



Date: Tuesday, May 23, 2023

Honorable Mayor and Council Members

Author and title: Nicole Casey, Administrative Services Director

Title: **Acceptance of the Transit Audit Report for Fiscal Year 2021/22**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: That the Council accept the Financial Statements and Independent Auditors' Report for the Town of Truckee Transit Fund, as well as the Schedules of Proceeds for PTMISEA, SGR, and LCTOP for the years ended June 30, 2022 and 2021.

Background: The California Transportation Development Act (TDA) of 1971 (also known as the Mills-Alquist-Deddah Act) was enacted to improve existing public transportation services and encourage regional transportation coordination. This law provides funding for transit programs that comply with regional transportation plans. TDA comes from two main sources, the Local Transportation Fund (LTF) and State Transit Assistance (STA). These funds are derived from a ¼ cent general state-wide sales tax and a diesel fuel tax, respectively. For Nevada County, the regional transportation plan is managed by the Nevada County Transportation Commission (NCTC).

The TDA, specifically Title 21, section 6661 and 6751 of the California Governmental Code of Regulations (CGC), mandates that recipient agencies of LTF and STA funding submit a fiscal audit to the State Controller's Office annually. NCTC selects and hires the independent auditor to conduct these audits.

Discussion: The independent auditing firm the PUN Group Accountants & Advisors has provided the attached Town of Truckee Transit Fund Financial Statements, and Schedules of Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA), State of Good Repair (SGR), and Low Carbon Transit Operations Program Proceeds with an Independent Auditors' Report for the fiscal year ended June 30, 2022 and 2021. The audit was conducted in accordance with the standards applicable to financial audits contained in the *Government Auditing Standards*. The Town received an **unqualified opinion**, which is the highest level of assurance an auditor can provide relative to the fairness and accuracy of financial statements being presented in accordance with accounting principles generally accepted in the United States of America.

As part of their process, the PUN group also considered the Town's transit fund's internal controls over financial reporting, as well as compliance with certain provisions of laws, regulations, contracts, and grants. Their testing is not designed to express an opinion over these items. The Pun Group did not find any deficiencies in internal controls through their testing. Nor did they find any instances of noncompliance with the TDA, the *California Code of Regulations*, instructions from the NCTC, or any of the grant agreements that the Town's transit fund, is party to.

The NCTC Board accepted this report at their meeting on Wednesday, May 17, 2023.

Priority:

<input type="checkbox"/>	Enhanced Communication	<input checked="" type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

Fiscal Impact: None other than the overall positive effect on the Town's financial operations and maintenance of the Town's ability to apply for grant funds when a clean audit opinion and no management comments are received.

Attachments:

Attachment A: The Town of Truckee Transit Fund Financial Statements and Independent Auditors' Report with Schedules of PTMISEA, SGR, and LCTOP Proceeds for the year's ended June 30, 2022 and 2021