

Nevada County Transportation Commission

Nevada City, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2017



Nevada County Transportation Commission

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Nevada County Transportation Commission

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INDEPENDENT AUDITORS' REPORT

To the Commissioners
Nevada County Transportation Commission
Nevada City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate fiduciary fund information of the Nevada County Transportation Commission (the Commission), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Commission's 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate fiduciary fund information of the Nevada County Transportation, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 5–13 and 32 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents in the supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2018, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



February 20, 2018
Aiello, Goodrich & Teuscher
An Accountancy Corporation
Redding, California

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

This section of the Nevada County Transportation Commission's (the Commission) annual financial report presents our discussion and analysis of the Commission's financial performance during the year ended on June 30, 2017. Please read it in conjunction with the Commission's financial statements and accompanying notes.

The Commission received Rural Planning Assistance (RPA) transportation funds in FY 2016/17. These funds were used to coordinate transportation planning activities between Nevada County, the cities of Grass Valley and Nevada City, the Town of Truckee, Caltrans, and other regional planning agencies. The following activities highlight the use of RPA funds by the Commission:

General Services

- Facilitated public outreach by maintaining and updating information on the Commission's website.
- Prepared and published notices in local newspapers regarding transportation planning projects.
- Technical Advisory Committee meetings were held to ensure the continued coordination of transportation planning efforts in Nevada County.

Regional Transportation Plan

- Monitored implementation of Congestion Mitigation and Air Quality Improvement (CMAQ) projects included in the FFY 2016/17 in the Federal Statewide Transportation Improvement Program.
- Coordinated consultant work on amending eastern Nevada County bicycle projects into the Nevada County Bicycle Master Plan.
- Monitored implementation of the SR 49 Corridor System Management Plan recommendations.
- Coordinated with stakeholders, including United Auburn Indian Community (UAIC) regarding transportation planning process and update of the Nevada County Regional Transportation Plan.
- Monitored traffic and safety conditions on State Route 49 in coordination with Caltrans and California Highway Patrol.

2015 Performance Based Regional Transportation Plan

- Coordinated consultant work to collect and prepare information for draft Nevada County RTP and draft environmental documentation.

Transportation Improvement Program

- Monitored the implementation of State Transportation Improvement Program (STIP) projects, including the Project Approval and Environmental Documentation (PA/ED) phase of the State Route 49 widening project from post mile 11.1 to 13.3.
- Coordinated with stakeholders and Caltrans regarding the need to update the State Route 49 Corridor System Management Plan (CSMP).

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Regional Transportation Mitigation Fee Program Update

- Coordinated consultant work to complete the Regional Transportation Mitigation Fee (RTMF) update.
- Prepared and distributed annual RTMF Report.

Transit and Paratransit Programs

- Monitored ridership, expenditures, and revenues for transit and paratransit systems in Nevada County.
- Coordinated with human service transportation providers through participation in the Accessible Transportation Coalitions Initiative/Mobility Action Partners Collaborative (ATCI/MAPCO) to address mobility needs in western Nevada County.

Eastern Nevada County Transit Development Plan Update

- Coordinated consultant work to prepare technical memoranda.

Coordination of Regional Planning

- Monitored the planning efforts of all the jurisdictions in relation to transportation impacts and compatibility with the two Airport Land Use Compatibility Plans.
- Participated with the Rural Counties Task Force (RCTF) to ensure coordination of transportation planning efforts and to build regional consensus on transportation related issues.
- Participated in meetings with the Truckee/North Tahoe Transportation Management Association and with the North State Super Region (NSSR) to coordinate regional planning efforts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements, which are comprised of three components including government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information and other supplementary information which presents the Commission's combining financial statements, schedule of allocations and expenditures, and report on the Overall Work Program.

The Basic Financial Statements include two kinds of statements that present different views of the Commission's financial position and activity.

- The first two statements are *Government-wide* financial statements that provide both *long-term* and *short-term* information about the Commission's overall financial status.
- The remaining statements are *Fund* financial statements that focus on individual parts of the Commission's organization. These statements report the Commission's financial position and activity in detail by each major fund.

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

The financial statements also include notes that explain in more detail some of the information in the financial statements.

The RSI or Required Supplementary Information includes budgetary comparison information for each of the Commission's major special revenue funds, which for the fiscal year ended June 30, 2017, consisted of only the planning and administration special revenue fund.

Government-Wide Statements

The Government-wide statements report information about the Commission as a whole, using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Commission's assets and liabilities, including capital assets and long-term debt. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Government-wide statements report the Commission's assets and liabilities and is one way to measure the Commission's health or position. Over time, increases or decreases in the Commission's net assets are an indicator of whether its financial health is improving or deteriorating respectively.

Private-purpose trust funds, funds used to account for monies held by the Commission as trustee for other governmental agencies, are excluded from the Government-Wide Statements.

Fund Financial Statements

The Fund financial statements provide more detailed information about the Commission's most significant funds. The Commission operates with one governmental fund, which qualifies as a major fund under criteria set by the Governmental Accounting Standards Board. The Commission also has five private-purpose trust funds. These funds represent funds held by the Commission as trustee for other governmental agencies. The Fund financial statements provide information for these funds. These statements provide a detailed short-term view and do not include information related to the Commission's capital assets or long-term liabilities. Additional information is provided on separate schedules that reconcile the differences between the Government-wide financial statements and the Fund financial statements.

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

Net Position

A summary of the Commission's statement of net position is as follows:

Condensed Statement of Net Position
Fiscal Year Ended June 30, 2017 and 2016

June 30	2017	2016	Increase (Decrease)
ASSETS			
Current and other assets	\$ 349,223	\$ 409,656	\$ (60,433)
Capital assets - net	13,979	761	13,218
TOTAL ASSETS	\$ 363,202	\$ 410,417	\$ (47,215)
LIABILITIES			
Current Liabilities	\$ 130,811	\$ 130,763	\$ 48
Long-term liabilities:			
Due within one year	27,590	23,953	3,637
Due in more than one year	70,945	61,592	9,353
TOTAL LIABILITIES	\$ 229,346	\$ 216,308	\$ 13,038
NET POSITION			
Net investment in capital assets	\$ 13,979	\$ 761	\$ 13,218
Unrestricted	119,877	193,348	(73,471)
TOTAL NET POSITION	\$ 133,856	\$ 194,109	\$ (60,253)

As of June 30, 2017, assets exceeded liabilities by \$133,856 and the amount of \$119,877 is available to meet future commitments.

