TAHOE REGIONAL PLANNING AGENCY

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STAFF REPORT

Date: February 17, 2021

To: TRPA Governing Board

From: TRPA Staff

Subject: Fiscal Year 2020 Audit

Summary and Staff Recommendation:
Staff recommends acceptance of the fiscal year 2020 final audit report and financial statements.

Required Motion:
In order to accept the Financial Statements, the Governing Board must make the following motion:

1) A motion to accept the Fiscal Year 2020 Audit

In order for the motion to pass, an affirmative vote of any eight Board members is required.

Background:
The independent audit firm of Davis Farr completed their review of TRPA's Fiscal Year 2020 Financial Statements and issued an unmodified audit report. An unmodified auditor's report means the Agency is compliant with GAAP and GASB accounting standards. A copy of their opinion letter, and SAS 114 Summary of Audit Results is attached.

Operations Committee members have been provided with pdf copies of the basic TRPA financial statements and the TSAC audited financial statements. Electronic copies of the full audited financial statements, including additional audits, will be available to Governing Board members by request. Those audits include a) a single audit for Federal Awards, b) an audit of Proposition 1B (California) grants, c) Placer County Local Transportation Fund, d) El Dorado County Local Transportation Fund, and e) El Dorado County State Transit Assistance Fund. Fiscal Year 2020 Audited Financial Statements will be available on the TRPA website following acceptance by the Governing Board.

The auditors have issued an unmodified opinion. They found no material weaknesses that could lead to a material misstatement of the financial statements. The auditors did identify two Significant Deficiencies in their audit. One is in the Tahoe Science Advisory Council. This relates to invoices from the Universities working on various projects that were received very late, well after the close of the fiscal year. TRPA will be working with the Universities to receive or accrue their invoices in a timely matter. This item can be found in the TSAC Financial Statements

(Attachment D). The second was missing accounting entries to recognize revenues when securities are abandoned. We have corrected that problem. This item appears in the TRPA Single Audit under internal controls (Attachment C).

Financial Results:

The following tables summarize the Agency's FY 2020 financial results. The first reflects assets and liabilities, the second revenues and expenses. A detailed discussion of the changes can be found in the Management Discussion and Analysis portion of the audited financial statements.

TRPA net assets decreased by $1.5 million dollars. The debt refinancing drove much of that. Liabilities decreased by $1.8 million, most of that came from Accounts Payables being extraordinarily high in FY 2019. This yielded an increase in net assets of $0.3 million.

Table 1 - Summary of Statement of Net Position

	2020	2019	Change	%
Assets				
Current & Other Non-Current Assets	14,469,166	15,780,025	(1,310,859)	-8%
Capital Assets	9,145,990	9,337,747	(191,757)	-2%
Total Assets	23,615,156	25,117,772	(1,502,616)	-6%
Liabilities				
Current Liabilities and Other	7,791,518	9,004,338	(1,212,820)	-13%
Unearned Revenue	623,223	1,297,412	(674,189)	-52%
Long Term Liabilities	8,551,910	8,505,531	46,379	1%
Total Liabilities	16,966,651	18,807,281	(1,840,630)	-10%
Net Position				
Net Investment in Capital Assets of Debt	1,098,035	2,358,543	(1,260,508)	-53%
Restricted	2,508,830	2,381,213	127,617	5%
Unrestricted	3,041,640	1,570,735	1,470,905	94%
Total Net Position	6,648,505	6,310,491	338,014	5%

TRPA revenues increased by $1.0 million, or 6%. The largest driver is fees received from the implementation of the Shoreline mooring permitting program. State revenues were also up due to added allocations from California and funding for the Tahoe Science Advisory Council. Expenses increased by $1.5 million or 9%. The bulk of the added expenses are in contracts, especially Lake Tahoe Restoration Act funds used for various AIS programs.

Table 2 - Revenue, Expenses, Changes in Net Assets				
	2020	**2019**	**Change**	**%**
Revenues				
Program Revenues				
Charges for Services	3,608,207	2,897,252	710,955	25%
Grants and Contributions	6,970,067	7,220,626	(250,559)	-3%
General Revenues				
State Revenue	7,394,427	6,810,236	584,191	9%
Local Revenue	150,000	150,000	0	0%
Investment Earnings - Unrestricted	275,643	332,719	(57,076)	-17%
Miscellaneous	16,302	14,645	1,657	11%
Total Revenues	18,414,646	17,425,478	989,168	6%
Program Expenses				
General Government	2,934,428	2,663,662	270,766	10%
Env. Planning & Implementation	14,965,360	13,775,339	1,190,021	9%
Building Operations	150,059	165,719	(15,660)	-9%
Interest and Debt Service	396,019	391,944	4,075	1%
Total Expenses	18,445,866	16,996,664	1,449,202	9%
Increase (Decrease) in Net Assets	(31,220)	428,814	(460,034)	-107%

These numbers are based full accrual accounting and, as a result, are comparable to corporate financial statements. Additional detail by Fund (modified accrual basis) is included in the Financial Statements.

Independent Auditor:
Davis Farr is a specialized audit firm focusing on Government clients. Davis Farr has been our auditor for the past five years. This is the last year left on their contract.

For Fiscal Year 2020, Davis Farr conducted seven audits for TRPA. In addition to the audit of the overall TRPA Financials; a) a single audit for Federal Awards, b) an audit of Proposition 1B (California) grants, c) Placer County Local Transportation Fund, d) El Dorado County Local Transportation Fund, e) El Dorado County State Transit Assistance Fund and f) an audit of the Tahoe Science Advisory Council.

Contact Information:
For questions regarding this agenda item, please contact Chris Keillor at (775) 589-5222 or ckeillor@trpa.org.

Attachments:
A. Auditor Communication Letter
B. TRPA Audited Financial Statements
C. TRPA Single Audit
D. TSAC Audited Financial Statements

Attachment A

Auditor Communication Letter

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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REQUIRED AUDIT COMMUNICATIONS

Operations and Governance Committee
Tahoe Regional Planning Agency
Stateline, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tahoe Regional Planning Agency (TRPA) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and 2 CFR 200 Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated July 24, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by TRPA are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by TRPA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting TRPA's financial statements were:

- Management's estimate involving the useful lives and depreciation methodology to use for capital assets is based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to TRPA.

- Management's estimate of the accruals for goods or services received, but for which invoices have not yet been received by vendors is based on communication with the vendors for quoted amounts; and

- Management's estimate of employee usage of accumulated vacation and/or compensatory leave balances within the next year is based on the nature of the leave and actual experience of prior year usage.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There was one material misstatement detected as a result of audit procedures that related to the recording of certain unearned revenue in the prior year.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 16, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to TRPA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as TRPA 's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *Management's Discussion and Analysis* and the *Budgetary Comparison Schedules* for the major funds, which are required supplementary

information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of TRPA and is not intended to be and should not be used by anyone other than these specified parties.

Davis Farr LLP

Irvine, California
February 16, 2021

Attachment B

TRPA Audited Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2020

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TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tahoe Regional Planning Agency
Stateline, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tahoe Regional Planning Agency (TRPA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise TRPA'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 opinions 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described further in note 14 to the financial statements, the financial statements for the year ended June 30, 2020 reflect a prior period adjustment related to the reporting of unearned revenue. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the financial statements of TRPA for the year ended June 30, 2019 and we expressed an unmodified audit opinion on those financial statements in our report dated December 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules for the General Fund and each major Special Revenue Fund 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 TRPA's basic financial statements. The combining financial statements and individual nonmajor budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual nonmajor budgetary comparison schedules 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 February 16, 2021 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, 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.

Davis Farr LLP

Irvine, California
February 16, 2021

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TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

Year Ended June 30, 2020

The Tahoe Regional Planning Agency (TRPA) was created in 1969 by compact between the States of Nevada and California and ratified by the United States Congress, to protect and restore the environment of Lake Tahoe. The bi-state agency is charged with regional planning, development and redevelopment oversight, regulatory enforcement, and implementation of environmental protection and restoration programs for the Region.

