PLACER COUNTY
TRANSPORTATION PLANNING AGENCY

Audited Financial Statements
Supplementary Information and Compliance Report

June 30, 2018

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,
Supplementary Information and Compliance Report

June 30, 2018

Financial Section

Government-wide financial statements

Fund Financial Statements:

Required Supplementary Information

Supplementary Information

Supplementary Information (Continued)

Compliance Reports

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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, 2018 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, 2018 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the Planning Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note N to the financial statement, during the year ended June 30, 2018, the Agency adopted a new accounting standard, GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to the Pension Plan, Schedule of Contributions to the OPEB Plan and Schedule of Changes in the Net OPEB Liability and Related Ratios 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 19, 2018 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 19, 2018

PLACER COUNTY
TRANSPORTATION PLANNING AGENCY

Management's Discussion and Analysis

June 30, 2018

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, 2018. 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 $4,302,932
- Total Deferred Outflows of Resources $730,499
- Total Liabilities $5,048,258
- Total Deferred Inflows of Resources $112,282
- Total Net Position $(127,109)
- Total Revenues $6,277,105
- Total Expenses $6,129,499
- Net Capital Assets $1,498,944

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The RSI or Required Supplementary Information includes budgetary comparison information for PCTPA's major special revenue fund.

Government-Wide Statements

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

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

The amounts in the government-wide statements are separated into government activities and business-type activities. Private-purpose trust funds, funds used to account for monies held by PCTPA as trustee for other governmental agencies, are excluded from the government-wide statements.

Fund Financial Statements

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

FINANCIAL ANALYSIS OF PCTPA'S FUNDS

Net Position/Fund Balance

The following table compares the Statement of Net Position/Fund Balance at June 30, 2018 and June 30, 2017:

	Governmental Activities		Business-Type Activities		Total		Increase
	2018	2017	2018	2017	2018	2017	(Decrease)
Current assets	$ 1,881,060	$ 1,442,641	$ 922,928	$ 1,957,134	$ 2,803,988	$ 3,399,775	$ (595,787)
Capital assets		3,062	1,498,944	1,547,495	1,498,944	1,550,557	(51,613)
Total Assets	1,881,060	1,445,703	2,421,872	3,504,629	4,302,932	4,950,332	(647,400)
Deferred outflows of resources	541,605	337,986	188,894	231,674	730,499	569,660	160,839
Current liabilities	796,609	471,834	1,082,421	2,131,053	1,879,030	2,602,887	(723,857)
Long-term liabilities	1,540,847	1,231,484	1,628,381	1,762,702	3,169,228	2,994,186	175,042
Total Liabilities	2,337,456	1,703,318	2,710,802	3,893,755	5,048,258	5,597,073	(548,815)
Deferred inflows of resources	112,282	112,324			112,282	112,324	(42)
Net investments in capital assets		3,062	(263,758)	(348,403)	(263,758)	(345,341)	81,583
Unrestricted	(27,073)	(35,015)	163,722	190,951	136,649	155,936	(19,287)
Total Net Position	$ (27,073)	$ (31,953)	$ (100,036)	$ (157,452)	$ (127,109)	$ (189,405)	$ 62,296

Total Assets – The total assets at June 30, 2018 decreased by $647,400 compared to the fiscal year ended June 30, 2017. Decreased assets are mainly attributable to the decrease in the balance of accounts receivables for federal and state grant expenditures at fiscal year-end, and the decrease 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 and OPEB liabilities are 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, 2018 decreased by $548,815 compared to the fiscal year ended June 30, 2017. The increase in liabilities for governmental activities is mostly due to increases in the pension and postemployment benefit obligations as well as outstanding payables. The decrease in liabilities for business-type activities is due to an reduction in unearned revenue due to the Western Placer CTSA foregoing the Local Transportation Fund allocation for the fiscal year offset by the reduction of bonds payable due for the Nevada Station property.

Net Position – Unrestricted net position, the part of equity that can be used to finance day-to-day operations without constraints was $136,649 at June 30, 2018. The $19,287 decrease in net position is the result of a decrease in prior years' carryover reserves.

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, 2018 and 2017, and the expenses incurred is as follows:

	Governmental Activities		Business-Type Activities		Total		Increase
	2018	2017	2018	2017	2018	2017	(Decrease)
Program Revenues:							
Operating grants	$ 3,987,274	$ 2,825,416	$ 1,161,274	$ 914,635	$ 5,148,548	$ 3,740,051	$ 1,408,497
Charges for services	666,083	255,873	451,845	453,193	1,117,928	709,066	408,862
General revenues:							
Interest revenues	4,050	2,965	5,829	8,402	9,879	11,367	(1,488)
Other revenues	750	6,250		6,009	750	12,259	(11,509)
Total Revenues	4,658,157	3,090,504	1,618,948	1,382,239	6,277,105	4,472,743	1,804,362
Expenses:							
Planning and administratio	4,567,967	2,958,369		--	4,567,967	2,958,369	1,609,598
Property management		--	228,552	240,859	228,552	240,859	(12,307)
Western Placer CTSA		--	1,332,980	1,088,911	1,332,980	1,088,911	244,069
Total Expenses	4,567,967	2,958,369	1,561,532	1,329,770	6,129,499	4,288,139	1,841,360
Change in net position	90,190	132,135	57,416	52,469	147,606	184,604	(36,998)
Net position, beginning	(31,953)	(164,088)	(157,452)	(209,921)	(189,405)	(374,009)	184,604
Prior period adjustment	(85,310)			--	(85,310)	--	(85,310)
Net position, ending	$ (27,073)	$ (31,953)	$ (100,036)	$ (157,452)	$ (127,109)	$ (189,405)	$ 62,296

Total Revenues – Total revenues for the fiscal year ending June 30, 2018 increased by $1,804,362 and is mainly attributable to increased federal and state grant revenue for reimbursement of increased project costs, including the I-80/SR 65 Interchange Improvements project.