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

At June 30, 2017, the Commission had \$141,846 in receivables outstanding in Local Transportation Funds, Rural Planning Assistance Funds, and Regional Transportation Mitigation Fee Funds and \$33,234 in payables. Reimbursements were not received until after July 1 due to the State reimbursement process.

Changes in Net Position

A summary of the Commission's statement of activities, recapping the Commission's revenues earned during the fiscal year ended June 30, 2017 and 2016, and the expenses incurred is as follows:

Condensed Statements of Activities Fiscal Years Ended June 30, 2017 and 2016

Years Ended June 30	2017	2016	Increase (Decrease)
Revenues			
Program Revenues:			
Operating grants	\$ 771,284	\$ 790,998	\$ (19,714)
Other	15,838	144,512	(128,674)
General Revenues:			
Interest earned	2,511	1,418	1,093
Total Revenues	789,633	936,928	(147,295)
Expenses			
Program expenses	849,886	1,046,379	(196,493)
Total Expenses	849,886	1,046,379	(196,493)
Change in Net Position	(60,253)	(109,451)	49,198
Net Position - Beginning of Year	194,109	303,560	(109,451)
Net Position - End of Year	\$ 133,856	\$ 194,109	\$ (60,253)

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

The spreadsheet below shows the Commission staff activities that recap the revenues earned and the expenditures incurred between July 1, 2016 and June 30, 2017, as reported in the governmental funds fund statements.

Overall Work Program-Work Elements	Total Amount of Funds for Work Element	Year-to-Date Expenditure of All Funds	LTF Carryover	16/17 LTF	RPA Formula	RPA Grant	STIP PPM	Federal Transit Planning Grant	SHA Transit Planning Grant	RTMF	Truckee Tahoe Airport Dist.	ALUC Fees	Other
WE 1.1 - Gen Admin	\$ 187,084	\$ 185,346	\$ 73,876	\$ 35,192	\$ 73,499	\$ -	\$ -	\$ -	\$ -	\$ 1,368	\$ -	\$ -	\$ 1,411
WE 1.2 - TDA Admin	284,742	271,203	-	271,203	-	-	-	-	-	-	-	-	-
WE 2.1 - RTP	110,871	88,365	-	12,792	36,273	-	39,300	-	-	-	-	-	-
WE 2.1.1 - 2015 Performance Based RTP	96,688	73,759	5,314	-	45,608	14,026	4,849	-	-	-	-	-	3,962
WE 2.2 - Transportation Improvement Program	75,989	70,525	7,155	2,380	20,990	-	40,000	-	-	-	-	-	-
WE 2.2.1 - RTMF Update	19,130	9,979	-	-	5,058	-	-	-	-	13,870	-	-	(8,949)
WE 2.2.2 Gold Flat Traffic	-	-	-	-	-	-	-	-	-	-	-	-	-
WE 2.3 - Transit Programs	36,578	30,697	-	6,655	24,042	-	-	-	-	-	-	-	-
WE 2.3.3 - East. Nev. Co. Transit Development Plan Update	61,615	45,321	-	-	35,321	-	10,000	-	-	-	-	-	-
WE 2.4 - Coord Reg. Plan	84,182	59,069	8,199	3,437	45,171	-	2,000	-	-	-	-	262	-
WE 2.4.2 - RCTF Performance Indicators Report	-	-	-	-	-	-	-	-	-	-	-	-	-
Truckee LCTOP Payment	-	15,850	-	-	-	-	-	-	-	-	-	-	15,850
Contingency	47,677	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,004,556	\$ 850,114	\$ 94,544	\$ 331,659	\$ 285,962	\$ 14,026	\$ 96,149	\$ -	\$ -	\$ 15,238	\$ -	\$ 262	\$ 12,274

Acronyms

W.E.	Work Element	LTF	Local Transportation Fund	ALUC	Airport Land Use Commission
TDA	Transportation Development Act	RPA	Rural Planning Assistance	PPM	Planning, Programming, and Monitoring
RTP	Regional Transportation Plan	SHA	Transit Planning Grant		
TDP	Transit Development Plan	RTMF	Regional Transportation Mitigation Fees		

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

The Commission operates with one special revenue fund that also serves as the organization's operating fund. Assets, liabilities, and fund balance were as follows:

	Assets		Liabilities		Fund Balances
Special Revenue Fund - Planning Fund					
2017	\$	349,223	\$	130,811	\$ 218,412
2016		409,656		130,763	278,893
Increase (Decrease)	\$	(60,433)	\$	48	\$ (60,481)

Revenues, expenditures, and changes in fund balance were as follows:

	Revenues		Expenditures		Change in Fund Balances
Special Revenue Fund - Planning Fund					
2017	\$	789,633	\$	850,114	\$ (60,481)
2016		936,928		1,059,190	(122,262)
Increase (Decrease)	\$	(147,295)	\$	(209,076)	\$ 61,781

BUDGETARY HIGHLIGHTS

The Commission annually adopts a budget through the preparation of an Overall Work Program (OWP). This work program describes the planning projects and activities or work elements that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation Funds, or Federal Transit Administration. A Memorandum of Understanding (MOU) between the Commission, the Cities of Grass Valley and Nevada City, the Town of Truckee, and the County of Nevada provides for the coordination of regional transportation planning with local governments in Nevada County. The Commission staff prepares a draft work program and in accordance with the MOU, solicits and integrates comments from each of the jurisdictions. The proposed work program is then submitted to the Commission for approval and forwarded to Caltrans. Caltrans, as the grantor of Rural Planning Assistance funds and Federal Transit Assistance funds, approves the work program. The OWP budget reflects the ongoing regional transportation planning process in Nevada County. Major concerns of each of the jurisdictions and Caltrans are reflected in the elements and levels of funding. The OWP is updated each year to report on the progress of identified projects, propose new or continuing projects for the ensuing year, and to provide an estimate of the required funding of the OWP elements.

