

AMADOR COUNTY

Final Audit Report

ROAD FUND AND ROAD MAINTENANCE AND REHABILITATION PROGRAM

July 1, 2023, through June 30, 2024



MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

March 2026



STATE CONTROLLER'S OFFICE | DIVISION OF AUDITS

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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

March 26, 2026

The Honorable Tacy Oneto Rouen, CPA, Auditor-Controller
Amador County
810 Court Street
Jackson, CA 95642

Mr. Jeff Christman, Transportation and Public Works Director
Amador County
810 Court Street
Jackson, CA 95642

Dear Auditor-Controller Rouen and Mr. Christman:

The State Controller's Office audited Amador County's (the county) Road Fund and its Road Maintenance and Rehabilitation Program for the period of July 1, 2023, through June 30, 2024.

The county accounted for and expended its Road Fund money in compliance with Article XIX of the California Constitution, Streets and Highways Code, and the State Controller's Office *Accounting Standards and Procedures for Counties*. Moreover, we found that the county complied with Road Maintenance and Rehabilitation Program maintenance-of-effort requirements.

Ms. Tacy Oneto Rouen

Mr. Jeff Christman

March 26, 2026

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If you have any questions regarding this report, please contact Efren Loste, Chief, Local Government Audits Bureau, by telephone at 916-324-7226 or email at eloste@sco.ca.gov.

Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

Copy: The Honorable Jeff Brown, Chair

Amador County Board of Supervisors

Kathleen Leon, Accountant II

Amador County Department of Transportation and Public Works

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SUMMARY

The State Controller's Office (SCO) audited Amador County's (the county) Road Fund and its Road Maintenance and Rehabilitation Program (RMRP) for the period of July 1, 2023, through June 30, 2024.

Our audit found that the county accounted for and expended its Road Fund money in compliance with Article XIX of the California Constitution, Streets and Highways Code, and the SCO's *Accounting Standards and Procedures for Counties*. Moreover, the county complied with RMRP maintenance-of-effort (MOE) requirements.

BACKGROUND

Streets and Highways Code (SHC) section 2100 created the Highway Users Tax Account (HUTA) in the Transportation Tax Fund. In accordance with Article XIX of the California Constitution, revenues from gasoline taxes are deposited in the HUTA. The State apportions funds monthly from the HUTA to cities and counties for the construction, maintenance, and operation of local streets and roads. SHC section 1622 requires each county to establish a Road Fund for the deposit of its HUTA apportionments. In addition, Government Code section 29484 requires counties to deposit a portion of their Federal Forest Reserve revenues in the Road Fund. Each county's board of supervisors may authorize the deposit of revenue from other sources into the Road Fund. Article XIX of the California Constitution and SHC sections 2101 and 2150 provide that counties may expend money in their Road Funds only for road-related purposes.

Senate Bill 1 (Statutes of 2017, Chapter 5), known as the Road Repair and Accountability Act of 2017, created the RMRP to address deferred maintenance on the state highway system and the local street and road systems. Program funds are apportioned by formula to eligible cities and counties pursuant to SHC section 2032. Article XIX of the California Constitution and

SHC sections 2030 through 2038 provide the requirements for RMRP funding. The county deposits its RMRP funds within its Road Fund.

AUDIT AUTHORITY

We conducted this audit in accordance with Government Code section 12410, which provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

OBJECTIVES, SCOPE, AND METHODOLOGY

We audited the county's Road Fund and its RMRP for the period of July 1, 2023, through June 30, 2024. Our audit objectives were to determine whether the county:

- Accounted for and expended its Road Fund and RMRP funds in compliance with Article XIX of the California Constitution and Streets and Highways Code;
- Was in compliance with the RMRP MOE requirements; and
- Conformed with Appendix D, "Road Fund Accounting," of the SCO's *Accounting Standards and Procedures for Counties* for its cost accounting.

To achieve our objectives, we performed the following procedures:

- We gained an understanding and evaluated the effectiveness of the county's internal controls that are significant to the audit objectives by reviewing policies and procedures, interviewing the county's key personnel, completing an internal control questionnaire, reviewing the county's organization chart, and inspecting documents and records.
- We assessed the reliability of computer-processed data by reviewing existing information about the data and the system that produced it; by interviewing the county's officials

knowledgeable about the data; and by tracing data to source documents, based on auditor judgement and non-statistical sampling. We determined that the data was sufficiently reliable for the purposes of achieving our audit objectives.