Total Expenses – Total expenses for planning and administration for the fiscal year ending June 30, 2018 increased by $1,841,360 due to increased expenditures on federal and state grant funded projects, including the I-80/SR 65 Interchange Improvements project.

Change in Net Position – The Change in Net Position increased by $184,604 during the year ended June 30, 2018. 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.

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

	Assets	outflows of of resources	Liabilities	Net Position/ Fund Balances
Special Revenue Fund - Planning	$ 1,881,060		$ 740,330	$ 1,140,730
Enterprise fund - Nevada Station	1,685,886	$ 188,894	1,974,816	(100,036)
Enterprise fund - Western Placer CTSA	1,047,884		1,047,884	--

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

	Revenues	Expenditures/ Expenses	Change in Net Position/ Fund Balances
Special Revenue Fund - Planning	$ 4,658,157	$ 4,542,404	$ 115,753
Enterprise fund - Nevada Station	285,968	228,552	57,416
Enterprise fund - Western Placer CTSA	1,332,980	1,332,980	--

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, 2018, was as follows:

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 5,869,922	$ 5,869,922	$ 4,658,157	$ (1,211,765)
Expenditures	4,867,263	5,082,196	4,542,404	539,792
Change in Net Position	$ 1,002,659	$ 787,726	$ 115,753	$ (671,973)

Changes between the final Budget, adopted in May 2017, and the final amended Budget, adopted in February 2018, 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 variances in project expenditures during the year.

CAPITAL ASSETS

A recap of PCTPA's capital assets at June 30, 2018 and the changes that occurred during the year was as follows:

	Governmental Activities		Business-Type Activities		Total		Increase
	2018	2017	2018	2017	2018	2017	(Decrease)
Cost	$ 59,386	$ 66,527	$ 2,486,734	$ 2,467,784	$ 2,546,120	$ 2,534,311	$ 11,809
Accumulated depreciation	(59,386)	(63,465)	(987,790)	(920,289)	(1,047,176)	(983,754)	(63,422)
Capital Assets, net	$ --	$ 3,062	$ 1,498,944	$ 1,547,495	$ 1,498,944	$ 1,550,557	$ (51,613)

Net capital assets in the fiscal year ending June 30, 2018 decreased by $51,613 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, 2018 was $1,762,702. 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, 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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investment	$ 670,194	$ 1,233,970	$ 1,904,164
Accounts receivable		856	856
Due from other governments	881,088		881,088
Prepaid expense	17,880		17,880
Internal balances	311,898	(311,898)	-
Capital Assets:			
Nondepreciable		492,383	492,383
Depreciable, net		1,006,561	1,006,561
TOTAL ASSETS	1,881,060	2,421,872	4,302,932
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		188,894	188,894
Pension	449,147		449,147
OPEB	92,458		92,458
TOTAL DEFERRED OUTFLOWS	541,605	188,894	730,499
LIABILITIES			
Accounts payable	458,201	54,055	512,256
Accrued salaries and benefits	15,884		15,884
Other liabilities		10,563	10,563
Accrued interest		4,744	4,744
Due to other governments	266,245		266,245
Unearned revenue		878,738	878,738
Compensated absences - due within one year	56,279		56,279
Bonds payable - due within one year		134,321	134,321
Noncurrent Liabilities:			
Bonds payable - due in more than one year		1,628,381	1,628,381
Net pension obligation	1,252,426		1,252,426
Postemployment benefits liability	288,421		288,421
TOTAL LIABILITIES	2,337,456	2,710,802	5,048,258
DEFERRED INFLOWS OF RESOURCES			
Pension	92,960		92,960
OPEB	19,322		19,322
TOTAL DEFERRED INFLOWS OF RESOURCES	112,282	-	112,282
NET POSITION			
Net investment in capital assets		(263,758)	(263,758)
Unrestricted	(27,073)	163,722	136,649
TOTAL NET POSITION	$ (27,073)	$ (100,036)	$ (127,109)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
GOVERNMENTAL ACTIVITIES						
Planning and administration	$ 4,567,967	$ 666,083	$ 3,987,274	$ 85,390		$ 85,390
BUSINESS-TYPE ACTIVITIES						
Property management	228,552	285,455			$ 56,903	56,903
Western Placer Consolidated Transportation Services Agency	1,332,980	166,390	1,161,274		(5,316)	(5,316)
TOTAL PRIMARY GOVERNMENT	$ 6,129,499	$ 1,117,928	$ 5,148,548	85,390	51,587	136,977
GENERAL REVENUES						
Interest earnings				4,050	5,829	9,879
Other revenues				750		750
TOTAL GENERAL REVENUES				4,800	5,829	10,629
Change in net position				90,190	57,416	147,606
Net position, beginning of year, as previouly reported				(31,953)	(157,452)	(189,405)
Restatement for change in accounting principle - Note N				(85,310)		(85,310)
Net position, beginning of year, as restated				(117,263)	(157,452)	(274,715)
NET POSITION, END OF YEAR				$ (27,073)	$ (100,036)	$ (127,109)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2018

		Planning Fund
ASSETS		
Cash		$ 670,194
Due from other governments		881,088
Prepaid costs		17,880
Due from other funds		311,898
	TOTAL ASSETS	$ 1,881,060
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable		$ 458,201
Accrued salaries and benefits		15,884
Due to other governments		266,245
	TOTAL LIABILITIES	740,330
FUND BALANCE:		
Nonspendable - prepaid costs		17,880
Unassigned		1,122,850
	TOTAL FUND BALANCE	1,140,730
	TOTAL LIABILITIES AND FUND BALANCE	$ 1,881,060

