CALAVERAS TRANSIT AGENCY

Audited Financial Statements
and Compliance Report

June 30, 2025

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June 30, 2025 and 2024

Audited Financial Statements

Basic Financial Statements

Compliance Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Calaveras Transit Agency
San Andreas, California

Opinion

We have audited the accompanying financial statements of the Calaveras Transit Agency (the Agency) for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financials 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 the Agency, as of June 30, 2025 and 2024, and the changes in financial position and the cash flows thereof 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 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 the Agency, 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 opinion.

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 Agency'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 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, 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 Agency'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 Agency'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

Management has omitted management's discussion and analysis 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 required 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 opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by the TDA and Other State Program Guidelines

In accordance with the Transportation Development Act (TDA) and other state program guidelines, we have also issued out report dated November 25, 2025 on our consideration of the Agency's compliance with the TDA and other state program guidelines. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

To the Board of Directors
Calaveras Transit Agency

That report is an integral part of an audit performed in accordance with the TDA and other state program guidelines in considering the Agency's compliance.

Richardson & Company, LLP

November 25, 2025

CALAVERAS TRANSIT AGENCY

STATEMENTS OF NET POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 666,656	$ 747,464
Due from other agencies - unrestricted	497,368	600,150
Due from other agencies - restricted	15,602	-
Accounts receivable	4,467	3,937
Prepaid expenses	2,533	2,494
TOTAL CURRENT ASSETS	1,186,626	1,354,045
NONCURRENT ASSETS		
Restricted cash and cash equivalents - captial purchases	854,358	129,562
Deposits	2,800	2,800
Capital assets:		
Not being depreciated/amortized	590,685	156,810
Being depreciated/amortized, net	1,553,662	1,212,617
Total Capital Assets, Net	2,144,347	1,369,427
TOTAL NONCURRENT ASSETS	3,001,505	1,501,789
TOTAL ASSETS	$ 4,188,131	$ 2,855,834
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 115,019	$ 98,209
Accounts payable – LTF capital allocation	150,406	-
Accrued interest payable	1,178	2,815
Subscription lability - current portion	35,474	32,770
Lease lability - current portion	43,881	39,972
TOTAL CURRENT LIABILITIES	345,958	173,766
NONCURRENT LIABILITIES		
Subscription liability - noncurrent portion	-	35,474
Lease lability - noncurrent portion	48,067	91,948
TOTAL NONCURRENT LIABILITIES	48,067	127,422
TOTAL LIABILITIES	394,025	301,188
NET POSITION		
Net investment in capital assets	1,866,519	1,169,263
Restricted for transit operations	1,208,033	1,255,821
Restricted for capital purchases	719,554	129,562
TOTAL NET POSITION	3,794,106	2,554,646
TOTAL LIABILITIES AND NET POSITION	$ 4,188,131	$ 2,855,834

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

CALAVERAS TRANSIT AGENCY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Passenger fares	$ 77,805	$ 66,176
TOTAL OPERATING REVENUES	77,805	66,176
OPERATING EXPENSES		
Purchased transportation	1,172,483	1,026,636
Services and supplies:		
Fuel	204,710	217,343
Maintenance	99,605	117,206
Professional services	13,389	37,867
Other	8,033	9,856
Small tools and equipment	2,067	8,895
Calaveras Council of Governments administration	55,739	43,008
Depreciation and amortization	230,075	163,836
TOTAL OPERATING EXPENSES	1,786,101	1,624,647
NET LOSS FROM OPERATIONS	(1,708,296)	(1,558,471)
NONOPERATING REVENUES (EXPENSES)		
State Transit Assistance	601,644	632,035
Federal grants	621,936	590,165
Local Transportation Fund	8,840	-
State of Good Repair	-	24,668
Low Carbon Transit Operations Program (LCTOP)	-	15,499
Advertising and other revenues	30,189	33,450
Investment earnings	72,688	46,745
Interest expense	(10,821)	(10,785)
Gain on disposal of capital assets	15,260	-
TOTAL NONOPERATING REVENUES	1,339,736	1,331,777
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS	(368,560)	(226,694)
CAPITAL CONTRIBUTIONS		
Capital contributions - Local Transportation Fund	1,110,847	-
Capital contributions - State of Good Repair	285,876	-
Capital contributions - Federal	110,874	-
Capital contributions - PTMISEA	74,739	158,070
Capital contributions - LCTOP	25,684	169,216
Capital contributions - COG	-	7,000
TOTAL CAPITAL CONTRIBUTIONS	1,608,020	334,286
CHANGE IN NET POSITION	1,239,460	107,592
Net position, beginning of year	2,554,646	2,447,054
NET POSITION, END OF YEAR	$ 3,794,106	$ 2,554,646

