CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2025

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CITY OF ROSEVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

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Audited Financial Statements

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the City Council
Roseville, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act Fund of the City of Roseville, as of and for year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Fund of the City of Roseville, as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards are applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Roseville 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.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Fund of the City of Roseville and do not purport to, and do not, present fairly the financial position of the City of Roseville as of June 30, 2025, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 City'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.

Prior Year Comparative Information

We have previously audited the TDA Fund financial statements dated February 26, 2026. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information 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 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 opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report date July 22, 2026 on our consideration of the City of Roseville's internal control over financial reporting related to the TDA Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. 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 City of Roseville's internal control over financial reporting and compliance.

Richardson & Company, LLP

July 22, 2026

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CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF NET POSITION

June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Transit Fund	Transportation Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		$ 4,398,612
Accounts receivable		
Due from other governmental agencies	$ 8,489,008	1,999,582
Interest receivable	17,469	9,876
Due from other funds	899,593	
TOTAL CURRENT ASSETS	9,406,070	6,408,070
NONCURRENT ASSETS		
Capital assets, nondepreciable	13,999,889	32,350,929
Capital assets, depreciable, net	11,644,318	15,974,977
TOTAL NONCURRENT ASSETS	25,644,207	48,325,906
TOTAL ASSETS	35,050,277	54,733,976
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	334,917	374,721
Other postemployment benefits (OPEB) plan	39,000	45,000
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 35,424,194	$ 55,153,697
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$ 441,181	$ 1,437,721
Accrued salaries and benefits	21,394	25,351
Due to other funds	4,524,813	899,593
Compensated absences	49,193	70,491
Unearned revenue	3,754,678	3,692,992
Subscription-based IT arrangement (SBITA) liabilities		
TOTAL CURRENT LIABILITIES	8,791,259	6,126,148
NONCURRENT LIABILITIES		
Compensated absences	37,206	66,745
Net pension liability	1,437,707	1,608,571
Net OPEB liability	173,000	306,000
SBITA liabilities		
NONCURRENT LIABILITIES	1,647,913	1,981,316
TOTAL LIABILITIES	10,439,172	8,107,464
DEFERRED INFLOWS OF RESOURCES		
OPEB plan	117,000	129,000
TOTAL DEFERRED INFLOWS OF RESOURCES	117,000	129,000
NET POSITION		
Investment in capital assets	25,569,933	47,301,823
Unrestricted	(701,911)	(384,590)
TOTAL NET POSITION	24,868,022	46,917,233
TOTAL LIABILITIES, DEFERED INFLOWS OF RESOURCES AND NET POSITION	$ 35,424,194	$ 55,153,697

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

CTSA Fund	Totals 2025	2024
$ 107,288	$ 4,505,900	$ 11,975,401
		29,746
114,235	10,602,825	6,211,809
3,093	30,438	32,597
	899,593	
224,616	16,038,756	18,249,553
	46,350,818	30,024,423
186,024	27,805,319	25,731,510
186,024	74,156,137	55,755,933
410,640	90,194,893	74,005,486
34,830	744,468	1,013,134
12,000	96,000	115,000
$ 457,470	$ 91,035,361	$ 75,133,620
$ 33,268	$ 1,912,170	$ 2,821,240
1,207	47,952	57,908
	5,424,406	
8,705	128,389	132,364
	7,447,670	13,574,347
		265
43,180	14,960,587	16,586,124
6,045	109,996	160,093
149,519	3,195,797	3,642,474
208,000	687,000	743,000
		283
363,564	3,992,793	4,545,850
406,744	18,953,380	21,131,974
28,000	274,000	309,000
28,000	274,000	309,000
186,024	73,057,780	53,936,208
(163,298)	(1,249,799)	(243,562)
22,726	71,807,981	53,692,646
$ 457,470	$ 91,035,361	$ 75,133,620

CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

For the Year Ended June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Transit Fund	Transportation Fund
OPERATING REVENUES		
Passenger fares	$ 682,324	
TOTAL OPERATING REVENUES	682,324	
OPERATING EXPENSES		
Salaries and benefits	956,955	$ 1,035,318
Purchased transportation	4,123,196	
Maintenance, materials and supplies	2,669,973	643,916
Depreciation	1,232,844	618,194
TOTAL OPERATING EXPENSES	8,982,968	2,297,428
OPERATING LOSS	(8,300,644)	(2,297,428)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Funds - operating	1,655,304	1,535,962
State Transit Assistance funds	3,001,798	
Federal and state grants - operating	2,062,438	
Interest revenue	48,328	94,941
(Loss) Gain on sale of capital assets	(7,923)	
Other revenues	178,664	48,331
Interest expense		(13)
TOTAL NONOPERATING REVENUES (EXPENSES)	6,938,609	1,679,221
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,362,035)	(618,207)
CAPITAL CONTRIBUTIONS		
Local Transportation Funds - capital	72,840	6,834,053
State of Good Repair funds - capital	378,979	
Pedrestian and Bicycle - capital		
Federal and state grants - capital	5,206,040	7,487,638
TOTAL CAPITAL CONTRIBUTIONS	5,657,859	14,321,691
TRANSFERS		
Transfer in from other City funds	129,191	
Transfer out to other City funds		
	129,191	
CHANGE IN NET POSITION	4,425,015	13,703,484
Net position, beginning of year	20,443,007	33,213,749
NET POSITION, END OF YEAR	$ 24,868,022	$ 46,917,233

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

CTSA Fund	Totals 2025	Totals 2024
	$ 682,324	$ 518,454
	682,324	518,454
$ 101,248	2,093,521	2,083,917
	4,123,196	3,764,770
428,150	3,742,039	4,120,794
8,567	1,859,605	1,742,839
537,965	11,818,361	11,712,320
(537,965)	(11,136,037)	(11,193,866)
522,697	3,713,963	8,420,002
	3,001,798	
	2,062,438	370,294
2,099	145,368	605,120
	(7,923)	20,083
5	227,000	236,104
	(13)	(15)
524,801	9,142,631	9,651,588
(13,164)	(1,993,406)	(1,542,278)
	6,906,893	5,134,589
	378,979	102,133
		637,102
	12,693,678	6,057,028
	19,979,550	11,930,852
	129,191	125,452
		(313,975)
	129,191	(188,523)
(13,164)	18,115,335	10,200,051
35,890	53,692,646	43,492,595
$ 22,726	$ 71,807,981	$ 53,692,646

CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Transit Fund	Transportation Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 682,324	
Payments to employees and related benefits	(1,035,537)	$ (1,277,325)
Payments to suppliers	(6,713,259)	(770,724)
NET CASH USED BY OPERATING ACTIVITIES	(7,066,472)	(2,048,049)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating grants and other revenues	1,722,145	2,416,614
Interfund borrowings	3,625,220	899,593
Interfund transfers	129,191	
NET CASH PROVIDED/(USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	5,476,556	3,316,207
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants	2,169,315	11,569,939
Purchases of capital assets	(7,012,912)	(13,976,427)
Proceeds from sale of capital assets	787	
NET CASH (USED)/PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(4,842,810)	(2,406,488)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned and paid on cash held in County pool	(31,665)	28,455
NET CASH PROVIDED BY INVESTING ACTIVITIES	(31,665)	28,455
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,464,391)	(1,109,875)
Cash and cash equivalents, beginning of year	6,464,391	5,508,487
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ 4,398,612

