TAHOE REGIONAL PLANNING AGENCY
El Dorado County
State Transit Assistance Fund

Financial Statements

Year Ended June 30, 2014
# TAHOE REGIONAL PLANNING AGENCY

El Dorado County  
State Transit Assistance Fund

Financial Statements  
Year Ended June 30, 2014

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INDEPENDENT AUDITOR’S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the El Dorado County State Transit Assistance Fund (STAF), a special revenue fund of the Tahoe Regional Planning Agency (TRPA), as of and for the year ended June 30, 2014, and the related notes to the 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 STAF, a special revenue fund of TRPA, as of June 30, 2014, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the STAF, a special revenue fund of TRPA, and do not purport to, and do not, present fairly the financial position of TRPA, as of June 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

**Report on Summarized Comparative Information**

We have previously audited the STAF, a special revenue fund of TRPA’s, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of the STAF, a special revenue fund of TRPA. The Supplemental 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 Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the STAF 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 January 20, 2015 on our consideration of TRPA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 TRPA’s internal control over financial reporting and compliance.

Irvine, California
January 20, 2015
## Balance Sheet

**June 30, 2014**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$24</td>
<td>$16</td>
</tr>
<tr>
<td>Total assets</td>
<td>$24</td>
<td>$16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and Fund Balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Fund Balance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for transportation programs</td>
<td>$24</td>
<td>$16</td>
</tr>
<tr>
<td>Total liabilities and fund balance</td>
<td>$24</td>
<td>$16</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Transit Assistance Fund</td>
<td>$521,642</td>
<td>485,836</td>
</tr>
<tr>
<td>Investment income</td>
<td>69</td>
<td>142</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>521,711</td>
<td>485,978</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Intergovernmental:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Placer County</td>
<td>182,160</td>
<td>134,459</td>
</tr>
<tr>
<td>Tahoe Transportation District</td>
<td>339,543</td>
<td>353,567</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>521,703</td>
<td>488,026</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>8</td>
<td>(2,048)</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>16</td>
<td>2,064</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$24</td>
<td>16</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
(1) General Information

The accompanying financial statements are intended to reflect the financial position and results of operations for the El Dorado County State Transit Assistance Fund (STAF) only. The STAF is a special revenue fund of the Tahoe Regional Planning Agency (TRPA). This fund is used to account for revenues received and expenditures made to claimants as directed by TRPA. Funds for the program are contingent upon funds being appropriated by the State of California General Fund and the availability of spillover revenues from the El Dorado County State Transportation and Development Account. The STAF provides a second source of Transportation Development Act (TDA) funding for transportation planning and mass transportation purposes as specified by the State of California Legislature. Funds for the program are derived from a statewide sales tax on gasoline and diesel fuel.

STAF funds are allocated through an appropriation to the State Controller by the Legislature for allocation by formula to each Regional Transportation Planning Agency (RTPA). TRPA serves as the RTPA for the Lake Tahoe Basin. The formula allocates 50 percent of the funds according to population and the remaining 50 percent according to operator revenues from the prior fiscal year. The allocations are based on the operator’s share of revenues compared to all of the other operators in the State. STAF allocations are deposited in TRPA’s STAF, which is maintained by El Dorado County, California (County). The allocation from TRPA’s STAF must be made by a resolution adopted by TRPA’s governing board. Payments from the STAF are made by the County in accordance with the allocation instructions in the allocation resolution.

In accordance with §6730 or Title 21, Division 3, Chapter 2.5, Article 4 of the California Code of Regulations, a transit operator may file claims from the STAF for the operating cost of the operator’s public transportation system, the capital requirements of the operator’s public transportation system, to subsidize passenger rail services and for community transit service purposes pursuant to California Public Utilities Code §99275.

(2) Summary of Significant Accounting Policies

The accounting policies of the STAF are in accordance with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental units.

The financial statements are intended to present the financial position and changes in financial position of the STAF only, and are not intended to present, and do not present, the financial position and changes in financial position of TRPA.
(2) Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The STAF financial statements have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual when they become both measurable and available. Measurable means that amounts can be estimated or otherwise determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if they are collected within 60 days of the end of the current fiscal period, except for grants for which the availability period is 120 days. Expenditures are recorded when a liability is incurred. Liabilities are considered current when they are normally expected to be liquidated with available financial resources.

Fund Equity

Fund balances are reported in the fund statements in the following classifications:

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

- **Restricted** – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

- **Committed** – includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board action limiting the use of the funds is separate from the action (legislation) that created (enabled) the funding source, then it is committed, not restricted. TRPA considers a resolution to constitute a formal action of the Board of Directors for the purposes of establishing committed fund balance.

- **Assigned** – includes amounts that are designated or expressed by the Board, but does not require a formal action like a resolution or ordinance. The Board may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such delegation of authority has not yet been granted to persons or bodies other than the Board of Directors.
(2) **Summary of Significant Accounting Policies (Continued)**

- **Unassigned** – includes the remaining spendable amounts which are not included in one of the other classifications.