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

Fund balance - from above		$ 1,140,730
Amounts reported for governmental activities in the statement of net position are different because:		
Pension and OPEB contributions subsequent to the valuation measurement date and other items will reduce the pension and OPEB liability in the future and are reported as deferred outflows of resources on the statement of net position.		541,605
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(56,279)
Net pension obligation		(1,252,426)
OPEB liability		(288,421)
Employee pension and OPEB differences to be recognized in the future as pension or OPEB expense are reported as deferred inflows of resources on the statement of net position.		(112,282)
	NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (27,073)

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, 2018

	Planning Fund
REVENUES	
Local Tranportation Funds	$ 1,318,902
Rural Planning Assistance	464,079
STIP Planning (PPM)	165,000
Federal grants	1,826,764
Other grants	22,500
Freeway Service Patrol	190,029
Charges for services and reimbursements	666,083
Interest	4,050
Other	750
TOTAL REVENUES	4,658,157
EXPENDITURES	
Salaries and benefits	1,380,143
Project costs	1,434,763
Administrative costs	1,727,498
TOTAL EXPENDITURES	4,542,404
NET CHANGE IN FUND BALANCE	115,753
Fund balance, beginning of year	1,024,977
FUND BALANCE, END OF THE YEAR	$ 1,140,730

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, 2018

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND	$ 115,753
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	(3,062)
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	(2,109)
Change in net pension obligation and deferred outflows/inflows of resources related to employee pensions	(54,954)
Change in OPEB liability and deferred outflows/inflows of resources related to employee pensions	34,562
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 90,190

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PLANNING FUND

June 30, 2018

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
REVENUES				
Local Tranportation Funds	$ 1,837,495	$ 1,837,495	$ 1,318,902	$ (518,593)
Rural Planning Assistance	464,078	464,078	464,079	1
STIP Planning (PPM)	165,000	165,000	165,000	
Federal grants	2,149,004	2,149,004	1,826,764	(322,240)
Other grants	22,500	22,500	22,500	
Freeway Service Patrol	219,072	219,072	190,029	(29,043)
Charges for services and reimbursements	958,859	958,859	666,083	(292,776)
Interest	3,000	3,000	4,050	1,050
Other	50,914	50,914	750	(50,164)
TOTAL REVENUES	5,869,922	5,869,922	4,658,157	(1,211,765)
EXPENDITURES				
Salaries and benefits	1,647,032	1,647,032	1,380,143	266,889
Project costs	2,822,331	2,822,331	1,434,763	1,387,568
Administrative costs	397,900	612,833	1,727,498	(1,114,665)
TOTAL EXPENDITURES	4,867,263	5,082,196	4,542,404	539,792
NET CHANGE IN FUND BALANCE	1,002,659	787,726	115,753	(671,973)
Fund balance, beginning of year	1,024,977	1,024,977	1,024,977	
FUND BALANCE, END OF THE YEAR	$ 2,027,636	$ 1,812,703	$ 1,140,730	$ (671,973)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENTS OF NET POSITION - PROPRIETARY FUND

June 30, 2018

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
ASSETS			
Current Assets:			
Cash	$ 186,086	$ 1,047,884	$ 1,233,970
Accounts receivable	856		856
TOTAL CURRENT ASSETS	186,942	1,047,884	1,234,826
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	492,383		492,383
Depreciable	1,006,561		1,006,561
TOTAL NONCURRENT ASSETS	1,498,944		1,498,944
TOTAL ASSETS	1,685,886	1,047,884	2,733,770
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	188,894		188,894
LIABILITIES			
Current Liabilities:			
Accounts payable	769	53,286	54,055
Other liabilities	10,563		10,563
Accrued interest	4,744		4,744
Due to other funds	171,426	140,472	311,898
Unearned revenue	24,612	854,126	878,738
Current portion of long-term debt	134,321		134,321
TOTAL CURRENT LIABILITIES	346,435	1,047,884	1,394,319
Long-Term Liabilities:			
Lease revenue bonds	1,628,381		1,628,381
TOTAL LIABILITIES	1,974,816	1,047,884	3,022,700
NET POSITION			
Net investment in capital assets	(263,758)		(263,758)
Unrestricted	163,722		163,722
TOTAL NET POSITION	$ (100,036)	$ -	$ (100,036)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

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

For the Year Ended June 30, 2018

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
OPERATING REVENUES			
Rents	$ 285,455		$ 285,455
Fare revenues and local contributions		$ 166,390	166,390
TOTAL REVENUES	285,455	166,390	451,845
OPERATING EXPENSES			
Administrative costs	9,470	412,472	421,942
Purchased transit		590,508	590,508
Maintenance, rents and leases	47,030		47,030
Insurance	3,461		3,461
Depreciation	67,501		67,501
TOTAL EXPENSES	127,462	1,002,980	1,130,442
NET INCOME (LOSS) FROM OPERATIONS	157,993	(836,590)	(678,597)
NON-OPERATING REVENUES (EXPENSES)			
Local Transportation Fund allocation		1,089,865	1,089,865
State Transit Assistance Fund allocation		71,409	71,409
Interest expense	(101,090)		(101,090)
Interest revenue	513	5,316	5,829
South Placer Transit Information Call Center		(300,000)	(300,000)
Transit Ambassador Program		(30,000)	(30,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(100,577)	836,590	736,013
CHANGE IN NET POSITION	57,416	-	57,416
Net position, beginning of the year	(157,452)		(157,452)
NET POSITION, END OF THE YEAR	$ (100,036)	$ -	$ (100,036)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND

June 30, 2018

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from tenants, passengers and users	$ 309,572	$ 166,779	$ 476,351
Cash paid to suppliers for goods and services	(62,042)	(928,452)	(990,494)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	247,530	(761,673)	(514,143)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received		71,409	71,409
Payments to City of Roseville		(330,000)	(330,000)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES		(258,591)	(258,591)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal repayments on long-term debt	(133,196)		(133,196)
Interest payments on long-term debt	(58,665)		(58,665)
Capital expenditures	(18,950)		(18,950)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(210,811)		(210,811)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	513	5,316	5,829
NET CASH PROVIDED BY INVESTING ACTIVITIES	513	5,316	5,829
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,232	(1,014,948)	(977,716)
Cash and cash equivalents, beginning of the year	148,854	2,062,832	2,211,686
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 186,086	$ 1,047,884	$ 1,233,970

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND (Continued)

June 30, 2018

	Business-Type Activites Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Net income (loss) from operations	$ 157,993	$ (836,590)	$ (678,597)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation and amortization	67,501		67,501
Changes in operating assets and liabilities:			
Accounts receivable	(495)		(495)
Due from other agencies		389	389
Accounts payable and other liabilities	(1,241)	17,092	15,851
Due to other funds	(840)	57,436	56,596
Unearned revenue	24,612		24,612
NET CASH USED BY OPERATING ACTIVITIES	$ 247,530	$ (761,673)	$ (514,143)

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, 2018

		Private Purpose Trust Funds
ASSETS		
Current Assets:		
Cash and investments		$ 10,807,908
Sales tax receivable		4,015,295
Interest receivable		14,274
Due from state		693,460
	TOTAL ASSETS	15,530,937
LIABILITIES		
Allocations payable		11,802,032
Due to other governments		604,764
Unearned revenues		841,885
	TOTAL LIABILITIES	13,248,681
NET POSITION		
Net position held in trust for other purposes		
Restricted/apportioned		885,553
Restricted/unapportioned		1,396,703
	TOTAL NET POSITION	$ 2,282,256

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, 2018

	Private Purpose Trust Funds
ADDITIONS	
Sales taxes	$ 26,519,874
Proposition 1B Grants	589,548
Regional Surface Transportation Allocation	604,764
Interest	184,445
Other	11
TOTAL ADDITIONS	27,898,642
DEDUCTIONS	
Planning and administration	1,327,902
Tahoe Regional Planning Agency allocation	647,156
Transportation services and road maintenance	24,744,480
Pedestrian and bicycle	619,145
TOTAL DEDUCTIONS	27,338,683
CHANGES IN NET POSITION	559,959
Net Position, Beginning of the Year	1,722,297
NET POSITION, END OF THE YEAR	$ 2,282,256

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Placer County Transportation Planning Agency (Agency) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

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

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements: The accounts of the Agency are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing activities. The principal operating revenues of the Agency include state and local planning grants and retail and motor vehicle fuel sales tax revenues. Operating expenses for the enterprise fund include general and administrative expenses and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

State of Good Repair Fund – Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, a new Transportation Improvement Fee (Fee) on vehicle registrations due on or after January 1, 2018, a portion of which is provided to the California State Controller's Office for the State of Good Repair (SGR) program. SGR fees are available for capital assistance to rehabilitate and modernize existing local transportation systems, including the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transit System Safety, Security and Disaster Response Fund (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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Internal Balances</u>: 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.

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

<u>Nonspendable Funds</u> – 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.

<u>Restricted Funds</u> – 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.

<u>Committed Funds</u> – 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.

<u>Assigned Funds</u> – 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.

<u>Unassigned Funds</u> – 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.

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 $100,036 at June 30, 2018. 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.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Agency's pension and OPEB plans as described in Notes H and I, and for deferred amounts related to bond refundings.

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.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. For governments that extinguish debt, whether

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87, *Leases.* This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in the notes to government financial statements and clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. For notes to the financial statement there is a requirement that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2018.

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

NOTE B – CASH AND CASH EQUIVALENTS

The Agency's cash and cash equivalents as of June 30, 2018 are as follows:

	Governmental Activities	Business-Type Activities	Private Purpose Trust Funds	Total
Deposits in financial institutions	$ 670,194	$ 1,233,970	$ 1,446,649	$ 3,350,813
County cash and investments pool			9,361,259	9,361,259
Total cash and cash equivalents	$ 670,194	$ 1,233,970	$ 10,807,908	$ 12,712,072

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

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, 2018, the weighted average maturity of the investment in the County's cash and investments pool was approximately 1,301 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 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).

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2018, the carrying amount of the Agency's deposits was $3,350,813 and the balance in financial institutions was $3,402,348. Of the balance in financial institutions, $500,000 was covered by federal depository insurance and $2,902,348 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, 2018:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Governmental Activities				
Capital assets, being depreciated:				
Equipment	$ 66,527		$ (7,141)	$ 59,386
Less accumulated depreciation for:				
Equipment	(63,465)	$ (3,062)	7,141	(59,386)
Governmental activities capital assets, net	$ 3,062	$ (3,062)	$ -	$ -
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 492,383			$ 492,383
Capital assets, being depreciated:				
Structures and improvements	1,975,401	$ 18,950		1,994,351
Less accumulated depreciation for:				
Structures and improvements	(920,289)	(67,501)		(987,790)
Total capital assets, being depreciated, net	1,055,112	(48,551)		1,006,561
Business-type activities capital assets, net	$ 1,547,495	$ (48,551)	$ -	$ 1,498,944

Depreciation expense of $3,062 during the year ended June 30, 2018 was allocated to the planning function. Depreciation expense of $67,501 was allocated to the Nevada Station building.