TRPA operates in the context of the Tahoe Region which has global reach and impact. Considered a precious natural resource to the States of California and Nevada, and the driver of the area's $5 billion economy, Lake Tahoe has faced extraordinary challenges in recent years as it climbed out of the recession. The Tahoe Basin economy is rebounding, and a renaissance is underway in pockets around the lake. This positive trend helps strengthen the agency's resolve to protect and restore Lake Tahoe—a comprehensive undertaking which is labor-intensive and costly. COVID has temporarily impacted the regional economy, but with the demand for outdoor recreation growing, it is expected to rebound following the pandemic.

The Lake Tahoe Region, and TRPA's jurisdiction, cover over 500 square miles. Approximately 90% of the land area is held by the USDA Forest Service and various other state and local entities. Portions of five counties and an incorporated city share Lake Tahoe's shoreline and environs, creating a patchwork of jurisdiction and unique community values that TRPA was created to meld into a cohesive regional planning framework. Over 50,000 people live in the region, and the most recent estimates of visitation top 15 million annually. The lake has been designated an Outstanding National Resource Water under the Federal Clean Water Act—making it not only the crown jewel of the Sierra Nevada mountain range, but also a national treasure.

TRPA's vision is for a lake environment that is sustainable, healthy, and safe for the community and future generations. TRPA leads the cooperative effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe Region, while improving local communities, and people's interactions with our irreplaceable environment.

The adoption of environmental standards called "thresholds," first set for the Region in 1982, were established by TRPA to answer its mandate. The compact directs the agency to establish management measures that meet and maintain the thresholds and authorizes it to work through a variety of means including land use regulations, growth management, capital improvement programs, and resource management plans. TRPA coordinates the 80+ organizations who collectively and collaboratively implement the management measures, programs, and plans to achieve the compact's requirements.

Using the Annual Report

The discussion and analysis of the financial performance of TRPA provides a review of the organization's overall financial activities for the fiscal year ended June 30, 2020. This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized to assist the reader in understanding the Agency as a financial whole and an entire operating entity. The statements also provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the agency-wide financial statements and provide information about the activities of the whole agency, presenting both an aggregate and long-term view of the organization's finances. Fund financial statements provide the next level of detail. These statements show how services were financed in the short-term as well as what remains for future spending for governmental funds. The fund financial statements also look at the agency's most significant funds–the General Fund, the Transportation Fund, and the Aquatic Invasive Species (AIS) Fund, with all other non-major funds presented in total in one column.

The Notes to the basic financial statements include notes to explain financial statement information and provide more detailed data.

TRPA Highlights

TRPA celebrated its 50th anniversary in 2020. The COVID pandemic required the agency to quickly pivot from high-touch engagement and planned in-person events to safe, distant tactics to celebrate the milestone. The 50th anniversary program included:

- A special 50th Anniversary issue of Tahoe In Depth, the agency's award-winning environmental newspaper
- Virtually hosting the Spirit of TRPA Awardsto remember the milestones, achievements, and people that have made significant contributions to the agency's mission.
- The Lake Tahoe Commemorative Coin minting that netted more than $100,000 in donations to an environmental education fund.
- Receiving official commendations from the governors of California and Nevada as well as Lake Tahoe's Washington D.C. delegation in the House and Senate, each recognizing the 50th anniversary of the legislative action that formed the first bi-state, landscape-scale planning agency in the nation.

The 50th Anniversary Program and the honorable proclamations have emphasized the critical role of TRPA as protector of the Lake Tahoe watershed while highlighting the importance of Lake Tahoe to the residents of the two state and the nation.

The pandemic also brought out the best of the agency as a collaborator and convener of others. As throngs of people took to the outdoors in 2020 to escape shut down cities and maintain physical distance on pristine beaches and mountain trails, TRPA brought together dozens of agencies and organizations involved in recreation and visitation to share information and resources. TRPA convened and facilitated the Tahoe-Truckee Sustainable Recreation Working Group to coordinate response to the overwhelming number of visitors and stresses on the environment and limited public resources. The working group remained essential throughout the summer and has become the venue for a multi-agency response to continual increase in visitation and recreational pressure in the region.

Other highlights for Fiscal Year (FY) 2020 include implementing a new set of shoreline regulations and beginning to register all moorings, buoys, and piers on the lake; implementing changes to the

development rights system to encourage environmentally responsible redevelopment; making significant progress on the Highway 50 South Shore Community Revitalization Project; and securing ongoing financing for the Lake Tahoe Aquatic Invasive Species program from the federal Lake Tahoe Restoration Act (LTRA).

The passage of the Regional Plan Update in 2012 put a new framework in place to integrate the activities of stakeholders, increase collaboration and improve permitting and regulatory processes. The goal of threshold attainment to transform what was a deteriorating environment and community into a thriving, healthy ecosystem remains the same. Basin partnerships are strong, and progress is being made on multiple fronts. Initiatives underway include implementing the newly adopted Shoreline and Development Rights plans, and the ongoing operation of the Tahoe Science Advisory Council to ensure decision continue to be backed by the best available science. Public restoration funding is rebounding. California and Nevada committed bond monies to the lake's restoration and the federal Lake Tahoe Restoration Act has provided $9.1M to the Environmental Improvement Program for various environmental restoration projects.

TRPA is working with agency partners, stakeholders, and the Tahoe Science Advisory Council to create a sustainable, prioritized, and relevant monitoring plan, and to review and consider modifying the threshold standards to reflect the latest science and the significant values in the Lake Tahoe Region. The council is led by both state's natural resource agencies, with scientific leadership from a variety of academic institutions including University of California Davis, University of Nevada Reno, Desert Research Institute, U.S. Geological Survey, and the USDA Forest Service Pacific Southwest Research Station.

TRPA adopted its Strategic Plan in June 2014, and the 2020 update brings it current with agency initiatives centered on implementing the plan's four pillars of accelerating threshold attainment, using the best available science for decision making, establishing the agency as a leader in sustainability, and operating as a high-performing team. Following significant progress since 2014 on the Shoreline, Development Rights, and Forest Health Initiatives, the Governing Board in 2020 adopted the Agency Work Program with six more current major strategic initiatives:

- Climate Change and Sustainability
- Transportation and Sustainable Recreation
- Housing and Community Revitalization
- Environmental Improvement Program Implementation
- Thresholds and Monitoring System Update
- Digital First Operations

The agency continues to work on improving internal processes, streamlining permitting, and increasing public access to agency and partner information.

As a high-performing team, the engagement and workplace satisfaction of staff are critical to the agency's culture. Team members are regularly evaluated and offered professional development opportunities whenever possible. In 2020, the agency ranked in the top three of the Northern Nevada Human Resources

Association's Best Places to Work survey. Community engagement is strongly encouraged in every team member to help ground the team in the community and to raise the agency's public profile. Many team members volunteer their time in non-profit and volunteer work and hold positions on boards and commissions. Team members formed a litter cleanup crew in 2020 in response to widespread reports of trash and other impacts from increased outdoor recreation and visitation during the pandemic.

TRPA Organization

To address the Strategic Plan Objectives, Strategic Initiatives, Internal Initiatives, and ongoing annual activities, TRPA has embraced the adaptive management or continuous improvement "plan-do-check-adjust" approach. The TRPA operational divisions are organized to reflect the adaptive management model.

The Long Range and Transportation Planning Division represents the "plan" function. The Current Planning and Environmental Improvement Divisions correspond to the "do" function. The "check" function is the responsibility of the Research and Analysis Division. TRPA uses this approach on an ongoing basis to "adjust" its day-to-day operations. The same approach is used by the TRPA Governing Board to annually "adjust" the focus of the agency through the Operations Work Program and Annual Budget. This is also the concept underlying the ongoing threshold evaluation and regional planning process.