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

CTSA Fund	Totals 2025	Totals 2024
	$ 682,324	$ 518,454
$ (94,698)	(2,407,560)	(2,320,212)
(419,804)	(7,903,787)	(5,515,816)
(514,502)	(9,629,023)	(7,317,574)
618,776	4,757,535	4,513,426
	4,524,813	
	129,191	(188,523)
618,776	9,411,539	4,324,903
	13,739,254	11,317,000
	(20,989,339)	(11,930,852)
	787	20,083
-	(7,249,298)	(593,769)
491	(2,719)	311,300
491	(2,719)	311,300
104,765	(7,469,501)	(3,275,140)
2,523	11,975,401	15,250,541
$ 107,288	$ 4,505,900	$ 11,975,401

CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF CASH FLOWS (Continued)

For the Year Ended June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Transit Fund	Transportation Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (8,300,644)	$ (2,297,428)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,232,844	618,194
Unrealized loss on investments	81,860	66,974
Change in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Deferred outflows/inflows of resources--pension plan	88,970	168,797
Deferred outflows/inflows of resources--OPEB plan	(6,000)	(5,000)
Prepaid expense		
Accounts payable	(1,950)	(193,234)
Accrued salaries	(3,062)	(6,792)
Compensated absences payable	(13,214)	(42,498)
SBITA liabilities		(548)
Net pension liability	(86,276)	(345,514)
Net OPEB liability	(59,000)	(11,000)
NET CASH USED BY OPERATING ACTIVITIES	$ (7,066,472)	$ (2,048,049)

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

CTSA Fund	Totals 2025	2024
$ (537,965)	$ (11,136,037)	$ (11,193,866)
8,567	1,859,605	1,742,839
1,412	150,246	282,197
10,899	268,666	1,220
(5,000)	(16,000)	(90,000)
		5,971
6,934	(188,250)	2,081,857
(102)	(9,956)	7,007
1,640	(54,072)	53,645
	(548)	(277)
(14,887)	(446,677)	147,833
14,000	(56,000)	(356,000)
$ (514,502)	$ (9,629,023)	$ (7,317,574)

CITY OF ROSEVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A – ORGANIZATION

The City of Roseville (the City) receives funds from the Placer County Transportation Agency under the provisions of the Transportation Development Act (TDA) from the Placer County Local Transportation Fund (LTF) under Article 4, Section 99260(a) and Article 8, 99400(a) and State Transit Assistance Fund (STAF) under Article 4, Section 6730(a). The STAF funds are to be used for public transportation purposes only. The City's Article 4 LTF funds are for the support of public transportation systems as defined in the TDA. The City also receives State of Good Repair funds under the STAF program, representing Senate Bill 1, the Road Repair and Accountability Act of 2017 funds and Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) under Senate Bill 125.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the City of Roseville's Transportation Development Act Funds (the Funds) have been prepared in conformity with 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.

Reporting Entity: The financial statements are intended to present the financial position, results of operations and cash flows of only transactions recorded in the Funds. The Funds are included in the financial statements of the City.

Fund Accounting: The accounts of the Funds are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City utilizes the enterprise fund type of the proprietary fund group to account for the activities of the Funds. The following funds are used by the City to account for its TDA funds:

Transit Fund: The Transit Fund is used to account for the operation of the City's transit system. The principal operating revenues are charges to passengers for public transit services. Operating expenses include the cost of transit services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as nonoperating.

Transportation Fund: The Transportation Fund accounts for Local Transportation Funds and grants which have been allocated for the purpose of street and road infrastructure and pedestrian and bicycle improvements.

CTSA Fund: The CTSA Fund accounts for Local Transportation Fund which have been allocated by the Western Placer Consolidated Transportation Services Agency to the City of Roseville for the construction and operation of the South Placer Transit Information Center including the Mobility Training Program and the operation of the Transit Ambassador Program.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the 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 these funds are included on the statement of net position. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. TDA and grant revenues are recorded when all eligibility requirements have been met. Revenues are deferred until the eligibility requirements are met.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents: For the purposes of reporting cash flows, cash and cash equivalents are defined as those amounts included in the balance sheet caption "cash and investments" and consist of amounts held in the City's cash and investment pool, which are available on demand.