NOTE D – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
Planning Fund	Nevada Station Fund	$ 171,426
	Western Placer CTSA	140,472
		$ 311,898

NOTE D – INTERFUND TRANSACTIONS (Continued)

Amounts due to the Planning Fund from the Nevada Station Fund for $46,426 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, 2018.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Compensated absences	$ 54,170	$ 69,998	$ (67,889)	$ 56,279	$ 56,279
Net pension obligation	1,066,947	185,479		1,252,426	
OPEB liability	329,847	-	(41,426)	288,421	
	$ 1,450,964	$ 255,477	$ (109,315)	$ 1,597,126	$ 56,279
Business Type Acivities					
Capital lease	$ 1,895,898		$ (133,196)	$ 1,762,702	$ 134,321

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.

NOTE E – LONG-TERM LIABILITIES (Continued)

As of June 30, 2018, future minimum lease payments are as follows:

Year Ending June 30:	Business-Type Activites
2019	$ 189,099
2020	190,482
2021	191,099
2022	190,951
2023	190,038
2024-2028	955,056
2029	188,571
Total	2,095,296
Less: Amount representing interest	(332,594)
Present value of future minimum lease payments	$ 1,762,702

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, 2018, is as follows:

Passenger fare revenues and local match contributions	$ 74,530
Operating expenses	$ 664,212
Fare revenue ratio	11.22%

The Agency was in compliance with the required fare revenue ratio at June 30, 2018.

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, 2018, maximum eligibility for operating LTF allocations was determined as follows:

LTF Allocation	$ -
Maximum Amount Allowed:	
Operating expenses	1,002,980
Contributions to other agencies	330,000
Adjustments:	
Local match	(166,390)
STA revenues	(71,409)
Federal grants	-
Interest revenues	(5,316)
Maximum Eligibility	1,089,865
Net expenses under (over) maximum eligibility	(1,089,865)
Unearned revenues, beginning of year	1,943,991
Unearned revenues, end of year	$ 854,126

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.

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

NOTE H – PENSION PLANS (Continued)

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.

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA 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	9.599%	6.908%

In addition to the contribution rates above, the Agency was also required to make a payment of $73,551 toward its unfunded actuarial liability during the year ended June 30, 2018. 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 $147,657 for the year ended June 30, 2018.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2018, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plan of $1,252,426.

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, 2017 is measured as of June 30, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update procedures. The Agency's proportion of

NOTE H – PENSION PLANS (Continued)

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, 2016 and 2017 measurement dates was as follows:

Proportion - June 30, 2016	0.0307%
Proportion - June 30, 2017	0.0318%
Change - Increase (Decrease)	0.0011%

For the year ended June 30, 2018, the Agency recognized pension expense of $202,611. At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 147,657	
Differences between actual and expected experience		
Change in employer's proportion	23,752	$ (24,414)
Differences between the employer's contribution and the employer's proportionate share of contributions		(25,402)
Changes of assumptions	225,029	(17,160)
Net differences between projected and actual earnings on plan investments	50,895	-
Difference between expected and actual experience	1,814	(25,984)
Total	$ 449,147	$ (92,960)

The $147,657 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, 2018. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2019	$ 29,611
2020	130,786
2021	78,347
2022	(30,214)
	$ 208,530

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, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
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 June 30, 2018 were based on the 2010 CalPERS experience study for the period 1997 to 2007. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rates used to measure the total pension liability was 7.65% in 2016 and 7.15% in 2017. 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 discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate 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.

In fiscal year 2016-2017, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this assumption change.

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

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

NOTE H – PENSION PLANS (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40)%	(0.90)%
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.

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		6.15%
Net Pension Liability	$	1,994,184
Current Discount Rate		7.15%
Net Pension Liability	$	1,252,426
1% Increase		8.15%
Net Pension Liability	$	638,087

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, 2018, the Agency had no outstanding amount of contributions payable to the pension plan.

NOTE I – POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

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

The Agency provides a retiree medical contribution for employees through CalPERS. The Agency contributes the Public Employees' Medical and Hospital Care (PEMHCA) minimum reported contribution, which was $133 for calendar year 2018 and $128 for calendar year 2017. The benefit continues to surviving spouses and dependents.

Contributions: 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 actuarially determined 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. During the year ended June 30, 2018, the Agency's cash contributions to the trust were $50,179, benefit payments were $29,821 and the estimated implicit subsidy was $12,458 resulting in total payments of $92,458.

Employees Covered by Benefit Terms: At June 30, 2018, the following current and former employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	6
Total	9

Net OPEB Liability: The Agency's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2017
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Investment rate of return	7.0%
Discount rate	7.0%
Inflation	2.75%
Salary increases	3.25% per year
Assumed wage inflation	3.0% per year
Mortality rate	Derived using CalPERS membership data
Mortality Improvement	Bickmore Scale 2017 applied generationally
Healthcare trend rate	Start at 8.0%. Grade down to 5.0% for years after 2023

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

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale Bb to central year 2008.

The assumed gross return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

Asset Class	Percentage of Portfolio	Assumed Gross Return
Global Equity	57.0%	4.82%
Fixed Income	27.0%	1.47%
Tresaury Inflation Protected Securities	5.0%	1.29%
Real Estate Investment Trusts	8.0%	3.76%
Commodities	3.0%	0.84%
	100.0%	

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Change in Net OPEB Liability: The change in the net OPEB liability for the plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	$ 990,317	$ 660,470	$ 329,847
Changes in the year:			
Service cost	39,308		39,308
Interest	71,036		71,036
Expected Investment Income		47,983	(47,983)
Contributions - employer		80,000	(80,000)
Administrative expenses		(366)	366
Benefit payments	(29,637)	(29,637)	
Investment Experience		24,153	(24,153)
Net changes	80,707	122,133	(41,426)
Balance at June 30, 2018 (measurement date June 30, 2017)	$ 1,071,024	$ 782,603	$ 288,421

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB 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 discount rate:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
Net OPEB liability	$ 425,547	$ 288,421	$ 174,880

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 162,260	$ 288,421	$ 442,594

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the Agency recognized OPEB expense of $57,896. At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 92,458	
Net differences between projected and actual earnings on plan investments		$ (19,322)
Total	$ 92,458	$ (19,322)

The $92,458 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	
2019	$ (4,831)
2020	(4,831)
2021	(4,831)
2022	(4,829)
	$ (19,322)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 6.0 years at June 30, 2017.

