PLACER COUNTY
TRANSPORTATION PLANNING AGENCY

Audited Financial Statements
Supplementary Information and Compliance Report

June 30, 2015

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,
Supplementary Information and Compliance Report

June 30, 2015

Financial Section

Government-wide financial statements

Fund Financial Statements:

Required Supplementary Information

Supplementary Information

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,
Supplementary Information and Compliance Report

June 30, 2015

Compliance Reports

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

Placer County Transportation Planning Agency
Auburn, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Placer County Transportation Planning Agency (the Agency) as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility 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; 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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, 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 of 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 auditor's 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Agency as of June 30, 2015 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the Planning Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note N to the basic financial statements, the Agency adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, during the year ended June 30, 2015. Due to the implementation of these Statements, the Agency recognized deferred outflows of resources, a pension liability and deferred inflows of resources for its cost-sharing pension plan in the financial statements as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous Plan Schedule of Contributions to the Pension Plan and Other Postemployment Benefits Schedule of Funding Progress as listed in the accompanying table of contents, 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 Agency's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was 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 supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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 Agency's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 16, 2015

PLACER COUNTY
TRANSPORTATION PLANNING AGENCY

Management's Discussion and Analysis
June 30, 2015

This section of Placer County Transportation Planning Agency's (PCTPA) basic financial report presents management's overview and analysis of the financial activities of PCTPA for the fiscal year ended June 30, 2015. We encourage the reader to consider the information presented here in conjunction with the basic financial statements as a whole.

PCTPA was created as the transportation planning agency for Placer County excluding the Lake Tahoe basin. PCTPA represents Placer County and six incorporated cities located within the political boundary of Placer County.

The mission of PCTPA is derived from its numerous state and local designations. The agency has been designated in state law as the Regional Transportation Planning Agency for Placer County. PCTPA is also the county's Congestion Management Agency, a statutorily designated member of the Capitol Corridor Joint Powers Authority, and the airport land use planning body and hearing board for Lincoln, Auburn, and Blue Canyon Airports. As part of their Joint Powers Agreement, PCTPA is the designated administrator for the South Placer Regional Transportation Authority. Under an agreement with the Sacramento Area Council of Governments, PCTPA also represents Placer jurisdictions in federal planning and programming issues. Since the PCTPA has a local Agency-State Agreement for federal aid projects, it is also eligible to administer federal projects.

The Western Placer Consolidated Transportation Services Agency (WPCTSA), a blended component unit agency which shares the PCTPA Board, financial information is reflected in this audit report.

FINANCIAL HIGHLIGHTS

- Total Assets $5,051,782
- Total Deferred Outflows of Resources $497,658
- Total Liabilities $5,947,033
- Total Deferred Inflows of Resources $239,827
- Total Net Position $(637,420)
- Total Revenues $5,465,736
- Total Expenses $5,437,405
- Net Capital Assets $1,674,102

Please refer to the Financial Analysis and Capital Asset section of this discussion and analysis for further information on these items.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency'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 PCTPA'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 PCTPA's financial position and activity.

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

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 PCTPA's major special revenue fund.

Government-Wide Statements

The Government-wide statements report information about PCTPA as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of PCTPA'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 PCTPA's assets and liabilities and is one way to measure PCTPA's health or position. Over time, increases or decreases in PCTPA's net position are an indicator of whether its financial health is improving or deteriorating respectively.

The amounts in the government-wide statements are separated into government activities and business-type activities. Private-purpose trust funds, funds used to account for monies held by PCTPA 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 PCTPA's most significant funds. PCTPA operates with one governmental fund and two enterprise funds, both of which qualify as major funds under criteria set by the Governmental Accounting Standards Board. PCTPA also has five private-purpose trust funds. These five funds represent funds held by PCTPA as trustee for other governmental agencies**.** The Fund financial statements provide information for each of these funds. These statements provide a detailed short-term view and do not include information related to PCTPA'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.

FINANCIAL ANALYSIS OF PCTPA'S FUNDS

Net Position/Fund Balance

The following table compares the Statement of Net Position/Fund Balance at June 30, 2015 and June 30, 2014:

	Governmental Activities		Business-Type Activities		Total		Increase
	2015	2014	2015	2014	2015	2014	(Decrease)
Current assets	$ 1,658,605	$ 1,537,019	$ 1,719,075	$ 1,207,138	$ 3,377,680	$ 2,744,157	$ 633,523
Capital assets		1,740	1,674,102	1,739,753	1,674,102	1,741,493	(67,391)
Total Assets	1,658,605	1,538,759	3,393,177	2,946,891	5,051,782	4,485,650	566,132
Deferred outflows of resources	180,424		317,234		497,658	--	497,658
Current liabilities	1,132,857	988,487	1,816,020	1,362,695	2,948,877	2,351,182	597,695
Long-term liabilities	851,247	56,092	2,146,909	1,866,914	2,998,156	1,923,006	1,075,150
Total Liabilities	1,984,104	1,044,579	3,962,929	3,229,609	5,947,033	4,274,188	1,672,845
Deferred inflows of resources	239,827				239,827	--	239,827
Net investments in capital assets		1,740	(472,807)	(127,161)	(472,807)	(125,421)	(347,386)
Unrestricted	(384,902)	492,440	220,289	(155,557)	(164,613)	336,883	(501,496)
Total Net Position	$ (384,902)	$ 494,180	$ (252,518)	$ (282,718)	$ (637,420)	$ 211,462	$ (848,882)

Total Assets – The total assets at June 30, 2015 increased by $566,132 compared to the fiscal year ended June 30, 2014. Increased assets are attributable to an increase in cash and accounts receivables for federal and state grant expenditures, as well as an increase in the current assets of the business-type activities as a result of the higher cash reserves of the Western Placer CTSA.

Deferred Outflows/Inflows – Deferred outflows and inflows are new this year. Deferred outflows and inflows in governmental activities relates to the timing of when certain activity related to the pension liability is recognized as a change in the liability, due to the implementation of GASB No. 68. The deferred outflows in business-type activities relates to the refinancing of the capital lease for the building.

Total Liabilities – The total liabilities at June 30, 2015 increased by $1,672,845 compared to the fiscal year ended June 30, 2014. The increase in liabilities is the result of pass-through grants held by PCTPA on behalf of other jurisdictions and the balance of accounts payable at fiscal year end. The increase in liabilities for business-type activities is due to increased unearned revenue due to Local Transportation Fund allocation during the year exceeding the amount of eligible expenditures.

Net Position – Unrestricted net position, the part of equity that can be used to finance day-to-day operations without constraints was ($164,613) at June 30, 2015. The $501,496 decrease in net position is mainly attributable to the accounting and financial reporting requirements from GASB Statement No. 68 for net pension obligations and offset by the increased unrestricted net position of the Nevada Station building as a result of the deferral of the difference between the prior capital lease and new capital lease due to the refinancing of the underlying bonds.

