

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Audited Financial Statements  
Supplementary Information and Compliance Report

June 30, 2017

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PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,  
Supplementary Information and Compliance Report

June 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
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, 2017 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, 2017 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.

## **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, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 relates 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 20, 2017 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

Placer County Transportation Planning Agency

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 20, 2017

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis  
June 30, 2017

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, 2017. 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. PCTPA's member jurisdictions include the Cities of Auburn, Colfax, Rocklin and Roseville, the Town of Loomis, and 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, the designated Local Transportation Authority for transportation sales tax purposes, 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 and the Western Placer Consolidated Transportation Services Agency. 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 \$4,950,332
- Total Deferred Outflows of Resources \$569,660
- Total Liabilities \$5,597,073
- Total Deferred Inflows of Resources \$112,324
- Total Net Position \$(189,405)
- Total Revenues \$4,472,743
- Total Expenses \$4,228,139
- Net Capital Assets \$1,550,557

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.

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Management's Discussion and Analysis  
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- 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.

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**FINANCIAL ANALYSIS OF PCTPA'S FUNDS**

Net Position/Fund Balance

The following table compares the Statement of Net Position/Fund Balance at June 30, 2017 and June 30, 2016:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2017	2016	2017	2016	2017	2016	
Current assets	\$ 1,442,641	\$ 2,025,605	\$ 1,957,134	\$ 1,858,030	\$ 3,399,775	\$ 3,883,635	\$ (483,860)
Capital assets	3,062	6,123	1,547,495	1,613,734	1,550,557	1,619,857	(69,300)
Total Assets	<u>1,445,703</u>	<u>2,031,728</u>	<u>3,504,629</u>	<u>3,471,764</u>	<u>4,950,332</u>	<u>5,503,492</u>	<u>(553,160)</u>
Deferred outflows of resources	<u>337,986</u>	<u>135,952</u>	<u>231,674</u>	<u>274,454</u>	<u>569,660</u>	<u>410,406</u>	<u>159,254</u>
Current liabilities	471,834	1,319,840	2,131,053	2,060,241	2,602,887	3,380,081	(777,194)
Long-term liabilities	<u>1,231,484</u>	<u>811,987</u>	<u>1,762,702</u>	<u>1,895,898</u>	<u>2,994,186</u>	<u>2,707,885</u>	<u>286,301</u>
Total Liabilities	<u>1,703,318</u>	<u>2,131,827</u>	<u>3,893,755</u>	<u>3,956,139</u>	<u>5,597,073</u>	<u>6,087,966</u>	<u>(490,893)</u>
Deferred inflows of resources	<u>112,324</u>	<u>199,941</u>			<u>112,324</u>	<u>199,941</u>	<u>(87,617)</u>
Net investments in capital assets	3,062	6,123	(348,403)	(408,674)	(345,341)	(402,551)	57,210
Unrestricted	<u>(35,015)</u>	<u>(170,211)</u>	<u>190,951</u>	<u>198,753</u>	<u>155,936</u>	<u>28,542</u>	<u>127,394</u>
Total Net Position	<u>\$ (31,953)</u>	<u>\$ (164,088)</u>	<u>\$ (157,452)</u>	<u>\$ (209,921)</u>	<u>\$ (189,405)</u>	<u>\$ (374,009)</u>	<u>\$ 184,604</u>

**Total Assets** – The total assets at June 30, 2017 decreased by \$553,160 compared to the fiscal year ended June 30, 2016. Decreased assets are mainly attributable to the decrease in the balance of accounts receivables for federal and state grant expenditures at fiscal year-end, offset by 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 in governmental activities relates to the timing of when certain activity related to the pension liability is recognized as a change in the liability. 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, 2017 decreased by \$490,893 compared to the fiscal year ended June 30, 2016. The decrease in liabilities is the result of pass-through grants held by PCTPA on behalf of other jurisdictions, the balance of accounts payable at fiscal year-end and the recognition of pension and postemployment benefit obligations. The decrease in liabilities for business-type activities is due to an increase in unearned revenue due to Local Transportation Fund allocation during the year exceeding the amount of eligible expenditures offset by the reduction of bonds payable due for the Nevada Station property.

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Net Position – Unrestricted net position, the part of equity that can be used to finance day-to-day operations without constraints was \$155,936 at June 30, 2017. The \$127,394 increase in net position is attributable to the prior year net position already reflecting this change, and offset by multi-year revenue exceeding expenditures during the year.

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, 2017 and 2016, and the expenses incurred is as follows:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2017	2016	2017	2016	2017	2016	
Program Revenues:							
Operating grants	\$ 2,825,416	\$ 3,598,405	\$ 914,635	\$ 885,434	\$ 3,740,051	\$ 4,483,839	\$ (743,788)
Charges for services	255,873	226,937	453,193	444,639	709,066	671,576	37,490
General revenues:							
Interest revenues	2,965	3,272	8,402	7,948	11,367	11,220	147
Other revenues	6,250	5,454	6,009	--	12,259	5,454	6,805
Total Revenues	<u>3,090,504</u>	<u>3,834,068</u>	<u>1,382,239</u>	<u>1,338,021</u>	<u>4,472,743</u>	<u>5,172,089</u>	<u>(699,346)</u>
Expenses:							
Planning and administration	2,958,369	4,019,519	--	--	2,958,369	4,019,519	(1,061,150)
Property management	--	--	240,859	233,620	240,859	233,620	7,239
Western Placer CTSA	--	--	1,088,911	1,061,804	1,088,911	1,061,804	27,107
Total Expenses	<u>2,958,369</u>	<u>4,019,519</u>	<u>1,329,770</u>	<u>1,295,424</u>	<u>4,288,139</u>	<u>5,314,943</u>	<u>(1,026,804)</u>
Change in net position	132,135	(185,451)	52,469	42,597	184,604	(142,854)	327,458
Net position, beginning		21,363		(252,518)	--	(231,155)	231,155
Net position, ending	<u>\$ 132,135</u>	<u>\$ (164,088)</u>	<u>\$ 52,469</u>	<u>\$ (209,921)</u>	<u>\$ 184,604</u>	<u>\$ (374,009)</u>	<u>\$ 558,613</u>

Total Revenues – Total revenues for the fiscal year ending June 30, 2017 decreased by \$699,346 and is attributable to reduced federal and state grant revenue for reimbursement of decreased project costs.