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

A budget comparison to actual for the year ended June 30, 2017, was as follows:

		Original Budget		Final Budget		Actual (Budgetary Basis)		Variance with Final Budget Positive (Negative)
Revenues	\$	959,824	\$	1,004,556	\$	789,633	\$	(214,923)
Expenditures		959,824		1,004,556		850,114		154,442
Change in Net Position	\$	-	\$	-	\$	(60,481)	\$	(60,481)

The following are the major reasons for changes during the fiscal year between the original and final budget:

- The balances of state and federal planning funds reported in final FY 2015/16 financial reports were carried forward into the FY 2016/17 FY.
- There was an increase in staff compensation.
- In April 2015, additional Rural Planning Assistance (RPA) funds had been awarded and were programmed into the budget for the Rural Counties Task Force Performance Indicators Project, WE 2.4.2.

CAPITAL ASSETS

A recap of the Commission's capital assets and the changes that occurred is as follows:

		Balance June 30, 2016		Additions		Retirements		Balance June 30, 2017
Depreciable Assets								
Computer equipment	\$	22,715	\$	14,916	\$	16,347	\$	21,284
Less: Accumulated depreciation		21,954		1,698		16,347		7,305
Capital Assets - Net	\$	761	\$	13,218	\$	-	\$	13,979

Additional information about the Commission's capital assets is provided in Note 2 of the Notes to Financial Statements.

DEBT ADMINISTRATION

At June 30, 2017, the Commission's only long-term debt included compensated absences. Additional information about the Commission's debt transactions is provided in Note 3 of the Notes to the Financial Statements.

Nevada County Transportation Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

ECONOMIC CONDITIONS

The Commission considered many factors in developing the fiscal year 2016/17 budget. The Commission relies primarily on state and federal grants and the Local Transportation Fund to pay for the activities in the OWP. Local Transportation Funds are derived from a portion of state sales tax dollars and are allocated to the Commission for planning and administrative activities. Local Transportation Funds are dependent on sales tax collections, which are fueled by consumer spending, increased slightly from the prior year.

With the uncertainty related to federal and state transportation revenues, the need for the Commission's services (regional transportation planning and cooperation) will increase in the future as citizens and decision makers grapple with how to maintain and improve the transportation infrastructure.

The Commission will continue sound fiscal management, financial planning, budgeting, and internal financial controls as the responsible agency for coordinating regional transportation planning and programming for Nevada County.

CONTACTING THE COMMISSION

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Nevada County Transportation Commission, Daniel B. Landon, 101 Providence Mine Road, Suite 102, Nevada City, California, 95959.

FINANCIAL SECTION

Nevada County Transportation Commission
STATEMENT OF NET POSITION

June 30, 2017	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 207,377
Due from other governments	141,846
Capital assets - net	13,979
TOTAL ASSETS	\$ 363,202
LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	\$ 33,234
Accrued salaries	9,726
Advances from grantors	87,851
Long-term liabilities:	
Due within one year	27,590
Due in more than one year	70,945
Total Liabilities	229,346
Net Position	
Net investment in capital assets	13,979
Unrestricted	119,877
Total Net Position	133,856
TOTAL LIABILITIES AND NET POSITION	\$ 363,202

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

Nevada County Transportation Commission
STATEMENT OF ACTIVITIES

Year Ended June 30, 2017	Governmental Activities
Program Expenses	
Transportation planning and administration:	
Salaries and benefits	\$ 517,698
Program costs and professional fees	260,668
Rents and leases	23,517
Administrative costs	20,691
LCTOP Funds	15,850
Insurance	7,299
Utilities	2,465
Depreciation	1,698
Total Program Expenses	849,886
Program Revenues	
Operating grants	771,284
Other revenues	15,838
Total Program Revenues	787,122
Net Program Income	(62,764)
General Revenues	
Interest earned	2,511
Total General Revenues	2,511
Change in Net Position	(60,253)
Net Position - Beginning of Year	194,109
Net Position - End of Year	\$ 133,856

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

Nevada County Transportation Commission

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2017		Planning Fund
ASSETS		
Cash and cash equivalents	\$	207,377
Due from other governments:		
Local Transportation Fund allocation		60,512
Rural Planning Assistance grant		79,966
RTMF funds		1,368
TOTAL ASSETS	\$	349,223
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$	33,234
Accrued salaries		9,726
Advances from grantors		87,851
Total Liabilities		130,811
Fund Balances		
Unassigned		218,412
Total Fund Balances		218,412
TOTAL LIABILITIES AND FUND BALANCES	\$	349,223

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

Nevada County Transportation Commission

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2017

Total Fund Balances Included in the Balance Sheet - Governmental Funds	\$ 218,412
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	13,979
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Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:	
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Compensated absences	(98,535)
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Net Position Reported Within the Statement of Net Position - Governmental Activities	\$ 133,856
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The accompanying notes are an integral part of these financial statements.

Nevada County Transportation Commission
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2017	Planning Fund
Revenues	
Local Transportation Funds	\$ 375,147
Rural Planning Assistance	299,988
STIP Planning (PPM)	96,149
Regional Transportation Mitigation Funds	15,238
Interest	2,511
ALUC Fees	600
Total Revenues	789,633
Expenditures	
Current:	
Salaries and benefits	504,708
Program costs and professional fees	260,668
Rents and leases	23,517
Administrative costs	20,691
LCTOP Funds	15,850
Insurance	7,299
Utilities	2,465
Capital Outlay	14,916
Total Expenditures	850,114
Net Change in Fund Balances	(60,481)
Fund Balance - Beginning of Year	278,893
Fund Balance - End of Year	\$ 218,412

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

Nevada County Transportation Commission

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

Total Net Change in Fund Balances Included in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$	(60,481)
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlay as expenditures.
However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation and amortization expense.

Expenditures for capital assets	14,916	
Depreciation expense	(1,698)	13,218

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

Change in compensated absences		(12,990)
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Net Change in Net Position Reported Within the Statement of Activities - Governmental Activities	\$	(60,253)
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The accompanying notes are an integral part of these financial statements.