The roles and responsibilities of the divisions are:

- The Long-Range Planning and Transportation Division primarily keeps the Regional Plan and the Regional Transportation Plan up to date. The division focuses on TRPA plan amendments, development and refinement of policies, and modifications to TRPA rules and regulations to meet the dynamic needs of the Tahoe environment. Other major functions include executing TRPA's federally designated transportation role as the Tahoe Metropolitan Planning Organization (TMPO) and the California designated Regional Transportation Planning Agency (RTPA). Primary activities include reviewing local area plans submitted by local jurisdictions as well as periodic revisions of the Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP). Long Range Planning and Transportation Division's key programs are:
    - Transportation (MPO/RTPA)
    - Long Range Planning
    - Housing
    - Sustainability

- The Current Planning Division is responsible for permitting land use activities in the Tahoe Region, either directly or through delegation of permitting to local jurisdictions. The division also leads the permit streamlining "Welcome Mat" initiative to dovetail with development rights system improvements needed to make redevelopment more feasible and successful in reaching the goals of the Regional Plan. The division also manages permitting moorings and shoreline structures under the new Shoreline code of ordinances. Current Planning includes the Code Compliance

team, whose staff visits work sites, inspects projects, and responds to complaints regarding code violations, ensuring the conditions of the permits issued by TRPA or through delegation permitting partners are met. The Code Compliance team reviews and issues tree removal permits and includes watercraft crews to monitor shoreline conditions and enforce TRPA boating ordinances.

- The Research and Analysis Division is responsible for ensuring that TRPA planning and implementation are guided by the best available scientific information and technical data. The division manages organizational data and systems, provides key information tools and reports, engages with the scientific community, and provides efficient and timely analysis to support TRPA staff and governing board decision making. Research and Analysis coordinates the 4-year Threshold Evaluation to report on progress toward threshold attainment (the 2019 Threshold Evaluation Report will be released in early 2021), directs the agency's development of the LakeTahoeInfo.org platform and leads the Thresholds Update strategic initiative in coordination with the bi-state Tahoe Science Advisory Council to bring the region's thresholds and monitoring systems current with the last 30 years of evolving scientific knowledge.

- The Environmental Improvement Division coordinates a public-private partnership of over 80 partners, a collaborative restoration initiative that rivals the scope of some of the largest in the United States. The division's key programs include:

    - Management of the Environmental Improvement Program (EIP), the region-wide, multi-sector capital investment strategy to carry out a multitude of restoration programs and projects designed to implement the adopted Regional Plan and address environmental concerns in the Tahoe Region.
    - Management of the Lake Tahoe Aquatic Invasive Species (AIS) program including preventing new species introduction, treatment to control existing invasive species, as well as lake-wide monitoring and emergency response to new infestations.
    - Stormwater program management through the application of erosion control Best Management Practices (BMPs) for residential, commercial, and public properties.
    - Forest Health program management, including collaborative planning and permitting of forest fuel reduction projects to reduce the risk of destructive wildfires and promote the restoration of the forest resources in and across the region's boundaries.

In addition to these operational divisions, TRPA has staff departments to support the division roles and responsibilities listed above. The support activities are the backbone to the general operations of the agency. These include Executive, Legal, External Affairs, Finance, Human Resources, and Information Technology.

Financial Highlights

Agency Revenues

TRPA revenues for FY 2020 totaled $18.4 million. The State of California's annual commitment was $5.1 million, and the State of Nevada's commitment was $2.3 million. State and local annual commitments represent 41% of total revenues. In addition to these annual commitments, various departments, and agencies of the two states and local organizations contribute to specific projects through grant funding.

Directly funded programs (grants) totaled 38% of revenues, amounting to $7.0 million from local, state, and federal sources. Major federal contributors include the Department of the Interior, Department of Transportation, Department of Agriculture, and Environmental Protection Agency. State entities include CalTrans, NDOT, California Water Quality Control Board (Lahontan Region), Nevada Division of Environmental Protection, California Energy Commission, California State Lands, California Tahoe Conservancy, CalFire, California Department of Boating and Waterways, Nevada Division of State Lands, California Office of Emergency Services, and others.

Fees for services amounted to $3.6 million or 20% of the Agency's revenues. This includes Planning Fees and reimbursed costs from applicants as well as Watercraft Inspection Fees supporting the AIS program and Shoreline fees. Fees for service increased by $0.7 million from 2019 due to implementation of the Shoreline program.

Agency Expenditures

Total expenditures for FY 2020 were $18.4 million. Staff costs accounted for $6.9 million or 37% of the total. Contracts comprised $9.6 million or 52% of the total. Financing costs related to interest and principal payments on the bonds for the TRPA office building amounted to $0.4 million or 2% of total expenditures. TRPA also refinanced this debt during the year paying off $8.4M of outstanding bonds and taking on $8.3 million in new debt to replace it. Debt issuance costs amounted to $0.2 million.

TRPA works closely with other governmental entities in the basin to fund and execute various environmental initiatives. During FY 2020, TRPA passed through:

- $3.1 million in funding to the Tahoe Transportation District.
- $1.5 million to Placer County for implementation of transportation projects and operation of transit systems throughout the basin.
- $0.8 million to the Tahoe Resource Conservation District, a unit of El Dorado County, California for roadside inspections of watercraft as part of the Aquatic Invasive Species program.
- $0.5 million in mitigation funds were passed on to local jurisdictions to fund projects designed to offset the environmental impact of development.

The TRPA General Fund Balance increased by 24% or $0.9 million during FY 2020. Cash and Investments increased by a net of $0.4 million, partially offset by reductions in other asset accounts. Accounts Payables

and Unearned Revenues both decreased by $0.3 million, offset by an increase of $0.3 million in Deposits Payables. A/P declined due to clearing outstanding invoices by year end and Unearned Revenues were converted to earned revenues.

Key Operational Accomplishments in FY 2020

Long Range and Transportation Planning Division:

Long Range and Transportation Planning (LRTP) Division is responsible for maintaining regional plans and implementing management strategies that relate to the current conditions of the Region. TRPA operates under multiple transportation planning mandates, including serving as the Tahoe Metropolitan Planning Organization (TMPO). Funding for the Division includes TRPA General Funds and transportation grants. TRPA received $3.9 million in grants from the Federal Government and the states of California and Nevada to support these activities. Almost $3.1 million of this funding was passed on to transit operators, Placer County and TTD. TRPA incurred $1.2 million in personnel costs and $4.0 million in contract and operating costs related to LRTP.

The activities below illustrate contributions of the LRTP Division over the last year:

- Produced a draft Regional Transportation Plan that outlines transformational improvements to getting people and goods to and around Lake Tahoe. The plan focuses on regional priority projects and the development of new sustainable revenue sources for transportation.
- Continued review and approval of local area plans and area plan amendments to implement the Regional Plan. Several area plans are currently under development in Douglas County and Washoe County, Nevada. LRTP is assisting with several area plan amendments to the Tourist Core Area Plan in the City of South Lake Tahoe, California; the South Shore Area Plan in Douglas County, Nevada; and the Placer County Tahoe Basin Area Plan.
- Continued coordination with multi-agency coalitions to address housing challenges for the Tahoe Region and implementing the regional housing work plan through the Tahoe Living Housing Working Group.
- Supported the implementation of the Greenhouse Gas (GHG) inventory to support a regional GHG Reduction Strategy, research, and surveys to verify environmental assumptions, research, and surveys to verify environmental assumptions, and stakeholder engagement.
- Continued leading sustainable recreation planning for the Tahoe Basin including finalization of the State Route 89 Recreation Corridor Management Plan and leading the multi-stakeholder Sustainable Recreation Working Group.
- Supported the implementation of the Tahoe-Truckee Plug-In Electric Vehicle Readiness Plan by serving in an ombudsman role for project proponents to plan infrastructure installations.
- Initiated an update to the TRPA Air Quality Mitigation Fee to reflect potential VMT and GHG reductions from projects.
- Utilized new "big data" sources to inform updates to environmental review systems and planning activities.

- Coordinated with local land banks in California and Nevada to increase the effectiveness of the development rights system.
- Completed the Main Street Management Plan for the U.S. Highway 50 casino corridor through a working group process. The plan aids implementation of the U.S. 50 South Shore Community Revitalization Project, a transformational and regionally significant project.
- Continued development and adoption of code amendments in support of Regional Plan effectiveness and policy changes.

Current Planning Division:

Current Planning maintained its record of permit review efficiency. The Division received 1,005 permit applications during FY 2020 and issued 879 permits. Almost all these applications were processed within 120 days of receiving a complete application meeting TRPA's Code of Ordinances and internal operations performance measure. Fees for services totaled $2.5 million during the fiscal year. TRPA spent $1.7 million on personnel costs and $0.8 million on contracts and operating costs in the Current Planning Division. Field inspectors performed 880 project inspections during the year, and 1,245 tree removal reviews. Project inspections resulted in the resolution and return of 196 project securities totaling $0.6 million. An additional $0.6 million of non-cash securities were also released. The Current Planning team is funded through planning fees.