Operating Expenses – Operating expenses for planning and administration for the fiscal year ending June 30, 2017 decreased by \$1,061,150 due to decreased expenditures on federal and state grant funded projects.

Change in Net Position – The Change in Net Position increased by \$327,458 during the year ended June 30, 2017. The increase is mainly the result of planning allocation revenues exceeding the expenditures, including project costs. Unexpended revenues are held in reserve to be utilized as carryover revenue for future year expenditures.

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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:

	<u>Assets</u>	<u>Deferred outflows of resources</u>	<u>Liabilities</u>	<u>Net Position/ Fund Balances</u>
Special Revenue Fund - Planning	\$ 1,442,641		\$ 417,664	\$ 1,024,977
Enterprise fund - Nevada Station	1,696,710	\$ 231,674	2,085,836	(157,452)
Enterprise fund - Western Placer CTSA	2,063,221		2,063,221	--

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

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Change in Net Position/ Fund Balances</u>
Special Revenue Fund - Planning	\$ 3,090,504	\$ 2,832,497	\$ 258,007
Enterprise fund - Nevada Station	293,328	240,859	52,469
Enterprise fund - Western Placer CTSA	1,088,911	1,088,911	--

**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, 2017, was as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ 4,253,338	\$ 3,848,141	\$ 3,090,504	\$ (757,637)
Expenditures	<u>3,378,043</u>	<u>3,834,890</u>	<u>2,832,497</u>	<u>1,002,393</u>
Change in Net Position	<u>\$ 875,295</u>	<u>\$ 13,251</u>	<u>\$ 258,007</u>	<u>\$ 244,756</u>

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Changes between the final Budget, adopted in May 2016, and the final amended Budget, adopted in September 2016, 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, and less than expected grant revenues due to projects not being completed during the year as anticipated.

**CAPITAL ASSETS**

A recap of PCTPA's capital assets at June 30, 2017 and the changes that occurred during the year was as follows:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2017	2016	2017	2016	2017	2016	
Cost	\$ 66,527	\$ 73,330	\$ 2,467,784	\$ 2,467,784	\$ 2,534,311	\$ 2,541,114	\$ (6,803)
Accumulated depreciation	(63,465)	(67,207)	(920,289)	(854,050)	(983,754)	(921,257)	(62,497)
Capital Assets, net	<u>\$ 3,062</u>	<u>\$ 6,123</u>	<u>\$ 1,547,495</u>	<u>\$ 1,613,734</u>	<u>\$ 1,550,557</u>	<u>\$ 1,619,857</u>	<u>\$ (69,300)</u>

Net capital assets in the fiscal year ending June 30, 2017 decreased by \$69,300 from the prior fiscal year due to 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, 2017 was \$1,895,898. The lease ends on December 1, 2028. Lease payments are due semi-annually on June 1 and December 1 and bear interest at 3.20% and 3.25%.

**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 progresses, 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,

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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, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investment	\$ 683,409	\$ 2,211,686	\$ 2,895,095
Accounts receivable	1,234	361	1,595
Due from other governments	487,069	389	487,458
Prepaid expense	15,627		15,627
Internal balances	255,302	(255,302)	-
Capital Assets:			
Nondepreciable		492,383	492,383
Depreciable, net	3,062	1,055,112	1,058,174
TOTAL ASSETS	<u>1,445,703</u>	<u>3,504,629</u>	<u>4,950,332</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding Pension		231,674	231,674
	337,986		337,986
TOTAL DEFERRED OUTFLOWS	<u>337,986</u>	<u>231,674</u>	<u>569,660</u>
<b>LIABILITIES</b>			
Accounts payable	316,927	38,076	355,003
Accrued salaries and benefits	11,383		11,383
Other liabilities		10,691	10,691
Accrued interest		5,099	5,099
Due to other governments	89,354		89,354
Unearned revenue		1,943,991	1,943,991
Compensated absences - due within one year	54,170		54,170
Bonds payable - due within one year		133,196	133,196
Noncurrent Liabilities:			
Bonds payable - due in more than one year		1,762,702	1,762,702
Net pension obligation	1,066,947		1,066,947
Postemployment benefits liability	164,537		164,537
TOTAL LIABILITIES	<u>1,703,318</u>	<u>3,893,755</u>	<u>5,597,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	112,324		112,324
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>112,324</u>		<u>112,324</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,062	(348,403)	(345,341)
Unrestricted	(35,015)	190,951	155,936
TOTAL NET POSITION	<u>\$ (31,953)</u>	<u>\$ (157,452)</u>	<u>\$ (189,405)</u>

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

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STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<u>FUNCTIONS/PROGRAMS</u>						
<b>GOVERNMENTAL ACTIVITIES</b>						
Planning and administration	\$ 2,958,369	\$ 255,873	\$ 2,825,416	\$ 122,920		\$ 122,920
<b>BUSINESS-TYPE ACTIVITIES</b>						
Property management	240,859	286,803			\$ 45,944	45,944
Western Placer Consolidated Transportation Services Agency	1,088,911	166,390	914,635		(7,886)	(7,886)
<b>TOTAL PRIMARY         GOVERNMENT</b>	<u>\$ 4,288,139</u>	<u>\$ 709,066</u>	<u>\$ 3,740,051</u>	122,920	38,058	160,978
<b>GENERAL REVENUES</b>						
Interest earnings				2,965	8,402	11,367
Other revenues				6,250	6,009	12,259
<b>TOTAL GENERAL REVENUES</b>				9,215	14,411	23,626
Change in net position				132,135	52,469	184,604
Net position, beginning of year				(164,088)	(209,921)	(374,009)
<b>NET POSITION, END OF YEAR</b>				<u>\$ (31,953)</u>	<u>\$ (157,452)</u>	<u>\$ (189,405)</u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2017