- We conducted a risk assessment to determine the nature, timing, and extent of substantive testing.
- We performed analytical procedures to determine and explain the existence of any unusual or unexpected account balances.
- We verified the accuracy of fund balances by performing a fund balance reconciliation for the period of July 1, 2010, through June 30, 2023, and by recalculating the trial balance for the period of July 1, 2023, through June 30, 2024.
- We verified that the components of and changes to fund balances were properly computed, described, classified, and disclosed by scheduling and analyzing the Road Fund account balances.
- We reconciled the fund revenue recorded in the county ledger to the balance reported in the SCO's apportionment schedule for the period of July 1, 2023, through June 30, 2024, to determine whether the county completely accounted for HUTA apportionments that it received.
- We analyzed the system used to allocate interest, and determined whether the interest revenue allocated to the Road Fund was fair and equitable by interviewing key personnel and recalculating all interest allocations for the audit period.
- We reviewed the fund cash and receivables accounts for unauthorized borrowing to determine whether unexpended road funds were available for future road-related expenditures and protected from impairment.
- We reviewed the county's Road Fund assets to ensure that the county properly recorded and identified them.

- We reviewed county accruals and adjustments for validity and eligibility.
- We analyzed the county's cost accounting system to determine whether the county performed project costing and properly used clearing accounts for labor, equipment, shop overhead, general overhead, and inventory.
- We selected and tested all non-road reimbursable transactions to verify that all amounts were reimbursed to the Road Fund on time.
- We compared the county's RMRP project list with the list submitted to the California Transportation Commission to ensure that actual RMRP expenditures were for program projects approved by the California Transportation Commission.
- We verified that the county was in compliance with RMRP MOE requirements by recalculating the county's MOE contributions and judgmentally selecting non-statistical samples of transactions to ensure that the MOE expenditures were road-related, properly supported, and incurred in the proper period.
- We verified that the expenditures incurred during the audit period were supported by proper documentation and eligible in accordance with the applicable criteria by testing all expenditure transactions that were equal to or greater than the significant item amount (calculated based on materiality threshold), and judgmentally selecting non-statistical samples of other transactions: No errors were found. We tested the following categories:
 - Services and supplies, fixed assets, special funded projects, other charges – We tested \$4,232,455 of \$5,495,082.
 - Labor – We tested \$19,175 of \$1,155,439.
 - Equipment – We tested \$15,950 of \$548,303.

We did not audit the county's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that the county accounted for and expended its Road Fund in accordance with the criteria.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

CONCLUSION

Our audit found that the county accounted for and expended Road Fund money in compliance with Article XIX of the California Constitution, Streets and Highways Code, and the SCO's *Accounting Standards and Procedures for Counties* for the period of July 1, 2023, through June 30, 2024. Moreover, we found that the county complied with RMRP MOE requirements.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

Our prior audit report on the county for the period of July 1, 2004, through June 30, 2010, issued on May 3, 2013, disclosed no findings.

VIEWS OF RESPONSIBLE OFFICIALS

We discussed our audit results with the county's representatives during an exit conference conducted on February 4, 2026. At the exit conference, the county's representatives agreed with the audit results.

RESTRICTED USE

This report is solely for the information and use of the county and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

March 26, 2026

SCHEDULE—RECONCILIATION OF ROAD FUND BALANCE

July 1, 2023, through June 30, 2024

Counties receive apportionments from the State HUTA, pursuant to SHC sections 2103, 2104, 2105, and 2106. The basis of the apportionments varies, but the funds may be used for any road-related purpose. Counties must establish individual Road Funds for the deposit of their HUTA fund apportionments.

Counties also receive RMRP apportionments from the Road Maintenance and Rehabilitation Account of the State Transportation Fund, pursuant to SHC section 2032(h). These funds may be used for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads systems. Furthermore, SHC section 2036 establishes the MOE requirements, which counties must meet annually in order to remain eligible for an allocation or apportionment of funds. The county's required MOE is \$821,711. The county deposits its RMRP funds within its Road Fund.

Reconciliation of Fund Balance	Road Fund Amount
Beginning fund balance, per county	\$2,139,764
Revenues	<u>11,956,181</u>
Total funds available	14,095,945
Less: Expenditures	<u>6,282,264</u>
Ending fund balance, per county	7,813,681
Audit adjustment	<u>0</u>
Ending fund balance, per audit	<u>\$7,813,681</u>