Nevada County Transportation Commission
STATEMENT OF NET POSITION – FIDUCIARY FUNDS

June 30, 2017	Private Purpose Trust Funds
ASSETS	
Cash and cash equivalents	\$ 9,068,754
Due from other governments	1,648,645
TOTAL ASSETS	\$ 10,717,399
LIABILITIES AND NET POSITION	
Liabilities	
Allocations payable	\$ 67,114
Total Liabilities	67,114
Net Position	
Net position held in trust for other purposes	10,650,285
Total Net Position	10,650,285
TOTAL LIABILITIES AND NET POSITION	\$ 10,717,399

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

Nevada County Transportation Commission
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS

Year Ended June 30, 2017	Private Purpose Trust Funds
Additions	
Sales and gas tax	\$ 3,688,074
Interest	98,133
Other	1,396,415
Total Additions	5,182,622
Deductions	
County of Nevada	2,545,251
City of Grass Valley	359,998
City of Nevada City	266,208
Town of Truckee	644,700
CTSA (Truckee)	22,771
CTSA (County of Nevada)	100,000
Nevada County Transportation Commission	390,385
Total Deductions	4,329,313
Change in Net Position	853,309
Net Position - Beginning of Year	9,796,976
Net Position - End of Year	\$ 10,650,285

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

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity The Commission, the regional transportation planning agency for the County of Nevada (the County), was created pursuant to Title 7.88 of the *State of California Government Code* Section 67920. The Commission is responsible for coordinating transportation planning and allocation of funding resources for Grass Valley, Nevada City, Nevada County, and the Town of Truckee. The Commission is also responsible for administration of the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA), programs created under the Transportation Development Act (TDA) by the State of California. The objective of the TDA is to allocate priority based funding for public transportation services, local streets and roads, bicycle and pedestrian facilities, and transportation planning activities.

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

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

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

Basis of Presentation The financial statement presentation required by GASB Statements Nos. 34, 37, 38, and 39 provides a comprehensive, entity-wide perspective of the Commission's overall financial position and results of operations while maintaining the presentation of the financial position and results of operations of the Commission's major funds.

Government-Wide and Fund Financial Statements The government-wide statements of net position and activities report information on all of the activities of the Commission. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges and fees from the public for support. The Commission had no business-type activities to report for the year ended June 30, 2017.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

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

The Commission reports the following major governmental fund:

Planning Fund: The planning fund acts as the general fund for the Commission and all planning and administrative activities are accounted for in this fund.

The Commission did not have any nonmajor governmental funds for the year ended June 30, 2017.

The Commission reports the following private purpose trust funds to account for assets held by the Commission in a trustee capacity:

Local Transportation Fund (LTF): This fund accounts for revenues received and allocations made for certain transit and streets and roads projects within the County. Revenues are generated from a ¼ cent of the general sales tax imposed by the State of California pursuant to the TDA. Sales tax revenues are collected by businesses within the County and are remitted to the State Board of Equalization (the Board). The Board, after deducting an administrative fee, remits the revenues to the County on a monthly basis. Expenditures of these monies must be made in accordance with TDA regulations.

State Transit Assistance (STA) Fund: Revenues for this fund are earned based on a portion of the State excise tax per gallon of motor vehicle fuel. The tax is allocated to the Commission by the State Controller's office.

Regional Surface Transportation Program (RSTP) Exchange Funds: The Commission utilizes this fund, as trustee, to receive non-federal Regional Surface Transportation Program (RSTP) account funds from the California Department of Transportation. These funds are then allocated to the County, Cities, and the Town for eligible projects.

Regional Transportation Mitigation Fee (RTMF) Fund: The Western Nevada County Regional Transportation Mitigation Fee (RTMF) program is a partnership between the County, the City of Grass Valley, the City of Nevada City, and the Commission. This fund has been created to hold revenue for street and highway improvements needed to accommodate traffic generated by development projects in western Nevada County.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund: PTMISEA funds are part of a comprehensive voter approved transportation bond (Proposition 1B) investment package. Eligibility is based on those entities eligible to receive allocation of funds under the State Transit Assistance (STA) pursuant to PUC Section 99313 and/or 99314. Eligible projects are transit capital projects for the following purposes: (1) rehabilitation, safety, or modernization improvements; (2) capital service enhancements or expansions; (3) new capital projects; (4) bus rapid transit improvements; (5) rolling stock procurement, rehabilitation or replacement.

Measurement Focus and Basis of Accounting The government-wide and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Commission utilizes a one-year availability period for revenue recognition for governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are sales taxes, intergovernmental revenues (grants), and interest revenues. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, grants, entitlements, and donations. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, including fees, fines, and forfeitures, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Funds report advances of revenues on their balance sheet when potential revenues do not meet the "measurable" and "available" criteria for recognition in the current period. Advances of revenues also arise when resources are received by the fund before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the fund has a legal claim to the resources, the liability for advances of revenues is removed from the combined balance sheet and revenue is recognized.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Allocations Funds are allocated from the private purpose trust funds as follows:

LTF Funds: LTF funds are available for transit, streets and roads, pedestrian and bicycle, administration (of the TDA), and transportation planning expenditures. The County Auditor-Controller estimates the amount of funds to be available in the LTF, and notifies the Commission before February 1 of each year.

The Commission determines how much funding it will need for planning and administration of the TDA. The apportionment of LTF funds between the County, the Cities, and the Town is based upon the population amounts provided by the State of California Department of Finance. Each recipient is then notified of the amount of LTF funds available in its area of apportionment (apportionment being the process of dividing the funds based upon population). Each agency then submits a claim for LTF funds, with transit needs required to be met before any streets and roads funds can be claimed.

The Commission acts upon the claims, adopting resolutions, and preparing allocation instructions that notify the recipient of the funds approved and notifies the County Auditor-Controller of what expenditures are approved, and when they are to be paid.

STA Funds: STA funds are estimated by the State of California Controller's office, and the funds are used only for transit purposes and cannot be used for administration, streets and roads, or pedestrian and bicycle facilities. The Commission determines the needs of the transportation entities in its jurisdiction and allocates these funds according to those needs.

Other Funds: The Commission also allocates other funds such as RSTP, RTMF, and PTMISEA funds based on funding needs.

Cash and Cash Equivalents The Commission maintains all of its cash with the Nevada County Treasurer in an investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County of Nevada's Auditor-Controller's office at 950 Maidu Avenue, Nevada City, CA. The Nevada County Board of Supervisors oversees the Treasurer's investments and policies.

GASB Statement No. 40 requires additional disclosures about a government's deposit and investment risks that include credit risk, custodial risk, concentration risk, and interest rate risk. The Commission has no deposit or investment policy that addresses a specific type of risk.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Required disclosures about the Commission's investment in the County pooled cash and investment were as follows:

June 30, 2017

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Not available

Due from Other Governments The Commission's receivables include amounts due from other governmental agencies and consist mostly of specific planning grants. Management has determined that Commission's receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been made.