Implementation of the shoreline program approved by the Governing Board in October 2018 continues. Phase 1 of the mooring permitting and registration program, which began during Fiscal Year 2020 continued for property owners with existing moorings. Using the online registration and permitting system on the Lake Tahoe Info website. A total of 891 applications/registrations were submitted during the fiscal year. Submitted applications for moorings during the fiscal year included 2,720 buoys, 354 boat lifts, and 452 boat slips. In addition, the new pier permitting program under the shoreline program was started. In the first two years, the shoreline program allows TRPA to accept up to 12 new pier applications, selected according to prioritization criteria outlined in the TRPA Code of Ordinances.

Research and Analysis Division:

The Research and Analysis Division (R&A) reports on TRPA's planning and implementation programs and regional progress toward threshold attainment. During, fiscal year 2019, R&A began the 2020 Threshold Evaluation Report, required by the bi-state TRPA Compact. TRPA's seventh such report since 1987, will comprehensively review the status and trend of indicators for threshold standards in nine categories: air quality, water quality, soil conservation, vegetation, fisheries, wildlife, scenic resources, noise, and recreation. The report is expected to be issued by the TRPA Governing Board in early 2021. R&A also continued the multi-year, multi-phase initiative to evaluate how the Tahoe Region partnership is collecting, analyzing, and applying information to support better decisions that accelerate environmental improvement. The initiative's scope includes not only review of the threshold standards that establish the region's ultimate goals, but also updating the suite of performance measures used to assess project, program, and plan effectiveness.

R&A's ongoing activities include managing and organizing TRPA's data and information systems to improve the public transparency and openness of regional programs and activities, engaging with the scientific community and Tahoe Science Advisory Council, and providing efficient and timely analysis to support TRPA staff and Governing Board decision making. The Division is instrumental in the implementation of the shoreline regulations and programs, including updating the Tahoe Boating App to inform boaters about Lake Tahoe, no-wake zone boundaries, area attractions, and how to enjoy the lake safely and responsibly, and maintaining the new mooring permitting and registration system on the Lake Tahoe Info website.

R&A received $0.5 million in grant revenue during the fiscal year, to support long-term monitoring of lake clarity and fund the integration of Tahoe Total Maximum Daily Load (TMDL) information management tools into the LakeTahoeInfo.org platform. During FY 2020, expenses included $1.1 million in personnel and $1.2 million in contract and operating costs.

Environmental Improvement Division:

TRPA provides strategic leadership of the Lake Tahoe Environmental Improvement Program (EIP), an unparalleled partnership working to achieve the environmental goals of the region. Local, state, and federal government agencies, private entities, scientists, and the Washoe Tribe of Nevada and California have collaborated for more than 20 years to restore the environmental health of Lake Tahoe. The EIP Division coordinates 80+ partners to implement the program through a governance structure of the Tahoe Interagency Executive (TIE) Steering Committee and associated multi-stakeholder working groups. These committees and work groups set project priorities, develop collaborative funding strategies, and guide project implementation. The EIP Division is also responsible for tracking all EIP expenditures and accomplishments basin wide. The EIP Division spent $2.1 million in grants, $0.7 million in State Funds, and $0.8 million of fees for services. Including General Funds, the Division spent $0.9 million on compensation and $3.2 million on contracts. These numbers include the Aquatic Invasive Species and Stormwater numbers called out separately below.

In 2019, US Senator Dianne Feinstein hosted the annual Lake Tahoe Federal Summit to highlight continued bipartisan commitment to the EIP and the accomplishments of the past year. Major projects were completed in each of the four main focus areas of the EIP in FY 2020:

- In the Water Quality and Watershed Restoration Focus Area, the California Tahoe Conservancy launched the Upper Truckee River Marsh Restoration. This collaboratively planned and funded restoration project begins the largest wetland restoration in the Lake Tahoe Region to date.
- In the Forest Health category, Lake Tahoe continued to avert destructive wildfire through large forest thinning projects, prescribed burning, and increased community outreach from local fire districts.
- In the Transportation and Sustainable Recreation category the Tahoe Bike Coalition, Tahoe Fund, and the Nevada Division of Tourism teamed up to install 341 bike racks and 5 fix-it stations at businesses and public spaces around Lake Tahoe for low or no cost to provide additional infrastructure for biking as an alternate form of transportation and safe recreation.

- For the Science, Stewardship and Accountability Focus Area, Lake Tahoe's environmental stewardship campaign, Take Care, experienced great growth with its partner base growing to over 50 groups and increasing its reach with new message campaigns related to responsible recreation during COVID.

The Lake Tahoe Aquatic Invasive Species (AIS) Program continued implementation of the nationally recognized watercraft inspection program, to prevent infestation of new invasive species. The summer of 2019 operated as expected; however, many new challenges arose in the early 2020 season due to COVID. After delaying the opening of the program to comply with state regulations, the program nimbly adapted its operations to provide safe and reliable customer service to boaters during the pandemic. This included implementing a new online reservation system for boat inspections. TRPA oversaw watercraft inspections performed by Tahoe Resource Conservation District (TRCD) inspectors at three roadside stations in the Tahoe Basin during the primary boating season and at two launch ramps during the winter months. Launching boats had inspection seals verified by trained inspectors prior to launch at fifteen (15) launch facilities. TRCD performed 7,499 boat inspections—the highest volume of inspections in a single year to date. Inspectors decontaminated 3,475 boats and intercepted 39 boats carrying invasive species, 11 of them with quagga mussels, preventing an environmental catastrophe. Outreach has been a critical part of the program and has been highly successful with over 50% of boats arriving at an inspection station clean, drained, and dry. The states of Nevada and California have contributed funding in the amount of $0.7 million to support the AIS prevention program. TRPA collected $0.7 million in inspection fees. TRPA also received $1.6 million in grants to pay for invasive species control programs. TRPA incurred $0.3 million in personnel costs and $2.3 million in contract and $0.1 million in operating costs related to the AIS Program.

The Lake Tahoe AIS program also made major progress in control of existing AIS in the lake. Using LTRA funds, TRPA continued to lead the collaborative process to address the largest weed infestation in Lake Tahoe, the Tahoe Keys. The stakeholder committee for this project includes representatives from the Lahontan Water Board, Tahoe Keys Property Owners Association, TRPA, the Tahoe Water Suppliers Association, the TRCD, and the League to Save Lake Tahoe. These stakeholders helped design a proposed project to test different AIS control methods to inform the long-term management strategy of AIS within the Tahoe Keys. With such an expansive 170+ acre infestation, even new and less proven methods such as herbicide and UV light treatment are being proposed. In FY 2020, a comprehensive draft environmental impact analysis was completed and released for public review. TRPA and the Lahontan Water Board are reviewing comments and finalizing the Environmental Impact Statement. A project decision is expected in the Fall of 2021.

The TRPA Stormwater Management Team has been working for many years to complete water quality retrofit improvements on all developed properties in the Lake Tahoe region. TRPA permits all BMP retrofit projects either directly or by delegation. Staff worked with private homeowners, commercial property owners, and several public entities (local jurisdictions and USDA Forest Service) in the Tahoe Region to implement water quality Best Management Practices (BMPs). TRPA issued 397 residential and 18 commercial BMP certificates during FY 2020 reflecting private property owner investments to improve

environmental conditions in the Region. Funding for this activity included $0.3 million from grants from the U.S. Environmental Protection Agency passed through the Nevada Division of Environmental Protection, local funding, and fees. TRPA spent $0.1 million in personnel and $0.2 million in other costs during the fiscal year. The Stormwater Program Manager's salary is paid for out of the TRPA general fund.