It is TRPA’s policy that restricted resources will be applied first, followed by (in order of application) committed, assigned and unassigned resources, in the absence of a formal policy adopted by the Board.

**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 certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Prior Year Data**

Selected information from the prior fiscal year has been included in the accompanying financial statements in order to provide an understanding of changes in the STAF’s financial position and operations. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the STAF financial statements for the year ended June 30, 2013, from which this selected financial data was derived.

(3) **Cash and Investments**

Cash and investment balances of the STAF are combined with those of the County and, to the extent practical, invested as required by § 29530 of the California Government Code. The STAF is an internal participant in the County investment pool. The County investment pool is an external investment pool, managed and directed by the County Treasurer and is not registered with the Securities and Exchange Commission. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The STAF’s cash and investments as of June 30, 2014 was $24.

Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the STAF are those of the County and are included in the County’s basic financial statements.
TAHOE REGIONAL PLANNING AGENCY
El Dorado County
State Transit Assistance Fund

Notes to Financial Statements

(Continued)

(3) **Cash and Investments (Continued)**

See the County’s basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) **Budgetary Data**

The STAF is not required to prepare an annual budget.
SUPPLEMENTARY INFORMATION
## Schedule of Allocations and Disbursements

Year Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>21 CCR §6730</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allocations:</strong></td>
<td></td>
</tr>
<tr>
<td>Tahoe Transportation District</td>
<td>$ 412,905</td>
</tr>
<tr>
<td>Placer County</td>
<td>$ 220,241</td>
</tr>
<tr>
<td><strong>Total allocations</strong></td>
<td>$ 633,146</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disbursements:</strong></td>
<td></td>
</tr>
<tr>
<td>Tahoe Transportation District</td>
<td>$ 339,543</td>
</tr>
<tr>
<td>Placer County</td>
<td>$ 182,160</td>
</tr>
<tr>
<td><strong>Total disbursements</strong></td>
<td>$ 521,703</td>
</tr>
</tbody>
</table>
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, THE
TRANSPORTATION DEVELOPMENT ACT AND THE CALIFORNIA CODE OF REGULATIONS

INDEPENDENT AUDITOR’S REPORT

Board of Directors
Tahoe Regional Planning Agency
Stateline, Nevada

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 El Dorado County
State Transit Assistance Fund (STAF), a special revenue fund of the Tahoe Regional Planning Agency
(TRPA), as of and for the year ended June 30, 2014, and the related notes to the financial statements,
and have issued our report thereon dated January 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TRPA’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 TRPA’s internal control. Accordingly, we do not
express an opinion on the effectiveness of TRPA’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 entity’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

As part of obtaining reasonable assurance about whether the STAF financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of §6750 et seq of Title 21, Division 3, Chapter 2.5, Article 5 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under Government Auditing Standards. However, we noted immaterial instances of noncompliance that we have communicated in the accompanying Schedule of Findings and Recommendations as item 2014-1.

TRPA’s Response to Findings

TRPA’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Recommendations. TRPA’s response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the TRPA’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
TAHOE REGIONAL PLANNING AGENCY  
El Dorado County  
State Transit Assistance Fund  

Schedule of Findings and Recommendations  

Year End June 30, 2014  

2014-1: Need to Receive Annual Audits of Claimants  

TRPA did not receive the annual audit of one of its claimants within 180 days following the end of the fiscal year, nor was an extension of time granted to provide the audit. California Public Utilities Code §99245 states, in part:

“Each transportation planning agency...shall be responsible to ensure that all claimants to whom it directs the allocation of funds pursuant to this chapter shall submit to it an annual certified fiscal audit conducted by an entity other than the claimant. A report on the audit shall be submitted to the transportation planning agency...within 180 days after the end of the fiscal year. However, the responsible entity may grant an extension of up to 90 days as it deems necessary...”

This condition was previously reported in the STAF audit for the year ended June 30, 2013.

Recommendation

We recommend that TRPA establish procedures to ensure that it receives the required audit reports from its claimants within 180 days after the end of the fiscal year, or grant an extension of up to 90 days if so requested by the claimant.

Management Response

TRPA agrees with the Finding and we will ensure that our procedures include additional follow up and extensions for each operator to comply with the timeframe of the regulation. There are two operators that require audits to be submitted, Placer County Tahoe Area Regional Transit (TART) and Tahoe Transportation District (TTD). Both operators also submit their audits to several other entities at the State of California to ensure this regulation is met. TRPA requested the FY13 audit from both operators in November 2013. TTD requested an extension and turned the audit in within the timeframe of the extension. TART notified us that their audit would be complete in December 2013 so an extension was not granted. Another request was sent to TART to request the audit and no response was received. A third correspondence was sent in June 2014 and the audit was received immediately. The audits for FY14 have been received and extensions granted where necessary.