Capital Assets Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. The assets are recorded at historical cost or estimated cost if historical cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The Commission defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one-year. 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. Capital assets are depreciated using the straight-line method over the following useful lives:

Equipment and furniture	3 - 7 Years
Leasehold improvements	15 Years

Vacation, Sick Leave, and Other Compensated Absences The Commission employees are entitled to certain compensated absences based on their length of employment which will be paid to them upon separation from the Commission. Compensated absences accumulate and are accrued when they are earned and reported as a long-term liability in the government-wide financial statements.

Net Position – Government-Wide Financial Statements In the government-wide financial statements, net position represents the difference between assets and liabilities and is classified into three categories:

Net Investment in Capital Assets: This represents the Commission's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position: This category represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. At June 30, 2017, the Commission did not have any net position reported as restricted.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Unrestricted Net Position: This category represents net position of the Commission that is available for general use.

Fund Balance – Governmental Fund Financial Statements Fund balance of governmental funds is reported in various categories based upon the nature of the spending constraints of the revenue sources of these funds. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance: Amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted Fund Balance: Amounts with constraints placed on their use by those external to the Commission, including creditors, grantors, contributors or laws, and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: Amounts that can only be used for specific purposes determined by formal action of the Commission's highest level of decision-making authority (i.e., board resolution). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level action to remove or change the constraint.

Assigned Fund Balance: Amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Board or by an individual to whom the Board has delegated the authority.

Unassigned Fund Balance: Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position – Private Purpose Trust Funds Net position of private purpose trust funds are classified as follows:

Allocated: This is the amount that the Commission has formally approved for disbursement to a recipient, and has not been expended as of the date of the financial statements.

Unallocated: This is the amount of the apportioned funds that have not been allocated and are available for claimants who wish to file a claim.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Risk Management The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Commission carries commercial and crime insurance.

2. CAPITAL ASSETS

Capital asset activity was as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Governmental Activities				
Equipment	\$ 22,715	\$ 14,916	\$ 16,347	\$ 21,284
Less: Accumulated depreciation	21,954	1,698	16,347	7,305
Capital Assets - Net	\$ 761	\$ 13,218	\$ -	\$ 13,979

Depreciation expense for the year ended June 30, 2017, was \$1,698 and was reported in the transportation planning and administration function on the Statement of Activities.

3. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 85,545	\$ 41,070	\$ 28,080	\$ 98,535	\$ 27,590

4. OPERATING LEASE

The Commission leases its facilities under a five-year operating lease that expires June 30, 2020. Rent expense for the fiscal year ended June 30, 2017, was \$23,517. Future minimum rental payments required under the above operating lease are as follows:

Year Ending June 30	
2018	\$ 23,517
2019	23,517
2020	23,517
2021	-
2022	-
Total	\$ 70,551

Nevada County Transportation Commission

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. PENSION PLAN

The Commission adopted by resolution a 457 Deferred Compensation Plan and a 401(a) Money Purchase Plan, which are both accounted for as defined contribution pension plans in accordance with GASB 27. Both plans are administered by ICMA Retirement Corporation and the funds are held in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their respective retirement and deferred compensation plans.

The 457 Deferred Compensation Plan provides for retirement income and other deferred benefits to the participants under the authority of *Internal Revenue Code* section 457. All Commission employees are eligible to participate. The plan provides for employer contributions of 17.13% of each participant's salary to a maximum of \$18,000 for 2017. Employee matching contributions are not required. Contributions are 100% vested. The plan is maintained for the exclusive benefit of eligible employees and their beneficiaries and no part is reported as assets of the Commission or subject to the claims of the Commission's creditors. During the year ended June 30, 2017, there were three participants in the plan and employer contributions to the plan totaled \$10,249.

The 401(a) Money Purchase Plan provides retirement income to participants under the authority of *Internal Revenue Code* section 401(a). The plan provides for required employer contributions of 17.13% of each participant's earnings. Each participant is required to contribute 0%. Contributions are 100% vested. The plan is maintained for the exclusive benefit of eligible employees and their beneficiaries and no part is reported as assets of the Commission or subject to the claims of the Commission's creditors. During the year ended June 30, 2017, there were three participants in the plan and employer contributions to the plan totaled \$49,293.

6. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Nevada County Transportation Commission
BUDGETARY COMPARISON SCHEDULE - PLANNING FUND

Year Ended June 30, 2017	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local Transportation Funds	\$ 474,068	\$ 491,512	\$ 375,147	\$ (116,365)
Rural Planning Assistance	324,001	321,814	299,988	(21,826)
STIP Planning (PPM)	107,000	156,025	96,149	(59,876)
Regional Transportation Mitigation Funds	39,755	18,915	15,238	(3,677)
Interest	-	-	2,511	2,511
ALUC Fees	15,000	15,000	600	(14,400)
Truckee Tahoe Airport District Contribution	-	1,290	-	(1,290)
Total Revenues	959,824	1,004,556	789,633	(214,923)
Expenditures				
Current:				
Salaries and benefits	497,059	501,341	504,708	(3,367)
Program costs and professional fees	374,489	406,639	260,668	145,971
Rents and leases	28,226	28,226	23,517	4,709
Administrative costs	36,550	36,550	20,691	15,859
LCTOP Funds	-	-	15,850	(15,850)
Insurance	12,000	12,000	7,299	4,701
Utilities	3,000	3,000	2,465	535
Capital outlay	8,500	16,800	14,916	1,884
Total Expenditures	959,824	1,004,556	850,114	154,442
Net Change in Fund Balances	-	-	(60,481)	(60,481)
Fund Balance - Beginning of Year	278,893	278,893	278,893	-
Fund Balance - End of Year	\$ 278,893	\$ 278,893	\$ 218,412	\$ (60,481)

See the accompanying note to the supplementary information.