TRPA's Forest and Ecosystem Health Program Manager works with implementers such as the USDA Forest Service, state agencies, and local fire districts in the basin to ensure forest health projects are designed in line with TRPA code of ordinances and receive streamlined project review from the agency. TRPA is a founding member of the Tahoe Fire and Fuels Team (TFFT), which coordinates the Forest Health focus area of the EIP. The greater Sierra Region, as well as Tahoe are responding to growing impacts of tree mortality and catastrophic wildfire due to drought stress and changing climate conditions. The Lake Tahoe West (LTW) Partnership, co-led by TRPA, began in 2016 to implement a watershed restoration project across 60,000 acres of Tahoe's west shore. This project is the current centerpiece of TRPA's Forest Health initiative that aims to increase the scale of forest health projects and bring in a more holistic multi-benefit ecosystem health approach to future forestry projects in the Region and beyond. In FY 2020, the LTW partnership released the proposed project for public scoping and initiated the environmental impact review. In a parallel process TRPA completed a comprehensive review and update to the Vegetation Management chapter of the TRPA Code of Ordinances. The update made the code more user-friendly for project implementers and brought regulations up to date with contemporary forest practices.

On public lands, implementing agencies including the USDA Forest Service, state agencies and local jurisdictions completed nearly 4,600 acres of fuels treatments basin-wide in the FY 2020 field season. TRPA also issues tree permits for removal of hazardous trees on private property. TRPA issued 1,250 permits for hazardous tree removal in FY 2020, a substantial increase over prior years. Tree permits can now be processed entirely online, with most applicants choosing to file through the TRPA website. Average time to issue a tree removal permit is now less than 3 days. Expenditures for the Forest Health program are included in the general Environmental Improvement expenses.

Administrative Financial Highlights

TRPA continued implementing its strategic plan through staffing and organizational adjustments to achieve goals in an efficient and effective manner. COVID and measures to mitigate the spread of the disease drove major changes to TRPA operations. The Agency quickly pivoted to work-from-home and online business practices. This was accomplished with minimal disruption to service and cost in terms of lost time and productivity. Most TRPA services are now available through online processes. Public meetings, including the TRPA Governing Board and Advisory Planning Commission are now virtual, accessible with either on-line or phone-in options for broad accessibility.

Long term risks have been addressed and funded to the extent possible. There are only two significant long-term liabilities. These are accrued employee paid time off that has not yet been taken and the lease revenue bonds used to finance the building (addressed below). TRPA's retirement plan is a defined contribution plan and is fully funded. All benefit plans are fully funded. There are no known unfunded

future liabilities not addressed in these statements. TRPA is periodically subject to lawsuits whose outcome cannot be predicted. There are two permit-related lawsuits in process currently, but we do not expect any financial liabilities to arise from it. Applicants typically indemnify TRPA against the costs of defending a permit.

TRPA's Governing Board approved the FY 2020 budget in June of 2019. Budgets were adopted for the General Fund and certain Special Revenue Funds. The budgets for the El Dorado County State Transit Assistance Fund, El Dorado County Local Transportation Fund and Placer County Local Transportation Fund are adopted by the respective County jurisdictions.

TRPA continued scheduled debt service payments for Series A and B Lease Revenue Bonds in the amount of $0.4 million in interest expense. In June of 2020, these bonds were refinanced through a private placement with Heritage Bank of Nevada, a subsidiary of Glacier National Bank. The new debt issue carries a lower interest rate and provided $0.5 million of financing for deferred maintenance on the building. The debt transaction resulted in net present value (NPV) savings of $0.8 million.

Overview of the Financial Statements

Government-Wide Financial Statements - Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of TRPA finances in a manner like a private-sector business.

The Statement of Net Position presents information on all of TRPA's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing how TRPA's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., revenue earned but not received).

The government-wide financial statements report functions of TRPA that are principally supported by taxes and intergovernmental revenues, including federal and state grants, as governmental activities. The governmental activities of TRPA include administrative services, support services, legal services, environmental improvement, planning services, and research and analysis.

Reporting the Agency's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. TRPA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Agency can be divided into two categories: governmental and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of TRPA's general government operations. Governmental fund information is useful in evaluating the government's financial resources that can be spent in the near future to finance programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Readers may better understand the long-term impact of the government's near-term financing decisions through the comparison. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TRPA maintains twelve individual governmental funds. TRPA has combined the 128 Market Street Building fund, Shoreline fund, Settlement fund, and Planning Services fund into the General fund for presentation purposes. The General fund, Transportation fund, and Aquatic Invasive Species fund are each considered major Governmental funds and are presented separately. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the Required Supplementary Information elsewhere in the report.

Fiduciary Funds

Fiduciary Fund Statements provide information about the financial relationships in which TRPA acts solely as a trustee or agent for the benefit of others and are not reflected in the government-wide financial statements.

TRPA as a Whole

The Statement of Net Position provides the perspective of TRPA. Table 1 provides a summary that compares the Agency's Net Position from FY 2020 to FY 2019.

Table 1 - Summary of Statement of Net Position

	2020	2019	Change	%
Assets				
Current & Other Non-Current Assets	14,469,166	15,780,025	(1,310,859)	-8%
Capital Assets	9,145,990	9,337,747	(191,757)	-2%
Total Assets	23,615,156	25,117,772	(1,502,616)	-6%
Liabilities				
Current Liabilities and Other	7,791,518	9,004,338	(1,212,820)	-13%
Unearned Revenue	623,223	1,297,412	(674,189)	-52%
Long Term Liabilities	8,551,910	8,505,531	46,379	1%
Total Liabilities	16,966,651	18,807,281	(1,840,630)	-10%
Net Position				
Net Investment in Capital Assets of Debt	1,597,860	2,358,543	(760,683)	-32%
Restricted	2,008,830	2,381,213	(372,383)	-16%
Unrestricted	3,041,815	1,570,735	1,471,080	94%
Total Net Position	6,648,505	6,310,491	338,014	5%

Assets:

Current and Other Noncurrent Assets decreased by $1.3 million from $15.8 million on June 30, 2019 to $14.5 million on June 30, 2020. Cash with Fiscal Agent declined by $0.9M due to refinancing TRPA's long-term debt. That refinancing eliminated the need for a security deposit on the old debt. Due from other governments (outstanding invoices with other governmental entities) decreased by $0.3 million. This is due delays in invoicing certain grants. The balance was from miscellaneous current asset accounts.

Capital Assets decreased by $0.2 million or 2%, from a balance of $9.3 million on June 30, 2019, to a balance of $9.1 million on June 30, 2020. This is a net of adding $0.1 million in new assets, the development of our Shoreline permitting software and depreciation of $0.3 million.

Liabilities:

Current Liabilities decreased by $1.2 or 13% from $9.0 million on June 30, 2019 to $7.8 million on June 30, 2020. Accounts payable decreased by $1.3 million accounting for the bulk of the change. Last year, 2019, had a high A/P balance due to invoices for larger projects like Prop 1B capital grants and Tahoe Keys projects EIR/EIS.

Unearned Revenue decreased by $0.7 million, from a balance of $1.3 million as of June 30, 2019 to $0.6 million as of June 30, 2020. Abandoned securities were recognized as revenue resulting in the General Fund decrease in liabilities for $0.3 million and Transportation funds decreased by $0.4 million.

Long-Term Liabilities are largely unchanged from 2019.

Net Position:

Net Investment in Capital Assets net of debt decreased by $0.8 million from $2.4 million as of June 30th, 2019 to $1.6 million on June 30th, 2020. Refinancing our long-term debt freed up a $0.9 million security deposit. Depreciation reduced net investment by $0.2 million and the bond refinancing reduced long term debt by $0.1 million.

Restricted – Restricted Net Position increased slightly for the year.

Unrestricted – Unrestricted Net Position increased by $1.5 million from $1.5 million on June 30, 2019 to a balance of $3.0 million on June 30, 2020. Of this, $0.9 million is due to freeing up a security deposit against the old debt that was retired. Reductions in unearned revenues of $0.4 million from converting abandoned securities to revenue as discussed above was a contributor. A variety of small changes resulted in the $0.1 million balance.

Table 2 shows the changes in Net Position for fiscal year 2019 and 2020.