Changes in Net Position

A summary of PCTPA's Statement of Net Position, recapping PCTPA's revenues earned during the fiscal year ended June 30, 2015 and 2014, and the expenses incurred is as follows:

	Governmental Activities		Business-Type Activities		Total		Increase
	2015	2014	2015	2014	2015	2014	(Decrease)
Program Revenues:							
Operating grants	$ 4,241,737	$ 2,916,652	$ 573,182	$ 537,769	$ 4,814,919	$ 3,454,421	$ 1,360,498
Charges for services	233,369	129,751	405,950	437,718	639,319	567,469	71,850
General revenues:							
Interest revenues	1,669	1,979	5,444	4,558	7,113	6,537	576
Other revenues	4,385	4,211	--	3,997	4,385	8,208	(3,823)
Total Revenues	4,481,160	3,052,593	984,576	984,042	5,465,736	4,036,635	1,429,101
Expenses:							
Planning and administratio	4,483,029	3,137,133	--	--	4,483,029	3,137,133	1,345,896
Property management	--	--	236,844	277,050	236,844	277,050	(40,206)
Western Placer CTSA	--	--	717,532	725,108	717,532	725,108	(7,576)
Total Expenses	4,483,029	3,137,133	954,376	1,002,158	5,437,405	4,139,291	1,298,114
Change in net position	(1,869)	(84,540)	30,200	(18,116)	28,331	(102,656)	130,987
Net position, beginning	494,180	578,720	(282,718)	(264,602)	211,462	314,118	(102,656)
Prior period adjustment	(877,213)	--	--	--	(877,213)	--	(877,213)
Net position, ending	$ (384,902)	$ 494,180	$ (252,518)	$ (282,718)	$ (637,420)	$ 211,462	$ (848,882)

Total Revenues – Total revenues for the fiscal year ending June 30, 2015 increased by $1,429,101 and is mainly attributable to increased federal and state grant revenue for reimbursement of increased project costs.

Operating Expenses – Operating expenses for the fiscal year ending June 30, 2015 increased by $1,298,114 due to an increase in project expenditures.

Net Position – The Change in Net Position was $130,987 at June 30, 2015. The decrease in net position/fund balance is the result of a prior period adjustment resulting from the implementation of GASB 68 and 71 as discussed in Note N of the financial statements, offset by operating revenues exceeding the operating expenses, including project costs.

PCTPA operates with one special revenue fund that also serves as the organization's operating fund and two enterprise funds that account for the rental activity on the Nevada Station building and its component unit, Western Placer Consolidated Transportation Services Agency. Assets, liabilities and net position were as follows:

	Assets	Deferred outflows of resources	Liabilities	Net Position/ Fund Balances
Special Revenue Fund - Planning	$ 1,658,605		$ 1,132,857	$ 525,748
Enterprise fund - Nevada Station	1,822,428	$ 317,234	2,392,180	(252,518)
Enterprise fund - Western Placer CTSA	1,858,559		1,858,559	--

Revenues, expenditures/expenses and changes in net position were as follows:

	Revenues	Expenditures/ Expenses	Change in Net Position/ Fund Balances
Special Revenue Fund - Planning	$ 4,481,160	$ 4,503,944	$ (22,784)
Enterprise fund - Nevada Station	267,044	236,844	30,200
Enterprise fund - Western Placer CTSA	717,532	717,532	--

BUDGETARY HIGHLIGHTS

The Placer County Transportation Planning Agency annually adopts a budget through the preparation of the Overall Work Program and Budget (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, or Federal Transit Administration. The budget reflects the on-going regional transportation planning process in Placer 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.

A budget comparison to actual for the year ended June 30, 2015, was as follows:

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 4,412,234	$ 4,774,728	$ 4,481,160	$ (293,568)
Expenditures	3,823,091	4,179,079	4,503,944	(324,865)
Change in Net Position	$ 589,143	$ 595,649	$ (22,784)	$ (618,433)

Changes between the final Budget, adopted in May 2014, and the final amended Budget, adopted in October 2014, are the result of variances from refined estimates, awarded grant funding, expanded planning programs and reallocated carryover funding.

Variances between the final Budget and Actual amounts are primarily the result of the application of previously programmed carryover funding applied to the current year work program.

CAPITAL ASSETS

A recap of PCTPA's capital assets at June 30, 2015 and the changes that occurred during the year was as follows:

	Governmental Activities		Business-Type Activities		Total		Increase
	2015	2014	2015	2014	2015	2014	(Decrease)
Cost	$ 72,131	$ 72,131	$ 2,461,914	$ 2,461,914	$ 2,534,045	$ 2,534,045	$ --
Accumulated depreciation	(72,131)	(70,391)	(787,812)	(722,161)	(859,943)	(792,552)	(67,391)
Capital Assets, net	$ --	$ 1,740	$ 1,674,102	$ 1,739,753	$ 1,674,102	$ 1,741,493	$ (67,391)

Net capital assets in the fiscal year ending June 30, 2015 decreased by $67,391 from the prior fiscal year due to an additional year of depreciation. Additional information about PCTPA's capital assets is provided in Note C of the Notes to Financial Statements.

DEBT ADMINISTRATION

PCTPA entered into a capital lease with South Placer Regional Transportation Authority for the purchase of the Nevada Station property. PCTPA's capital lease is discussed in detail in Note E of the basic financial statements. The amount of the lease at June 30, 2015 was $2,146,909. The lease ends on June 1, 2029. Lease payments are due semi-annually on June 1 and December 1 and bear interest at 3.2% - 3.25%. The lease was revised during the year due to the change in interest rates as a result of the underlying lease revenue bonds being refinanced.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

PCTPA relies primarily on federal and state grants, local programs, and Transportation Development Act (TDA) Local Transportation Funds (LTF) to fund its activities. LTF funds are derived from a portion of state sales tax dollars and are allocated to PCTPA for transportation planning and TDA administration and to WPCTSA to be utilized for community-based transportation, including services for the elderly and disabled persons who are unable to use conventional transit services. Because LTF is dependent on sales tax collection, which is generated by consumer spending, the funding may fluctuate periodically.

Both PCTPA and WPCTSA adopt an annual budget for income and expenditures, based on many factors and projections for the coming year. The Nevada Station property adopts a biannual budget. As the actual income and expenses are finalized as each fiscal year progress, refinements may be necessary and the budget will be amended accordingly.

Even in these challenging economic times, PCTPA is fortunate in that our funding is relatively stable, and neither our upswings nor downswings are terribly severe. For the upcoming fiscal year, it is expected that the majority of federal, state, and local fund sources will remain constant. Contingency Fund Reserves, comprised of previously programmed carryover funding, available to supplement the work program and maintain a reserve to fund unexpected future costs and/or unanticipated revenue shortfalls, will be programmed.

PCTPA is encouraged by development throughout the region and will continue to practice sound fiscal management, financial planning, investment management, budgeting and internal financial controls. PCTPA considers these priorities to be an integral responsibility of the agency.