Nevada County Transportation Commission

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

BUDGETARY ACCOUNTING

The Commission annually adopts a budget through the preparation of an overall work program. This work program describes the projects or work elements that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation, or Federal Transportation Administration (FTA). The work program, in draft form, is prepared by the Commission staff, submitted and approved by the Commission, and submitted to the State of California, Department of Transportation (CALTRANS) before June 30. CALTRANS, as the grantor of Rural Planning Assistance and FTA funds, approves the work program, which then becomes the budget for the operating fund of the Commission. The budgeted figures shown have been prepared on a budgetary basis which differs from U.S. GAAP. In the current year, the budget includes certain Local Transportation Fund allocations that were reported as revenues in the prior year on a U.S. GAAP basis but not spent (i.e., included in fund balance). These revenues are designated by the Commission as LTF carryover funding and amounted to \$120,951.

SUPPLEMENTARY INFORMATION SECTION

Nevada County Transportation Commission

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY WORK ELEMENT - PLANNING FUND – BUDGET AND ACTUAL

Year Ended June 30, 2017	Original Budget	Final Budget	Actual												Totals	Variance Favorable (Unfavorable)	
			LTF Funds	LTF Carryover	FTA Grants	Rural Planning Assistance	STIP Planning	Rural Blueprint Planning Grant	RTMF	ALUC Fees	RSTP Funding	Truckee Tahoe Airport District	Other				
Revenues																	
Local Transportation Funds	\$ 474,068	\$ 491,512	375,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	375,147	\$ (116,365)
Rural Planning Assistance	324,001	321,814	-	-	-	299,988	-	-	-	-	-	-	-	-	-	299,988	(21,826)
STIP Planning (PPM)	107,000	156,025	-	-	-	-	96,149	-	-	-	-	-	-	-	-	96,149	(59,876)
Regional Transportation Mitigation Fund	39,755	18,915	-	-	-	-	-	-	15,238	-	-	-	-	-	-	15,238	(3,677)
Interest	-	-	2,511	-	-	-	-	-	-	-	-	-	-	-	-	2,511	2,511
ALUC Fees	15,000	15,000	-	-	-	-	-	-	-	600	-	-	-	-	-	600	(14,400)
Truckee Tahoe Airport District Contribution	-	1,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,290)
Total Revenues	959,824	1,004,556	377,658	-	-	299,988	96,149	-	15,238	600	-	-	-	-	789,633	(214,923)	
Expenditures																	
1.1: General services	184,145	187,084	35,192	73,876	-	73,499	-	-	1,368	-	-	-	1,411	-	185,346	1,738	
1.2: TDA Administration	276,178	284,742	271,203	-	-	-	-	-	-	-	-	-	-	-	271,203	13,539	
2.1: Regional Transportation Plan	127,750	110,871	12,792	-	-	36,273	39,300	-	-	-	-	-	-	-	88,365	22,506	
2.1.1: Performance Based RTP	69,277	96,688	-	5,314	-	59,634	4,849	-	-	-	-	-	3,962	-	73,759	22,929	
2.2: Transportation Improvement Program	61,666	75,989	2,380	7,155	-	20,990	40,000	-	-	-	-	-	-	-	70,525	5,464	
2.2.1: RTMF Update	39,755	19,130	-	-	-	5,058	-	-	13,870	-	-	-	(8,949)	-	9,979	9,151	
2.3: Transit and Paratransit Program	41,839	36,578	6,655	-	-	24,042	-	-	-	-	-	-	-	-	30,697	5,881	
2.3.2: East. Nev. Co Transit Dev. Plan Update	61,493	61,615	-	-	-	35,321	10,000	-	-	-	-	-	-	-	45,321	16,294	
2.4: Coordination of Regional Planning	67,687	84,182	3,437	8,199	-	45,171	2,000	-	-	262	-	-	-	-	59,069	25,113	
Truckee LCTOP Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	15,850	15,850	(15,850)	
Contingency	30,034	47,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,677
Total Expenditures	959,824	1,004,556	331,659	94,544	-	299,988	96,149	-	15,238	262	-	-	12,274	850,114	154,442		
Net Change in Fund Balance	-	-	45,999	(94,544)	-	-	-	-	-	338	-	-	(12,274)	(60,481)			
Fund Balance - Beginning of Year	278,893	278,893	-	166,841	-	-	-	47,775	(466)	1,226	91	(2)	63,428	278,893	-		
Fund Balance - End of Year	\$ 278,893	\$ 278,893	\$ 45,999	\$ 72,297	\$ -	\$ -	\$ -	\$ 47,775	\$ (466)	\$ 1,564	\$ 91	\$ (2)	\$ 51,154	\$ 218,412	\$ (60,481)		

Nevada County Transportation Commission

COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016)

June 30, 2017	RSTP					Totals	
	LTF Fund	STA Fund	Exchange Funds	RTMF Fund	PTMISEA Fund	2017	2016
ASSETS							
Cash and cash equivalents	\$ 2,776,916	\$ 1,660,751	\$ 2,958,329	\$ 1,517,075	\$ 155,683	\$ 9,068,754	\$ 9,106,712
Sales tax receivable	489,301	-	-	-	-	489,301	520,799
Other receivables	-	97,461	942,201	119,682	-	1,159,344	317,676
TOTAL ASSETS	\$ 3,266,217	\$ 1,758,212	\$ 3,900,530	\$ 1,636,757	\$ 155,683	\$ 10,717,399	\$ 9,945,187
LIABILITIES AND NET POSITION							
Liabilities							
Allocations payable	\$ 65,747	\$ -	\$ -	\$ 1,367	\$ -	\$ 67,114	\$ 148,211
Total Liabilities	65,747	-	-	1,367	-	67,114	148,211
Net Position							
Unrestricted:							
Allocated	-	-	799,404	223,072	-	1,022,476	1,714,869
Unallocated	3,200,470	1,758,212	3,101,126	1,412,318	155,683	9,627,809	8,082,107
Total Net Position	3,200,470	1,758,212	3,900,530	1,635,390	155,683	10,650,285	9,796,976
TOTAL LIABILITIES AND NET POSITION	\$ 3,266,217	\$ 1,758,212	\$ 3,900,530	\$ 1,636,757	\$ 155,683	\$ 10,717,399	\$ 9,945,187