Table 2 - Revenue, Expenses, Changes in Net Assets

	2020	2019	Change	%
Revenues				
Program Revenues				
Charges for Services	3,608,207	2,897,252	710,955	25%
Grants and Contributions	6,970,067	7,220,626	(250,559)	-3%
General Revenues				
State Revenue	7,394,427	6,810,236	584,191	9%
Local Revenue	150,000	150,000	0	0%
Investment Earnings - Unrestricted	275,643	332,719	(57,076)	-17%
Miscellaneous	16,302	14,645	1,657	11%
Total Revenues	18,414,646	17,425,478	989,168	6%
Program Expenses				
General Government	2,934,428	2,663,662	270,766	10%
Env. Planning & Implementation	14,965,360	13,775,339	1,190,021	9%
Building Operations	150,059	165,719	(15,660)	-9%
Interest and Debt Service	396,019	391,944	4,075	1%
Total Expenses	18,445,866	16,996,664	1,449,202	9%
Increase (Decrease) in Net Assets	(31,220)	428,814	(460,034)	-107%

Program Revenues:

Charges for Services – Charges for Services Revenue increased by $0.7 million, or 25%, from $2.9 million for the year ended June 30, 2019, to $3.6 million for the year ended June 30, 2020. Implementation of TRPA's new shoreline (mooring permitting) activity accounts for most of this.

Grants and Contributions - Grants and Contributions Revenue decreased by $0.2 million, or 3%, from $7.2 million for the year ended June 30, 2019, to $7.0 million for the year ended June 30, 2020.

- Environmental Implementation grant revenue decreased by $0.1 million because of Department of Boating and Waterways grants closing out in 2019.
- Long Range and Transportation Planning grant revenue decreased by $0.5 million because of Proposition 1B funds starting to close out during fiscal year 2020.
- Research and Analysis grant revenue increased by $0.4 million because of new grants for nearshore monitoring.

General Revenues:

State Revenue increased by $0.6 million due to an increased contribution from California. The additional funds provided money for the Threshold Evaluation and improvements to the TRPA retirement plan. Investment Earnings increased by $0.1 million due to lower interest rates. Local Revenue and Miscellaneous Earnings were essentially unchanged.

Program Expenses:

The cost of all Program Expenses increased by $1.4 million, or 9% from $17.0 million for the year ended June 30, 2019, to $18.4 million for the year ended June 30, 2020. The largest changes were in bond financing and contracting. Some of the key factors that resulted in the increase include:

- A portion of the old debt, $0.2 million, was paid down when the building refinance was completed in June 2020.
- Notable contract increases totaling $1.3 million include:
    - AIS contract expenses increased by $1.0 million for LTRA funding for the Tahoe Keys Control project and $0.1 million for increased costs related to the AIS inspection program.
    - Increased work on Laketahoeinfo.org for shoreline implementation totals $0.1 million.

Fund Balances:

Table 3 provides a summary of the Fund Balances and changes from the prior year.

Table 3 - Summary of Fund Balances

	2020	2019	Change	%
General Fund	4,509,956	3,627,550	882,406	24%
Aquatic Invasive Species Fund	972,042	1,144,316	(172,274)	-15%
Transportation Fund	(110,208)	658,535	(768,743)	-117%
Other Nonmajor Governmental Funds	330,961	202,054	128,907	64%
Total Fund Balance	5,702,751	5,632,455	70,296	

TRPA's governmental funds report a combined fund balance of $5.7 million as of June 30, 2020, an increase of $0.1 million from last year. The General Fund balance increased by $0.9 million due to the factors listed above under Table 1.

General Fund Budgeting Highlights

The following discussion is limited to the General Fund only, not the total Agency financials.

TRPA adopted the FY 2020 budget in June of 2019. The budget contained the following assumptions concerning revenues and expenses:

- California's contribution decreased by $0.1 million reflecting the expiration of a one-time adjustment last year.
- Nevada's contribution was reduced by 19% by a special session of the Legislature because of COVID related reductions to state revenue.
- The Planning Fund fee for service revenue was budgeted at $1.4 million, consistent with the prior year plus a fee increase.

The budget to actual comparison for the General Fund for the year ended June 30, 2020 includes the following items:

- Revenues were $0.1 million higher than budgeted due to a combination of higher fees for services and investment income.
- Overall expenditures were $0.8 million above budget. Project work fluctuates based on available grants. All items listed below were eligible for reimbursement.
    - AIS inspection program, LTRA grants, and US Army Corps control grants exceeded budgeted expenditures by $0.5 million.
    - Transportation SB1 grants exceeded budgeted expenditures by $0.1 million.
    - Reimbursable contracts exceeded budgeted expenditures by $0.2 million.

Capital Assets

For the year ended June 30, 2020, TRPA had $9.1 million invested in capital assets. Table 4 shows June 30, 2020 balances compared to June 30, 2019.

	2020	2019	Change	%
Land	1,606,706	1,606,706	-	0%
Buildings & Improvements	10,775,610	10,775,610	-	0%
Boats, Equipment and Furniture	1,939,105	1,982,690	(43,585)	-2%
Software	733,245	733,245	-	0%
Capital In Process	259,410	157,470	101,940	65%
Accumulated Depreciation	(6,168,086)	(5,917,974)	(250,112)	4%
Total Capital Assets - Net	9,145,990	9,337,747	(191,757)	-2%

Overall capital assets decreased by $0.2 million or 2%, from $9.3 million for the year ended June 30, 2019, to $9.2 million for the year ended June 30, 2020. Capital in Process increased by $0.1 million due to shoreline permitting software developed under contract. These increases were offset by $0.3 million in Depreciation.

Long Term Debt

Table 5 - Summary of Long Term Debt

	2020	2019	Change	%
Lease Revenue Bonds	8,298,000	8,445,000	(147,000)	-2%
Compensated Absences	703,069	575,114	127,955	22%
Total Long Term Debt	9,001,069	9,020,114	(19,045)	0%

TRPA's debt considered a liability of governmental activities, decreased by $0.1 million for the year ended June 30, 2020. In June of 2020 TRPA refinanced its long-term debt releasing a $0.9 million security deposit, reducing long term debt service costs through a lower interest rate, and providing $0.5 million in funds for long-delayed building maintenance and repairs. The Net Present Value of the refinancing was a $0.8 million savings to the Agency. The new debt was placed with Heritage Bank of Nevada, a subsidiary of Glacier Bancorp. The new debt totals $8.3 million and will mature on 11/15/2044. Compensated absences increased by $0.1 million.

Factors bearing on TRPA's Future

TRPA receives significant funding from the states of California and Nevada. The compact calls for funding to be split two-thirds California and one-third Nevada. Actual funding can vary depending on each State's budget process. COVID has had a profound impact on the two state's revenues and TRPA's funding has been reduced as a result. The Agency has developed plans and budgets incorporating those reductions. Funding for Fiscal Year 2021 is secured, and the Agency is working with both states on the Fiscal Year 2022 budget (2022/23 biennium in Nevada).

The key assumptions in the General Fund revenue and expenditure budget for fiscal year 2020 were:

1. The California appropriated budget was finalized in June of 2020. TRPA has already received these funds for FY 2020.

2. The Nevada appropriated budget was approved by the Legislature in 2019, as part of the biennial budget process. Due to COVID, a special session of the Nevada Legislature met and reduced these funds by 19%. The reduction is due to substantial losses in state revenues resulting from reduced tax revenues. TRPA's internal budgets were revised downward to account for these reductions.

TRPA has received its' 2020 allocation from the State of Nevada.

3. The local support from the counties is fixed at $150,000 per the Tahoe Regional Planning Compact.

4. Development filing fees and permitting revenues are subject to fluctuations in the real estate and construction economies of the Lake Tahoe Basin. TRPA's budget for FY 2021 assumes a similar level to FY 2020. TRPA's Governing Board approved an increase in filing fees at the meeting on November 20, 2020. Fees collected may not equal budgeted totals and represent the biggest near-term risk to General Fund Revenues.

5. TRPA implemented a new Shoreline Code of Ordinances to permit buoys and structures on the lake. User fees are expected to pay the cost of the program. Revenue forecasts should be more stable than development fees since the number of permitted buoys and structures is well defined and property owners are highly incentivized to pay.

Contacting TRPA

This financial report is designed to provide a general overview of the Tahoe Regional Planning Agency's finances for those interested and to demonstrate the Agency's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Tahoe Regional Planning Agency, Finance Office, P.O. Box 5310, Stateline, Nevada 89449.