Capital Assets: Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available provided such costs exceed the respective capitalization threshold and the expected useful life of the asset is greater than one year. Contributed capital assets are valued at their estimated acquisition value on the date of contribution. Capital assets with limited useful lives are depreciated over their estimated useful lives. Alternatively, the "modified approach" is used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets and capitalization thresholds are listed below:

Description	Useful Lives in Years	Capitalization Thresholds
Buildings	40	$ 20,000
Improvements	20-40	None
Equipment and vehicles	6-20	5,000
Landscaping	12	20,000
Bike paths	20	20,000
Bridges	90	20,000
Culverts	75	20,000
Sidewalks	20	20,000
Drain inlets	50	20,000
Storm drains	75	20,000
Traffic Signals	20	None

The Funds have acquired certain assets with funding provided by federal and state assistance from various grant programs. The Funds hold title to these assets; however, the federal government retains an interest in those assets for which it has contributed funding should the assets no longer be used for transit purposes.

Compensated Absences: GASB statement No. 101 requires a liability to be accrued for leave that is not used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off, paid in cash, or settled through noncash means. Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. The liability for compensated absences is determined annually and is recorded in each proprietary fund.

Deferred Inflows/Outflows of Resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2025, the Funds have deferred outflows and inflows of resources related to the City's pension and OPEB plans, as described in Notes N and O.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position: Restrictions of net position show amounts that are legally restricted for specific uses under provisions of revenue sources.

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

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. The Transportation Development Act Fund implemented this Statement during the year ended June 30, 2025. The effect of this change was immaterial and net position has not been restated as a result.

NOTE C – CASH AND CASH EQUIVALENTS

Investment in the City's Cash and Investments Pool: The Fund's cash and investments are held in the City's cash and investments pool. The City maintains a cash and investments pool and allocates interest to various funds based upon average cash balances. Investments held in the City's investment pool are available on demand to the Funds and are reported at fair value. The City's investment policy, interest rate risk and credit risk may be found in the notes to the City's basic financial statements.

NOTE D – DUE FROM OTHER AGENCIES

The due from other agencies for all funds consisted of the following at June 30, 2025:

Federal grants	$ 2,580,021
State grants	3,997,888
Other	4,024,916
Total due from other governmental agencies	$10,602,825

NOTE E – INTERFUND BALANCES AND TRANSACTIONS

Amounts reported as due to or from other TDA-related funds arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. Interfund due to and from balances consisted of the following during the year ended June 30, 2025:

Receivable Fund	Payable Fund	Amount
General Fund	Transit Fund	$ 4,524,813
Transit Fund	Transportation Fund	899,593
		$ 5,424,406

NOTE E – INTERFUND BALANCES AND TRANSACTIONS (Continued)

Transfers in consisted of the following during the year ended June 30, 2025:

Receiving Transfer	Making Transfer	Purpose	
Transit Fund	General Fund	Municipal Services District #3	$ 129,191
			$ 129,191

NOTE F – CAPITAL ASSETS

Capital asset activity in the combined funds consisted of the following for the year ended June 30, 2025:

	Balance at June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Land and easements	$ 1,839,081				$ 1,839,081
Streets (modified)	2,304,491				2,304,491
Construction in progress	25,880,851	$20,268,519		$ (3,942,124)	42,207,246
Total capital assets, not being depreciated	30,024,423	20,268,519		(3,942,124)	46,350,818
Capital assets being depreciated					
Buildings	2,168,069				2,168,069
Improvements	4,951,870				4,951,870
Equipment and vehicles	17,980,158		$ (378,239)	3,942,124	21,544,043
Landscaping	1,190,122				1,190,122
Bike paths	6,531,682				6,531,682
Bridges	12,022,926				12,022,926
Culverts	348,248				348,248
Sidewalks	1,223,107				1,223,107
Drain inlets	75,699				75,699
Storm drains	164,362				164,362
Traffic Signals	479,947				479,947
Subscription assets	825				825
Total capital assets, being depreciated	47,137,015	-	(378,239)	3,942,124	50,700,900
Less accumulated depreciation for:					
Buildings	(694,856)	(54,202)			(749,058)
Improvements	(1,227,906)	(191,575)			(1,419,481)
Equipment and vehicles	(13,129,886)	(1,016,147)	369,529		(13,776,504)
Landscaping	(549,711)	(96,940)			(646,651)
Bike paths	(4,314,302)	(273,376)			(4,587,678)
Bridges	(877,529)	(133,590)			(1,011,119)
Culverts	(72,182)	(4,643)			(76,825)
Sidewalks	(385,174)	(61,155)			(446,329)
Drain inlets	(8,434)	(1,514)			(9,948)
Storm drains	(19,643)	(2,191)			(21,834)
Traffic Signals	(125,678)	(23,997)			(149,675)
Subscription assets	(204)	(275)			(479)
Total accumulated depreciation	(21,405,505)	(1,859,605)	369,529	-	(22,895,581)
capital assets being depreciated	25,731,510	(1,859,605)	(8,710)	$ 3,942,124	27,805,319
Total capital assets, net	$ 55,755,933	$18,408,914	$ (8,710)		$ 74,156,137

NOTE G – LONG-TERM LIABILITIES

Changes in long-term liabilities consisted of the following for the year ended June 30, 2025:

	Balance July 01, 2024	Additions	Used	Balance June 30, 2025	Due Within One Year
Compensated absences	$ 292,457	$ (54,072)		$ 238,385	$ 128,389
Net pension liability	3,642,474		$ (446,677)	3,195,797	
Net OPEB liability	743,000		(56,000)	687,000	
	$ 4,677,931	$ (54,072)	$ (502,677)	$ 4,121,182	$ 128,389

NOTE H – FARE REVENUE RATIO

The City is required under the Transportation Development Act to maintain a fare revenue to operating expenses ratio of 15%. The calculation of the fare revenue ratio for the year ended June 30, 2025, is as follows:

Passenger fare revenues (excludes charter revenues)	$ 682,324
Amounts collected for other transit operators	(14,187)
Roseville TDA passenger fare revenues	668,137
Local funds - interest revenues	48,328
Local funds - advertising and other revenue	178,664
Local support - transfers in, net of transfers out	129,191
Local funds - federal funds	2,062,438
	$ 3,086,758
Operating expenses	$ 8,982,968
Less allowable exclusions:	
Depreciation	(1,232,844)
	$ 7,750,124
Fare revenue ratio	39.83%

The City was in compliance with the 15% minimum required fare revenue ratio at June 30, 2025. Assembly Bill (AB) 149 permits the inclusion of federal funds as local support, which allows the City to meet its fare revenue ratio.

NOTE I – UNEARNED REVENUE

The Local Transportation Fund (LTF) allocates monies to the transit system to support operations. LTF allocations are considered earned when they are properly spent for operations by the transit system. Allocations in excess of this amount are recorded as unearned revenue. The maximum eligibility for LTF allocations for the year ended June 30, 2025, was determined as follows:

	Transit Fund	Transportation Fund
Operating expenses	$ 8,982,968	$ 2,297,428
Adjustments:		
Depreciation	(1,232,844)	(618,194)
Fare box revenues	(682,324)	
State Transit Assistance	(3,001,798)	
Federal and State Grants - Operating	(2,062,438)	
Interest revenues	(48,328)	(94,941)
Other revenues	(178,664)	(48,331)
Loss on disposal of capital assets	7,923	
Net transfers - operating	(129,191)	
Maximum eligibility for operating	$ 1,655,304	$ 1,535,962
Capital expenditures	$ 5,946,828	$ 14,321,691
Adjustments:		
Federal contributions	(3,224,842)	(4,768,595)
State contributions	(1,981,198)	(2,719,043)
State of good repair contributions	(378,979)	
Maximum eligible for capital	$ 361,809	$ 6,834,053