	<u>Planning Fund</u>
<b>ASSETS</b>	
Cash	\$ 683,409
Accounts receivable	1,234
Due from other governments	487,069
Prepaid costs	15,627
Due from other funds	<u>255,302</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,442,641</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES:</b>	
Accounts payable	\$ 316,927
Accrued salaries and benefits	11,383
Due to other governments	<u>89,354</u>
<b>TOTAL LIABILITIES</b>	<u><u>417,664</u></u>
<b>FUND BALANCE:</b>	
Nonspendable - prepaid costs	15,627
Unassigned	<u>1,009,350</u>
<b>TOTAL FUND BALANCE</b>	<u><u>1,024,977</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 1,442,641</u></u>
<b>RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION</b>	
Fund balance - from above	\$ 1,024,977
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	3,062
Pension contributions subsequent to the valuation measurement date and other items will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	337,986
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(54,170)
Net pension obligation	(1,066,947)
OPEB liability	(164,537)
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.	<u>(112,324)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (31,953)</u></u>

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, 2017

	<u>Planning Fund</u>
<b>REVENUES</b>	
Local Transportation Funds	\$ 1,269,738
Rural Planning Assistance	430,921
STIP Planning (PPM)	166,000
Federal grants	705,703
Other grants	27,500
Freeway Service Patrol	225,554
Charges for services and reimbursements	255,873
Interest	2,965
Other	6,250
<b>TOTAL REVENUES</b>	<u><u>3,090,504</u></u>
<b>EXPENDITURES</b>	
Salaries and benefits	1,264,591
Project costs	1,223,817
Administrative costs	344,089
<b>TOTAL EXPENDITURES</b>	<u><u>2,832,497</u></u>
<b>NET CHANGE IN FUND BALANCE</b>	258,007
Fund balance, beginning of year	<u>766,970</u>
<b>FUND BALANCE, END OF THE YEAR</b>	<u><u>\$ 1,024,977</u></u>

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, 2017

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND \$ 258,007

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 (3,061)

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

Change in compensated absences liability 7,035

Change in net pension obligation and deferred outflows/inflows of  
resources related to employee pensions 34,691

Change in OPEB liability (164,537)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 132,135

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BUDGETARY COMPARISON SCHEDULE – PLANNING FUND

June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Transportation Funds	\$ 1,299,034	\$ 1,194,666	\$ 1,269,738	\$ 75,072
Rural Planning Assistance	438,278	473,000	430,921	(42,079)
STIP Planning (PPM)	95,000	166,000	166,000	
Federal grants	1,813,694	1,446,134	705,703	(740,431)
Other grants	53,133	27,500	27,500	-
Freeway Service Patrol	301,518	291,493	225,554	(65,939)
Charges for services and reimbursements	236,401	220,674	255,873	35,199
Interest	1,800	1,800	2,965	1,165
Other	14,480	26,874	6,250	(20,624)
<b>TOTAL REVENUES</b>	<b>4,253,338</b>	<b>3,848,141</b>	<b>3,090,504</b>	<b>(757,637)</b>
<b>EXPENDITURES</b>				
Salaries and benefits	1,503,876	1,299,434	1,264,591	34,843
Project costs	1,506,248	2,168,509	1,223,817	944,692
Administrative costs	367,919	366,947	344,089	22,858
<b>TOTAL EXPENDITURES</b>	<b>3,378,043</b>	<b>3,834,890</b>	<b>2,832,497</b>	<b>1,002,393</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>875,295</b>	<b>13,251</b>	<b>258,007</b>	<b>244,756</b>
Fund balance, beginning of year	766,970	766,970	766,970	-
<b>FUND BALANCE, END OF THE YEAR</b>	<b>\$ 1,642,265</b>	<b>\$ 780,221</b>	<b>\$ 1,024,977</b>	<b>\$ 244,756</b>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2017

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 148,854	\$ 2,062,832	\$ 2,211,686
Accounts receivable	361		361
Due from other agencies		389	389
<b>TOTAL CURRENT ASSETS</b>	<b>149,215</b>	<b>2,063,221</b>	<b>2,212,436</b>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	492,383		492,383
Depreciable	1,055,112		1,055,112
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,547,495</b>		<b>1,547,495</b>
<b>TOTAL ASSETS</b>	<b>1,696,710</b>	<b>2,063,221</b>	<b>3,759,931</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	231,674		231,674
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	1,882	36,194	38,076
Other liabilities	10,691		10,691
Accrued interest	5,099		5,099
Due to other funds	172,266	83,036	255,302
Unearned revenue		1,943,991	1,943,991
Current portion of long-term debt	133,196		133,196
<b>TOTAL CURRENT LIABILITIES</b>	<b>323,134</b>	<b>2,063,221</b>	<b>2,386,355</b>
Long-Term Liabilities:			
Lease revenue bonds	1,762,702		1,762,702
<b>TOTAL LIABILITIES</b>	<b>2,085,836</b>	<b>2,063,221</b>	<b>4,149,057</b>
<b>NET POSITION</b>			
Net investment in capital assets	(348,403)		(348,403)
Unrestricted	190,951		190,951
<b>TOTAL NET POSITION</b>	<b>\$ (157,452)</b>	<b>\$ -</b>	<b>\$ (157,452)</b>

