

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Audited Financial Statements  
Supplementary Information and Compliance Reports

June 30, 2020

(This page intentionally left blank.)

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,  
Supplementary Information and Compliance Reports

June 30, 2020

Financial Section

Independent Auditor’s Report..... 1  
Management’s Discussion and Analysis..... 4

Government-wide financial statements

Statement of Net Position ..... 11  
Statement of Activities..... 12

Fund Financial Statements:

Governmental Fund:

Balance Sheet – Governmental Fund ..... 13  
Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Governmental Fund..... 14  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balance of the Governmental Fund to the Statement of Activities ..... 15  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual – Planning Fund..... 16  
Statements of Net Position – Proprietary Funds ..... 17  
Statements of Revenues, Expenditures, and Changes in Net Position –  
Proprietary Funds ..... 18  
Statements of Cash Flows – Proprietary Funds ..... 19  
Statement of Fiduciary Net Position – Fiduciary Funds ..... 21  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds..... 22  
Notes to the Financial Statements ..... 23

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability (Unaudited) ..... 46  
Schedule of Contributions to the Pension Plan (Unaudited)..... 46  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
(Unaudited) ..... 47  
Schedule of Contributions to the OPEB Plan and Schedule of Investment  
Returns (Unaudited)..... 48

Supplementary Information

Combining Statement of Fiduciary Net Position – Private Purpose Trust  
Funds ..... 49  
Combining Statement of Changes in Fiduciary Net Position – Private  
Purpose Trust Funds ..... 50

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

Audited Financial Statements,  
Supplementary Information and Compliance Reports

June 30, 2020

Supplementary Information (Continued)

Schedule of Allocations and Expenditures – Local Transportation Fund .....	51
Schedule of Allocations and Expenditures – State Transit Assistance Fund.....	53
Schedule of Allocations and Expenditures – State of Good Repair .....	54
Schedule of Direct and Indirect Costs – Accrual Basis .....	55

Compliance Reports

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> , the Transportation Development Act and Other State Program Guidelines .....	56
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	58
Schedule of Findings and Questioned Costs.....	60
Schedule of Expenditures of Federal Awards.....	62
Notes to Schedule of Expenditures of Federal Awards .....	63



550 Howe Avenue, Suite 210  
Sacramento, California 95825

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

## 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, 2020 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, and the State Controller's Minimum Audit Requirements for California Special Districts. 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, 2020 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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

## **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 Changes in the Net OPEB Liability and Related Ratios, Schedule of Contributions to the OPEB Plan, and Schedule of Investment Returns 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 and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the Agency's internal control over financial reporting and on our tests of its

Placer County Transportation Planning Agency

compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, including the Transportation Development Act and other state program guidelines. 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 31, 2020

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

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, 2019. 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 \$4,393,714
- Total Deferred Outflows of Resources \$622,961
- Total Liabilities \$5,229,333
- Total Deferred Inflows of Resources \$144,362
- Total Net Position \$(357,020)
- Total Revenues \$7,365,476
- Total Expenses \$7,640,123
- Net Capital Assets \$1,363,942

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.

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

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 and long-term trend information for the Agency's pension and other postemployment benefits plans.

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.

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

**FINANCIAL ANALYSIS OF PCTPA'S FUNDS**

Net Position/Fund Balance

The following table compares the Statement of Net Position/Fund Balance at June 30, 2020 and June 30, 2019:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	
Current assets	\$ 2,062,961	\$ 2,264,927	\$ 966,811	\$ 1,002,317	\$ 3,029,772	\$ 3,267,244	\$ (237,472)
Capital assets			1,363,942	1,431,443	1,363,942	1,431,443	(67,501)
Total Assets	<u>2,062,961</u>	<u>2,264,927</u>	<u>2,330,753</u>	<u>2,433,760</u>	<u>4,393,714</u>	<u>4,698,687</u>	<u>(304,973)</u>
Deferred outflows of resources	<u>519,627</u>	<u>519,803</u>	<u>103,334</u>	<u>146,114</u>	<u>622,961</u>	<u>665,917</u>	<u>(42,956)</u>
Current liabilities	1,225,909	1,270,130	1,115,969	1,113,364	2,341,878	2,383,494	(41,616)
Long-term liabilities	1,544,447	1,474,413	1,343,008	1,488,286	2,887,455	2,962,699	(75,244)
Total Liabilities	<u>2,770,356</u>	<u>2,744,543</u>	<u>2,458,977</u>	<u>2,601,650</u>	<u>5,229,333</u>	<u>5,346,193</u>	<u>(116,860)</u>
Deferred inflows of resources	<u>144,362</u>	<u>100,784</u>			<u>144,362</u>	<u>100,784</u>	<u>43,578</u>
Net investments in capital assets			(124,343)	(196,937)	(124,343)	(196,937)	72,594
Unrestricted	<u>(332,130)</u>	<u>(60,597)</u>	<u>99,453</u>	<u>175,161</u>	<u>(232,677)</u>	<u>114,564</u>	<u>(347,241)</u>
Total Net Position	<u>\$ (332,130)</u>	<u>\$ (60,597)</u>	<u>\$ (24,890)</u>	<u>\$ (21,776)</u>	<u>\$ (357,020)</u>	<u>\$ (82,373)</u>	<u>\$ (274,647)</u>

**Total Assets** – The total assets at June 30, 2020 decreased by \$304,973 compared to the fiscal year ended June 30, 2019. Increased assets are mainly attributable to the increase in the balance of accounts receivables for reimbursable project expenditures at fiscal year-end and offset by a decrease in depreciable capital assets of the business-type activities.

**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, 2020 decreased by \$116,860 compared to the fiscal year ended June 30, 2019. The increase in current liabilities for governmental activities is due to an increase in the balance of outstanding payables at fiscal year-end. The decrease in long-term liabilities for business-type activities is due to payments made on bonds payable due for the Nevada Station property.