A schedule of changes in unearned revenue for the year ended June 30, 2025, is as follows:

	Transit Fund						
	Local Transportation Funds	State Transit Assistance	SGR	LCTOP	Excess FTA Funds from Vehicles Sold	Other	Total
Beginning balance, July 1, 2024	$ 938,676	$ 1,532,812	$ 482,711	$ 2,784,396	$ 78,737	$ 890,000	$ 6,707,332
Allocations	789,468	1,468,986	208,665			20,000	2,487,119
Maximum eligibility							
Operating	(1,655,304)	(3,001,798)		(427,635)			(5,084,737)
Capital	(72,840)		(378,979)				(451,819)
Interest Earned			16,905	77,942	1,936		96,783
Ending balance, June 30, 2025	$ -	$ -	$ 329,302	$ 2,434,703	$ 80,673	$ 910,000	$ 3,754,678

NOTE I – UNEARNED REVENUE (Continued)

	Transportation Fund Local Transportation Funds
Beginning balance, July 1, 2024	$ 6,867,015
LTF Allocations	5,195,992
Maximum eligibility	
Operating	(1,535,962)
Capital	(6,834,053)
Ending balance, June 30, 2025	$ 3,692,992

NOTE J – STATE OF GOOD REPAIR

The State of Good Repair (SGR) was established by the California Legislature in 2017 by Senate Bill 1. SGR is a program that provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of the transportation infrastructure and improve transportation services. As of June 30, 2025, funds received and expended were as follows:

Balance receivable at beginning of year	$ 482,711
SGR funds received	208,665
Interest earnings	16,905
Zero Emission Bus Depot Phase II	(378,979)
Balance unearned at end of year	$ 329,302

NOTE K – RISK MANAGEMENT

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks. The City maintains insurance coverage from a commercial carrier for its long-term disability and dental benefit plan.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

NOTE K – RISK MANAGEMENT (Continued)

Risk Coverage

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims up to $40,000,000 and property damage up to $400,000,000. The City has a self-insured retention or deductible of $1,000,000 and $250,000, respectively, per claim.

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to $5,000,000, and has excess coverage through CSAC-EIA up to the statutory limit. The City has a self-insured retention of up to $500,000 per claim.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Financial Statements for the risk pools may be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, California 94551 and LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833. Information regarding the City's risk management programs is available in the City of Roseville's comprehensive annual financial report.

NOTE L – CONCENTRATIONS

The Funds receive a substantial amount of their support from a statewide retail sales tax from the Local Transportation Fund and State Transit Assistance Fund created by the TDA. A significant reduction in the level of this support, if this was to occur, may have a significant impact on the Funds' activities.

NOTE M – COMMITMENTS AND CONTINGENCIES

Contract Commitment: The City has a management, operations and call center services agreement with a transit contractor that ended September 30, 2021 with options to extend the contract through the year ended June 30, 2035. The City approved an extension on May 21, 2025 through the year ended June 30, 2030. Under the agreement, the City has agreed to pay a variable rate per vehicle revenue hour, a flat monthly fee and fees to clean bus stops and provide an electronic technician. The agreement may be terminated with 60 days advance notice. The City paid the contractor $4,041,747 under the agreement during the year ended June 30, 2025. The maximum obligation to the City with the transit contractor is $6,330,496, $6,719,257, $7,293,134, $7,755,265, and $8,133,794 for the years under June 30, 2026, 2027, 2028, 2029, and 2030, respectively.

Grant Contingency: The City receives funding from the Federal Transit Administration and the State of California that are subject to review and audit. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. It is the opinion of management that no material liabilities will result from such potential audits.