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, 2017

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
OPERATING REVENUES			
Rents	\$ 286,803		\$ 286,803
Fare revenues and local contributions		\$ 166,390	166,390
TOTAL REVENUES	286,803	166,390	453,193
OPERATING EXPENSES			
Administrative costs	7,333	167,165	174,498
Purchased transit		591,746	591,746
Maintenance, rents and leases	58,484		58,484
Insurance	3,209		3,209
Depreciation	66,239		66,239
TOTAL EXPENSES	135,265	758,911	894,176
NET INCOME (LOSS) FROM OPERATIONS	151,538	(592,521)	(440,983)
NON-OPERATING REVENUES (EXPENSES)			
Local Transportation Fund allocation		804,457	804,457
State Transit Assistance Fund allocation		40,178	40,178
Federal and other grants		70,000	70,000
Other revenue	6,009		6,009
Interest expense	(105,594)		(105,594)
Interest revenue	516	7,886	8,402
South Placer Transit Information Call Center		(300,000)	(300,000)
Transit Ambassador Program		(30,000)	(30,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(99,069)	592,521	493,452
CHANGE IN NET POSITION	52,469	-	52,469
Net position, beginning of the year	(209,921)		(209,921)
NET POSITION, END OF THE YEAR	\$ (157,452)	\$ -	\$ (157,452)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

June 30, 2017

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from tenants, passengers and users	\$ 280,259	\$ 164,588	\$ 444,847
Cash paid to suppliers for goods and services	(100,842)	(751,654)	(852,496)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	179,417	(587,066)	(407,649)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received		994,149	994,149
Payments to City of Roseville		(330,000)	(330,000)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		664,149	664,149
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal repayments on long-term debt	(126,510)		(126,510)
Interest payments on long-term debt	(63,152)		(63,152)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(189,662)		(189,662)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	516	7,886	8,402
NET CASH PROVIDED BY INVESTING ACTIVITIES	516	7,886	8,402
INCREASE IN CASH AND CASH EQUIVALENTS	(9,729)	84,969	75,240
Cash and cash equivalents, beginning of the year	158,583	1,977,863	2,136,446
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 148,854	\$ 2,062,832	\$ 2,211,686

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)

June 30, 2017

	Business-Type Activities 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	\$ 151,538	\$ (592,521)	\$ (440,983)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation and amortization	66,239		66,239
Nonoperating revenue	6,009		6,009
Changes in operating assets and liabilities:			
Accounts receivable	(91)		(91)
Due from other agencies		(1,802)	(1,802)
Accounts payable and other liabilities	626	1,262	1,888
Due to other agencies	(32,442)	5,995	(26,447)
Unearned revenue	(12,462)		(12,462)
 NET CASH USED BY OPERATING ACTIVITIES	 \$ 179,417	 \$ (587,066)	 \$ (407,649)

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, 2017

	<u>Private Purpose Trust Funds</u>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 10,439,510
Sales tax receivable	3,366,600
Interest receivable	9,758
Due from state	428,912
<b>TOTAL ASSETS</b>	<u>14,244,780</u>
<b>LIABILITIES</b>	
Allocations payable	11,035,660
Due to other governments	550,136
Unearned revenues	936,687
<b>TOTAL LIABILITIES</b>	<u>12,522,483</u>
<b>NET POSITION</b>	
Net position held in trust for other purposes	
Restricted/apportioned	453,842
Restricted/unapportioned	1,268,455
<b>TOTAL NET POSITION</b>	<u>\$ 1,722,297</u>

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, 2017

	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>	
Sales taxes	\$ 23,757,828
Proposition 1B Grants	93,040
Regional Surface Transportation Allocation	550,136
Interest	117,113
Other	794
<b>TOTAL ADDITIONS</b>	<u>24,518,911</u>
<b>DEDUCTIONS</b>	
Planning and administration	1,278,738
Tahoe Regional Planning Agency allocation	627,128
Transportation services and road maintenance	22,837,200
Pedestrian and bicycle	18,794
<b>TOTAL DEDUCTIONS</b>	<u>24,761,860</u>
<b>CHANGES IN NET POSITION</b>	(242,949)
Net Position, Beginning of the Year	<u>1,965,246</u>
<b>NET POSITION, END OF THE YEAR</b>	<u><u>\$ 1,722,297</u></u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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.

Basis of Presentation - Government-wide Financial Statements: 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transit System Safety, Security and Disaster Response Fund (TSSSDR) Fund – TSSSDR 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.

Low Carbon Transit Operations Program (LCTOP) – The LCTOP was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

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 capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Amount from Refunding Debt: The difference between the reacquisition 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”.

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$157,452 at June 30, 2017. 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 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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

In March 2016, the GASB issued Statement No. 82, *Pension Issues, an Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement clarifies certain accounting and reporting issues related to pension plans, including the presentation of payroll related measures in required supplementary information, clarifies the use of the term *deviation* for the selection of assumptions, and clarifies the classification of employer-paid member contributions and the period in which they should be recognized. The requirements of this Statement are effective for periods beginning after June 15, 2015, and should be applied retroactively.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). Topics that may be applicable include criteria for an enterprise fund to blend a component unit, measuring certain money market investments at amortized cost, timing of pension and OPEB liabilities and expenditures under the current financial resources measurement focus, presenting payroll related measures in RSI for OPEB plans, classifying employer paid member contributions for OPEB plans, accounting and financial reporting for multiple-employer defined benefit OPEB Plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

The Agency will fully analyze the impact of these new Statements prior to the effective date above.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE B – CASH AND CASH EQUIVALENTS

The Agency’s cash and cash equivalents as of June 30, 2017 are as follows:

	Governmental Activities	Business-Type Activities	Private Purpose Trust Funds	Total
Deposits in financial institutions	\$ 683,409	\$ 2,211,686	\$ 1,390,175	\$ 4,285,270
County cash and investments pool			9,049,335	9,049,335
Total cash and cash equivalents	<u>\$ 683,409</u>	<u>\$ 2,211,686</u>	<u>\$10,439,510</u>	<u>\$13,334,605</u>

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, 2017, the weighted average maturity of the investment in the County’s cash and investments pool was approximately 1,595 days.