Payable to the OPEB Plan: At June 30, 2018, the Agency had no contributions outstanding to the Plan required for the year ended June 30, 2018.

NOTE J – RENTAL INCOME UNDER OPERATING LEASES

The Agency has 10,579 square feet of office space available for subleasing. As of June 30, 2018, the Agency had operating lease agreements with six tenants for 9,711 square feet of space. The Agency recovered $285,455 in rents, of which $153,283 was for space occupied by the Agency for its offices. Future rents to be received under subleases as of June 30, 2018 are as follows:

Fiscal year ending June 30,		
2019	$	288,628
2020		246,615
2021		82,249
	$	617,492

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, 2018, the Agency incurred costs for such services totaling $243,652. The amount receivable from SPRTA at June 30, 2018 is $208,593. In addition, $9,258 is receivable from SPRTA for contractor retentions.

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, 2018, the Agency paid SPRTA principal and interest totaling $192,255. The principal and interest payable at year end June 30, 2018 totaled $1,762,702 and $4,744, 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, 2018, the Agency did not receive any fund from the State PTMISEA account. As of June 30, 2018, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2017	$ 811,867
Interest earned	2,519
Expenditures incurred:	
Placer County Transit Vehicle Tracking System	(126,789)
Colfax Transit Center enhancements	(2,829)
Unexpended proceeds at June 30, 2018	$ 684,768

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, 2018, funds received and expended were as follows:

Balance at June 30, 2017	$ 79,175
TSSSDR funds received	31,786
Interest earned	351
Unexpended proceeds at June 30, 2018	$ 111,312

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.

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

As of June 30, 2018, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2017	$	45,645
Interest earned		160
Unexpended proceeds at June 30, 2017	$	45,805

NOTE N – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2018, the Agency adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement required the Agency to recognize in its financial statements the net OPEB liability, deferred outflows of resources and deferred inflows of resources for the Agency's OPEB plan. Due to implementation of this Statement, the OPEB liability increased by $165,310, deferred outflows of resources increased by $80,000 and net position decreased by $85,310 as of July 1, 2017.

NOTE O – COMMITMENTS AND CONTINGENCIES

The Agency has the following outstanding commitments as of June 30, 2018:

The Agency has a contract with an engineering firm on the I-80 Auxiliary Lanes Project for $1,199,062, of which $1,001,673 was not expended as of June 30, 2018. The Agency has a contract with an engineering firm for the Highway 49 Sidewalk Gap Closure Project totaling $1,153,054, of which $1,112,070 was not expended as of June 30, 2018. The Agency has a contract with an engineering firm for Highway 65 Widening Project totaling $822,363, of which $766,536 was not expended as of June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.0318%	0.0307%	0.0296%	0.0127%
Proportionate share of the net pension liability	$ 1,252,426	$ 1,066,947	$ 811,987	$ 789,346
Covered - employee payroll - measurement period	$ 778,882	$ 820,441	$ 779,054	$ 762,356
Proportionate share of the net pension liability as a percentage of covered payroll	160.80%	130.05%	104.23%	103.54%
Plan fiduciary net position as a percentage of the total pension liability	76.78%	82.90%	80.97%	80.34%

Notes to Schedule:

Change in Benefit Terms: None.

Changes in assumptions: The June 30, 2017 Actuarial Valuation changed the discount rate from 7.65% (net of administrative expenses) to 7.15%.

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 147,657	$ 128,401	$ 123,899	$ 97,802
Contributions in relation to the actuarially determined contributions	(147,657)	(128,401)	(123,899)	(97,802)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered - employee payroll - fiscal year	$ 877,992	$ 778,882	$ 820,441	$ 779,054
Contributions as a percentage of covered - employee payroll	16.82%	16.49%	15.10%	12.55%

Notes to Schedule:

Valuation date:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

Methods and assumptions used to determine contribution rates:

	Entry age normal			
Amortization method	Level percentage of payroll, closed			
Remaining amortization period	12 years	13 years	14 years	15 years
Asset valuation method	15-year smoothed market			
Inflation	2.75%			
Salary increases	Varies by entry age and service			
Investment rate of return	7.375%, 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 four years are presented.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	2018
Actuarially determined contribution - employer fiscal year	$ 84,492
Contributions in relation to the actuarially determined contributions	(92,458)
Contribution deficiency (excess)	$ (7,966)
Covered-employee payroll - employer fiscal year	$ 864,537
Contributions as a percentage of covered-employee payroll	10.69%

Notes to Schedule:

Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

Measurement Period	2017
Total OPEB liability:	
Service cost	$ 39,308
Interest	71,036
Benefit payments	(29,637)
Net change in total OPEB liability	80,707
Total OPEB liability - beginning	990,317
Total OPEB liability - ending (a)	$ 1,071,024
Plan fiduciary net position:	
Contributions - employer	$ 80,000
Net investment income	72,136
Benefit payments	(29,637)
Administrative expenses	(366)
Net change in plan fiduciary net position	122,133
Plan fiduciary net position - beginning	660,470
Plan fiduciary net position - ending (b)	$ 782,603
Net OPEB liability - ending (a)-(b)	$ 288,421
Plan fiduciary net position as a percentage of the total OPEB liability	73.07%
Covered-employee payroll - measurement period	$ 864,537
Net OPEB liability as percentage of covered-employee payroll	33.36%

Notes to schedule:

Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

Benefit changes. None.