CONTACTING PCTPA

This financial report was designed to provide a general overview of the PCTPA's finances and to demonstrate PCTPA's accountability for the funds it receives. Questions about this report should be directed to Placer County Transportation Planning Agency, 299 Nevada Street, Auburn, CA 95603.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investment	$ 497,034	$ 1,853,562	$ 2,350,596
Accounts receivable		2,503	2,503
Due from other governments	855,838	150,820	1,006,658
Prepaid expense	17,923		17,923
Internal balances	287,810	(287,810)	-
Capital Assets:			
Nondepreciable		492,383	492,383
Depreciable, net		1,181,719	1,181,719
TOTAL ASSETS	1,658,605	3,393,177	5,051,782
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		317,234	317,234
Pension contributions made subsequent to measurement date	180,424		180,424
TOTAL DEFERRED OUTFLOWS	180,424	317,234	497,658
LIABILITIES			
Accounts payable	827,490	34,787	862,277
Accrued salaries and benefits	4,976		4,976
Other liabilities		10,152	10,152
Accrued interest		5,769	5,769
Due to other governments	180,298		180,298
Unearned revenue	120,093	1,765,312	1,885,405
Compensated absences - due within one year	61,901		
Bonds payable - due within one year		124,501	186,402
Noncurrent Liabilities:			-
Bonds payable - due in more than one year		2,022,408	2,022,408
Net pension obligation	789,346		789,346
TOTAL LIABILITIES	1,984,104	3,962,929	5,947,033
DEFERRED INFLOWS OF RESOURCES			
Unamortized gains on pension investments	239,827		239,827
TOTAL DEFERRED INFLOWS OF RESOURCES	239,827		239,827
NET POSITION			
Net investment in capital assets		(472,807)	(472,807)
Unrestricted	(384,902)	220,289	(164,613)
TOTAL NET POSITION	$ (384,902)	$ (252,518)	$ (637,420)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
GOVERNMENTAL ACTIVITIES						
Planning and administration	$ 4,483,029	$ 233,369	$ 4,241,737	$ (7,923)		$ (7,923)
BUSINESS-TYPE ACTIVITIES						
Property management	236,844	266,270			$ 29,426	29,426
Western Placer Consolidated Transportation Services Agency	717,532	139,680	573,182		(4,670)	(4,670)
TOTAL PRIMARY GOVERNMENT	$ 5,437,405	$ 639,319	$ 4,814,919	(7,923)	24,756	16,833
GENERAL REVENUES						
Interest earnings				1,669	5,444	7,113
Other revenues				4,385		4,385
TOTAL GENERAL REVENUES				6,054	5,444	11,498
Change in net position				(1,869)	30,200	28,331
Net position, beginning of year as previously reported				494,180	(282,718)	211,462
Restatement				(877,213)		(877,213)
Net position, beginning of year as restated				(383,033)	(282,718)	(665,751)
NET POSITION, END OF YEAR				$ (384,902)	$ (252,518)	$ (637,420)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2015

	Planning Fund
ASSETS	
Cash	$ 497,034
Due from other governments	855,838
Prepaid costs	17,923
Due from other funds	287,810
TOTAL ASSETS	$ 1,658,605
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable	$ 827,490
Accrued salaries and benefits	4,976
Due to other governments	180,298
Unearned revenues	120,093
TOTAL LIABILITIES	1,132,857
FUND BALANCE:	
Nonspendable - prepaid costs	17,923
Unassigned	507,825
TOTAL FUND BALANCE	525,748
TOTAL LIABILITIES AND FUND BALANCE	$ 1,658,605

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION

Fund balance - from above	$ 525,748
Amounts reported for governmental activities in the statement of net position are different because:	
Pension contributions subsequent to the valuation measurement date will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	180,424
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(61,901)
Net pension obligation	(789,346)
Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position.	(239,827)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 404,444

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Planning Fund
REVENUES	
Local Tranportation Funds	$ 1,180,070
Rural Planning Assistance	407,300
STIP Planning (PPM)	142,000
Federal grants	2,128,761
Other grants	118,308
Freeway Service Patrol	265,298
Charges for services and reimbursements	233,369
Interest	1,669
Other	4,385
TOTAL REVENUES	4,481,160
EXPENDITURES	
Salaries and benefits	1,235,531
Project costs	2,801,634
Administrative costs	466,779
TOTAL EXPENDITURES	4,503,944
NET CHANGE IN FUND BALANCE	(22,784)
Fund balance, beginning of the year	548,532
FUND BALANCE, END OF THE YEAR	$ 525,748

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND	$ (22,784)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(1,740)
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 deferred outflows of resources related to employee pensions	34,013
Change in compensated absences liability	(5,809)
Change in net pension obligation	234,278
Change in deferred inflows of resources related to employee pensions	(239,827)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (1,869)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BUDGETARY COMPARISON SCHEDULE – PLANNING FUND

June 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
REVENUES				
Local Tranportation Funds	$ 1,088,125	$ 1,219,519	$ 1,180,070	$ (39,449)
Rural Planning Assistance	437,000	438,578	407,300	(31,278)
STIP Planning (PPM)	142,000	142,000	142,000	-
Federal grants	1,982,200	2,159,286	2,128,761	(30,525)
Other grants	227,311	247,388	118,308	(129,080)
Freeway Service Patrol	309,715	338,761	265,298	(73,463)
Charges for services and reimbursements	209,283	213,096	233,369	20,273
Interest	1,800	1,800	1,669	(131)
Other	14,800	14,300	4,385	(9,915)
TOTAL REVENUES	4,412,234	4,774,728	4,481,160	(293,568)
EXPENDITURES				
Salaries and benefits	906,245	911,066	1,235,531	(324,465)
Project costs	2,315,256	2,830,353	2,801,634	28,719
Administrative costs	601,590	437,660	466,779	(29,119)
TOTAL EXPENDITURES	3,823,091	4,179,079	4,503,944	(324,865)
NET CHANGE IN FUND BALANCE	589,143	595,649	(22,784)	(618,433)
Fund Balance, beginning of the year	548,532	548,532	548,532	
FUND BALANCE, END OF THE YEAR	$ 1,137,675	$ 1,144,181	$ 525,748	$ (618,433)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2015

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
ASSETS			
Current Assets:			
Cash	$ 145,823	$ 1,707,739	$ 1,853,562
Accounts receivable	2,503		2,503
Due from other agencies		150,820	150,820
TOTAL CURRENT ASSETS	148,326	1,858,559	1,856,065
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	492,383		492,383
Depreciable	1,181,719		1,181,719
TOTAL ASSETS	1,822,428	1,858,559	3,530,167
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	317,234		317,234
LIABILITIES			
Current Liabilities:			
Accounts payable	979	33,808	34,787
Other liabilities	10,152		10,152
Accrued interest	5,769		5,769
Due to other funds	228,371	59,439	287,810
Unearned revenue		1,765,312	1,765,312
Current portion of long-term debt	124,501		124,501
TOTAL CURRENT LIABILITIES	369,772	1,858,559	2,228,331
Long-Term Liabilities:			
Lease revenue bonds	2,022,408		2,022,408
TOTAL LIABILITIES	2,392,180	1,858,559	4,250,739
NET POSITION			
Net investment in capital assets	(472,807)		(472,807)
Unrestricted	220,289		220,289
TOTAL NET POSITION	$ (252,518)	$ -	$ (252,518)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended June 30, 2015

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
OPERATING REVENUES			
Rents	$ 266,270		$ 266,270
Fare revenues and local contributions		$ 139,680	139,680
TOTAL REVENUES	266,270	139,680	405,950
OPERATING EXPENSES			
Administrative costs	11,592	173,446	185,038
Purchased transit		544,086	544,086
Maintenance, rents and leases	50,096		50,096
Insurance	3,792		3,792
Depreciation	65,651		65,651
TOTAL EXPENSES	131,131	717,532	848,663
NET INCOME (LOSS) FROM OPERATIONS	135,139	(577,852)	(442,713)
NON-OPERATING REVENUES (EXPENSES)			
Local Transportation Fund allocation		333,548	333,548
State Transit Assistance Fund allocation		54,634	54,634
Operating grants		185,000	185,000
Interest expense & bond issuance/retirement costs	(105,713)		(105,713)
Interest revenue	774	4,670	5,444
TOTAL NON-OPERATING REVENUES (EXPENSES)	(104,939)	577,852	472,913
CHANGE IN NET POSITION	30,200	-	30,200
Net Position, beginning of the year	(282,718)		(282,718)
NET POSITION, END OF THE YEAR	$ (252,518)	$ -	$ (252,518)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

June 30, 2015

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from tenants, passengers and users	$ 275,691	$ 142,857	$ 418,548
Cash paid to suppliers for goods and services	(47,198)	(710,998)	(758,196)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	228,493	(568,141)	(339,648)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received		1,038,665	1,038,665
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	1,038,665	1,038,665
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal repayments on long-term debt	(2,315,708)		(2,315,708)
Interest payments on long-term debt	(69,350)		(69,350)
Proceeds from issuance of long-term debt	2,235,689		2,235,689
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(149,369)	-	(149,369)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	774	4,670	5,444
NET CASH PROVIDED BY INVESTING ACTIVITIES	774	4,670	5,444
INCREASE IN CASH AND CASH EQUIVALENTS	79,898	475,194	555,092
Cash and cash equivalents, beginning of the year	65,925	1,232,545	1,298,470
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 145,823	$ 1,707,739	$ 1,853,562