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

Net Position – Unrestricted net position, the part of equity that can be used to finance day-to-day operations without constraints, was \$(232,677) at June 30, 2020. The \$347,241 decrease in net position is the result of the use of 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, 2020 and 2019, and the expenses incurred is as follows:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	
Program Revenues:							
Operating grants	\$ 4,252,212	\$ 3,803,483	\$ 1,260,783	\$ 965,034	\$ 5,512,995	\$ 4,768,517	\$ 744,478
Charges for services	1,367,064	1,397,160	464,140	448,359	1,831,204	1,845,519	(14,315)
General revenues:							
Interest revenues	9,303	5,679	9,474	4,983	18,777	10,662	8,115
Other revenues	2,500	2,850			2,500	2,850	(350)
Total Revenues	<u>5,631,079</u>	<u>5,209,172</u>	<u>1,734,397</u>	<u>1,418,376</u>	<u>7,365,476</u>	<u>6,627,548</u>	<u>737,928</u>
Expenses:							
Planning and administration	5,902,612	5,242,696			5,902,612	5,242,696	659,916
Property management			319,728	222,001	319,728	222,001	97,727
Western Placer CTSA			1,417,783	1,118,115	1,417,783	1,118,115	299,668
Total Expenses	<u>5,902,612</u>	<u>5,242,696</u>	<u>1,737,511</u>	<u>1,340,116</u>	<u>7,640,123</u>	<u>6,582,812</u>	<u>1,057,311</u>
Change in net position	(271,533)	(33,524)	(3,114)	78,260	(274,647)	44,736	(319,383)
Net position, beginning	<u>(60,597)</u>	<u>(27,073)</u>	<u>(21,776)</u>	<u>(100,036)</u>	<u>(82,373)</u>	<u>(127,109)</u>	<u>44,736</u>
Net position, ending	<u>\$ (332,130)</u>	<u>\$ (60,597)</u>	<u>\$ (24,890)</u>	<u>\$ (21,776)</u>	<u>\$ (357,020)</u>	<u>\$ (82,373)</u>	<u>\$ (274,647)</u>

Total Revenues – Total revenues for the fiscal year ending June 30, 2020 increased by \$737,928 and is attributable to increased federal and state grant revenue for reimbursement of project costs offset by increased local funding of project costs.

Total Expenses – Total expenses for planning and administration for the fiscal year ending June 30, 2020 increased by \$1,057,311 due to increased expenditures on projects offset by decreased expenditures of the Western Placer CTSA.

Change in Net Position – The Change in Net Position decreased by \$319,383 during the year ended June 30, 2020. The decrease 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.

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

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

	<u>Assets</u>	<u>Deferred outflows of of resources</u>	<u>Liabilities</u>	<u>Net Position/ Fund Balances</u>
Special Revenue Fund - Planning	\$ 2,062,961		\$ 1,182,177	\$ 880,784
Enterprise fund - Nevada Station	1,501,029	\$ 103,334	1,629,253	(24,890)
Enterprise fund - Western Placer CTSA	1,012,267		1,012,267	--

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

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Change in Net Position/ Fund Balances</u>
Special Revenue Fund - Planning	\$ 5,631,079	\$ 5,789,058	\$ (157,979)
Enterprise fund - Nevada Station	316,614	319,728	(3,114)
Enterprise fund - Western Placer CTSA	1,417,783	1,417,783	--

**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, 2020, was as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ 5,710,984	\$ 6,518,952	\$ 5,631,079	\$ (887,873)
Expenditures	5,710,984	6,518,952	5,789,058	729,894
Change in Net Position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (157,979)</u>	<u>\$ (157,979)</u>

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management’s Discussion and Analysis

June 30, 2020

Changes between the final Budget, adopted in May 2018, and the final amended Budget, adopted in March 2019, are the result of variances from refined estimates, awarded grant funding, expanded planning programs and re-allocated 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, 2020 and the changes that occurred during the year was as follows:

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	
Cost	\$ 59,386	\$ 59,386	\$ 2,486,734	\$ 2,486,734	\$ 2,546,120	\$ 2,546,120	\$ --
Accumulated depreciation	(59,386)	(59,386)	(1,122,792)	(1,055,291)	(1,182,178)	(1,114,677)	(67,501)
Capital Assets, net	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,363,942</u>	<u>\$ 1,431,443</u>	<u>\$ 1,363,942</u>	<u>\$ 1,431,443</u>	<u>\$ (67,501)</u>

Net capital assets in the fiscal year ending June 30, 2020 decreased by \$67,501 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, 2020 was \$1,488,286. 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.

**PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY**

Management's Discussion and Analysis

June 30, 2020

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, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 564,423	\$ 1,148,896	\$ 1,713,319
Accounts receivable	2,020	458	2,478
Due from other governments	1,311,007		1,311,007
Prepaid expense	2,968		2,968
Internal balances	182,543	(182,543)	
Capital Assets:			
Nondepreciable		492,383	492,383
Depreciable, net		871,559	871,559
TOTAL ASSETS	<u>2,062,961</u>	<u>2,330,753</u>	<u>4,393,714</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding		103,334	103,334
Pension plan	403,762		403,762
Other postemployment benefits plan	115,865		115,865
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>519,627</u>	<u>103,334</u>	<u>622,961</u>
<b>LIABILITIES</b>			
Accounts payable	1,012,891	86,558	1,099,449
Accrued salaries and benefits	26,706		26,706
Other liabilities		12,990	12,990
Accrued interest		4,012	4,012
Due to other governments	141,230		141,230
Unearned revenues	1,350	867,131	868,481
Compensated absences - due within one year	43,732		43,732
Bonds payable - due within one year		145,278	145,278
Noncurrent Liabilities:			
Compensated absences - due in more than one year	40,000		40,000
Bonds payable - due in more than one year		1,343,008	1,343,008
Net pension liability	1,325,910		1,325,910
Net other postemployment benefits liability	178,537		178,537
TOTAL LIABILITIES	<u>2,770,356</u>	<u>2,458,977</u>	<u>5,229,333</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan	95,836		95,836
Other postemployment benefits plan	48,526		48,526
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>144,362</u>		<u>144,362</u>
<b>NET POSITION</b>			
Net investment in capital assets		(124,343)	(124,343)
Unrestricted	(332,130)	99,453	(232,677)
TOTAL NET POSITION	<u>\$ (332,130)</u>	<u>\$ (24,890)</u>	<u>\$ (357,020)</u>

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, 2020

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
<b>GOVERNMENTAL ACTIVITIES</b>						
Planning and administration	\$ 5,902,612	\$ 1,367,064	\$ 4,252,212	\$ (283,336)		\$ (283,336)
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,902,612</u>	<u>1,367,064</u>	<u>4,252,212</u>	<u>(283,336)</u>		<u>(283,336)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Property management	319,728	315,280			\$ (4,448)	(4,448)
Western Placer Consolidated Transportation Services Agency	<u>1,417,783</u>	<u>148,860</u>	<u>1,260,783</u>		<u>(8,140)</u>	<u>(8,140)</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>1,737,511</u>	<u>464,140</u>	<u>1,260,783</u>		<u>(12,588)</u>	<u>(12,588)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 7,640,123</u>	<u>\$ 1,831,204</u>	<u>\$ 5,512,995</u>	<u>(283,336)</u>	<u>(12,588)</u>	<u>(295,924)</u>
<b>GENERAL REVENUES</b>						
Interest earnings				9,303	9,474	18,777
Other revenues				<u>2,500</u>		<u>2,500</u>
TOTAL GENERAL REVENUES				<u>11,803</u>	<u>9,474</u>	<u>21,277</u>
Change in net position				(271,533)	(3,114)	(274,647)
Net position, beginning of year				<u>(60,597)</u>	<u>(21,776)</u>	<u>(82,373)</u>
NET POSITION, END OF YEAR				<u>\$ (332,130)</u>	<u>\$ (24,890)</u>	<u>\$ (357,020)</u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2020