Changes in assumptions. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS

June 30, 2018

	Local Transportation	State Transit Assistance	State of Good Repair	PTMISEA	RSTP	TSSSDR	LCTOP	Totals
ASSETS								
Cash	$ 9,326,543	$ 30,189	$ 4,527	$ 684,768	$ 604,764	$ 111,312	$ 45,805	$ 10,807,908
Sales tax receivable	3,861,590		153,705					4,015,295
Interest receivable	13,951	142	181					14,274
Due from state		693,460						693,460
TOTAL ASSETS	13,202,084	723,791	158,413	684,768	604,764	111,312	45,805	15,530,937
LIABILITIES AND NET POSITION								
LIABILITIES:								
Allocations payable	11,028,048	617,886	156,098					11,802,032
Due to other governments					604,764			604,764
Unearned revenues				684,768		111,312	45,805	841,885
TOTAL LIABILITIES	11,028,048	617,886	156,098	684,768	604,764	111,312	45,805	13,248,681
NET POSITION								
Net position held in trust for other purposes:								
Restricted/apportioned for pedestrian and bicycle	885,553							885,553
Restricted/ Unapportioned	1,288,483	105,905	2,315					1,396,703
TOTAL NET POSITION	$ 2,174,036	$ 105,905	$ 2,315	$ -	$ -	$ -	$ -	$ 2,282,256

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

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

For the Year Ended June 30, 2018

	Local Transportation	State Transit Assistance	State of Good Repair	PTMISEA	RSTP	TSSSDR	LCTOP	Totals
ADDITIONS								
Sales Tax	$ 24,333,192	$ 2,186,682						$ 26,519,874
State Grants			$ 461,114	$ 94,248		$ 31,786	$ 2,400	589,548
Regional Surface								
Transportation Allocation					$ 604,764			604,764
Interest	181,722	2,411	312				-	184,445
Other	11						-	11
TOTAL ADDITIONS	24,514,925	2,189,093	461,426	94,248	604,764	31,786	2,400	27,898,642
DEDUCTIONS								
Planning and Administration								
Placer County								
Auditor-Controller	9,000						-	9,000
Placer County Transportation								
Planning Agency	1,318,902						-	1,318,902
Claimants								
County of Placer	5,797,482	679,729	283,780		444,654		-	7,205,645
City of Auburn	812,420	68,993	15,430		160,110		-	1,056,953
City of Colfax	119,307	9,947		2,820		951	-	133,025
City of Lincoln	2,773,881	231,258					-	3,005,139
Town of Loomis	390,371	32,542		9,126		3,078	2,400	437,517
Pedestrian and Bicycle	619,145						-	619,145
City of Rocklin	3,706,773	308,751		82,302		27,757	-	4,125,583
CTSA		71,409					-	71,409
WPCTSA								-
City of Roseville	7,828,422	720,886	159,901				-	8,709,209
Tahoe Regional Planning								
Agency	647,156						-	647,156
TOTAL DEDUCTIONS	24,022,859	2,123,515	459,111	94,248	604,764	31,786	2,400	27,338,683
CHANGE IN NET POSITION	492,066	65,578	2,315	-	-	-	-	559,959
Net Position, beginning of the year	1,681,970	40,327					-	1,722,297
NET POSITION, END OF THE YEAR	$ 2,174,036	$ 105,905	$ 2,315	$ -	$ -	$ -	$ -	$ 2,282,256

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2018

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	
		465,000	465,000	-
99233.2 (Article 3)	TDA Planning & Programming			
	PCTPA	893,902	893,902	
		893,902	893,902	-
99260(a) (Article 4)	Public Transportation			
	City of Auburn	615,381	615,381	
	Placer County	3,797,482	3,797,482	
	TART	616,156	616,156	
	City of Roseville	1,289,937	1,289,937	
		6,318,956	6,318,956	
99234 (Article 3)	Bicycle & Pedestrian			
	PCTPA Ped/Bike Fund	444,037	444,037	
		444,037	444,037	-
99275 (Article 4.5)	Consolidated Transportation Service Agencies			
	WPCTSA			
		-	-	-
99400a (Article 8(a))	Streets and Roads			
	City of Auburn	197,039	197,039	
	City of Colfax	115,623	115,623	
	City of Lincoln	1,827,686	1,827,686	
	Town of Loomis	367,876	367,876	
	Placer County	2,000,000	2,000,000	
	City of Rocklin	3,303,467	3,303,467	
	City of Roseville	6,538,485	868,981	$ 5,669,504
		14,350,176	8,680,672	5,669,504
99400c (Article 8(c))	Contracted Transit Service			
	City of Colfax	3,684	3,684	
	City of Lincoln	946,195	946,195	
	Town of Loomis	22,495	22,495	
	City of Rocklin	403,306	403,306	
		1,375,680	1,375,680	-
	Total apportionment	23,847,751	$ 18,178,247	5,669,504
	Less: Pedestrian and Bicycle allocation	(444,037)		
	Plus: Pedestrian and Bicycle expenditures	619,145		
	Total expenditures	$ 24,022,859		
	Unclaimed/Undisbursed-Prior Year Apportionments:			
	City of Lincoln - Pedestrian and Bicycle			43,175
	City of Rocklin - Pedestrian and Bicycle			243,600
	City of Roseville - Pedestrian and Bicycle			37,253
	City of Roseville - Streets and Roads			5,034,516
				5,358,544
	Total allocations payable			$ 11,028,048