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

CALAVERAS TRANSIT AGENCY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 77,275	$ 68,055
Cash payments to suppliers	(1,539,255)	(1,441,751)
NET CASH USED BY OPERATING ACTIVITIES	(1,461,980)	(1,373,696)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and subsidies	1,365,391	1,173,198
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,365,391	1,173,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions received	1,592,418	327,286
Principal paid on lease	(39,972)	(38,075)
Principal paid on subscription	(32,770)	(53,375)
Acquisition of capital assets	(854,589)	(433,823)
Interest paid	(12,458)	(7,970)
Proceeds from sale of capital assets	15,260	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	667,889	(205,957)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	72,688	46,745
NET CASH PROVIDED BY INVESTING ACTIVITIES	72,688	46,745
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	643,988	(359,710)
Cash and cash equivalents, beginning of year	877,026	1,236,736
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,521,014	$ 877,026
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and cash equivalents	$ 666,656	$ 747,464
Restricted cash and cash equivalents - capital purchases	854,358	129,562
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,521,014	$ 877,026
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES		
Net loss from operations	$ (1,708,296)	$ (1,558,471)
Adjustments to reconcile net loss from operations to net cash used by operating activities:		
Depreciation and amortization expense	230,075	163,836
Changes in operating assets and liabilities:		
Accounts receivable	(530)	1,879
Prepaid expenses	(39)	19,200
Accounts payable	16,810	(140)
NET CASH USED BY OPERATING ACTIVITIES	$ (1,461,980)	$ (1,373,696)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Changes in capital asset purchases payable	$ 150,406	
Change in unrealized loss on investments	$ 21,454	$ 13,355
Donated vehicle		$ 7,000
Asset additions using long-term liabilities		$ (250,906)

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Calaveras Transit Agency (the Agency) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. 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 Agency's accounting policies are described below.

Description of the Entity: The Agency was organized under a Joint Powers Agreement between the County of Calaveras (the County) and City of Angels Camp (the City) pursuant to California Government Code Section 6500 et seq. on March 6, 2018 to own, operate and administer a public transportation system for the County of Calaveras. The Agency is responsible for the public transportation system and receives funding from the Calaveras Council of Governments and state and federal programs. The Agency began operations on July 1, 2018 and operates five transit routes along Highways 26, 49 and 4 and several local roads using a transit contractor, Paratransit Services. The Agency took over transit operations from the County of Calaveras Transit Fund. The County contributed buses and bus stops to the Agency. The Calaveras Council of Governments provides oversight and administration of the Agency's activities. The Agency has no employees. The Board of Directors is the same as the Governing Body of the Calaveras Council of Governments, which is comprised of seven members – two County Supervisors, two Council Members from the City and three members selected from the public at large (citizen members). The citizen members serve two-year terms and are appointed by the elected members, who are appointed by their respective bodies on a yearly basis. Although the Agency has the same Board as the Calaveras Council of Governments, there is no financial benefit or burden relationship, so the Agency is not considered a component unit of the Calaveras Council of Governments.

The Legislature of the State of California enacted the Transportation Development Act (TDA) (SB325) represented by Chapter 1400, Statutes of 1971, effective July 1, 1972. The TDA provides for state funding to counties for public transportation expenditures. The TDA requires that each county have a Transportation Planning Agency. The Calaveras Council of Governments, which is a separate legal entity that issues separate financial statements, fulfills this requirement. The principal source of TDA funding is derived from ¼ of one percent of the state retail sales tax. The ¼ cent is returned by the State Board of Equalization to each county according to the amount of tax collected in the county. The revenue is recorded in the Calaveras Council of Governments Local Transportation Fund (LTF). The Agency receives LTF revenue under Article 4, Section 99260(a) of the TDA for transit operations. The Agency uses Paratransit Services to operate and maintain the buses.