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)

June 30, 2015

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Net income (loss) from operations	$ 135,139	$ (577,852)	$ (442,713)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation and amortization	65,651		65,651
Changes in operating assets and liabilities:			
Accounts receivable	9,421		9,421
Due from other agencies		3,177	3,177
Accounts payable and other liabilities	(621)	(5,120)	(5,741)
Due to other agencies	18,903	11,654	30,557
NET CASH USED BY OPERATING ACTIVITIES	$ 228,493	$ (568,141)	$ (339,648)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended June 30, 2015

		Private Purpose Trust Funds
ASSETS		
Current Assets:		
Cash and investments		$ 5,440,734
Sales tax receivable		3,316,600
Interest receivable		1,874
Due from state		454,711
	TOTAL ASSETS	9,213,919
LIABILITIES		
Allocations payable		4,781,391
Unearned revenues		1,090,293
	TOTAL LIABILITIES	5,871,684
NET POSITION		
Net position held in trust for other purposes		
Restricted/apportioned		463,668
Restricted/unapportioned		2,878,567
	TOTAL NET POSITION	$ 3,342,235

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended June 30, 2015

		Private Purpose Trust Funds
ADDITIONS		
Sales taxes		$ 22,398,649
Proposition 1b Grants		762,885
Regional Surface Transportation Allocation		547,117
Interest		47,728
	TOTAL ADDITIONS	23,756,379
DEDUCTIONS		
Planning and administration		1,189,070
Tahoe Regional Planning Agency allocation		642,154
Transportation services and road maintenance		22,170,722
Pedestrian and bicycle		463,866
	TOTAL DEDUCTIONS	24,465,812
	CHANGES IN NET POSITION	(709,433)
Net Position, Beginning of the Year		4,051,668
	NET POSITION, END OF THE YEAR	$ 3,342,235

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Placer County Transportation Planning Agency (Agency) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. 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 Agency's accounting policies are described below.

The Agency was created pursuant to California Government Code Section 67910, as a local planning agency to provide regional transportation planning activities for the area of Placer County, exclusive of the Lake Tahoe Basin. The Agency is also responsible for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance Fund) and for State Exchange Funds that were created under the Federal Inter-modal Surface Transportation Efficiency Act.

The reporting entity includes the Agency and its component unit. Component units are legally separate organizations for which the Agency's Board of Directors is financially responsible. Financial accountability is defined as the appointment of a voting majority of the component unit's board and the Agency's ability to impose its will on the organization.

The Western Placer Consolidated Transportation Services Agency (WPCTSA) is a joint powers agency formed October 13, 2008 and organized to provide social service transportation for the Western portion of Placer County. WPCTSA is governed by the Agency's Board of Directors serving in a separate capacity as the governing board of WPCTSA. WPCTSA is included in the Agency's reporting entity because both agencies are represented by the same governing board and because of the financial benefit and burden relationship that exists between the two agencies. Complete financial statements of WPCTSA can be obtained by contacting WPCTSA staff at 299 Nevada Street, Auburn, California 95603.

<u>Basis of Presentation - Government-wide Financial Statements</u>: The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide 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, regardless of the timing of related cash flows. Nonexchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenues until earned. Sales tax revenue is recorded as revenue when collected and apportioned to the Agency.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements: The accounts of the Agency are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is 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 financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting, except for compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet or statement of fiduciary net assets. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. The operating statements present increases (i.e., revenues/additions) and decreases (i.e., expenses/deductions) in total net position.

The accrual basis of accounting is utilized by the proprietary and private purpose fund types. Under the accrual basis of accounting, revenues and additions are recognized when they are earned and expenses and deductions are recognized when they are incurred. Nonexchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenues until earned. Sales tax revenue is recorded as revenue when collected and apportioned to the Agency.

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 activities. The principal operating revenues of the Agency include state and local planning grants and retail and motor vehicle fuel sales tax revenues. Operating expenses for the enterprise fund include general and administrative expenses and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency reports the following major governmental fund in the accompanying financial statements:

Planning Fund – The Planning Fund is the general operating fund of the Agency and accounts for revenues collected to provide services and finance the fundamental operations of the Agency. The major revenue source for this fund is local transportation funds and federal and state planning grants. Expenditures are made for administration, as well as local and regional planning projects.

The Agency reports the following major enterprise funds in the accompanying financial statements:

Nevada Station – This fund accounts for all financial transactions relating to the Agency's Nevada Station property. Rents are received from tenants that occupy space in the building.

Western Placer Consolidated Transportation Services Agency – This fund accounts for operating of social service related transit for the elderly and disabled in Western Placer County.

Fiduciary Fund Types: Fiduciary funds, which include Private Purpose Trust Funds, are used to account for assets held by the Agency in a trustee capacity for individuals, private organizations and other governments. In its capacity as a Regional Transportation Planning Agency, the Agency is responsible for the administration of several private purpose trust funds which benefit member agencies located within the County of Placer and which provide funding for transportation planning, transit operations, pedestrian and bicycle facilities and street and roads maintenance and improvements. These funds include:

Local Transportation Fund – This fund accounts for revenues generated from a ¼ cent of the general sales tax imposed by the State of California pursuant to the Transportation Development Act (TDA). The County and cities file claims with the Agency for the monies and allocations are made for planning, transit, pedestrian, bicycle, streets and roads purposes. The Agency reviews the claims, determines the agency's eligibility to receive funds, and, upon approval, allocates the funds to the agencies.

State Transit Assistance Fund – Revenues for this fund are earned based on a portion of the State gasoline tax. The tax is allocated to the Placer County Transportation Planning Agency by the State Controller's office. Agencies file claims with the Agency for the funds and allocations are made solely for transit-related projects.

Public Transportation Modernization, Improvement, and Service Enhancement Account Fund (Prop 1B Fund) – PTMISEA funds are part of a comprehensive voter approved transportation bond (proposition 1B) investment package. Eligibility is based on these 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: a) rehabilitation, safety, or modernization improvements; b) capital service enhancements or expansions; c) new capital projects; d) bus rapid transit improvements; e) rolling stock procurement, rehabilitation or replacement.

Regional Surface Transportation Program Fund – The Regional Surface Transportation Program Fund represents an apportionment under the Federal Transportation Bill whereby the Agency allocates funds to agencies for projects included in the adopted Federal Statewide Transportation Improvement Program.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transit System Safety, Security and Disaster Response Fund (TSSDR) Fund – TSSDR funds are part of a comprehensive voter approved transportation bond (proposition 1B) investment package. Eligible projects include transit system safety, security and disaster response projects.

Cash and Cash Equivalent: For purposes of the Statement of Cash Flows, all cash and investments with original maturities of three months or less and demand deposits are considered to be cash equivalents.

Due from Other Governments: Due from other governments consists mainly of amounts due from state and federal agencies under grant agreements and other revenue sources. Management believes these amounts to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Capital Assets: Capital assets for governmental fund types of the Agency are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at their estimated fair value on the date donated. Capital assets are defined as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Provision is made for depreciation by the straight-line method over the estimated useful lives of these individual assets, which range from three to ten years for office furniture and equipment and thirty years for leasehold improvements. 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.

Unearned Revenues: Unearned revenues arise when resources are received before the Agency has legal claim to them, such as when cost reimbursement grant and other intergovernmental revenues are received prior to the incurrence of qualifying expenses.

