annual premium to CalTIP that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the CalTIP. Amador Transit's deductibles and maximum coverage under CalTIP are as follows:

	Pool Coverage	Commercial Coverage	Deductible
General, Auto and Public Officials Errors & Omissions Liability	$ 10,000,000	$ 10,000,000	none
Primary Worker's Compensation		$ 125,000	none
Excess Worker's Compensation		$ 125,000	none

CalTIP is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the JPA agreements, all property of CalTIP would be returned the respective parties that transferred the property to CalTIP and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for CalTIP is available at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

Amador Transit carries commercial insurance for property loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

NOTE K– CONCENTRATIONS

Amador Transit receives a substantial amount of its support from a statewide retail sales tax from the Local Transportation Fund created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant effect on Amador Transit's activities.

NOTE L – COMMITMENTS AND CONTINGENCIES

Amador Transit receives funding for specific purposes that are subject to review and audit by the granting agencies of the funding source. 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 audits.

NOTE M – SUBSEQUENT EVENT

On August 21st, 2024, Amador transit received two (2) Glaval Type C buses purchased from A-Z Bus Sales for a total of $351,923. Amador Transit obtained federal grant assistance in the year ended June 30, 2024, to purchase the buses through the California Department of Transportation.

REQUIRED SUPPLEMENTARY INFORMATION

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AMADOR TRANSIT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.023280%	0.023690%	0.038480%	0.029910%	0.011321%	0.010939%	0.010848%	0.0107080%	0.010360%	0.027902%
Proportionate share of the net pension liability	$ 1,163,988	$ 1,108,604	$ 730,633	$ 1,261,644	$ 1,160,027	$ 1,054,073	$ 1,075,841	$ 926,576	$ 711,123	$ 689,588
Covered payroll - measurement period	$ 716,724	$ 887,747	$ 879,969	$ 849,809	$ 880,144	$ 849,096	$ 784,677	$ 834,386	$ 748,383	$ 689,591
Proportionate share of the net pension liability as a percentage of covered payroll	162.40%	124.88%	83.03%	148.46%	131.80%	124.14%	137.11%	111.05%	95.02%	100.00%
Plan fiduciary net position as a percentage of the total pension liability	80.66%	74.41%	88.29%	75.10%	75.26%	75.26%	74.41%	76.21%	78.40%	79.82%
Notes to Schedule:										
Reporting valuation date - June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Reporting measurement date - June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.50% in 2015, to 7.65% in 2016, to 7.15% in 2018 and to 6.90% in 2023.

Note: The proportion of the net pension liability percentage was changed starting in 2021 to include only the miscellaneous plan. Proportions for prior years were not readily available for update.

AMADOR TRANSIT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 159,924	$ 153,810	$ 172,159	$ 159,419	$ 145,157	$ 128,582	$ 109,890	$ 97,743	$ 97,828	$ 80,160
Contributions in relation to the actuarially determined contributions	(159,924)	(153,810)	(172,159)	(159,419)	(145,157)	(128,582)	(109,890)	(97,743)	(97,828)	(80,160)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 840,311	$ 716,724	$ 887,747	$ 879,969	$ 849,809	$ 880,144	$ 849,096	$ 784,677	$ 834,386	$ 748,383
Contributions as a percentage of covered payroll	19.03%	21.46%	19.39%	18.12%	17.08%	14.61%	12.94%	12.46%	11.72%	10.71%
Notes to Schedule:										
Contribution valuation date - June 30	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Methods and assumptions used to determine contribution rates:										
Actuarial method	Entry age normal cost method									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	Varies, not more than 30 years									
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies depending on entry age and service									
Investment rate of return and discount rate used to compute contribution rates.	6.90%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67. Probabilities of retirement are based on the most recent CalPERS Experience Study.									
Mortality	Most recent CalPERS Experience Study.									

SUPPLEMENTARY INFORMATION

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AMADOR TRANSIT SYSTEM

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance With Final
	Original	Final	Amounts	Budget
OPERATING REVENUES				
Fares	$ 55,000	$ 55,000	$ 80,528	$ 25,528
Other operating revenue	20,000	20,000	15,031	(4,969)
TOTAL OPERATING REVENUES	75,000	75,000	95,559	20,559
OPERATING EXPENSES				
Salaries and benefits	1,216,387	1,216,387	1,458,657	242,270
Insurance	140,000	140,000	126,028	(13,972)
Equipment, maintenance and fuel	674,965	674,965	402,571	(272,394)
General administration	55,450	55,450	73,171	17,721
Professional and special	60,100	60,100	58,846	(1,254)
Other expenses	3,100	3,100	9,586	6,486
Depreciation			187,534	187,534
TOTAL OPERATING EXPENSES	2,150,002	2,150,002	2,316,393	166,391
OPERATING LOSS	(2,075,002)	(2,075,002)	(2,220,834)	(145,832)
NONOPERATING REVENUES (EXPENSES)				
Local transportation fund allocation	465,000	465,000	615,892	150,892
Local transportation fund recognized/(deferred)			254,190	254,190
Federal transit administration grants	778,120	778,120	450,021	(328,099)
State transit assistance fund allocation	361,065	361,065		(361,065)
Sacramento contract	85,000	85,000	104,124	19,124
Other nonoperating revenues	65,000	65,000	55,570	(9,430)
State grants	94,472	94,472	109,214	14,742
State of good repair	59,471	59,471	28,724	(30,747)
Gain on sale of assets			23,800	23,800
Contributions			550	550
Interest revenue			1,210	1,210
TOTAL NONOPERATING REVENUES (EXPENSES)	1,908,128	1,908,128	1,643,295	(264,833)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(166,874)	(166,874)	(577,539)	(410,665)
CAPITAL CONTRIBUTIONS				
State transit assistance fund allocation			60,088	60,088
TOTAL CAPITAL CONTRIBUTIONS	-	-	60,088	60,088
CHANGE IN NET POSITION	(166,874)	(166,874)	(517,451)	(350,577)
Net position, beginning of year	1,960,026	1,960,026	1,960,026	
NET POSITION, END OF YEAR	$ 1,793,152	$ 1,793,152	$ 1,442,575	$ (350,577)

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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 THE PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND OTHER STATE PROGRAM GUIDELINES

To the Board of Directors
Amador Transit System
Jackson, 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 Amador Transit System (Amador Transit) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Amador Transit's basic financial statements, and have issued our report thereon dated April 23, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amador Transit's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amador Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Amador Transit'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 Amador Transit'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Amador Transit

Compliance and Other Matters (including other State program guidelines)

As part of obtaining reasonable assurance about whether Amador Transit's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act Funds allocated and received by Amador Transit were expended in conformance with the applicable statutes, rules and regulations of the Transportation Development Act and Section 6667 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. We also tested the receipt and appropriate expenditures of bond funds, as presented in Note G of the financial statements, in accordance with State grant programs 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*.

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 Amador Transit's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amador Transit's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

April 23, 2025