Additionally, the State Transit Assistance Fund (STAF) was created under Chapter 161 of the Statutes of 1979 (SB620) and revised by Chapter 322 of the Statutes of 1982 (AB 2551), and Chapter 105 of the Statutes of 1989 (SB 300). Funds for the program are derived from a statewide sales tax on gasoline and diesel fuel. These funds may not be allocated to fund administration for streets and roads projects. The Agency receives STAF from the Calaveras Council of Governments State Transit Assistance Fund under Article 4, Section 6731(b) of the TDA for contracted transit services and related administration.

On April 28, 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, was signed into law. SB 1 created the State of Good Repair (SGR) Program. SB 1 created 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 SGR program. The funds are distributed to RTPAs, who allocate to eligible agencies under the STA Program formula pursuant to Public Utilities Code Section 99312.1. SGR funds 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: The Agency's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are 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. Unrestricted net position for the enterprise fund represents the net position available for future operations.

Reporting Entity: The financial statements are intended to present the financial position, results of operations and cash flows of only those transactions reported in the Agency.

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

The Agency uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Non-exchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received before eligibility requirements are met they are recorded as unearned revenues until they are earned. LTF, STA, and Federal Transit Administration (FTA) revenues are recognized when approved by the Calaveras Council of Governments or FTA.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency are charges to passengers for public transit services. Operating expenses 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 the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Restricted Assets: Restricted cash and cash equivalents at June 30 consisted of the following:

	2025	2024
LTF restricted for transit center design costs	$ 838,197	$ 5,022
State of Good Repair restricted for bus purchases	16,161	124,540
	$ 854,358	$ 129,562

Restricted due from other agencies represented State of Good Repair revenue receivable of $15,602 at June 30, 2025.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are stated at historical cost or estimated historical cost if historical cost is not available. Capital assets are defined as assets with an initial cost of $2,500 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 individual assets, which is five years for automobiles, ten years for transit management software, forty years for bus stops and from four to ten years for buses and related equipment. 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.

Lease assets are recognized at the lease commencement date and represent the Agency's right to use an underlying asset for the lease term. Lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The lease was remeasured in March 2024 and has an amortization period of 3 years and 4 months. The Agency's lease is discussed in Note D.

Subscription-based technology arrangement (subscription) assets are recognized at the subscription commencement date and represent the Agency's right to use the underlying asset for the subscription term. Subscription assets are measured at the initial value of the subscription liability plus payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Subscription assets are amortized over the subscription term or useful life of the underlying asset using the straight-line method, which is 3.5 years. The Agency's subscription is discussed in Note D.

Unearned Revenue: Unearned revenue arises when resources are received by the Agency 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.

Net Position: Net position is categorized as the net investment 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 and amortization and any related debt reduces the balance in this category.

Restricted – 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. Restricted net position at June 30, 2025 and 2024 consisted of the balance of restricted assets as described in Note A less an LTF capital payable of $150,406. The Agency approved a minute order in November 2024 creating a Cash Flow Reserve Fund of $800,000, which is part of the amount restricted for transit operations.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related Party Transactions: The Agency shares a board with the Council and is administered by Council staff under a contract. The Council charged the Agency $55,739 and $43,008 for administration during the years ended June 30, 2025 and 2024, respectively. The Agency was also billed for Council staff time spent on the new transit center design of $11,525 and $13,527 during the years ended June 30, 2025 and 2024, respectively, which was recorded as construction in progress.

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.

Reclassifications: Certain reclassifications have been made to revenues for the year ended June 30, 2024 to conform to the presentation as of and for the fiscal year ended June 30, 2025. The reclassifications had no effect on net position or the change in net position.