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

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, 2017, the carrying amount of the Agency's deposits was \$4,285,270 and the balance in financial institutions was \$4,292,953. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$3,797,300 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, 2017:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>
<b>Governmental Activities</b>				
Capital assets, being depreciated:				
Equipment	\$ 73,330		\$ (6,803)	\$ 66,527
Less accumulated depreciation for:				
Equipment	<u>(67,207)</u>	<u>\$ (3,061)</u>	<u>6,803</u>	<u>(63,465)</u>
Governmental activities capital assets, net	<u>\$ 6,123</u>	<u>\$ (3,061)</u>	<u>\$ -</u>	<u>\$ 3,062</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	<u>\$ 492,383</u>			<u>\$ 492,383</u>
Capital assets, being depreciated:				
Structures and improvements	1,975,401			1,975,401
Less accumulated depreciation for:				
Structures and improvements	<u>(854,050)</u>	<u>\$ (66,239)</u>		<u>(920,289)</u>
Total capital assets, being depreciated, net	<u>1,121,351</u>	<u>(66,239)</u>		<u>1,055,112</u>
Business-type activities capital assets, net	<u>\$ 1,613,734</u>	<u>\$ (66,239)</u>	<u>\$ -</u>	<u>\$ 1,547,495</u>

Depreciation expense of \$3,061 during the year ended June 30, 2017 was allocated to the planning function. Depreciation expense of \$66,239 was allocated to the Nevada Station building.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE D – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Planning Fund	Nevada Station Fund	\$ 172,266
	Western Placer CTSA	<u>83,036</u>
		<u>\$ 255,302</u>

Amounts due to the Planning Fund from the Nevada Station Fund for \$47,266 represents unpaid staff time and overhead and \$125,000 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, 2017.

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 61,205	\$ 58,668	\$ (65,703)	\$ 54,170	\$ 54,170
Net pension obligation	811,987	254,960		1,066,947	
OPEB liability		164,537		164,537	
	<u>\$ 873,192</u>	<u>\$ 478,165</u>	<u>\$ (65,703)</u>	<u>\$ 1,285,654</u>	<u>\$ 54,170</u>
Business Type Activities					
Capital lease	<u>\$ 2,022,408</u>		<u>\$ (126,510)</u>	<u>\$ 1,895,898</u>	<u>\$ 133,196</u>

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE E – LONG-TERM LIABILITIES (Continued)

As of June 30, 2017, future minimum lease payments are as follows:

Year Ending June 30:	Business-Type Activites
2018	\$ 192,255
2019	189,099
2020	190,482
2021	191,099
2022-2026	952,420
2027-2029	<u>572,197</u>
Total	2,287,552
Less: Amount representing interest	<u>(391,654)</u>
Present value of future minimum lease payments	<u>\$ 1,895,898</u>

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, 2017, is as follows:

Passenger fare revenues and local match contributions	<u>\$ 74,530</u>
Operating expenses	<u>\$ 484,461</u>
Fare revenue ratio	<u>15.38%</u>

The Agency was in compliance with the required fare revenue ratio at June 30, 2017.

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, 2017, maximum eligibility for operating LTF allocations was determined as follows:

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE G – UNEARNED REVENUES – WESTERN PLACER CTSA (Continued)

LTF Allocation	<u>\$ 879,936</u>
Maximum Amount Allowed:	
Operating expenses	758,911
Contributions to other agencies	330,000
Adjustments:	
Local match	(166,390)
STA revenues	(40,178)
Federal grants	(70,000)
Interest revenues	<u>(7,886)</u>
Maximum Eligibility	<u>804,457</u>
Net expenses under (over) maximum eligibility	75,479
Unearned revenues, beginning of year	<u>1,868,512</u>
Unearned revenues, end of year	<u><u>\$ 1,943,991</u></u>

NOTE H – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the public agency Cost-Sharing Multiple Employer Defined Benefit Pension Plans (the Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Agency has the following rate plans within the Cost-Sharing Plan:

- 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](http://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 Basic Death Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments are applied as specified by the Public Employees’ Retirement Law.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE H – PENSION PLANS (Continued)

The Plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows:

Hire date	Miscellaneous	PEPRA
	Plan (Prior to January 1, 2013)	Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.500%
Required employer contribution rates	9.558%	6.93%

In addition to the contribution rates above, the Agency was also required to make a payment of \$56,305 toward its unfunded actuarial liability during the year ended June 30, 2017. 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.

The contributions made to the Plan were \$128,401 for the year ended June 30, 2017.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2017, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,066,947.

The Agency’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2016 is measured as of June 30, 2015, 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, 2014 rolled forward to June 30, 2015 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 Plan as of the June 30, 2015 and 2016 measurement dates was as follows:

Proportion - June 30, 2015	0.029597%
Proportion - June 30, 2016	<u>0.030713%</u>
Change - Increase (Decrease)	<u><u>0.001116%</u></u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE H – PENSION PLANS (Continued)

For the year ended June 30, 2017, the Agency recognized pension expense of \$93,710. At June 30, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 128,401	
Change in employer's proportion	7,568	\$ (60,141)
Differences between the employer's contribution and the employer's proportionate share of contributions	2,142	(7,278)
Changes of assumptions		(44,006)
Net differences between projected and actual earnings on plan investments	195,224	
Difference between expected and actual experience	<u>4,651</u>	<u>(899)</u>
Total	<u>\$ 337,986</u>	<u>\$ (112,324)</u>

The \$128,401 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, 2017. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2018	\$ (30,862)
2019	(17,318)
2020	94,574
2021	<u>50,867</u>
	<u>\$ 97,261</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE H – PENSION PLANS (Continued)

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

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the 2014 CalPERS experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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 discount rate was changed from 7.50 percent (net of administrative expenses in 2014) to 7.65 percent as of June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expenses.