	<u>Planning Fund</u>
<b>ASSETS</b>	
Cash	\$ 564,423
Accounts receivable	2,020
Due from other governments	1,311,007
Prepaid costs	2,968
Due from other funds	<u>182,543</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,062,961</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES:</b>	
Accounts payable	\$ 1,012,891
Accrued salaries and benefits	26,706
Due to other governments	141,230
Unearned revenues	<u>1,350</u>
<b>TOTAL LIABILITIES</b>	<u><u>1,182,177</u></u>
<b>FUND BALANCE:</b>	
Nonspendable - prepaid costs	2,968
Unassigned	<u>877,816</u>
<b>TOTAL FUND BALANCE</b>	<u><u>880,784</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 2,062,961</u></u>
<b>RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION</b>	
Fund balance - from above	\$ 880,784
Amounts reported for governmental activities in the statement of net position are different because:	
Pension and other postemployment benefits (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.	519,627
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(83,732)
Net pension liability	(1,325,910)
Net OPEB liability	(178,537)
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.	<u>(144,362)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (332,130)</u></u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2020

	<u>Planning Fund</u>
<b>REVENUES</b>	
Local Transportation Funds	\$ 1,541,307
Rural Planning Assistance	447,282
STIP Planning (PPM)	165,000
Federal grants	1,314,568
Other grants	443,435
Freeway Service Patrol	340,620
Charges for services and reimbursements	1,367,064
Interest	9,303
Other	2,500
<b>TOTAL REVENUES</b>	<u><u>5,631,079</u></u>
<b>EXPENDITURES</b>	
Salaries and benefits	1,580,953
Project costs	3,088,526
Administrative costs	1,119,579
<b>TOTAL EXPENDITURES</b>	<u><u>5,789,058</u></u>
<b>NET CHANGE IN FUND BALANCE</b>	(157,979)
Fund balance, beginning of year	<u>1,038,763</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 880,784</u></u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

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

For the Year Ended June 30, 2020

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND \$ (157,979)

Amounts reported for governmental activities in the statement of activities  
are different because:

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 (39,766)

Change in net pension liability and deferred outflows/inflows of  
resources related to pension plan (125,886)

Change in net OPEB liability and deferred outflows/inflows of resources  
related to OPEB plan 52,098

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (271,533)

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 - BUDGET AND ACTUAL - PLANNING FUND

June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Transportation Funds	\$ 1,971,630	\$ 2,076,610	\$ 1,541,307	\$ (535,303)
Rural Planning Assistance	432,000	447,282	447,282	
STIP Planning (PPM)	165,000	165,000	165,000	
Federal grants	1,275,251	1,435,598	1,314,568	(121,030)
Other grants	282,500	458,614	443,435	(15,179)
Freeway Service Patrol	375,000	402,333	340,620	(61,713)
Charges for services and reimbursements	1,186,103	1,515,015	1,367,064	(147,951)
Interest	4,000	12,000	9,303	(2,697)
Other	19,500	6,500	2,500	(4,000)
<b>TOTAL REVENUES</b>	<b>5,710,984</b>	<b>6,518,952</b>	<b>5,631,079</b>	<b>(887,873)</b>
<b>EXPENDITURES</b>				
Salaries and benefits	2,275,859	2,209,897	1,580,953	628,944
Project costs	2,920,325	3,698,603	3,088,526	610,077
Administrative costs	514,800	610,452	1,119,579	(509,127)
<b>TOTAL EXPENDITURES</b>	<b>5,710,984</b>	<b>6,518,952</b>	<b>5,789,058</b>	<b>729,894</b>
<b>NET CHANGE IN FUND BALANCE</b>			<b>(157,979)</b>	<b>(157,979)</b>
Fund balance, beginning of year	1,038,763	1,038,763	1,038,763	
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,038,763</b>	<b>\$ 1,038,763</b>	<b>\$ 880,784</b>	<b>\$ (157,979)</b>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENTS OF NET POSITION - PROPRIETARY FUNDS

June 30, 2020

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 136,629	\$ 1,012,267	\$ 1,148,896
Accounts receivable	458		458
<b>TOTAL CURRENT ASSETS</b>	<u>137,087</u>	<u>1,012,267</u>	<u>1,149,354</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	492,383		492,383
Depreciable, net	871,559		871,559
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,363,942</u>	<u></u>	<u>1,363,942</u>
<b>TOTAL ASSETS</b>	<u>1,501,029</u>	<u>1,012,267</u>	<u>2,513,296</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	103,334		103,334
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	2,011	84,547	86,558
Other liabilities	12,990		12,990
Accrued interest	4,012		4,012
Due to other funds	111,406	71,137	182,543
Unearned revenue	10,548	856,583	867,131
Current portion of long-term liabilities	145,278		145,278
<b>TOTAL CURRENT LIABILITIES</b>	<u>286,245</u>	<u>1,012,267</u>	<u>1,298,512</u>
Long-Term Liabilities:			
Lease revenue bonds	1,343,008		1,343,008
<b>TOTAL LIABILITIES</b>	<u>1,629,253</u>	<u>1,012,267</u>	<u>2,641,520</u>
<b>NET POSITION</b>			
Net investment in capital assets	(124,343)		(124,343)
Unrestricted	99,453		99,453
<b>TOTAL NET POSITION</b>	<u>\$ (24,890)</u>	<u>\$ -</u>	<u>\$ (24,890)</u>

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 FUNDS

For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
<b>OPERATING REVENUES</b>			
Rents	\$ 315,280		\$ 315,280
Fare revenues and local contributions		\$ 148,860	148,860
<b>TOTAL REVENUES</b>	315,280	148,860	464,140
<b>OPERATING EXPENSES</b>			
Administrative costs	14,315	324,758	339,073
Purchased transit		763,025	763,025
Maintenance, rents and leases	142,463		142,463
Insurance	3,591		3,591
Depreciation	67,501		67,501
<b>TOTAL EXPENSES</b>	227,870	1,087,783	1,315,653
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	87,410	(938,923)	(851,513)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Local Transportation Fund allocation		1,151,954	1,151,954
State Transit Assistance Fund allocation		108,829	108,829
Interest revenue	1,334	8,140	9,474
Interest expense	(91,858)		(91,858)
South Placer Transit Information Call Center		(300,000)	(300,000)
Transit Ambassador Program		(30,000)	(30,000)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	(90,524)	938,923	848,399
<b>CHANGE IN NET POSITION</b>	(3,114)		(3,114)
Net position, beginning of the year	(21,776)		(21,776)
<b>NET POSITION, END OF YEAR</b>	\$ (24,890)	\$ -	\$ (24,890)