New Pronouncements: 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.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires lease assets recognized in accordance with GASB Statement No. 87, *Leases*, right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, subscription assets recognized in accordance with GASB Statement. No 96, *Subscription-Based Information Technology Arrangements*, and other intangible assets to be disclosed separately in capital assets footnote disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should disclose the ending historical cost and accumulated depreciation by major class of asset and the carrying amount of debt for which the assets are pledged as collateral by major class of asset held for sale under this Statement. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The Council will fully analyze the impact of these new Statements prior to the effective dates listed above.

NOTE B – CASH AND CASH EQUIVALENTS

Investment policy: The Agency invests according to the California State Government Code. The Agency currently has no investment policy but invests in the County of Calaveras investment pool as a matter of practice.

Investment in the County of Calaveras Investment Pool: The Agency's cash is held in the County Treasury. The County maintains an investment pool that allocates interest to the various funds based upon the average daily cash balances at quarter end. Investments in the County's investment pool are available on demand to the Agency and are stated at 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 the investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2025 and 2024, the weighted average maturity of the investments contained in the County's investment pool was approximately 2.00 and 1.91 years, respectively.

Credit risk: Generally, credit risk is the risk that an insurer 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 investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial credit risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

NOTE C – CAPITAL ASSETS

Capital assets consisted of the following at June 30:

	Balance at July 1, 2024	Additions	Disposals	Transfers	Balance at June 30, 2025
Capital assets, not being depreciated/amortized:					
Land	$ 131,410	$ -	$ -	$ -	$ 131,410
Construction in progress	25,400	433,875	-	-	459,275
Total capital assets, not being depreciated/amortized:	156,810	433,875	-	-	590,685
Capital assets being depreciated/amortized:					
Bus shelter land improvements	213,125	-	-	-	213,125
Bus shelters	265,550	-	-	-	265,550
Property improvements	24,004	-	-	-	24,004
Transit vehicles and equipment	1,182,873	571,120	(165,000)	-	1,588,993
Adminstration vehicle	7,000	-	-	-	7,000
Leased asset - transit center	280,616	-	-	-	280,616
Subscription asset	121,619	-	-	-	121,619
Total capital assets being depreciated/amortized	2,094,787	571,120	(165,000)	-	2,500,907
Less accumulated depreciation/amortization for:					
Bus shelter land improvements	(112,552)	(19,727)	-	-	(132,279)
Bus shelters	(52,044)	(7,073)	-	-	(59,117)
Property improvements	(8,800)	(2,400)	-	-	(11,200)
Transit vehicles and equipment	(521,118)	(122,158)	165,000	1,050	(477,226)
Adinistrative vehicle	-	(1,400)	-	(1,050)	(2,450)
Leased asset - transit center	(152,908)	(42,569)	-	-	(195,477)
Subscription asset	(34,748)	(34,748)	-	-	(69,496)
Total accumulated depreciation/amortization	(882,170)	(230,075)	165,000	-	(947,245)
Total capital assets being depreciated/amortized, net	1,212,617	341,045	-	-	1,553,662
Capital assets, net	$ 1,369,427	$ 774,920	$ -	$ -	$ 2,144,347

NOTE C – CAPITAL ASSETS (Continued)

	Balance at July 1, 2023	Additions	Disposals	Balance at June 30, 2024
Capital assets, not being depreciated/amortized:				
Land	$ -	$ 131,410	$ -	$ 131,410
Construction in progress	11,873	13,527	-	25,400
	11,873	144,937	-	156,810
Capital assets being depreciated/amortized:				
Bus shelter land improvements	213,125	-	-	213,125
Bus shelters	265,550	-	-	265,550
Property improvements	24,004	-	-	24,004
Transit vehicles and equipment	893,987	288,886	-	1,182,873
Administration vehicle	-	7,000	-	7,000
Lease asset - transit center	151,329	129,287	-	280,616
Subscription asset	-	121,619	-	121,619
Total capital assets being depreciated/amortized	1,547,995	546,792	-	2,094,787
Less accumulated depreciation for:				
Bus shelter land improvements	(92,826)	(19,726)	-	(112,552)
Bus shelters	(44,971)	(7,073)	-	(52,044)
Property improvements	(6,400)	(2,400)	-	(8,800)
Transit vehicles and equipment	(460,641)	(60,477)	-	(521,118)
Lease asset - transit center	(113,496)	(39,412)	-	(152,908)
Subscription asset		(34,748)		(34,748)
Total accumulated depreciation/amortization	(718,334)	(163,836)	-	(882,170)
Total capital assets being depreciated/amortized, net	829,661	382,956	-	1,212,617
Capital assets, net	$ 841,534	$ 527,893	$ -	$ 1,369,427