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE H – PENSION PLANS (Continued)

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	51.0%	5.25%	5.71%
Global Debt Securities	20.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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:

1% Decrease		6.65%
Net Pension Liability	\$	1,694,579
Current Discount Rate		7.65%
Net Pension Liability	\$	1,066,947
1% Increase		8.65%
Net Pension Liability	\$	548,240

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, 2017, 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 Healthcare 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 \$128 for calendar year 2017 and \$125 for calendar year 2016. 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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 following table shows the components of the Agency’s annual OPEB cost for the years ended June 30, 2017, the amount actually contributed to the Plan, and changes in the Agency’s Net OPEB obligation:

Annual required contribution:	
Normal Cost	\$ 24,731
Amortization of UAAL	205,031
Interest	14,775
Annual OPEB cost (expense)	<u>244,537</u>
Contributions made	<u>(80,000)</u>
Decrease in net OPEB obligation	164,537
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u><u>\$ 164,537</u></u>

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
6/30/2015	\$ 64,231	100%	-
6/30/2016	\$ 65,997	100%	-
6/30/2017	\$ 244,537	32.71%	\$ 164,537

Funded Status and Funding Progress: The funded status of the Plan as of July 1, 2015, the Plan’s most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 817,267
Actuarial value of Plan assets	606,192
Unfunded actuarial accrued liability (UAAL)/(OPEB Asset)	<u>211,075</u>
Funded ratio (actuarial value of Plan assets/AAL)	74.17%
Covered payroll (active Plan participants)	778,882
UAAL as a percentage of covered payroll	27.10%

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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

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.

For the July 1, 2015 actuarial valuation, the entry age normal actuarial cost level of pay method was used. The actuarial assumptions included a 7% 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 1 year amortization period.

NOTE J – RENTAL INCOME UNDER OPERATING LEASES

The Agency has 10,579 square feet of office space available for subleasing. As of June 30, 2017, the Agency had operating lease agreements with six tenants for 9,711 square feet of space. The Agency recovered \$286,803 in rents, of which \$149,544 was for space occupied by the Agency for its offices. Future rents to be received under subleases as of June 30, 2017 are as follows:

Fiscal year ending June 30,	
2018	\$ 252,269
2019	193,840
2020	185,972
	<hr/>
	\$ 632,081
	<hr/> <hr/>

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, 2017, the Agency was reimbursed \$86,193. The amount receivable from SPRTA at June 30, 2017 is \$49,701.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE K – RELATED PARTY TRANSACTIONS (Continued)

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, 2017, the Agency paid SPRTA principal and interest totaling \$189,724. The principal and interest payable at year end June 30, 2017 totaled \$1,895,898 and \$5,099, 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, 2017, the Agency did not receive any fund from the State PTMISEA account. As of June 30, 2017, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2016	\$ 808,099
Proceeds received:	
PTMISEA funds invoiced	94,248
Interest earned	2,561
Expenditures incurred:	
Loomis Community Transit Enhancement	(12,643)
Roseville Transit Dial-a-ride & Light Fleet Remanufacture	(8,834)
Colfax E. Oak Bike and Pedestrian Improvements	<u>(71,564)</u>
Unexpended proceeds at June 30, 2017	<u><u>\$ 811,867</u></u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2017

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

Transit System Safety, Security and Disaster Response (TSSSDR): 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.

As of June 30, 2017, funds received and expended were as follows:

Balance at June 30, 2016	
TSSSDR funds received	79,133
Interest earnings	<u>42</u>
Unexpended proceeds at June 30, 2017	<u>\$ 79,175</u>

Low Carbon Transit Operations Program (LCTOP): The LCTOP was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

As of June 30, 2017, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2016	\$ -
Proceeds received:	
LCTOP funds received	43,104
LCTOP fund invoiced	2,400
Interest earned	<u>141</u>
Unexpended proceeds at June 30, 2017	<u>\$ 45,645</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.03071%	0.02960%	0.01269%
Proportionate share of the net pension liability	\$ 1,066,947	\$ 811,987	\$ 789,346
Covered - employee payroll - measurement period	\$ 820,441	\$ 779,054	\$ 762,356
Proportionate share of the net pension liability as a percentage of covered payroll	130.05%	104.23%	103.54%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	80.97%	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: The June 30, 2015 Actuarial Valuation changed the discount rate from 7.5% (net of administrative expenses) to 7.65%.

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 (UNAUDITED)  
Last 10 Years**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 128,401	\$ 123,899	\$ 97,802
Contributions in relation to the actuarially determined contributions	(128,401)	(123,899)	(97,802)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll - fiscal year	\$ 778,882	\$ 820,441	\$ 779,054
Contributions as a percentage of covered - employee payroll	16.49%	15.10%	12.55%

Notes to Schedule:

Valuation date: June 30, 2014 June 30, 2013 June 30, 2012

Methods and assumptions used to determine contribution rates:

Amortization method	Entry age normal
Remaining amortization period	Level percentage of payroll, closed
Asset valuation method	14 years 15 years
Inflation	15-year smoothed market
Salary increases	2.75% 2.75%
Investment rate of return	Varies by entry age and service
	7.50%, net of pension plan investment expense, including inflation