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Western Placer Consolidated Transportation Services Agency		Totals
	Nevada Station		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from tenants, passengers and users	\$ 314,974	\$ 148,860	\$ 463,834
Cash paid to suppliers for goods and services	(176,279)	(1,032,154)	(1,208,433)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	138,695	(883,294)	(744,599)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received		1,219,566	1,219,566
Payments to City of Roseville		(330,000)	(330,000)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		889,566	889,566
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal repayments on long-term debt	(140,095)		(140,095)
Interest payments on long-term debt	(49,452)		(49,452)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(189,547)		(189,547)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	1,334	8,140	9,474
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,334	8,140	9,474
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49,518)	14,412	(35,106)
Cash and cash equivalents, beginning of year	186,147	997,855	1,184,002
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 136,629	\$ 1,012,267	\$ 1,148,896

(Continued)

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
 STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS (Continued)

For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Nevada Station	Western Placer Consolidated Transportation Services Agency	Totals
<b>RECONCILIATION OF OPERATING INCOME</b>			
<b>(LOSS) TO NET CASH PROVIDED (USED)</b>			
<b>BY OPERATING ACTIVITIES</b>			
Net income (loss) from operations	\$ 87,410	\$ (938,923)	\$ (851,513)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	67,501		67,501
Changes in operating assets and liabilities:			
Accounts receivable	13,758		13,758
Accounts payable and other liabilities	3,963	49,114	53,077
Due to other funds	(19,873)	6,515	(13,358)
<b>NET CASH PROVIDED (USED)</b>			
<b>BY OPERATING ACTIVITIES</b>	<u>\$ 138,695</u>	<u>\$ (883,294)</u>	<u>\$ (744,599)</u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2020

	Private Purpose Trust Funds
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 6,452,472
Sales tax receivable	4,514,597
Interest receivable	4,513
Due from other governments	1,344,983
<b>TOTAL ASSETS</b>	<u>12,316,565</u>
<b>LIABILITIES</b>	
Allocations payable	10,330,042
Due to other governments	439,387
Unearned revenues	662,828
<b>TOTAL LIABILITIES</b>	<u>11,432,257</u>
<b>NET POSITION</b>	
Net position held in trust for other purposes	
Restricted/apportioned	1,322,461
Unrestricted/unapportioned	<u>(438,153)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 884,308</u>

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended June 30, 2020

	Private Purpose Trust Funds
ADDITIONS	
Sales taxes	\$ 27,962,913
Proposition 1B Grants	486,387
Regional Surface Transportation Allocation	689,587
Interest	205,065
TOTAL ADDITIONS	<u>29,343,952</u>
DEDUCTIONS	
Planning and administration	1,583,914
Transportation services and road maintenance	31,042,976
Tahoe Regional Planning Agency allocation	836,934
TOTAL DEDUCTIONS	<u>33,463,824</u>
CHANGE IN NET POSITION	(4,119,872)
Net position, beginning of year	<u>5,004,180</u>
NET POSITION, END OF YEAR	<u>\$ 884,308</u>

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

# PLACER COUNTY TRANSPORTATION PLANNING AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

### 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), State of Good Repair Funds and for State Exchange Funds that were created under the Federal Inter-modal Surface Transportation Efficiency Act.

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

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

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

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

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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 using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position or statement of fiduciary net position. Net position is segregated into the net investment in capital assets, 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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.

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.

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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: 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 earned.

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

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

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Net investment in Capital Assets – This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding debt used to purchase capital assets 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 a deficit of net position of \$24,890 at June 30, 2020. 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.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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 at fair value.

Other Postemployment Benefits (OPEB) Plan: 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.

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019.

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 June 15, 2020.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This Statement addresses a number of practice issues identified during the implementation of certain GASB Statements, including 1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-03, *Leases*, for interim financial statements; 2) reporting of intra-entity transfers between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan; 3) the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not*

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; 4) the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; 5) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; 6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; 7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and 8) terminology used to refer to derivative instruments. This Statement is applicable for items 1) and 7) above upon its issuance and is effective for the other items above for reporting periods beginning after June 15, 2020.*

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments due to the COVID-19 pandemic by postponing the effective dates of Statements and Implementation Guides that first become effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. Effective dates of the following Statements and Implementation Guides were postponed by one year: Statements No. 83, 84 and 88 to 93 as well as Implementation Guide No's 2018-1, 2019-1 and 2019-2. Effective dates for Statement No. 87 and Implementation Guide No. 2019-3 were postponed by 18 months. The requirements of this Statement are effective immediately. The implementation dates of the Statements affected by GASB Statement No. 95 above were revised accordingly.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND CASH EQUIVALENTS

The Agency’s cash and cash equivalents as of June 30, 2020 are as follows:

	Governmental Activities	Business-Type Activities	Private Purpose Trust Funds	Total
Deposits in financial institutions	\$ 564,423	\$ 1,148,896	\$ 513,367	\$ 2,226,686
County cash and investments pool			5,895,717	5,895,717
Total cash and cash equivalents	<u>\$ 564,423</u>	<u>\$ 1,148,896</u>	<u>\$ 6,409,084</u>	<u>\$ 8,122,403</u>

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

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, 2020, the weighted average maturity of the investment in the County’s cash and investments pool was approximately 339 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

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

At June 30, 2020, the carrying amount of the Agency's deposits was \$2,226,686 and the balance in financial institutions was \$2,282,154. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and the remaining amount 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, 2020:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Governmental Activities				
Capital assets, being depreciated:				
Equipment	\$ 59,386			\$ 59,386
Less accumulated depreciation for:				
Equipment	(59,386)			(59,386)
Governmental activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 492,383			\$ 492,383
Capital assets, being depreciated:				
Structures and improvements	1,994,351			1,994,351
Less accumulated depreciation for:				
Structures and improvements	(1,055,291)	\$ (67,501)		(1,122,792)
Total capital assets, being depreciated, net	<u>939,060</u>	<u>(67,501)</u>		<u>871,559</u>
Business-type activities capital assets, net	<u>\$ 1,431,443</u>	<u>\$ (67,501)</u>	<u>\$ -</u>	<u>\$ 1,363,942</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE C – CAPITAL ASSETS (Continued)

There was no depreciation expense during the year ended June 30, 2020 allocated to the planning function. Depreciation expense of \$67,501 was allocated to the Nevada Station Enterprise Fund.

NOTE D – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Planning Fund	Nevada Station Fund	\$ 111,406
	Western Placer CTSA	<u>71,137</u>
		<u>\$ 182,543</u>

Amounts due to the Planning Fund from the Nevada Station Fund for \$11,406 represents unpaid staff time and overhead and \$100,000 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, 2020.