NOTE D – LONG-TERM LIABILITIES

Long-term liability activity was as follows for the years ended June 30:

	Balance July 1, 2024	Additions	Retirements	June 30, 2025	Due Within One Year	Due in More Than One Year
Subscription liability	$ 68,244	$ -	$ (32,770)	$ 35,474	$ 35,474	$ -
Lease liability - transit center	131,920	-	(39,972)	91,948	43,881	48,067
	$ 200,164	$ -	$ (72,742)	$ 127,422	$ 79,355	$ 48,067

	Balance July 1, 2023	Additions	Retirements	June 30, 2024	Due Within One Year	Due in More Than One Year
Subscription liability	$ -	$ 121,619	$ (53,375)	$ 68,244	$ 32,770	$ 35,474
Lease liability - transit center	40,708	129,287	(38,075)	131,920	39,972	91,948
	$ 40,708	$ 250,906	$ (91,450)	$ 200,164	$ 72,742	$ 127,422

NOTE D – LONG-TERM LIABILITIES (Continued)

Lease Agreement: In June 2019, the Agency entered into a lease agreement for its transit center facility. The lease is for the period June 1, 2019 to June 30, 2024. In March 2024, the Agency extended its contract with a termination date of June 30, 2027. Lease payments are fixed in the extension period as listed in the following table. Lease payments during the years ended June 30, 2025 and 2024 totaled $46,800 and $41,820, respectively. The leased asset had a cost of $280,616 and accumulated amortization of $195,477 and $152,908 at June 30, 2025 and 2024, respectively. The extended lease was discounted at 6%. The agreement calls for interest in past due amounts of 10% per annum and other late charges and fees.

Subscription Agreement: In July 2023, the agency determined that a subscription agreement for the hosting of an Intelligent Transportation System met the definition of a subscription that should be capitalized under GASB Statement No. 96. The agreement renews automatically until the Agency cancels the agreement. The Agency pays $38,400 annually under the subscription agreement on January 1 each year and determined it was reasonably certain that the agreement would be retained through December 31, 2026. The subscription asset had an original cost of $121,619 and accumulated amortization of $69,496 and $34,748 at June 30, 2025 and 2024, respectively. The subscription was discounted at 8.25%.

Future minimum payments under the lease and subscription agreements were as follows on June 30:

	Subscription Liability						Transit Center Facility Lease					
Year	2025			2024			2025			2024		
Ending June 30:	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total
2025	$ -	$ -	$ -	$ 32,770	$ 5,630	$ 38,400	$ -	$ -	$ -	$ 39,972	$ 6,828	$ 46,800
2026	35,474	2,927	38,401	35,474	2,927	38,401	43,881	4,323	48,204	43,881	4,323	48,204
2027	-	-	-	-	-	-	48,067	1,577	49,644	48,067	1,577	49,644
	$ 35,474	$ 2,927	$ 38,401	$ 68,244	$ 8,557	$ 76,801	$ 91,948	$ 5,900	$ 97,848	$ 131,920	$ 12,728	$ 144,648

NOTE E – OTHER STATE PROGRAMS

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

During the years ended June 30, 2025 and 2024, the Agency applied for and received revenues for the expenditures listed in the following table. As of June 30, funds received and expended were verified in the course of the audit as follows:

NOTE E – OTHER STATE PROGRAMS (Continued)

	2025	2024
Beginning balance	$ -	$ -
PTMISEA received	74,739	158,070
Expenses incurred:		
Transit vehicle	(74,739)	(158,070)
Unexpended proceeds	$ -	$ -