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2017

**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)
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%
7/1/2015	\$ 606,192	\$ 817,267	\$ 211,075	74.17%	\$ 778,882	27.10%

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**SUPPLEMENTARY INFORMATION**

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS

June 30, 2017

	Local Transportation	State Transit Assistance	PTMISEA	RSTP	TSSSDR	LCTOP	Totals
<b>ASSETS</b>							
Cash	\$ 8,866,888	\$ 182,447	\$ 717,619	\$ 550,136	\$ 79,175	\$ 43,245	\$ 10,439,510
Sales tax receivable	3,366,600						3,366,600
Interest receivable	9,332	426					9,758
Due from state		332,264	94,248			2,400	428,912
<b>TOTAL ASSETS</b>	<b>12,242,820</b>	<b>515,137</b>	<b>811,867</b>	<b>550,136</b>	<b>79,175</b>	<b>45,645</b>	<b>14,244,780</b>
<b>LIABILITIES AND NET POSITION</b>							
<b>LIABILITIES:</b>							
Allocations payable	10,560,850	474,810					11,035,660
Due to other governments				550,136			550,136
Unearned revenues			811,867		79,175	45,645	936,687
<b>TOTAL LIABILITIES</b>	<b>10,560,850</b>	<b>474,810</b>	<b>811,867</b>	<b>550,136</b>	<b>79,175</b>	<b>45,645</b>	<b>12,522,483</b>
<b>NET POSITION</b>							
Net position held in trust for other purposes:							
Restricted/apportioned for pedestrian and bicycle	453,842						453,842
Restricted/ Unapportioned	1,228,128	40,327					1,268,455
<b>TOTAL NET POSITION</b>	<b>\$ 1,681,970</b>	<b>\$ 40,327</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,722,297</b>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2017

	Local Transportation	State Transit Assistance	PTMISEA	RSTP	Totals
<b>ADDITIONS</b>					
Sales Tax	\$ 22,565,134	\$ 1,192,694			\$ 23,757,828
Proposition 1B Grants			\$ 93,040		93,040
Regional Surface Transportation Allocation				\$ 550,136	550,136
Interest	112,994	4,119			117,113
Other	794				794
TOTAL ADDITIONS	<u>22,678,922</u>	<u>1,196,813</u>	<u>93,040</u>	<u>550,136</u>	<u>24,518,911</u>
<b>DEDUCTIONS</b>					
Planning and Administration					
Placer County Auditor-Controller	9,000				9,000
Placer County Transportation Planning Agency	1,269,738				1,269,738
Claimants					
County of Placer	5,522,974	379,422		314,534	6,216,930
City of Auburn	784,832	34,466		154,193	973,491
City of Colfax	115,249	4,901		81,409	201,559
City of Lincoln	2,638,732	113,980			2,752,712
Town of Loomis	373,428	15,859	12,643		401,930
Pedestrian and Bicycle	18,794				18,794
City of Rocklin	3,369,208	143,024	8,834		3,521,066
CTSA	879,936	40,178			920,114
WPCTSA			71,563		71,563
City of Roseville	7,429,548	348,287			7,777,835
Tahoe Regional Planning Agency	627,128				627,128
TOTAL DEDUCTIONS	<u>23,038,567</u>	<u>1,080,117</u>	<u>93,040</u>	<u>550,136</u>	<u>24,761,860</u>
CHANGE IN NET POSITION	(359,645)	116,696	-	-	(242,949)
Net Position, beginning of the year	<u>2,041,615</u>	<u>(76,369)</u>			<u>1,965,246</u>
NET POSITION, END OF THE YEAR	<u>\$ 1,681,970</u>	<u>\$ 40,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,722,297</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2017

Section	Purpose	Allocations	Disbursements	Undisbursed/ Unclaimed
99233.1 (Article 3)	TDA Admin			
	PCTPA	\$ 425,000	\$ 425,000	
	TRPA	31,000	31,000	
	County Auditor	9,000	9,000	
		<u>465,000</u>	<u>465,000</u>	
99233.2 (Article 3)	TDA Planning & Programming			
	PCTPA	844,738	844,738	
		<u>844,738</u>	<u>844,738</u>	
99260(a) (Article 4)	Public Transportation			
	City of Auburn	384,832	384,832	
	City of Lincoln	375,108	375,108	
	Placer County	3,084,000	3,084,000	
	TART	596,128	596,128	
	City of Roseville	2,434,778	2,434,778	
		<u>6,874,846</u>	<u>6,874,846</u>	
99234 (Article 3)	Bicycle & Pedestrian			
	PCTPA Ped/Bike Fund	448,947	448,947	
		<u>448,947</u>	<u>448,947</u>	
99275 (Article 4.5)	Consolidated Transportation Service Agencies			
	WPCTSA	879,936	879,936	
		<u>879,936</u>	<u>879,936</u>	
99400a (Article 8(a))	Streets and Roads			
	City of Auburn	400,000	400,000	
	City of Colfax	107,161	107,161	
	City of Lincoln	2,263,624	321,266	\$ 1,942,358
	Town of Loomis	323,180	323,180	
	Placer County	2,438,974	2,438,974	
	City of Rocklin	2,898,567		2,898,567
	City of Roseville	5,034,517		5,034,517
		<u>13,466,023</u>	<u>3,590,581</u>	<u>9,875,442</u>
99400c (Article 8(c))	Contracted Transit Service			
	City of Colfax	8,088	8,088	
	Town of Loomis	50,248	50,248	
	City of Rocklin	470,641		470,641
		<u>528,977</u>	<u>58,336</u>	
	Total apportionment	<u>\$ 23,508,467</u>	<u>\$ 13,162,384</u>	10,346,083
	Less: Pedestrian and Bicycle allocation	\$ (448,947)		
	Plus: Pedestrian and Bicycle expenditures	82,252		
	Less: Pedestrian and Bicycle adjustment	(63,458)		
	Less: Call Center adjustment	(39,747)		
	Total expenditures	<u>\$ 23,038,567</u>		
	Unclaimed/Undisbursed-Prior Year Apportionments:			
	City of Lincoln - Pedestrian and Bicycle			43,175
	City of Rocklin - Pedestrian and Bicycle			118,008
	City of Roseville - Pedestrian and Bicycle			37,253
	City of Lincoln (Farebox penalty)			16,331
				<u>214,767</u>
	Total allocations payable			<u>\$ 10,560,850</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2017