Compensated Absences: The Agency's personnel policy allows employees to accumulate earned but unused vacation. Unused accrued vacation time will be paid to employees upon separation from the Agency's service, subject to a vesting policy. The cost of vacation is recorded in the period accrued.

Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable are reported as expenditures and fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts. Compensated absences are liquidated by the Planning Fund.

Deferred Amount from Refunding Debt: The difference between the reaquisition price of refunded debt and the net carrying amount of the previously outstanding debt is deferred and reported as either a deferred outflow or deferred inflow on the balance sheet. These amounts are amortized over the shorter of the term of the old debt or the new debt.

Internal Balances: Interfund transactions are reflected as either loans, services provided/(received), reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Services provided/(received), deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Internal balances are presented in the government-wide financial statement only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental activities.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include prepaid expenses.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is listed on the face of the balance sheet.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is by resolution of the Agency. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Agency's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements present net position. Net position is categorized as invested in capital assets, restricted, committed and unrestricted.

Invested in Capital Assets – This category groups all capital assets into one component of net assets. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the Agency not restricted for any project or other purpose.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deficit Net Position: The Nevada Station fund had deficit net position of $252,518 at June 30, 2015. The deficit was created because of debt funding where current year principal payments are less than annual depreciation charges. The deficit will be eliminated as scheduled principal repayments increase over the life of the debt.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Budgetary Information: The Agency approves all budgeted revenues and expenditures for the Planning Fund. Budgeted revenues and expenditures represent the original budget, as approved by the Agency, and the final budget, which includes modifications of the original budget through amendments approved by the Agency during the year. Amendments which alter total expenditures within the Planning Fund require approval of the Board of Directors.

New Pronouncements: In February 2015, the GASB approved Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements and will require additional disclosures about assets and liabilities measured at fair value. This Statement is effective for periods beginning after June 15, 2015.

In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB):, replaces the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive not disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018. The Agency will fully analyze the impact of this new Statement prior to the effective date above.

NOTE B – CASH AND CASH EQUIVALENTS

The Agency's cash and cash equivalents as of June 30, 2015 are as follows:

	Governmental Activities	Business-Type Activities	Private Purpose Trust Funds	Total
Deposits in financial institutions	$ 497,034	$ 1,853,562	$ 1,090,293	$ 3,440,889
County cash and investments pool			4,350,441	4,350,441
Total cash and cash equivalents	$ 497,034	$ 1,853,562	$ 5,440,734	$ 7,791,330

Investment Policy: California statutes authorize governmental agencies to invest surplus funds in a variety of credit instruments as provided in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Agency's investment policy further limits its investments to bank deposits, including certificates of deposit, and investments in the Local Agency Investment Fund (LAIF).

Investment in the County of Placer Cash and Investments Pool: The Agency maintains cash and an investment pool with the County of Placer (the County), which is managed by the County Treasurer for the fiduciary funds. On a monthly 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 risks applicable to the County's cash and investments pool may be found in the County's Comprehensive Annual Financial Report (CAFR). The County's CAFR may be obtained by contacting the County of Placer Auditor-Controller's Office at 2970 Richardson Drive, Auburn, CA 59603.

The County's Treasury Oversight Committee oversees the Treasurer's investments and policies. The value of the pool shares in the County's cash and investments pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Agency's position in the pool. Investments held in the County's cash and investments pool are available on demand and are stated at amortized cost, which approximates fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2015, the weighted average maturity of the investment in the County's cash and investments pool was approximately 1,483 days.

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Credit Risk: Generally credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's cash and investments pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of a failure of the counter party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of governmental investment pools (such as the County's cash and investments pool).

At June 30, 2015, the carrying amount of the Agency's deposits was $3,440,889 and the balance in financial institutions was $4,179,369. Of the balance in financial institutions, $500,000 was covered by federal depository insurance and $3,679,369 was covered by the pledging financial institution with assets held in a common pool for the Agency and other governmental agencies, but not in the name of the Agency.

NOTE C – CAPITAL ASSETS

Capital asset activity consisted of the following for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Governmental Activities				
Capital assets, being depreciated:				
Equipment	$ 72,131			$ 72,131
Less accumulated depreciation for:				
Equipment	(70,391)	$ (1,740)		(72,131)
Governmental activities capital assets, net	$ 1,740	$ (1,740)		$ -
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 492,383			$ 492,383
Capital assets, being depreciated:				
Structures and improvements	1,969,531			1,969,531
Less accumulated depreciation for:				
Structures and improvements	(722,161)	$ (65,651)		(787,812)
Total capital assets, being depreciated, net	1,247,370	(65,651)		1,181,719
Business-type activities capital assets, net	$ 1,739,753	$ (131,302)	$ -	$ 1,674,102

Depreciation expense of $1,740 during the year ended June 30, 2015 was allocated to the planning function. Depreciation expense of $65,651 was allocated to the Nevada Station building.

NOTE D – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Planning Fund	Nevada Station Fund	$ 228,371
	Western Placer CTSA	59,439
		$ 287,810

Amounts due to the Planning Fund from the Nevada Station Fund for $63,371 represents unpaid staff time and overhead and $165,000 is for a loan to provide operating cash for the building. A portion of this amount is expected to be repaid within the next year. Amounts due to the Planning Fund and from Western Placer CTSA are for unpaid staff time and overhead.

NOTE E – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2015.

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	$ 56,092	$ 57,627	$ (51,818)	$ 61,901	$ 61,901
Net pension obligation	1,023,624		(234,278)	789,346	
	$ 1,079,716	$ 57,627	$ (286,096)	$ 851,247	$ 61,901
Business Type Acivities					
Capital Lease	$ 1,866,914	$ 2,235,689	$ (1,955,694)	$ 2,146,909	$ 124,501

The Agency entered into a capital lease with South Placer Regional Transportation Authority (SPRTA) (a related party) in December 2003, for the purchase of the Nevada Station property, which ends on December 1, 2028. SPRTA issued debt on the Agency's behalf for the purchase of the Nevada Station building, the agreement calls for the Agency to pay lease amounts that are structured to be sufficient in timing and amount to meet SPRTA's related debt service payments. Interest earned on the lease payment account and other monies held by the trustee are applied to the lease payments made by the Agency. The Agency has the option to purchase the leased building for $10, upon termination or expiration of the lease and after the bonds have been paid off.

As of June 30, 2015, future minimum lease payments are as follows:

Year Ending June 30:	Business-Type Activites
2016	$ 191,732
2017	189,724
2018	192,255
2019	189,099
2020	190,482
2021-2025	954,866
2026-2029	760,850
Total	2,669,008
Less: Amount representing interest	(522,099)
Present value of future minimum lease payments	$ 2,146,909

NOTE F - FARE REVENUE RATIO

The Agency is required under the Transportation Development Act to maintain fare revenue to operating expenses ratio of at least 10% for the Health Express transit services provided by Western Placer CTSA. The calculation of the fare revenue ratio for the year ended June 30, 2015, is as follows:

Passenger fare revenues and local match contributions	$ 100,000
Operating expenses	$ 537,825
Fare revenue ratio	18.59%

The Agency was in compliance with the required fare revenue ratio at June 30, 2015.