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

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

	2025	2024
Beginning balance	$ -	$ -
LCTOP received	25,684	223,115
Expenses incurred:		
Electric van	-	(130,816)
Dial-a-ride - Spare Labs software	-	(38,400)
Saturday Hopper service	-	(8,416)
Free fares program	-	(7,083)
Dispatch software	(25,684)	(38,400)
Unexpended proceeds	$ -	$ -

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. The Agency received SGR revenue for future bus replacement costs. As of June 30, SGR funds received and expended were verified in the course of the audit as follows:

	2025	2024
Beginning Balance	$ 124,540	$ 118,678
SGR received	270,274	24,668
Investment earnings	6,854	5,862
Expenses incurred:		
Engine replacement	-	(12,883)
Injectors	-	(11,785)
Transit vehicles	(385,507)	-
Unexpended proceeds	$ 16,161	$ 124,540

NOTE E – OTHER STATE PROGRAMS (Continued)

The unspent SGR revenue is reported as restricted cash and cash equivalents and restricted net position for capital purchases.

NOTE F – FARE REVENUE RATIO

The Agency is required to maintain a fare revenue and local funds to operating expense ratio of 10.00% in accordance with Section 99268.2 of the TDA. The fare revenue and local funds to operating expenses ratio for the Agency is calculated as follows for the year ended June 30:

	2025	2024
Fare revenues	$ 77,805	$ 66,176
Special transit fares - LCTOP fare subsidy	-	15,499
Local funds - advertising and other	30,189	33,450
Local funds - investment earnings	72,688	46,745
Federal grant funds	621,936	590,165
Total fares and local funds	802,618	752,035
Operating expenses	1,786,101	1,624,647
Less allowable exclusions:		
Depreciation and amortization	(230,075)	(163,836)
Net operating expenses	$ 1,556,026	$ 1,460,811
Actual fare revenue ratio	51.58%	51.48%
Required fare revenue ratio	10.00%	10.00%

The Agency was in compliance with its required minimum fare revenue ratio for the years ended June 30, 2025 and 2024.

NOTE G – CONCENTRATIONS

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

NOTE H – COMMITMENTS AND CONTINGENCIES

Contingencies: The Agency receives funding for specific purposes that are subject to review and audit by the granting agencies of the funding sources. Such audits could result in the funding agency requesting a 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.

Commitment: The Agency has a contract for the operations and maintenance of the Calaveras Connect public transportation system where the base term of the agreement ended on June 30, 2023. The agreement contains three two-year option periods with the last option period ending June 30, 2029.

NOTE H – COMMITMENTS AND CONTINGENCIES (Continued)

In June 2025, the Agency exercised the second option period through June 30, 2027, and has monthly fixed payments of $50,792 and $38,716, payment rates of $39.93 and $40.72 per revenue hour, $0.22 and $0.23 per service mile, with maximum annual costs of $1,164,077 and $1,030,214 for the years ending June 30, 2026 and 2027, respectively, assuming 11,824 service hours. The year ended June 30, 2026 fixed payment of $50,792 represents a $12,385 increase from the original contract amount due to an amendment. The Agency expects the vendor to request a similar increase for 2027 before the contract period ends, but no amendment has been approved. The contract may be terminated with a 90-day notice period. The Agency paid $1,172,483 and $1,026,636 for transit operations under the agreement during the years ended June 30, 2025 and 2024, respectively, plus bus maintenance costs.

In September 2024, the Agency's Board of Directors approved an agreement with an architect for the design of a new transit facility in an amount not-to-exceed $1,164,802. The remaining balance on the contract was $748,510 at June 30, 2025. The design of the facility must be completed by November 30, 2025 under the agreement.

COMPLIANCE REPORT

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

To the Board of Directors
Calaveras Transit Agency
San Andreas, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Calaveras Transit Agency (the Agency), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 25, 2025.

Compliance and Other Matters (including Other State Programs)

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests to determine that Transportation Development Act (TDA) allocated to and received by the Agency were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditure of other state grant funds, as presented in Note E of the financial statements, in accordance with state program 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 the TDA or other state program guidelines.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with the TDA and the other state program guidelines in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

November 25, 2025