<u>Section</u>	<u>Purpose</u>	<u>Final</u> <u>Apportionment</u>	<u>Disbursements</u>	<u>Undisbursed/ Unclaimed</u>
6730(a)	Transit operators			
	City of Auburn	\$ 1,122	\$ 1,122	
	City of Lincoln	1,793	1,793	
	Placer County Transit	379,422	379,422	
	City of Roseville	348,287	245,174	\$ 103,113
		<u>730,624</u>	<u>627,511</u>	<u>103,113</u>
6731(b)	Contracted Transportation Services			
	City of Auburn	33,344	33,344	
	City of Colfax	4,901	4,901	
	Town of Loomis	15,859	-	15,859
	City of Lincoln	112,187	112,187	
	City of Rocklin	143,024	-	143,024
		<u>309,315</u>	<u>150,432</u>	<u>158,883</u>
6731.1	Consolidated Transportation Service Agencies			
	WPCTSA	40,178	40,178	
		<u>40,178</u>	<u>40,178</u>	<u>-</u>
	Totals	<u>\$ 1,080,117</u>	<u>\$ 818,121</u>	261,996
	Unclaimed/Undisbursed-Prior Year Apportionments:			
	Placer County Transit			211,032
	City of Lincoln			1,782
				<u>212,814</u>
	Total allocations payable			<u>\$ 474,810</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Schedule of Direct and Indirect Costs - Accrual Basis

For the Year Ended June 30, 2017

	Direct Costs	Indirect Costs	Unallowable Costs	Total Expenses
Salaries and Wages	\$ 452,506	\$ 181,650		\$ 634,156
Fringe Benefits	537,482	215,763		753,245
Total Salary and Benefits	989,988	397,413		1,387,401
Direct Services, Supplies and Costs	1,321,003			1,321,003
<b>Indirect costs:</b>				
Accounting and Actuarial Services		1,830		1,830
Auditor - Annual Independent Fiscal Audit		12,300		12,300
Boardmember Reimbursement			\$ 6,557	6,557
Communications		6,373		6,373
Computer Equipment & Supplies		3,207		3,207
Subscriptions		802		802
Office/Computer Equipment Maintenance		5,023		5,023
Insurance - General Liability, Property, Professional Liability		14,989		14,989
Legal Counsel		4,224		4,224
Membership/Training		7,214		7,214
Office Supplies		2,249		2,249
Meeting Supplies - Unallowable			2,830	2,830
Postage & Delivery		3,008		3,008
Printing & Reproduction		3,356		3,356
Rent			149,544	149,544
Travel / Food / Lodging		10,472		10,472
Utilities / Maintenance		12,926		12,926
Depreciation Expense			3,061	3,061
Subtotal		87,973	161,992	249,965
Total Direct & Indirect Expenses	<u>\$2,310,991</u>	<u>\$ 485,386</u>	<u>\$ 161,992</u>	<u>\$ 2,958,369</u>

## **COMPLIANCE REPORTS**

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 OTHER STATE  
PROGRAM GUIDELINES

To the Board of Directors  
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, 2017, 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 20, 2017.

**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 Other State Grant Programs)**

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 other state program 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 20, 2017



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
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 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, 2017. 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 the audit requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

## 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 the Uniform Guidance, 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Richardson & Company, LLP*

December 20, 2017

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

A. SUMMARY OF AUDIT RESULTS

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>
-----------------------------	-------------------------------------

- |  |                    |
|--|--------------------|
| 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 2 CFR, Section 200.516(a)? | No                 |

7. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
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? | \$ 750,000 |
| 9. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)?  | Yes        |

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2017

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

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

None

D. PRIOR YEAR FINDINGS

None

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2016

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	NCIPLN-6158 (048)	\$ 547,042
SR-65 Capacity and Operation Improvements	20.205	CML-6158 (058)	283,255
Placer County Congestion Management program	20.205	CML-6158 (072)	74,485
Freeway Service Patrol	20.205	CMLFSP16-6158 (071)	19,907
Freeway Service Patrol	20.205	CMLFSP17-6158 (076)	51,577
TOTAL MAJOR FEDERAL AWARDS			976,266
NON-MAJOR FEDERAL AWARDS:			
U.S. Department of Transportation			
Federal Transit Administration			
Passed through the Sacramento Area Council of Governments			
FTA 5310 Enhanced Mobility of Seniors & Disabilities			
WPCTSA Health Express Program Services	20.513	64A016-0081	70,000
TOTAL NON-MAJOR FEDERAL AWARDS			70,000
TOTAL FEDERAL AWARDS			\$ 1,046,266

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Placer County Transportation Planning Agency under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the District's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the Agency.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal and state grant portion of the program costs. Entire program costs, including the Agency's portion, may be more than shown.

NOTE D – INDIRECT COST ALLOCATION PLAN

The Agency has an indirect cost allocation plan (ICAP) approved by the California State Transportation Agency Department of transportation (CalTrans) that is charged to programs where allowed under the related agreements. The ICAP during the year ended June 30, 2017 included an approved indirect cost rate of 46.18% of total direct salaries and wages.

NOTE D – SUBRECIPIENTS

There were no subrecipients of the Agency programs during the year ended June 30, 2017.