NOTE G – UNEARNED REVENUES – WESTERN PLACER CTSA

The Local Transportation Fund (LTF) allocates monies to Western Placer CTSA to support transit operations. LTF allocations are considered earned when they are properly spent for operations by the transit system. It is the current practice of the PCTPA to have excess revenue returned to the funding agency or redesignated as subsequent year allocations. The maximum amount allowed is based on operating costs after certain adjustments. Allocations in excess of this amount are recorded as unearned revenues. At June 30, 2015, maximum eligibility for operating LTF allocations was determined as follows:

	2015	2014
LTF Allocation	$ 799,031	$ 685,941
Maximum Amount Allowed:		
Operating expenses	717,532	730,912
Adjustments:		
Local match	(139,680)	(180,000)
STA revenues	(54,634)	(70,666)
Federal grants	(185,000)	(162,206)
Interest revenues	(4,670)	(2,864)
Maximum Eligibility	333,548	314,327
Net expenses under (over) maximum eligibility	465,483	371,614
Unearned revenues, beginning of year	1,299,829	553,282
Unearned revenues, end of year	$ 1,765,312	$ 924,896

NOTE H – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Agency's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Board has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 63
Monthly benefits, as a % of eligible compensation	1.1% to 2.5%
Required employee contribution rates	7.000%
Required employer contribution rates	15.436%

The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

NOTE H – PENSION PLANS (Continued)

For the year ended June 30, 2015, the contributions made to the Plans were as follows:

	Miscellaneous Plan	PEPRA Miscellaneous Plan
Contributions - employer	$ 116,810	$ 5,404
Contributions - employee (paid by the Agency)	56,120	5,243

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2015, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	$ 789,346
Total Net Pension Liability	$ 789,346

The Agency's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability for the Plans as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Plan
Proportion - June 30, 2013	0.03124%
Proportion - June 30, 2014	0.03194%
Change - Increase (Decrease)	(0.0007)%

NOTE H – PENSION PLANS (Continued)

For the year ended June 30, 2015, the Agency recognized pension expense of $144,466 for all Plans combined. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 172,930	
Change in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	7,494	$ (18,238)
Net differences between projected and actual earnings on plan investments		(221,589)
Total	$ 180,424	$ (239,827)

The $172,930 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2016	$ (59,235)
2017	(59,235)
2018	(58,465)
2019	(55,398)
	$ (232,333)

NOTE H – PENSION PLANS (Continued)

Actuarial Assumptions: The total pension liabilities in the June 30, 2013 actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service
(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

NOTE H – PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for each of the Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

NOTE H – PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Agency's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Plan
1% Decrease	6.50%
Net Pension Liability	$ 1,322,031
Current Discount Rate	7.50%
Net Pension Liability	$ 789,346
1% Increase	8.50%
Net Pension Liability	$ 347,268

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2015, the Agency had no outstanding amount of contributions payable to the pension plan.

NOTE I – POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

Plan Description: The Agency provides healthcare benefits to eligible retirees and their dependents through the Placer County Transportation Planning Agency Retiree Heathcare Plan (Plan), a single-employer defined benefits plan. Benefit provisions are established and may be amended by the Agency.

The Agency provides a retiree medical contribution for employees through CalPERS. The Agency contributes the Public Employees' Medical and Hospital Care (PEMHCA) minimum reported contribution, which was $119 for calendar year 2015. The benefit continues to surviving spouses and dependents.

Funding Policy: The contribution requirements of the plan members and the Agency are established and may be amended by the Agency. The Agency prefunds the plan by contributing at least 100% of annual required contributions to the California Employers' Retiree Benefit Trust (CERBT), a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115. The Trust is administered by CalPERS as an agent multiple-employer plan. Financial statements of CERBT are included in CalPERS' CAFR and copies may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

NOTE I – POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation: The Agency's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of one year.

The OPEB cost, the percentage of OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$ 65,956	100%	-
6/30/2014	$ 67,525	100%	-
6/30/2015	$ 64,231	100%	-

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2013, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	$ 559,173
Actuarial value of Plan assets	456,058
Unfunded actuarial accrued liability (UAAL)/(OPEB Asset)	103,115
Funded ratio (actuarial value of Plan assets/AAL)	81.56%
Covered payroll (active Plan participants)	749,732
UAAL as a percentage of covered payroll	13.75%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE I – POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)

For the June 30, 2013 actuarial valuation, the entry age normal actuarial cost level of pay method was used. The actuarial assumptions included a 7.25% investment rate of return a 2.75% inflationary increase and a 2.75% payroll increase. Medical premiums were assumed to increase by 4% per year. The initial UAAL is being amortized with a level dollar, closed 3 year amortization period. The residual UAAL is being amortized over 3 years with an open amortization period. The remaining amortization period at June 30, 2015 was 2 years.

NOTE J – RENTAL INCOME UNDER OPERATING LEASES

The Agency has 10,579 square feet of office space available for subleasing. As of June 30, 2015, the Agency had operating lease agreements with seven tenants for 9,544 square feet of space. The Agency recovered $266,270 in rents, of which $142,066 was for space occupied by the Agency for its offices. Future rents to be received under subleases as of June 30, 2015 are as follows:

Fiscal year ending June 30,	
2015	$ 251,828
2016	214,018
2017	181,185
	$ 647,031

NOTE K – RELATED PARTY TRANSACTIONS

South Placer Regional Transportation Authority (SPRTA) was created January 23, 2002, as a joint powers authority to establish a transportation planning agency that would facilitate planning, design, financing, acquisition and construction of Regional Transportation Improvements in the jurisdiction and spheres of influence of its participating members. The Authority's board includes a representative appointed by the Cities of Rocklin, Roseville and Lincoln and the County of Placer. These same jurisdictions also appoint four of the Agency's nine member governing board, although not necessarily appointing the same individual from a particular jurisdiction to serve on both boards.

The Agency provides SPRTA staff labor and related overhead. The Agency also provides fiscal oversight of SPRTA. During the fiscal year ended June 30, 2015, the Agency was reimbursed $73,065. The amount receivable from SPRTA at June 30, 2015 is $40,429.

The Agency entered into a capital lease with SPRTA in 2003 to purchase the Nevada Station building as disclosed in Note C. During the year ended June 30, 2015, the Agency paid SPRTA principal and interest totaling $151,416. The principal and interest payable at year end June 30, 2015 total $2,146,909 and $5,769, respectively.

NOTE L – RISK MANAGEMENT

The Agency is exposed to various risks to loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency maintains commercial insurance policies through third-parties. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, there have not been any settlements in excess of the insurance coverage for the past three fiscal years.

NOTE M – UNEARNED REVENUE – PRIVATE PURPOSE TRUST FUNDS

Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA): In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

During the year ended June 30, 2015, the Agency applied for and received $521,349 from the State PTMISEA account for various purchases. As of June 30, 2015, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2014	$ 1,201,848
Proceeds received:	
Rocklin Front Street Park-and-Ride Lot Expansion	469,983
City of Loomis Transit Enhancement	51,366
Interest earned	3,133
Expenditures incurred:	
Rocklin Front Street Park-and-Ride Lot Expansion	(564,508)
Roseville Transit Bus Stop Improvement	(35,486)
Roseville Corporate Yard Security Improvements	(38,892)
Western Placer CTSA Community Transit Enhancements	(56,205)
Unexpended proceeds at June 30, 2015	$ 1,031,239

California Office of Emergency Services (CalOES): As approved by the voters in the November 2006 general elections, Proposition 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize $19.925 billion to state general obligation bonds for specified purposes, including grants for transit system safety, security and disaster response projects. CalOES has been charged with administering the following Prop 1B California Transit Security Grant Program (CTSGP). Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

NOTE M – UNEARNED REVENUE – PRIVATE PURPOSE TRUST FUNDS (Continued)

As of June 30, 2015, funds received and expended were as follows:

Balance at June 30, 2014	$ 87,501
CalOES funds received (Loomis and Rocklin)	39,145
Interest earnings	203
Expenses incurred:	
City of Rocklin Bus Stop Safety and Security Improvements Project	(63,252)
Town of Loomis Depot Park and Ride Facility Security Camera System	(4,543)
Unexpended proceeds at June 30, 2015	$ 59,054

NOTE N – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2015, the Agency adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement 68.* These Statements required the Agency to recognize in its accrual basis financial statements the net pension liability, deferred outflows of resources and deferred inflows of resources for the Agency's pension plan. These Statements also required contributions made after the June 30, 2014 measurement date used in the actuarial valuation for the pension plan to be reported as deferred outflows of resources.