BASIC FINANCIAL STATEMENTS

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TAHOE REGIONAL PLANNING AGENCY

Statement of Net Position

June 30, 2020

(with comparative prior year information)

	Governmental Activities	
	2020	2019
Assets:		
Cash and investments (note 2)	$ 12,599,509	12,614,707
Cash and investments with fiscal agent (note 2)	10,379	909,911
Receivables:		
Accounts	2,513	15,999
Interest	43,352	68,339
Due from other governments higher than GL by 49163	1,662,719	1,992,889
Prepaid items and deposits	150,694	178,180
Capital assets not being depreciated (note 4)	1,866,116	1,764,176
Capital assets, net of accumulated depreciation (note 4)	7,279,874	7,573,571
Total assets	23,615,156	25,117,772
Liabilities:		
Accounts payable	1,480,734	2,782,181
Accrued payroll and benefits	263,810	352,611
Interest payable	12,785	32,662
Due to other governments	1,530	4,660
Due to claimants	10,190	10,190
Unearned revenue	623,223	1,297,412
Deposits payable	5,573,310	5,307,451
Long-term liabilities (note 5):		
Due within one year	449,159	514,583
Due in more than one year	8,551,910	8,505,531
Total liabilities	16,966,651	18,807,281
Net position:		
Net investment in capital assets	1,597,860	2,358,543
Restricted for:		
Environmental implementation	1,349,766	1,598,461
Long range and transportation planning	659,064	782,752
Unrestricted	3,041,815	1,570,735
Total net position	$ 6,648,505	6,310,491

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Statement of Activities

Year Ended June 30, 2020

(with comparative prior year information)

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:					
General government:					
Administrative services	$ 1,377,435	(360,802)	-	63,474	-
Support services	1,266,654	(331,785)	31,170	-	-
Legal services	290,339	(76,051)	20,431	-	-
Environmental planning, implementation, and research and analysis:					
Environmental implementation	4,283,928	288,760	772,567	1,715,623	-
Planning services	2,831,173	14,806	2,428,415	-	-
Long range and transportation planning	5,665,095	463,673	-	4,352,959	359,455
Research and analysis	2,185,164	1,399	-	478,556	-
Building and rental activities	150,059	-	355,624	-	-
Interest and fiscal charges	396,019	-	-	-	-
Total governmental activities	$ 18,445,866	-	3,608,207	6,610,612	359,455
General revenues:					
State revenue					
Local revenue					
Investment earnings, unrestricted					
Miscellaneous					
Total general revenues					
Changes in net position					
Net position, beginning of year					
Net position, end of year					

See Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position	
2020	2019
(953,159)	(877,413)
(903,699)	(732,757)
(193,857)	(233,723)
(2,084,498)	(1,040,974)
(417,564)	(543,969)
(1,416,354)	(1,281,087)
(1,708,007)	(1,981,824)
205,565	204,905
(396,019)	(391,944)
(7,867,592)	(6,878,786)
$ 7,394,427	6,810,236
150,000	150,000
275,643	332,719
16,302	14,645
7,836,372	7,307,600
(31,220)	428,814
6,679,725	5,881,677
$ 6,648,505	6,310,491

See Notes to the Basic Financial Statements

49,162 is from 650-00-00-1120 due from other gov't falls into General Fund portion fo $73017

TAHOE REGIONAL PLANNING AGENCY
Governmental Funds
Balance Sheet
June 30, 2020
(with comparative prior year information)

	General	Special Revenue Funds: Transportation Fund	Special Revenue Funds: Aquatic Invasive Species	Non-Major Governmental Funds	Totals: 2020	Totals: 2019
Assets						
Cash and investments	$ 10,951,790	150,985	1,287,743	208,991	12,599,509	12,614,707
Cash and investments with fiscal agent	10,379	-	-	-	10,379	909,911
Receivables:						
Accounts	2,490	23	-	-	2,513	15,999
Interest	42,887	465	-	-	43,352	68,339
Due from other governments	73,017	793,236	583,368	213,098	1,662,719	ok
Due from other funds (note 3)	24,034	-	-	-	24,034	
Prepaid items	149,494	-	1,200	-	150,694	178,180
Total assets	$ 11,254,091	944,709	1,872,311	422,089	14,493,200	15,832,379
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	$ 412,868	146,894	864,068	56,904	1,480,734	2,782,181
Accrued payroll and benefits	263,810	-	-	-	263,810	352,611
Due to other funds (note 3)	-	-	-	24,034	24,034	52,354
Due to other governments	1,530	-	-	-	1,530	4,660
Due to claimants	-	-	-	10,190	10,190	10,190
Unearned revenue	485,533	114,789	22,901	-	623,223	1,297,412
Deposits payable	5,573,310	-	-	-	5,573,310	5,307,451
Total liabilities	6,737,051	261,683	886,969	91,128	7,976,831	9,806,859
Deferred inflows of resources:						
Unavailable revenues	7,084	793,234	13,300	-	813,618	393,065
Total deferred inflows of resources	7,084	793,234	13,300	-	813,618	393,065
Fund balances:						
Nonspendable:						
Prepaid items	149,494	-	1,200	-	150,694	178,180
Committed for:						
Code enforcements	377,474	this is abandonned securities rev			377,474	-
Restricted for:						
Environmental implementation	-	-	970,842	354,923	1,325,765	1,322,498
Long range and transportation planning	-	-	-	72	72	779,786
Debt service	10,379	-	-	-	10,379	909,911
Building improvements	500,000	-	-	-	500,000	-
Unassigned	3,472,609	(110,208)	-	(24,034)	3,338,367	2,442,080
Total fund balances	4,509,956	(110,208)	972,042	330,961	5,702,751	5,632,455
Total liabilities, deferred inflows of resources, and fund balances	$ 11,254,091	944,709	1,872,311	422,089	14,493,200	15,832,379

TAHOE REGIONAL PLANNING AGENCY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Fund balances of governmental funds	$ 5,702,751
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	
Capital assets	15,314,076
Accumulated depreciation	(6,168,086)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities consist of the following:	
Compensated absences	(703,069)
Lease revenue bonds	(8,298,000)
Interest expenditures are recognized in the governmental funds when due. Interest expense is recorded on the accrual basis in the government-wide financial statements, and therefore these statements reflect a liability for accrued interest payable.	(12,785)
Revenue is unavailable in the governmental funds when it is not received soon enough after the year-end to be considered available. The availability criteria does not apply to the government-wide financial statements and, therefore, the revenue is not unavailable.	813,618
Net position of governmental activities	$ 6,648,505

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2020
(with comparative prior year information)

	General	Special Revenue Funds: Transportation Fund	Special Revenue Funds: Aquatic Invasive Species	Non-Major Governmental Funds	Totals: 2020	Totals: 2019
Revenues:						
Federal grants	$ -	514,084	1,763,191	260,625	2,537,900	2,236,024
State government grants and contracts	6,644,427	601,348	807,855	3,263,936	11,317,566	11,473,225
Local government grants and contracts	209,874	-	4,038	15,000	228,912	214,590
Charges for services	2,484,110	-	772,567	-	3,256,677	2,366,839
Fines and forfeitures	11,300	-	-	-	11,300	165,000
Rental income	352,329	-	-	-	352,329	365,413
Investment income	268,613	-	-	7,040	275,653	332,716
Miscellaneous revenues	13,756	-	-	-	13,756	6,756
Total revenues	9,984,409	1,115,432	3,347,651	3,546,601	17,994,093	17,160,563
Expenditures:						
Current:						
General government:						
Administrative services	1,249,480	off by 1194	-	-	1,249,480	1,239,194
Support services	1,539,970		-	-	1,539,970	1,590,379
Legal services	290,339	-	-	-	290,339	377,483
Interfund reimbursements	(768,639)	-	-	-	(768,639)	(704,761)
Environmental planning, implementation and research and analysis:						
Environmental implementation	542,866	-	3,757,876	271,946	4,572,688	3,493,094
Planning services	2,605,220	926	-	-	2,606,146	2,396,025
Long range and transportation planning	813,060	1,893,076	-	2,958,959	5,665,095	6,071,370
Research and analysis	1,976,966	-	-	208,198	2,185,164	2,113,346
Building and rental activities	150,059	-	-	-	150,059	165,719
Debt service:						
Principal payment	8,445,000	-	-	-	8,445,000	-
Bond issuance costs	239,833	-	-	-	239,833	-
Interest and fiscal charges	415,896	-	-	-	415,896	391,944
Total expenditures	17,500,050	1,894,002	3,757,876	3,439,103	26,591,031	17,133,793
Excess (deficiency) of revenues over (under) expenditures	(7,515,641)	(778,570)	(410,225)	107,498	(8,596,938)	26,770
Other financing sources (uses):						
Transfers in (note 3)	-	9,827	237,951	21,409	269,187	188,726
Transfers out (note 3)	(269,187)	-	-	-	(269,187)	(188,726)
Refunding bonds issued	8,298,000	-	-	-	8,298,000	-
Total other financing sources (uses)	8,028,813	9,827	237,951	21,409	8,298,000	-
Net changes in fund balances	513,172	(768,743)	(172,274)	128,907	(298,938)	26,770
Fund balances, beginning of year, as restated	3,996,784	658,535	1,144,316	202,054	6,001,689	5,605,685
Fund balances, end of year	$ 4,509,956	(110,208)	972,042	330,961	5,702,751	5,632,455