Nevada County Transportation Commission

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

Year Ended June 30, 2017	LTF	STA	RSTP	RTMF	PTMISEA	Totals	
	Fund	Fund	Exchange Funds	Fund	Fund	2017	2016
Additions							
Sales and gas tax	\$ 3,338,228	\$ 349,846	\$ -	\$ -	-	\$ 3,688,074	\$ 3,673,332
Interest	24,544	17,177	40,106	14,429	1,877	98,133	70,432
Other	3,444	-	942,201	450,770	-	1,396,415	1,414,872
Total Additions	3,366,216	367,023	982,307	465,199	1,877	5,182,622	5,158,636
Deductions							
County of Nevada	1,514,724	379,190	651,337	-	-	2,545,251	3,333,014
City of Grass Valley	346,090	-	-	13,908	-	359,998	407,654
City of Nevada City	115,890	-	150,318	-	-	266,208	82,904
Town of Truckee	432,640	29,092	163,769	-	19,199	644,700	1,275,442
CTSA (Truckee)	22,771	-	-	-	-	22,771	22,146
CTSA (Nevada County)	100,000	-	-	-	-	100,000	170,000
Nevada County Transportation Commission	375,147	-	-	15,238	-	390,385	444,700
Total Deductions	2,907,262	408,282	965,424	29,146	19,199	4,329,313	5,735,860
Change in Net Position	458,954	(41,259)	16,883	436,053	(17,322)	853,309	(577,224)
Net Position - Beginning of Year	2,741,516	1,799,471	3,883,647	1,199,337	173,005	9,796,976	10,374,200
Net Position - End of Year	\$ 3,200,470	\$ 1,758,212	\$ 3,900,530	\$ 1,635,390	\$ 155,683	\$ 10,650,285	\$ 9,796,976

Nevada County Transportation Commission

STATEMENT OF FIDUCIARY NET POSITION BY AREA OF APPORTIONMENT - LOCAL TRANSPORTATION FUND (LTF) (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016)

June 30, 2017	Administration	County of Nevada	City of Grass Valley	City of Nevada City	Town of Truckee	Pedestrian Bicycle	CTSA	Totals	
								2017	2016
ASSETS									
Cash and cash equivalents	\$ -	\$ 2,246,670	\$ -	\$ -	\$ 148,433	\$ 276,973	\$ 104,840	\$ 2,776,916	\$ 2,316,372
Sales tax receivable	60,512	270,665	52,722	13,266	62,549	8,576	21,011	489,301	520,799
TOTAL ASSETS	\$ 60,512	\$ 2,517,335	\$ 52,722	\$ 13,266	\$ 210,982	\$ 285,549	\$ 125,851	\$ 3,266,217	\$ 2,837,171
LIABILITIES AND NET POSITION									
Liabilities									
Allocations payable	\$ 60,512	\$ -	\$ 4,006	\$ 1,229	\$ -	\$ -	\$ -	\$ 65,747	\$ 95,655
Total Liabilities	60,512	-	4,006	1,229	-	-	-	65,747	95,655
Net Position									
Unrestricted:									
Allocated	-	-	-	-	-	-	-	-	494,272
Unallocated	-	2,517,335	48,716	12,037	210,982	285,549	125,851	3,200,470	2,247,244
Total Net Position	-	2,517,335	48,716	12,037	210,982	285,549	125,851	3,200,470	2,741,516
TOTAL LIABILITIES AND NET POSITION	\$ 60,512	\$ 2,517,335	\$ 52,722	\$ 13,266	\$ 210,982	\$ 285,549	\$ 125,851	\$ 3,266,217	\$ 2,837,171

Nevada County Transportation Commission

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY AREA OF APPORTIONMENT - LOCAL TRANSPORTATION FUND (LTF) (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

Year Ended June 30, 2017	Administration	County of Nevada	City of Grass Valley	City of Nevada City	Town of Truckee	Pedestrian Bicycle	CTSA	Totals	
								2017	2016
Additions									
Sales tax	\$ 375,147	\$ 1,870,394	\$ 364,321	\$ 91,678	\$ 432,235	\$ 59,262	\$ 145,191	\$ 3,338,228	\$ 3,276,326
Interest	-	19,585	-	-	491	3,963	505	24,544	14,275
Other	-	-	-	-	-	-	3,444	3,444	-
Total Additions	375,147	1,889,979	364,321	91,678	432,726	63,225	149,140	3,366,216	3,290,601
Deductions									
County of Nevada	-	1,514,724	-	-	-	-	-	1,514,724	1,365,034
City of Grass Valley	-	-	346,090	-	-	-	-	346,090	335,481
City of Nevada City	-	-	-	87,090	-	28,800	-	115,890	82,904
Town of Truckee	-	-	-	-	432,640	-	-	432,640	294,310
CTSA (Truckee)	-	-	-	-	-	-	22,771	22,771	22,146
CTSA (County of Nevada)	-	-	-	-	-	-	100,000	100,000	170,000
Nevada Country Transportation Commission	375,147	-	-	-	-	-	-	375,147	386,556
Total Deductions	375,147	1,514,724	346,090	87,090	432,640	28,800	122,771	2,907,262	2,656,431
Change in Net Position	-	375,255	18,231	4,588	86	34,425	26,369	458,954	634,170
Net Position - Beginning of Year	-	2,142,080	30,485	7,449	210,896	251,124	99,482	2,741,516	2,107,346
Net Position - End of Year	\$ -	\$ 2,517,335	\$ 48,716	\$ 12,037	\$ 210,982	\$ 285,549	\$ 125,851	\$ 3,200,470	\$ 2,741,516

Nevada County Transportation Commission

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - LOCAL TRANSPORTATION FUND (LTF)

Year Ended June 30, 2017

Resolution Number	Claimant	Project	Article	Balance				Balance June 30, 2017
				June 30, 2016	Allocations	Expenditures	Adjustments	
15-24	County	Transit	99260(a)	\$ 367,809	\$ -	\$ -	\$ (367,809)	\$ -
15-39	Truckee	Transit	99400(c)(d)(e)	126,463	-	-	(126,463)	-
16-21	County	Transit	99260(a), 99400(c)	-	1,757,957	1,514,724	(243,233)	-
16-21	CTSA (County of Nevada)	Transit	99275(a)	-	100,000	100,000	-	-
16-22	Grass Valley	Transit	99400(c)	-	346,090	346,090	-	-
16-23	Nevada City	Transit	99400(c)	-	87,090	87,090	-	-
16-37	Nevada City	Pedestrian & Bike	99400(c)	-	28,800	28,800	-	-
16-24	Truckee	Transit	99400(c)(d)(e)	-	432,640	432,640	-	-
16-24	CTSA (Truckee)	Transit	99275(a)	-	22,771	22,771	-	-
17-13	Commission	Administration	99233.1&2	-	375,147	375,147	-	-
Totals				\$ 494,272	\$ 3,150,495	\$ 2,907,262	\$ (737,505)	\$ -