Due to the implementation of these statements, a pension liability of $789,346, deferred inflows of resources of $239,827 and deferred outflows of resources of $180,424 were recorded in the Government-wide statements as of June 30, 2015. Total net position as of July 1, 2014 was restated compared to the amounts reported in the June 30, 2014 financial statements, resulting in a decrease in net position of $877,213.

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REQUIRED SUPPLEMENTARY INFORMATION

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2015
Proportion of the net pension liability	0.01269%
Proportionate share of the net pension liability	$ 789,346
Covered - employee payroll	$ 762,356
Proportionate share of the net pension liability as a percentage of covered payroll	103.54%
Plan fiduciary net position as a percentage of the total pension liability	80.34%

Notes to Schedule:
Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: None.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2015
Contractually required contribution (actuarially determined)	$ 97,802
Contributions in relation to the actuarially determined contributions	(97,802)
Contribution deficiency (excess)	$ -
Covered - employee payroll	$ 762,356
Contributions as a percentage of covered - employee payroll	12.83%

Notes to Schedule:
Valuation date: June 30, 2012

Methods and assumptions used to determine contribution rates:

Single Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.0%, average, including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015; therefore only one year is presented.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (Asset) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	$ 368,191	$ 492,957	$ 124,760	74.69%	$ 678,723	18.38%
7/1/2011	$ 308,880	$ 515,488	$ 206,608	59.92%	$ 700,781	29.48%
6/30/2013	$ 456,058	$ 559,173	$ 103,115	81.56%	$ 749,732	13.75%

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SUPPLEMENTARY INFORMATION

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS

June 30, 2015

	Local Transportation	State Transit Assistance	PTMISEA	RSTP	TSSDR	Totals
ASSETS						
Cash	$ 4,292,989	$ 57,452	$ 1,031,239		$ 59,054	$ 5,440,734
Sales tax receivable	3,316,600					3,316,600
Interest receivable	1,798	76				1,874
Due from state		454,711				454,711
TOTAL ASSETS	7,611,387	512,239	1,031,239	-	59,054	9,213,919
LIABILITIES AND NET POSITION						
LIABILITIES:						
Allocations payable	4,367,678	413,713				4,781,391
Unearned revenues			1,031,239		59,054	1,090,293
TOTAL LIABILITIES	4,367,678	413,713	1,031,239	-	59,054	5,871,684
NET POSITION						
Net position held in trust for other purposes:						
Restricted/apportioned for pedestrian and bicycle	463,668					463,668
Restricted/ Unapportioned	2,780,041	98,526				2,878,567
TOTAL NET POSITION	$ 3,243,709	$ 98,526	$ -	$ -	$ -	$ 3,342,235

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

COMBINING STATEMENT IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2015

	Local Transportation	State Transit Assistance	PTMISEA	RSTP	TSSDR	Totals
ADDITIONS						
Sales Tax	$ 20,684,589	$ 1,714,060				$ 22,398,649
Proposition 1b Grants			$ 695,090		$ 67,795	762,885
Regional Surface Transportation Allocation				$ 547,117		547,117
Interest	45,751	1,977				47,728
TOTAL ADDITIONS	20,730,340	1,716,037	695,090	547,117	67,795	23,756,379
DEDUCTIONS						
Planning and Administration						
Placer County Auditor-Controller	9,000					9,000
Placer County Transportation Planning Agency	1,180,070					1,180,070
Claimants						
County of Placer	5,514,204	624,129		364,211		6,502,544
City of Auburn	684,500	51,106		139,628		875,234
City of Colfax	99,151	7,156		43,278		149,585
City of Lincoln	2,240,914	162,789				2,403,703
Town of Loomis	327,860	23,666			4,543	356,069
Pedestrian and Bicycle	463,866					463,866
City of Rocklin	2,960,161	213,713	564,508		63,252	3,801,634
CTSA	799,031	54,634	56,205			909,870
City of Roseville	6,594,880	502,826	74,377			7,172,083
Tahoe Regional Planning Agency	642,154					642,154
TOTAL DEDUCTIONS	21,515,791	1,640,019	695,090	547,117	67,795	24,465,812
CHANGE IN NET POSITION	(785,451)	76,018	-	-	-	(709,433)
Net Position, beginning of the year	4,029,160	22,508				4,051,668
NET POSITION, END OF THE YEAR	$ 3,243,709	$ 98,526	$ -	$ -	$ -	$ 3,342,235

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2015

Section	Purpose	2015 Allocations	2015 Disbursements	2015 Undisbursed/ Unclaimed
99233.1 (Article 3)	TDA Admin			
	PCTPA	$ 425,000	$ 425,000	-
	County Auditor	9,000	9,000	-
		434,000	434,000	-
99233.2 (Article 3)	TDA Planning & Programming			
	PCTPA	755,070	755,070	-
	Tahoe Regional Planning Agency	642,154	642,154	-
		1,397,224	1,397,224	-
99260(a) (Article 4)	Public Transportation			
	City of Auburn	311,111	311,111	-
	City of Auburn (Farebox Penalty)	3,596		$ 3,596
	City of Lincoln	116,334	116,334	-
	City of Lincoln (Farebox Penalty)	17,085		17,085
	Placer County	3,514,204	3,514,204	-
	City of Roseville	2,212,176	2,212,176	-
		6,174,506	6,153,825	20,681
99234 (Article 3)	Bicycle & Pedestrian			
	Placer County	377,339	377,339	-
	City of Loomis	23,069		23,069
	City of Lincoln	63,458		63,458
		463,866	377,339	86,527
99275 (Article 4.5)	Consolidated Transportation Service Agencies			
	WPCTSA	799,031	799,031	-
		799,031	799,031	-
99262 (Article 4)	Support of public transportation systems			
	City of Roseville - Call Center	300,000	296,696	3,304
		300,000	296,696	3,304
99400c (Article 8(a))	Streets and Roads			
	City of Auburn	348,619	348,619	-
	City of Auburn (Farebox Penalty)	5,174		5,174
	City of Colfax	93,091	93,091	-
	City of Lincoln	2,077,123	2,077,123	-
	City of Lincoln (Farebox Penalty)	30,372		30,372
	City of Loomis	296,728	296,728	-
	Placer County	2,000,000	2,000,000	-
	City of Rocklin	2,624,307		2,624,307
	City of Roseville	4,082,704	4,082,704	-
		11,558,118	8,898,265	2,659,853
99400c (Article 8(c))	Contracted Transit Service			
	City of Auburn	16,000	16,000	
	City of Colfax	6,060	6,060	-
	City of Loomis	31,132	31,132	-
	City of Rocklin	335,854		335,854
		389,046	53,192	335,854
	Total apportionment	$ 21,515,791	$ 18,409,572	3,106,219
	Unclaimed/Undisbursed-Prior Year Apportionments:			
	City of Rocklin - Pedestrian and Bicycle			168,589
	City of Roseville - Pedestrian and Bicycle			594,442
	City of Auburn - Pedestrian and Bicycle			49,649
	City of Lincoln - Pedestrian and Bicycle			73,696
	City of Roseville - Call Center			36,443
	City of Lincoln			266,240
	City of Auburn			72,400
				1,261,459
	Total allocations payable			$ 4,367,678