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Compensated absences	\$ 43,966	\$ 68,161	\$ (28,395)	\$ 83,732	\$ 43,732
Net pension liability	1,210,029	115,881		1,325,910	
Net OPEB liability	264,384		(85,847)	178,537	
	<u>\$ 1,518,379</u>	<u>\$ 184,042</u>	<u>\$ (114,242)</u>	<u>\$ 1,588,179</u>	<u>\$ 43,732</u>
Business Type Activities					
Capital lease	<u>\$ 1,628,381</u>	<u>\$ -</u>	<u>\$ (140,095)</u>	<u>\$ 1,488,286</u>	<u>\$ 145,278</u>

The Agency entered into a capital lease with South Placer Regional Transportation Authority (SPRTA) (a related party) in December 2003, for the purchase of the Nevada Station property, which ends on December 1, 2028. SPRTA issued debt on the Agency's behalf for the purchase of the Nevada Station building. The agreement requires the Agency to pay lease amounts to SPRTA 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 repaid.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – LONG-TERM LIABILITIES (Continued)

As of June 30, 2020, future minimum lease payments are as follows:

Year Ending June 30:	Business-Type Activites
2021	\$ 191,099
2022	190,951
2023	190,038
2024	193,842
2025	188,936
2026-2029	760,850
Total	1,715,716
Less: Amount representing interest	(227,430)
Present value of future minimum lease payments	<u>\$ 1,488,286</u>

NOTE F - FARE REVENUE RATIO

The Agency is required under the Transportation Development Act to maintain fare revenue to operating expenses ratio of at least 10% for the Health Express transit services provided by Western Placer CTSA. The calculation of the fare revenue ratio for the year ended June 30, 2020, is as follows:

Passenger fare revenues and local match contributions	<u>\$ 60,000</u>
Operating expenses	<u>\$ 676,012</u>
Fare revenue ratio	<u>8.88%</u>

The Agency was not in compliance with the 10% minimum required fare revenue ratio at June 30, 2020. This is the first year of Agency noncompliance with the required fare revenue ratio percentage. Under Section 6633.9 of the California Code of Regulations, the first year the Agency fails to meet the required fare revenue ratio, which is the noncompliance year, there is no change in eligibility. In the subsequent fiscal year, or determination year, there is no change in eligibility; however, the difference between the required and actual fare revenue to operating cost ratio as reported in the claimant’s fiscal audit must be determined. In the third year, or penalty year, the transit operator’s eligibility to receive monies from the local transportation and state transit assistance funds shall be reduced, for one year only, by the amount of the difference between the required fare revenues and the actual fare revenues in the determination year.

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

operating costs after certain adjustments. Allocations in excess of this amount are recorded as unearned revenues. At June 30, 2020, maximum eligibility for operating LTF allocations was determined as follows:

LTF Allocation	<u>\$ 1,110,737</u>
Maximum Amount Allowed:	
Operating expenses	1,087,783
Contributions to other agencies	330,000
Adjustments:	
Local match	(148,860)
STA revenues	(108,829)
Interest revenues	<u>(8,140)</u>
Maximum Eligibility	<u>1,151,954</u>
Net expenses over maximum eligibility	(41,217)
Unearned revenues, beginning of year	<u>897,800</u>
Unearned revenues, end of year	<u><u>\$ 856,583</u></u>

NOTE H – PENSION PLAN

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

- Miscellaneous Rate Plan
- PEPRM Miscellaneous Rate Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)
Hire date		
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%	7.250%
Required employer contribution rates	10.868%	7.072%

In addition to the contribution rates above, the Agency was also required to make a payment of \$95,924 toward its unfunded actuarial liability during the year ended June 30, 2020. The Miscellaneous Rate 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 Plan is 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 \$194,471 for the year ended June 30, 2020.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2020, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,325,910.

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, 2020 is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the plan 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 June 30, 2020 and 2019 was as follows:

Proportion - June 30, 2019	0.0321%
Proportion - June 30, 2020	0.0331%
Change - Increase (Decrease)	0.0010%

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

For the year ended June 30, 2020, the Agency recognized pension expense of \$320,357. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 194,471	
Differences between actual and expected experience	92,090	\$ (7,135)
Change in employer's proportion	53,976	
Differences between the employer's contribution and the employer's proportionate share of contributions		(43,110)
Changes of assumptions	63,225	(22,412)
Net differences between projected and actual earnings on plan investments		<u>(23,179)</u>
Total	<u>\$ 403,762</u>	<u>\$ (95,836)</u>

The \$194,471 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 subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended <u>June 30</u>	
2021	\$ 102,004
2022	(6,174)
2023	12,940
2024	<u>4,685</u>
	<u>\$ 113,455</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability in the actuarial valuation for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate (2)	7.15%
Inflation	2.50%
Projected Salary Increase (1)	0.4% to 8.5%
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on age and service.

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions were developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. More can be found in the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in 2020. 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 rate 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.

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

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

The following table reflects the long-term expected real rate of return by asset class for the Plan. 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.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% 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 Plan, calculated using the discount rate for the Plan, 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	\$ 2,178,340
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,325,910
1% Increase	8.15%
Net Pension Liability	\$ 622,289

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Payable to the Pension Plan: At June 30, 2020, the Agency had no outstanding contributions payable to the Plan.

NOTE I – POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

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

The Agency provides a retiree medical contribution for employees through CalPERS in the same amount as active employees. The Agency contributes the Public Employees’ Medical and Hospital Care (PEMHCA) minimum reported contribution, which was \$139 for calendar year 2020 and \$136 for calendar year 2019. The benefit continues to surviving spouses and dependents.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

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, 2020, the Agency’s cash contributions to the trust were \$49,998, benefit payments were \$40,002 and the estimated implicit subsidy was \$13,172 resulting in total payments of \$103,172.

Employees Covered by Benefit Terms: At June 30, 2020, the following current and former employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>7</u>
Total	<u><u>11</u></u>

Net OPEB Liability: The Agency's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions: The total OPEB liability at June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry-age normal cost method, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	6.85%
Discount rate	6.95%
Inflation	2.50%
Salary increases	3.00% per year
Mortality rate	Derived using CalPERS membership data
Mortality Improvement	MacLeod Scale 2018 applied generationally
Healthcare trend rate	5.4% in 2021, trending down to 4.0% by 2076

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, and reflects a mortality projection table, MP 2016 from the Society of Actuaries, which uses 15 years of mortality projection using 90% of scale MP 2016.

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

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

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	59.0%	4.80%
Fixed Income	25.0%	1.10%
Real Estate Investment Trusts	8.0%	3.20%
Treasury Inflation Protected Securities	5.0%	0.25%
Commodities	3.0%	1.50%
	100.0%	

Discount Rate: The discount rate used to measure the total OPEB liability was 6.95%. 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 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.

The discount rate was increased from 6.90% to 6.95% based on the expected return on trust assets published by CERBT and reflecting the Agency's expected future projected retiree medical benefit cash flows. The CalPERS Experience Study used was updated to the 2017 Experience Study during the June 30, 2019 valuation. These changes represent changes in assumptions.

