

AGENDA ITEM 1 E  
Consent Item

**MEMORANDUM**

**DATE:** December 4, 2025

**TO:** El Dorado County Transit Authority

**FROM:** Kate Hewett, Finance Manager

**SUBJECT:** Receive and File Fiscal Year 2024/25 Independent Financial Audit, Single Audit and Compliance Reports

**REQUESTED ACTION:**

**BY MOTION,**

**Receive and File Independent Financial Audit, Single Audit and Compliance Reports for Fiscal Year 2024/25 for the El Dorado County Transit Authority**

**BACKGROUND**

The El Dorado County Transportation Commission (EDCTC) is responsible for ensuring that the El Dorado County Transit Authority (El Dorado Transit), as a Transportation Development Act (TDA) claimant, annually submits an independent financial audit per Public Utilities Commission Code 99245. The fiscal and compliance audits are performed in accordance with Generally Accepted Accounting Principles by a certified public accounting firm and include a determination of compliance with TDA rules and regulations. The El Dorado Transit Fiscal Year (FY) 2024/25 Compliance Audit and Single Audit are included in the EDCTC Overall Work Program.

EDCTC awarded a contract to Richardson & Company to produce compliance audits and reports for all FY 2024/25 TDA claimants including El Dorado Transit.

**DISCUSSION**

Ingrid Shepline of Richardson & Company will have presented the Financial and Compliance audits to staff and the Ad Hoc Audit Review Committee comprised of Chair David Yarbrough and Vice Chair Brian Veerkaamp yesterday, Wednesday, December 3, 2025. Discussion items included the following:

Richardson & Company reports that El Dorado Transit received an Unmodified (clean) opinion under the generally accepted auditing standards.

There were either (8) proposed journal entries made by the auditors, including:

1. One (1) proposed journal entry adjustment to record the State of Good Repair (SGR) allotment for FY24/25.
2. One (1) proposed journal entry adjustment to record 5311 grant revenue and receivable and revise deferred revenue.
3. One (1) proposed journal entry adjustment to record the unrecognized 5311 grant revenue of \$9,000 that was recorded as a contra expense and true up the LTF calculation.
4. One (1) proposed journal entry adjustment to reverse entry posted on 6/30/2025 and true-up the 5311(f) grant revenue.
5. One (1) proposed journal entry adjustment to true up the Local Transportation Fund (LTF) eligibility.
6. One (1) proposed journal entry adjustment to implement GASB 101.
7. One (1) proposed journal entry to recognize additional Local Transportation Fund (LTF) revenue due to GASB 101 Implementation.
8. One (1) proposed journal entry to revise unearned Local Transportation Fund (LTF) revenue to zero.

Included in the Audited Financial Statements are Financial Audit and Compliance Reports.

#### *FINANCIAL AUDIT*

El Dorado Transit staff is pleased to report that the FY 2024/25 Independent Financial Audit has identified no material weaknesses.

The financial audit is a measure of financial activity and compliance with government code during the given fiscal period. Highlights include net assets of El Dorado Transit exceeding its liabilities by \$12,314,003 with unrestricted net assets of \$1,454,441. It is the opinion of management that the unrestricted net assets indicate that El Dorado Transit is in a good financial position.

#### *COMPLIANCE REPORT*

The audit report states with regard to the laws, regulations and certain provisions of the TDA, applicable to El Dorado Transit, “The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, or the TDA or State grant program guidelines.”

## *SINGLE AUDIT*

The Single Audit is a supplementary report of internal control over federal program financial reporting and compliance based on an audit of financial statements performed in accordance with government auditing standards. The primary function of a Single Audit is to review internal controls, purchasing procedures and reporting standards of agencies receiving federal grant funds. The trigger for conducting a Single Audit is an agency receiving over \$750,000 of federal funding in one fiscal year. El Dorado Transit received \$1,401,117 in federal funding during FY 2024/25 including six (6) operating assistance grants and one (1) rolling stock grant.

El Dorado Transit is reporting that the FY 2024/25 Independent Single Audit identified no material weaknesses in internal control over compliance.

Following Board acceptance, the full FY 2024/25 Independent Financial Audit Report will be available on El Dorado Transit's website and will be made available for public review upon request at El Dorado Transit's offices during normal business hours.