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2015

Section	Purpose	Final Apportionment	Disbursements	Undisbursed/ Unclaimed
6730(a)				
	City of Auburn	$ 51,106	$ 51,106	
	City of Lincoln	162,789	162,789	
	Placer County Transit	624,129	424,129	$ 200,000
	City of Roseville	502,826	502,826	
		1,340,850	1,140,850	200,000
6731(b)	Contracted Transportation Services			
	City of Colfax	7,156	7,156	
	City of Loomis	23,666	23,666	
	City of Rocklin	213,713		213,713
		244,535	30,822	213,713
6731.1	Consolidated Transportation Service Agencies			
	WPCTSA	54,634	54,634	-
		54,634	54,634	-
	Totals	$ 1,640,019	$ 1,226,306	$ 413,713

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Schedule of Direct and Indirect Costs

For the Year Ended June 30, 2015

	Direct Costs	Indirect Costs	Unallowable Costs	Total Expenses
Salaries and Wages	$ 622,591	$ 176,767	$ -	$ 799,358
Fringe Benefits	400,450	143,964	-	544,414
Total Salary and Benefits	1,023,041	320,731	-	1,343,772
Direct Services, Supplies and Costs	2,890,620			2,890,620
Indirect costs:				
Accounting and Actuarial Services	-	-	-	-
Auditor - Annual Independent Fiscal Audit	-	15,100	-	15,100
Advertising/Public Notices	-	193	-	193
Auto Mileage	-	8,580	-	8,580
Boardmember Reimbursement	-	-	8,173	8,173
Communications	-	8,207	-	8,207
Computer Equipment & Supplies	-	4,923	-	4,923
Subscriptions	-	717	-	717
Office/Computer Equipment Maintenance	-	5,512	-	5,512
Furniture	-	-	-	-
Insurance - General Liability, Property, Professional Liability	-	14,190	-	14,190
Legal Counsel	-	8,409	-	8,409
Membership/Training	-	5,603	-	5,603
Membership/Training - Unallowable	-	-	2,505	2,505
Miscellaneous	-	-	-	-
Office Supplies	-	2,570	-	2,570
Office Supplies - Unallowable	-	-	1,483	1,483
Postage & Delivery	-	1,508	-	1,508
Printing & Reproduction	-	5,290	-	5,290
Rent	-	-	142,066	142,066
Travel / Food / Lodging	-	1,374	-	1,374
Travel / Food / Lodging - Unallowable	-	-	2,040	2,040
Utilities / Maintenance	-	8,454	-	8,454
Depreciation Expense	-	-	1,740	1,740
Subtotal	-	90,630	158,007	248,637
Total Direct & Indirect Expenses	$1,023,041	$ 411,361	$ 158,007	$ 4,483,029

COMPLIANCE REPORTS

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 THE PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICES ENHANCEMENT ACCOUNT (PTMISEA) GUIDELINES

Placer County Transportation Planning Agency
Auburn, California

We have audited, in accordance with the 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 business-type activities, each major fund, and the aggregate remaining fund information of the Placer County Transportation Planning Agency (the Agency) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters (including PTMISEA)

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act Funds allocated and received by the Agency were expended in conformance with the applicable statutes, rules and regulations of the Transportation Development Act and Section 6661 and 6662 of the California Code of Regulations. The results of performing these tasks disclosed no instances of noncompliance with the applicable statutes, rules and regulations of the Transportation Development Act. We also tested the receipt and appropriate expenditure of bond funds, as presented in Note M of the financial statements, in accordance with the PTMISEA statutes and 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, the TDA or the PTMISEA.

Response to Findings

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings. The Agency response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no 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 result of that testing, and not to provide an opinion on the effectiveness of the Agency'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 the PTMISEA in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

December 16, 2015

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 COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Placer County Transportation Planning Agency
Auburn, California

Report on Compliance for Each Major Federal Program

We have audited the Placer County Transportation Planning Agency's, (the Agency) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2015. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of law, regulations, contracts, and grants applicable to each of its major federal programs

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements and related notes of the Agency, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 16, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Richardson & Company, LLP

December 16, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

Financial Statements	Summary of Auditor's Results
1. Type of auditor's report issued:	Unmodified opinion
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None reported
3. Noncompliance material to financial statements noted?	No
Federal Awards	
4. Internal control over major programs:	
a. Material weaknesses identified?	None reported
b. Significant deficiencies identified not considered to be material weaknesses?	None reported
5. Type of auditor's report issued on compliance for major programs:	Unmodified opinion
6. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)?	No
7. Identification of major programs:	

CFDA Number	Name of Federal Program
20.205	U.S. Department of Transportation, Highway Planning and Construction Cluster

8. Dollar Threshold used to distinguish between Type A and Type B programs?	$ 300,000
9. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COST-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. PRIOR YEAR FINDINGS

Finding 2014-1: Review and oversight of LTF and STAF activity

Condition: Several adjusting journal entries were required to correct the activity within the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STAF). The entries were made to correct the amounts due from the State and sales tax revenue. These adjustments were a result of the County of Placer accounting for the expenses STAF Funds and sales tax revenue for the STAF and LTF Funds on a cash basis instead of the accrual basis. We recommend the Agency work with the County to ensure the year-end amounts are reported on the accrual basis of accounting.

Recommendation: The Agency needs to work with the County to perform the following steps to ensure LTF and STAF are reported on the accrual basis of accounting:

- Compare the Findings of Apportionment to the expenses recorded in the County. The expenses should be equal to the final allocation for each claimant.
- Review copies of remittance advices received from the State and reconcile to the amounts posted in the County general ledger as tax revenue, and ensure revenue is recorded in the proper period. (LTF revenue is received two months after the month to which the taxes related, so the May and June taxes are received in July and August and need to be accrued. STAF revenue is received quarterly, but the 4th quarter is paid after June 30 and needs to be accrued.)

Status: The Agency has monitored the activity recorded by the County and compared the general ledger to the Findings of Apportionment and remittance advices. The County has made substantial progress in recording the correct amounts on the accrual basis of accounting.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantors' Number	Expenditures
MAJOR FEDERAL AWARDS:			
U.S. Department of Transportation			
Passed through the California Department of Transportation			
Highway Planning and Construction			
I-80/SR-65 Interchange Improvements	20.205	NCIIPLN-6158 (048)	$ 890,381
SR-65 Capacity and Operation Improvements	20.205	CML-6158 (058)	476,160
Placer County Congestion Management program	20.205	CML-6158 (066)	128,294
Placer County Congestion Management program	20.205	CML-6158 (059)	16,429
I-80 Auxiliary Lane Improvements	20.205	HPLUNCIP-6158 (063)	501,198
Freeway Service Patrol	20.205	CMLFSP15-6158 (067)	68,750
Raise I-80 Freeway Patrol Services	20.205	03-0571	27,438
TOTAL MAJOR FEDERAL AWARDS			2,108,650
NON-MAJOR FEDERAL AWARDS:			
U.S. Department of Transportation			
Federal Transit Administration			
Passed through the California Department of Transportation			
FTA 5304 Grant - State Planning and Research			
Rocklin Community Transit Study	20.505	n/a	2,724
Placer County Rural Transit Study	20.505	n/a	17,387
			20,111
Passed through the Sacramento Area Council of Governments			
FTA 5317 New Freedom Grant (Urban)			
WPCTSA Health Express Program Services	20.521	n/a	185,000
TOTAL NON-MAJOR FEDERAL AWARDS			205,111
TOTAL FEDERAL AWARDS			$ 2,313,761

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Placer County Transportation Planning Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.