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, 2019	\$ 1,158,889	\$ 894,505	\$ 264,384
Changes in the year:			
Service cost	42,752		42,752
Interest	80,764		80,764
Differences between expected and actual experience	(46,367)		(46,367)
Contributions - employer		109,784	(109,784)
Net investment income		57,655	(57,655)
Benefit payments	(62,304)	(62,304)	
Administrative expenses		(196)	196
Change in assumptions	4,247		4,247
Net changes	19,092	104,939	(85,847)
Balance at June 30, 2020 (measurement date June 30, 2019)	\$ 1,177,981	\$ 999,444	\$ 178,537

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.95%	6.95%	7.95%
Net OPEB liability	\$ 330,544	\$ 178,537	\$ 52,607

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 36,916	\$ 178,537	\$ 352,505

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](http://www.calpers.ca.gov).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2020, the Agency recognized OPEB expense of \$51,074. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 103,172	
Change in assumptions	12,693	
Differences between expected and actual experience		\$ (39,405)
Net differences between projected and actual earnings on plan investments		(9,121)
Total	<u>\$ 115,865</u>	<u>\$ (48,526)</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

The \$103,172 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	
2021	\$ (9,286)
2022	(9,284)
2023	(4,457)
2024	(3,114)
2025	(5,516)
Thereafter	(4,176)
	<u>\$ (35,833)</u>

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 (EARSLS), which was 6.6 years at June 30, 2020.

Payable to the OPEB Plan: At June 30, 2020, the Agency had no contributions payable to the Plan.

NOTE J – RENTAL INCOME UNDER OPERATING LEASES

The Agency has 10,579 square feet of office space available for subleasing. As of June 30, 2020, the Agency had operating lease agreements with six tenants for 10,579 square feet of space. The Agency recovered \$315,280 in rents, of which \$160,760 was for space occupied by the Agency for its offices. Future rents to be received under subleases, excluding the Agency, as of June 30, 2020 are as follows:

Fiscal Year Ended June 30	
2021	\$ 116,301
2022	82,523
2023	34,174
2024	13,975
	<u>\$ 246,973</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

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, 2020, the Agency incurred costs for such services totaling \$1,208,477. The amount receivable from SPRTA at June 30, 2020 is \$350,746. In addition, \$145,840 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, 2020, the Agency paid SPRTA principal and interest totaling \$190,482. The principal and interest payable at year end June 30, 2020 totaled \$1,488,286 and \$4,012, 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

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

As of June 30, 2020, funds received and expended were verified in the course of the audit as follows:

Balance at June 30, 2019	\$ 16,873
LCTOP funds received	661,490
Interest earned	611
Expenses incurred:	
Loomis Regional Bus Stop Enhancement Program	<u>(16,146)</u>
Unexpended proceeds at June 30, 2020	<u>\$ 662,828</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE N – COMMITMENTS AND CONTINGENCIES

Commitments: The Agency has the following outstanding contract commitments as of June 30, 2020:

Project	Total	Remaining Commitment
Sacramento-Placer Corridor Mobility Plan	\$ 625,077	\$ 610,718
Interstate 80 Auxiliary Lanes Project	1,594,667	423,245
State Route 65 Widening Project	1,612,061	299,500
State Route 45 Sidewalk Gap Closure Project	1,153,504	237,978
Place County Airpor Land Use Compatability Plan	180,000	180,000
Riego and Baseline Roads Widening Project	99,895	32,518
Western Placer Consolidated Transportation Services Agency On-call Transit Planning	73,103	21,389
	<u>\$ 5,338,307</u>	<u>\$ 1,805,348</u>

Contingencies: The Agency is party to legal actions that arose in the normal operation of business. Management of the Agency believes that the legal actions will not have a material adverse impact on the financial position of the Agency.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Agency’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and impact on sales tax, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

(This page intentionally left blank.)

**REQUIRED SUPPLEMENTARY INFORMATION**

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2020

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.0331%	0.0321%	0.0318%	0.0307%	0.0296%	0.0127%
Proportionate share of the net pension liability	\$ 1,325,910	\$ 1,210,029	\$ 1,252,426	\$ 1,066,947	\$ 811,987	\$ 789,346
Covered payroll - measurement period	\$ 918,190	\$ 877,992	\$ 778,882	\$ 820,441	\$ 779,054	\$ 762,356
Proportionate share of the net pension liability as a percentage of covered payroll	144.40%	137.82%	160.80%	130.05%	104.23%	103.54%
Plan fiduciary net position as a percentage of the total pension liability	79.08%	78.62%	76.78%	82.90%	80.97%	80.34%

Notes to Schedule:

Change in Benefit Terms: None.

Changes in assumptions: The discount rate was changed from 7.50% to 7.65% in 2016 and 2017 and 7.15% in 2018.

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 194,471	\$ 171,240	\$ 147,657	\$ 128,401	\$ 123,899	\$ 97,802
Contributions in relation to the actuarially determined contributions	(194,471)	(171,240)	(147,657)	(128,401)	(123,899)	(97,802)
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll - fiscal year	\$ 977,120	\$ 918,190	\$ 877,992	\$ 778,882	\$ 820,441	\$ 779,054
Contributions as a percentage of covered payroll	19.90%	18.65%	16.82%	16.49%	15.10%	12.55%

Notes to Schedule:

Contribution valuation date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Reporting valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal cost method					
Amortization method	Level percentage of payroll, closed					
Remaining amortization period	Varies by rate plan, not more than 30 years					
Asset valuation method	Market value					
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service					
Investment rate of return and discount rate	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.					
Mortality	Most recent CalPERS Experience Study.					

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2020

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

	2020	2019	2018
Total OPEB liability:			
Service cost	\$ 42,752	\$ 40,586	\$ 39,308
Interest	80,764	76,333	71,036
Changes in assumptions	4,247	13,222	
Differences between expected and actual experience	(46,367)		
Benefit payments	(62,304)	(42,276)	(29,637)
Net change in total OPEB liability	19,092	87,865	80,707
Total OPEB liability - beginning	1,158,889	1,071,024	990,317
Total OPEB liability - ending (a)	<u>\$ 1,177,981</u>	<u>\$ 1,158,889</u>	<u>\$ 1,071,024</u>
Plan fiduciary net position:			
Contributions - employer	\$ 109,784	\$ 92,458	\$ 80,000
Net investment income	57,655	63,184	72,136
Benefit payments	(62,304)	(42,276)	(29,637)
Administrative expenses	(196)	(429)	(366)
Other expense		(1,035)	
Net change in plan fiduciary net position	104,939	111,902	122,133
Plan fiduciary net position - beginning	894,505	782,603	660,470
Plan fiduciary net position - ending (b)	<u>\$ 999,444</u>	<u>\$ 894,505</u>	<u>\$ 782,603</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 178,537</u>	<u>\$ 264,384</u>	<u>\$ 288,421</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>84.84%</u>	<u>77.19%</u>	<u>73.07%</u>
Covered-employee payroll - measurement period	<u>\$ 918,190</u>	<u>\$ 864,537</u>	<u>\$ 768,091</u>
Net OPEB liability as percentage of covered-employee payroll	<u>19.44%</u>	<u>30.58%</u>	<u>37.55%</u>
Notes to schedule:			
Valuation date	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes. None.			
Changes in assumptions:			
Changes in discount rates	6.95%	6.90%	7.00%
Changes in CalPERS Experience Study	2017 Study	2014 Study	2014 Study