Nevada County Transportation Commission

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - STATE TRANSIT ASSISTANCE FUND (STA)

Year Ended June 30, 2017

Resolution Number	Claimant	Project	Article	Balance			Adjustments	Balance
				June 30, 2016	Allocations	Expenditures		June 30, 2017
15-39	Truckee	Transit/Paratransit	6731(b)	\$ 8,833	\$ -	\$ 8,833	\$ -	\$ -
16-21	County	Transit/Paratransit	6730(a)	-	379,190	379,190	-	\$ -
16-24	Truckee	Transit/Paratransit	6731(b)	-	70,000	20,259	(49,741)	\$ -
Totals				\$ 8,833	\$ 449,190	\$ 408,282	\$ (49,741)	\$ -

Nevada County Transportation Commission

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP)

Year Ended June 30, 2017

Resolution Number	Claimant	Project	Balance				Balance June 30, 2017
			June 30, 2016	Allocations	Expenditures	Adjustments	
08-30	County	Combie/Magnolia	\$ 151,008	\$ -	\$ -	\$ -	\$ 151,008
10-36	Truckee	Brockway Road Trail	48,396	-	-	-	48,396
15-32	Grass Valley	Annual Sidewalk & Accessibility	200,000	-	-	-	200,000
15-33	Grass Valley	Annual Street Rehabilitation Project	400,000	-	-	-	400,000
15-34	Truckee	Brickelltown Streetscape Improvement	163,769	-	163,769	-	-
16-38	Nevada City	Street Rehabilitation Projects	-	150,318	150,318	-	-
17-21	County	Combie Corridor	-	126,887	126,887	-	-
17-21	County	Striping	-	75,950	75,950	-	-
17-21	County	Road Maintenance	-	448,500	448,500	-	-
Totals			\$ 963,173	\$ 801,655	\$ 965,424	\$ -	\$ 799,404

Nevada County Transportation Commission

SCHEDULE OF ALLOCATIONS AND EXPENDITURES - REGIONAL TRANSPORTATION MITIGATION FEE (RTMF)

Year Ended June 30, 2017

Resolution Number	Claimant	Project	Balance			Adjustments	Balance	
			June 30, 2016	Allocations	Expenditures		June 30, 2017	
11-15	Grass Valley	Dorsey Dr. Interchange	\$ 236,980	\$ -	\$ 13,908	\$ -	\$ 223,072	
15-37	Commission	Administration	11,611	-	-	(11,611)	-	
17-13	Commission	Administration	-	18,915	15,238	(3,677)	-	
Totals			\$ 248,591	\$ 18,915	\$ 29,146	\$ (15,288)	\$ 223,072	

OTHER REPORT SECTION



**INDEPENDENT AUDITORS' 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***

To the Commissioners
Nevada County Transportation Commission
Nevada City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate fiduciary fund information of the Nevada County Transportation Commission (the Commission), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' 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**

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of 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. 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*.

In connection with our audit referred to above, we also performed an audit for compliance with the Transportation Development Act, the *California Code of Regulations*, and the rules and regulations and allocation instructions of the Nevada County Transportation Commission, for the year ended June 30, 2017. In connection with our audit, we performed to the extent applicable, the compliance audit tasks set forth in Section 6666 of the *California Code of Regulations*. The results of performing the tasks specified in Section 6666 disclosed no instances of noncompliance with the applicable statutes, rules, and regulations of the Act and the allocation instructions and resolutions of the Nevada County Transportation Commission. In our opinion, the funds allocated to and received by the Commission for the year ended June 30, 2017, pursuant to the Transportation Development Act, were accounted for and expended in conformance with the Transportation Development Act, the *California Code of Regulations*, and the rules and regulations and allocation instructions of the Nevada County Transportation Commission.

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 results of that testing and to express an opinion on the compliance of the Commission with the Transportation Development Act, the *California Code of Regulations*, and the rules and regulations and allocation instructions of the Nevada County Transportation Commission, and not to provide an opinion on the effectiveness of the Commission's internal control or on other compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 20, 2018
Aiello, Goodrich & Teuscher
An Accountancy Corporation
Redding, California



**INDEPENDENT AUDITORS' REPORT ON PUBLIC TRANSPORTATION
MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT
ACCOUNT (PTMISEA) GRANT**

To the Commissioners
Nevada County Transportation Commission
Nevada City, California

Compliance

We have audited the Nevada County Transportation Commission's (the Commission) Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) funds for the year ended June 30, 2017, which were allocated to the Commission by the State of California for the Town of Truckee.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Commission's management.

Auditors' Responsibility

Our responsibility is to express an opinion on whether or not the Commission spent the PTMISEA funds in accordance with the agreement set forth by the State of California based on our audit.

During the fiscal year ended June 30, 2014, the Commission applied for and received PTMISEA proceeds of \$466,383 for the purpose of technology modernization and vehicle fleet expansion and replacement for the Town of Truckee. As of June 30, 2017, PTMISEA funds received and expended were as follows:

Beginning Balance	\$	173,005
Proceeds received:		
PTMISEA		-
Interest allocated to unspent proceeds		1,877
Expenditures incurred		(19,199)
Unexpended Proceeds	\$	155,683

**INDEPENDENT AUDITORS' REPORT ON PUBLIC TRANSPORTATION
MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT
ACCOUNT (PTMISEA) GRANT**

(Continued)

Opinion

In our opinion, the Commission accounted for and/or expended the PTMISEA funds in accordance with the agreement set forth by the State of California, in all material respects, for the year ended June 30, 2017.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of the PTMISEA funds and the results of that testing based on the agreement with the State of California. Accordingly, this report is not suitable for any other purpose.

Aiello, Goodrich & Teuscher

February 20, 2018
Aiello, Goodrich & Teuscher
An Accountancy Corporation
Redding, California

SCHEDULE OF FINDINGS AND RESPONSES SECTION

Nevada County Transportation Commission

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2017

CURRENT YEAR FINDINGS AND RESPONSES

None

Nevada County Transportation Commission

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2017

None