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2018

Section	Purpose	Final Apportionment	Disbursements	Undisbursed/ Unclaimed
6730(a)	Transit operators			
	City of Auburn	$ 1,260	$ 1,260	
	Placer County Transit	679,729	679,729	
	City of Roseville	720,886	103,000	$ 617,886
		1,401,875	783,989	617,886
6731(b)	Contracted Transportation Services			
	City of Auburn	67,733	67,733	
	City of Colfax	9,947	9,947	
	Town of Loomis	32,542	32,542	
	City of Lincoln	231,258	231,258	
	City of Rocklin	308,751	308,751	
		650,231	650,231	-
6731.1	Consolidated Transportation Service Agencies			
	WPCTSA	71,409	71,409	
		71,409	71,409	-
	Totals	$ 2,123,515	$ 1,505,629	617,886
	Unclaimed/Undisbursed-Prior Year Apportionments:			
				-
	Total allocations payable			$ 617,886

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE OF GOOD REPAIR FUND

For the Year Ended June 30, 2018

Section	Purpose	Final Apportionment	Disbursements	Undisbursed/ Unclaimed
6731(b)	Contracted Transportation Services			
	City of Auburn	$ 15,149	$ 9,998	$ 5,151
	Placer County Transit	238,643	157,505	81,138
		253,792	167,503	86,289
6731(b)	Transportation Services Administrative Costs			
	City of Roseville	146,014	96,370	49,644
		146,014	96,370	49,644
6730(a)	Public Transportation System Operating Costs			
	City of Auburn	281	185	96
	Placer County	45,137	29,790	15,347
	City of Roseville	13,887	9,165	4,722
		59,305	39,140	20,165
	Totals	$ 459,111	$ 303,013	156,098
	Unclaimed/Undisbursed-Prior Year Apportionments:			-
	Total allocations payable			$ 156,098

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Schedule of Direct and Indirect Costs - Accrual Basis

For the Year Ended June 30, 2018

	Direct Costs	Indirect Costs	Unallowable Costs	Total Expenses
Salaries and Wages	$ 499,618	$ 228,238		$ 727,856
Fringe Benefits	463,191	211,597		674,788
Total Salary and Benefits	962,809	439,835		1,402,644
Direct Services, Supplies and Costs	2,866,348			2,866,348
Indirect costs:				
Accounting and Actuarial Services		6,455		6,455
Auditor - Annual Independent Fiscal Audit		15,850		15,850
Advertising/Public Notices		601		-
Boardmember Reimbursement			$ 8,425	8,425
Communications		7,004		7,004
Computer Equipment & Supplies		7,115		7,115
Subscriptions		932		932
Office/Computer Equipment Maintenance		5,681		5,681
Furniture		1,064		1,064.00
Insurance - General Liability, Property, Professional Liability		14,859		14,859
Legal Counsel		9,278		9,278
Membership/Training		6,321		6,321
Miscellaneous			25,000	25,000
Office Supplies		2,576		2,576
Meeting Supplies - Unallowable			4,296	4,296
Postage & Delivery		3,006		3,006
Printing & Reproduction		2,958		2,958
Rent			153,283	153,283
Travel / Food / Lodging		9,055		9,055
Utilities / Maintenance		12,154		12,154
Depreciation Expense			3,062	3,062
Subtotal		104,909	194,066	298,975
Total Direct & Indirect Expenses	$ 3,829,157	$ 544,744	$ 194,066	$ 4,567,967

COMPLIANCE REPORTS

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018, 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 19, 2018.

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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 other state regulations.

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 19, 2018

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its 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.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2018.

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 of compliance, 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 19, 2018

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

Financial Statements	Summary of Auditor's Results
1. Type of auditor's report issued:	Unmodified opinion
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None reported
3. Noncompliance material to financial statements noted?	No
Federal Awards	
4. Internal control over major programs:	
a. Material weaknesses identified?	None reported
b. Significant deficiencies identified not considered to be material weaknesses?	None reported
5. Type of auditor's report issued on compliance for major programs:	Unmodified opinion
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516(a)?	No
7. Identification of major programs:	

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

8. Dollar Threshold used to distinguish between Type A and Type B programs?	$ 750,000
9. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)?	Yes

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, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantors' Number	Expenditures
MAJOR FEDERAL AWARDS:			
U.S. Department of Transportation			
Passed through the California Department of Transportation			
Highway Planning and Construction			
I-80/SR-65 Interchange Improvements	20.205	NCIIPLN-6158 (048)	$ 1,147,330
SR-65 Capacity and Operation Improvements	20.205	CML-6158 (058)	314,500
Placer County Congestion Management program	20.205	CMLNI-6158 (077)	55,000
Freeway Service Patrol	20.205	CMLFSP18-6158 (080)	32,180
Freeway Service Patrol	20.205	CMLFSP17-6158 (076)	32,173
SR Sidewalk Gap Closures	20.205	CML-6158 (082)	66,643
I-80 Auxiliary Lanes	20.205	HPLUL-6158 (083)	191,197
TOTAL MAJOR FEDERAL AWARDS			1,839,023
NON-MAJOR FEDERAL AWARDS:			
U.S. Department of Transportation			
Federal Transit Administration			
Passed through the California Department of Transportation			
FTA 5304 State Planning and Research			
Dry Creek West Planning and Feasibility Study	20.505	74A0799	113,900
TOTAL NON-MAJOR FEDERAL AWARDS			113,900
TOTAL FEDERAL AWARDS			$ 1,952,923

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, 2018

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, 2018. 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 Agency'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, 2018 included an approved indirect cost rate of 49.01% of total direct salaries and wages.

NOTE D – SUBRECIPIENTS

There were no subrecipients of the Agency programs during the year ended June 30, 2018.