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, 2020

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution - employer fiscal year	\$ 89,489	\$ 84,345	\$ 84,492
Contributions in relation to the actuarially determined contributions	<u>(103,172)</u>	<u>(109,784)</u>	<u>(92,458)</u>
Contribution deficiency (excess)	<u>\$ (13,683)</u>	<u>\$ (25,439)</u>	<u>\$ (7,966)</u>
Covered-employee payroll - employer fiscal year	\$ 945,730	\$ 918,190	\$ 864,537
Contributions as a percentage of covered-employee payroll	10.91%	11.96%	10.69%

**Notes to Schedule:**

Valuation date	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method		Entry Age Normal	
Amortization method		Level Dollar	
Amortization period	8 years closed	9 years closed	10 years closed
Asset valuation method		Market Value	
Inflation	2.50%	2.75%	2.75%
Healthcare cost trend rates	5.40% in 2021, trending down to 4% by 2076	7.50% in 2019, trending down .5% per year to 5% by 2024	
Salary increases	3.00%	3.25%	3.25%
Investment rate of return	6.85%	6.90%	7.00%
Retirement age		From 55 to 65	
Mortality	2017 CalPERS Experience Study	2014 CalPERS Experience Study; Improvement using MW Scale 2014	

**SCHEDULE OF INVESTMENT RETURNS (UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	3.60%	11.56%	7.00%

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, 2020

	Local Transportation	State Transit Assistance	State of Good Repair	RSTP	LCTOP	Totals
<b>ASSETS</b>						
Current Assets:						
Cash and investments	\$ 5,848,523	\$ 87,087	\$ 3,495	\$ 439,387	\$ 73,980	\$ 6,452,472
Sales tax receivable	4,430,648		83,949			4,514,597
Interest receivable	4,379	124	10			4,513
Due from other governments		756,135			588,848	1,344,983
<b>TOTAL ASSETS</b>	<b>10,283,550</b>	<b>843,346</b>	<b>87,454</b>	<b>439,387</b>	<b>662,828</b>	<b>12,316,565</b>
<b>LIABILITIES AND NET POSITION</b>						
<b>LIABILITIES</b>						
Allocations payable	9,280,210	961,364	88,468			10,330,042
Due to other governments				439,387		439,387
Unearned revenues					662,828	662,828
<b>TOTAL LIABILITIES</b>	<b>9,280,210</b>	<b>961,364</b>	<b>88,468</b>	<b>439,387</b>	<b>662,828</b>	<b>11,432,257</b>
<b>NET POSITION</b>						
Net position held in trust for other purposes:						
Restricted/apportioned for pedestrian and bicycle	1,322,461					1,322,461
Unrestricted/ Unapportioned	(319,121)	(118,018)	(1,014)			(438,153)
<b>TOTAL NET POSITION</b>	<b>\$ 1,003,340</b>	<b>\$ (118,018)</b>	<b>\$ (1,014)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,308</b>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

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

For the Year Ended June 30, 2020

	Local Transportation	State Transit Assistance	State of Good Repair	RSTP	Totals
<b>ADDITIONS</b>					
Sales taxes	\$ 24,970,224	\$ 2,992,689			\$ 27,962,913
State grants			\$ 486,387		486,387
Regional Surface Transportation Allocation				\$ 689,587	689,587
Interest	201,883	2,743	439		205,065
<b>TOTAL ADDITIONS</b>	<u>25,172,107</u>	<u>2,995,432</u>	<u>486,826</u>	<u>689,587</u>	<u>29,343,952</u>
<b>DEDUCTIONS</b>					
Planning and administration Claimants	1,583,914				1,583,914
County of Placer	6,943,026	1,053,900	306,910	439,387	8,743,223
City of Auburn	960,034	99,265	16,051	163,021	1,238,371
City of Colfax	138,622	14,062		87,179	239,863
City of Lincoln	3,217,223	327,478			3,544,701
Town of Loomis	458,150	46,717			504,867
City of Rocklin	4,593,357	469,738			5,063,095
CTSA	1,110,737	108,829			1,219,566
City of Roseville	9,280,971	1,040,597	167,722		10,489,290
Tahoe Regional Planning Agency	836,934				836,934
<b>TOTAL DEDUCTIONS</b>	<u>29,122,968</u>	<u>3,160,586</u>	<u>490,683</u>	<u>689,587</u>	<u>33,463,824</u>
<b>CHANGE IN NET POSITION</b>	<b>(3,950,861)</b>	<b>(165,154)</b>	<b>(3,857)</b>		<b>(4,119,872)</b>
Net position, beginning of year	4,954,201	47,136	2,843		5,004,180
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,003,340</u>	<u>\$ (118,018)</u>	<u>\$ (1,014)</u>	<u>\$ -</u>	<u>\$ 884,308</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2020

Section	Purpose	Allocations	Disbursements	Undisbursed/ Unclaimed
99233.1 (Article 3)	TDA Administration			
	PCTPA	\$ 475,000	\$ 475,000	
	TRPA	33,600	33,600	
	County Auditor	9,006	9,006	
		<u>517,606</u>	<u>517,606</u>	
99233.2 (Article 3)	TDA Planning & Programming			
	PCTPA	1,066,308	1,066,308	
		<u>1,066,308</u>	<u>1,066,308</u>	
99234 (Article 3)	Pedestrian & Bicycle			
	PCTPA Ped/Bike Fund	566,694	566,694	
		<u>566,694</u>	<u>566,694</u>	
99260(a) (Article 4)	Public Transportation			
	City of Auburn	536,080	487,941	\$ 48,139
	Placer County	4,900,000	4,459,000	441,000
	TART	836,934	836,934	
	City of Roseville	2,537,005	2,308,800	228,205
		<u>8,810,019</u>	<u>8,092,675</u>	<u>717,344</u>
99275 (Article 4.5)	Community Transit Services			
	WPCTSA	1,110,737	1,110,737	
		<u>1,110,737</u>	<u>1,110,737</u>	
99400a (Article 8)	Streets and Roads			
	City of Auburn	423,954	385,977	37,977
	City of Colfax	138,622	138,622	
	City of Lincoln	1,955,283	1,645,578	309,705
	Town of Loomis	458,150	417,100	41,050
	Placer County	2,043,026	1,859,313	183,713
	City of Rocklin	4,450,609	4,050,100	400,509
	City of Roseville	6,743,966	2,990,407	3,753,559
		<u>16,213,610</u>	<u>11,487,097</u>	<u>4,726,513</u>
99400c (Article 8)	Contracted Transit Service			
	City of Lincoln	1,261,940	1,148,400	113,540
	City of Rocklin	142,748	130,010	12,738
		<u>1,404,688</u>	<u>1,278,410</u>	<u>126,278</u>
	Total apportionment	<u>29,689,662</u>	<u>24,119,527</u>	<u>5,570,135</u>
	Less: Pedestrian and Bicycle allocation	<u>(566,694)</u>		
	Total expenditures	<u>\$ 29,122,968</u>		