NOTE N – PENSION PLAN

The City's Alternative Transportation employees are included in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan on a cost sharing basis, administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. The actuarial valuation for the City's Miscellaneous Plan received from CalPERS does not separately disclose information that is required to be reported under GASB 68 and 71 for the Funds; however, the City allocated the proportional share of the deferred outflows of resources, deferred inflows of resources, net pension liability, and pension expense to the Funds based on the cash

NOTE N – PENSION PLAN (Continued)

basis employer contributions paid on behalf of the Funds' employees compared to all of the City's Miscellaneous Plan employees. As of and for the year ended June 30, 2025, the deferred outflows of resources, net pension liability, and pension expense related to the Funds were $744,468, $3,195,797, and $220,273, respectively. Pension expense was reported as part of salaries and benefits expenses. Detailed information about the City's collective net pension liability is available in Note 13 of the City's separately issued Annual Comprehensive Financial Report (ACFR). The City's ACFR may be obtained by contacting the City's Finance Department or on the internet at www.roseville.ca.us.

NOTE O – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

The actuarial valuation for the City's OPEB plan does not separately disclose information that is required to be reported for the Transit Fund, Transportation Fund and the CTSA Fund. This information is available in the City's Comprehensive Annual Financial Report for the City's OPEB plan as a whole. The net OPEB liability and related deferred inflows and outflows of resources reported in the Funds represent a proportional share of the OPEB liability for the City as a whole. The percentage of the City's OPEB liability that is recorded in the Funds is based on a proportion of contributions by each fund for the City as a whole. As of and for the year ended June 30, 2025, deferred outflows of resources, the net OPEB liability, deferred inflows of resources and an OPEB credit were $96,000, $687,000, $274,000 and $72,000, respectively. An OPEB credit was reported as part of salaries and benefits expense. Detailed information regarding the City's OPEB plan is available in the City's ACFR.

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS,* THE TRANSPORTATION DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

To the City Council
City of Roseville, 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 Transportation Development Act Funds (the Funds) of the City of Roseville (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Funds' financial statements, and have issued our report thereon dated July 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the City 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 expenditures of state funds, as presented in Note J to the financial statements, in accordance with other 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 an instance of noncompliance that is required to be reported under Governmental Auditing Standards, the TDA or other state program guidelines, which are described in the accompanying schedule of findings and responses as Finding 2025-001.

To the City Council
City of Roseville, California

The City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it.

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 not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards,* the TDA and other state program guidelines in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

July 22, 2026

CITY OF ROSEVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS

SCHEDULE OF FINDINGS AND RESPONSES

COMPLIANCE

CURRENT YEAR FINDINGS

FINDING 2025-001

Criteria: The Public Utilities Code section 99245 and California Code of Regulations, Title 21, sections 6663 and 6664, require that each claimant expending transit and non-transit funds submit a fiscal and compliance report issued by an independent auditor to the State Controller's Office (SCO) annually and within 180 days after the end of the fiscal year. The transportation planning agency may grant an extension to the claimant of up to 90 days as it deems necessary.

Condition: The City submitted its TDA Audited Financial Statements to the State Controller's Office (SCO) in July 2026, 4 months after it was due.

Effect: If a claimant has delinquent transit or non-transit audit reports, the transportation planning agency will suspend payments until the claimant's audit report submissions are current.

Cause: The City did not prepare for the TDA audit in a timely manner.

Recommendation: The City needs to ensure that the closing entries are made for the TDA funds by December 31 each year so that the audit can be completed and filed with the SCO no later than March 31.

Management's Response: The City will strive to have the items available for the audit in time to meet the reporting deadline.

COMPLIANCE

PRIOR YEAR FINDINGS

FINDING 2024-001 – Untimely preparation of the Annual Transit Operator Report

Condition: The City's Annual Transit Operator Report for the year ended June 30, 2024 was not filed by the reporting deadline of January 31.

Current Status: The City filed the Annual Transit Operator Report for the year ended June 30, 2025 before the reporting deadline of January 31. Consequently, this finding is considered resolved.

FINDING 2024-002 – Untimely submission of TDA Audited Financial Statements to the State Controller's Office

See Finding 2025-001 for the continuation of this finding.

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