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
 LOCAL TRANSPORTATION FUND (Continued)

For the Year Ended June 30, 2020

	<u>Undisbursed/ Unclaimed</u>
Unclaimed/Undisbursed-Prior Year Apportionments:	
City of Rocklin - Pedestrian and Bicycle	\$ 73,335
City of Roseville - Pedestrian and Bicycle	37,253
City of Auburn - Public Transportation	<u>36,308</u>
	<u>146,896</u>
Outstanding Warrants - Current Year Apportionments:	
City of Auburn - Public Transportation	48,300
City of Auburn - Streets and Roads	38,000
City of Lincoln - Contracted Transit	1,148,400
City of Lincoln - Street and Roads	1,645,579
City of Loomis - Streets and Roads	41,100
City of Rocklin - Streets and Roads	400,600
City of Rocklin - Contracted Service	12,900
City of Roseville - Public Transportation	<u>228,300</u>
	<u>3,563,179</u>
Total allocations payable	<u><u>\$ 9,280,210</u></u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2020

Section	Purpose	Final Apportionment	Disbursements	Undisbursed/ Unclaimed
6730(a)	Public Transportation Operations			
	City of Auburn	\$ 99,265	\$ 99,265	
	Placer County Transit	869,034	869,034	
	City of Roseville	1,019,785	719,785	\$ 300,000
		<u>1,988,084</u>	<u>1,688,084</u>	<u>300,000</u>
6730(b)	Public Transportation Capital			
	Placer County Transit	184,866	184,866	
	City of Roseville	20,812	20,812	
		<u>205,678</u>	<u>205,678</u>	
6731(b)	Contracted Transportation Services			
	City of Colfax	14,062	14,062	
	Town of Loomis	46,717	46,717	
	City of Lincoln	327,478		327,478
	City of Rocklin	469,738	469,738	
		<u>857,995</u>	<u>530,517</u>	<u>327,478</u>
6731.1	Consolidated Transportation Service Agencies			
	WPCTSA	108,829	108,829	
		<u>108,829</u>	<u>108,829</u>	
	Totals	<u>\$ 3,160,586</u>	<u>\$ 2,533,108</u>	627,478
	Unclaimed/Undisbursed-Prior Year Apportionments:			
	Placer County Transit			<u>333,886</u>
				<u>333,886</u>
	Total allocations payable			<u>\$ 961,364</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE OF GOOD REPAIR FUND

For the Year Ended June 30, 2020

Section	Purpose	Final Allocation	Disbursements	Undisbursed/ Unclaimed
99212.1(c)	Preventive maintenance			
	City of Auburn	\$ 16,051	\$ 16,051	
	County of Placer	168,088	168,088	
	City of Roseville	167,722	79,254	\$ 88,468
		<u>351,861</u>	<u>263,393</u>	<u>88,468</u>
99212.1(c)	Bus Replacement			
	County of Placer	138,822	138,822	
		<u>138,822</u>	<u>138,822</u>	
	Totals	<u>\$ 490,683</u>	<u>\$ 402,215</u>	<u>88,468</u>
	Total allocations payable			<u>\$ 88,468</u>

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
 SCHEDULE OF DIRECT AND INDIRECT COSTS - ACCRUAL BASIS

For the Year Ended June 30, 2020

	Direct Costs	Indirect Costs	Unallowable Costs	Total Expenses
Salaries and wages	\$ 709,270	\$ 175,853		\$ 885,123
Fringe benefits	647,791	161,593		809,384
Total Salary and Benefits	1,357,061	337,446		1,694,507
Direct services, supplies and costs	3,930,323			3,930,323
Indirect costs:				
Accounting and actuarial services			\$ 7,550	7,550
Auditor - annual independent fiscal audit			18,200	18,200
Boardmember reimbursements			8,450	8,450
Communications		10,108		10,108
Computer equipment and supplies		13,316		13,316
Subscriptions		938		938
Office/computer equipment maintenance		7,474		7,474
Professional liability		17,542		17,542
Legal counsel		2,369		2,369
Membership/training		6,000		6,000
Membership/training - unallowable			600	600
Office supplies		2,455		2,455
Meeting supplies - unallowable			4,327	4,327
Postage and delivery		2,045		2,045
Printing and reproduction		3,704		3,704
Rent			160,760	160,760
Travel/food/lodging		91		91
Utilities/maintenance		11,853		11,853
Subtotal	77,895	199,887	277,782	
Total Direct & Indirect Expenses	\$ 5,287,384	\$ 415,341	\$ 199,887	\$ 5,902,612

## **COMPLIANCE REPORTS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*, THE TRANSPORTATION DEVELOPMENT ACT AND  
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, 2020, 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 31, 2020.

**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 Sections 6661, 6662 and 6751 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 other State guidelines in considering the Agency’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

December 31, 2020

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, 2020. 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, 2020.

## 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 31, 2020

PLACER COUNTY TRANSPORTATION PLANNING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

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

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

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

For the Year Ended June 30, 2020

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, 2020

Federal Grantor/Pass-through Grantor/Program Title/Project Description	Federal CFDA Number	Pass-Through Grantors' Number	Expenditures
<b>U.S. Department of Transportation</b>			
Passed through the California Department of Transportation			
Highway Planning and Construction			
I-80 Auxiliary Lanes	20.205	HPLUL-6158 (083)	\$ 610,685
SR 49 Sidewalk Gap Closures	20.205	HIPCML-6158(082)	655,983
Placer County Congestion Management program	20.205	CMLNI-6158(090)	50,001
Freeway Service Patrol	20.205	FSPCMLNI-6158(088)	110,613
Total U.S. Department of Transportation			1,427,282
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 1,427,282</b>

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, 2020

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, 2020. 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, 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. The June 30, 2020 Schedule includes \$112,714 of costs incurred during the year ended June 30, 2019 due to the costs not being approved under program guidelines until the year ended June 30, 2020.

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, 2020 included an approved indirect cost rate of 45.22% of total direct salaries and wages.

NOTE E – SUBRECIPIENTS

There were no subrecipients of the Agency's programs during the year ended June 30, 2020.