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Net change in fund balances - total governmental funds	$ (298,938)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:	
Depreciation	(352,029)
Capital asset additions	160,272
Compensated absences reported on the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net change is reported on the Statement of Activities.	(127,955)
Revenue is unavailable in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide financial statements and, therefore, the revenue is not unavailable.	420,553
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	
Issuance of refunding bonds	(8,298,000)
Principal paid on bonds	8,445,000
Change in net position of governmental activities	$ (31,220)

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Statement of Assets and Liabilities
June 30, 2020
(with comparative prior year information)

Assets	2020	2019
Cash and investments (note 2)	$ 13,876,303	11,882,006
Receivables:		
Interest	50,601	56,868
Due from other governments	177,740	86,642
Total assets	$ 14,104,644	12,025,516
Liabilities		
Accounts payable	$ 50,000	19,617
Due to other governments	13,811,292	11,851,133
Deposits payable	243,352	154,766
Total liabilities	$ 14,104,644	12,025,516

See Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The 91st Congress consented to the creation of the Tahoe Regional Planning Agency (TRPA) (PL 91-148) by the states of California and Nevada in 1969. The purpose of TRPA, as outlined in the state legislation, is to maintain equilibrium between the region's natural endowment and its man-made environment, and to preserve the scenic beauty and recreational opportunities of the region.

(b) Financial Statement Presentation

The basic financial statements of TRPA are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of TRPA. These statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. TRPA does not have any business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated).

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 1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) 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.

Fund Financial Statements

The underlying accounting system of TRPA is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

(1) Summary of Significant Accounting Policies (Continued)

Fund financial statements for TRPA's governmental funds are presented after the government-wide financial statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

(c) Major Funds

Major funds are defined as funds that have assets, liabilities, revenues or expenditures equal to at least ten percent of their fund-type total and at least five percent of the grand total of all fund types. The General Fund is always a major fund. TRPA may also select other funds it believes should be presented as major funds.

TRPA reports the following major governmental funds:

- *General Fund* – The General Fund is the general operating fund of TRPA and is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue include monies provided by the State of California, monies provided by the State of Nevada, and fees for services rendered.

- *Transportation Special Revenue Fund* – This fund is used to account for revenues received from federal and state grants for transportation planning for the entire Lake Tahoe basin.

- *Aquatic Invasive Species Special Revenue Fund* – The Aquatic Invasive Species Fund is used to account for revenue from federal, state and private funding sources utilized towards the detection, control and prevention of aquatic invasive species in the Lake Tahoe region.

Additionally, TRPA reports the following fund type:

Agency Funds

These funds are used to account for assets held by TRPA as an agent for other governments. The financial activities of these funds are excluded from the government-wide financial statements but are presented in a separate fiduciary fund financial statement. The financial statements include the following Agency Funds:

(1) Summary of Significant Accounting Policies (Continued)

- *California Tahoe Regional Planning Agency Tahoe Keys Fund* – This fund was established during the existence of the California Tahoe Regional Planning Agency (CTRPA), a political subdivision of the State of California, exercising responsibility for the development and enforcement of plans for land and resource development in the Lake Tahoe region of California. This fund holds environmental mitigation fees that are collected on behalf of the Lahontan Regional Water Quality Board. These fees are paid by property owners with projects located in the geographical area known as the "Tahoe Keys". Disbursements from this fund are made by TRPA subject to approval of the Lahontan Regional Water Quality Board to fund water quality projects beneficial to the Tahoe Keys.

- *California Tahoe Regional Planning Agency Securities Fund* – This fund was established during the existence of CTRPA as a mechanism of enforcement concerning project applications, project approvals and conditions of approval ensuring compliance with certain conditions as set forth by TRPA.

- *California Tahoe Regional Planning Agency Indirect Source Fund* – This fund was established during the existence of CTRPA to collect environmental mitigation fees paid by projects directly effecting air quality within the Lake Tahoe Basin. Disbursements from this fund are made by TRPA on behalf of the California Resources Agency with concurrence of the Attorney General to fund air quality projects beneficial to the Lake Tahoe region of California.

- *Excess Coverage Mitigation Fund* – This fund was established to hold environmental mitigation fees collected on behalf of the States of California and Nevada as an offsetting effect to expected impacts on land coverage. The mitigation fees are paid by project applicants in lieu of a reduction of land coverage. Disbursements from this fund are made to the States of California and Nevada to fund land purchases.

- *Mitigation Fund* – This fund was established to collect mitigation fees on behalf of various Lake Tahoe basin jurisdictions as an offsetting effect to expected impacts of certain projects within the Lake Tahoe Basin. The mitigation fees are paid by project applicants and grouped into air quality, water quality and stream zone environment. Disbursements from this fund are made to Lake Tahoe basin jurisdictions to fund eligible projects that serve to mitigate impacts of development.

(1) Summary of Significant Accounting Policies (Continued)

- *Science Advisory Council* – The states of California and Nevada established the Tahoe Science Advisory Council (TSAC) in December 2015 by a memorandum of understanding to ensure the best available science informs public policy decisions at Lake Tahoe. The agreement between the Secretary of the California Natural Resources Agency and the Director of the Nevada Department of Conservation and Natural Resources set up an independent group of scientists to work together in an advisory capacity to promote and enhance the use of the best available scientific information on matters of interest to both states. Twelve voting members of the Council include representatives of various California and Nevada research institutions along with the US Geological Survey and the US Forest Service Pacific Southwest Research Station. An Executive Committee oversees the Council and meets annually.

(d) Measurement Focus and Basis of Accounting

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, TRPA considers revenues to be 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 generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt and compensated absences of governmental funds are recorded only when payment is due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include fuel taxes collected and held by the State at year-end on behalf of TRPA, intergovernmental revenue, and interest revenue. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to TRPA; therefore, revenues are recognized based upon expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

(1) Summary of Significant Accounting Policies (Continued)

(e) Cash and Investments

Investments are reported in the accompanying financial statements at fair value. The fair value is determined based upon market closing prices. The fair value of mutual funds is stated at share value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair value. Interest earned on investments is allocated to the General Fund, certain nonmajor funds and agency funds in accordance with policies established by TRPA's management.

(f) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

- *Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

- *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:
    - Quoted prices for similar assets or liabilities in active markets;
    - Quoted prices for identical or similar assets or liabilities in markets that are inactive;
    - Inputs other than quoted prices that are observable for the asset or liability; and
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- *Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect TRPA's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include TRPA's own data.

(1) Summary of Significant Accounting Policies (Continued)

(g) Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(h) Interfund Transactions

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due from/to other funds.

(i) Capital Assets

Capital assets are defined by TRPA as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are valued at their estimated acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

TRPA depreciates its capital assets over their estimated useful lives using the straight-line method. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The range of lives used for depreciation purposes for each capital asset class is as follows:

Item	Useful Life
Buildings and improvements	10-40 years
Boats and equipment	3-12 years
Furniture and fixtures	3-12 years
Software	3 years

(j) Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. TRPA currently does not have any items that qualify for reporting in this category.

(1) Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. TRPA has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category, and is reported as unavailable revenue. Unavailable revenue arises when potential revenues do not meet both the measureable and availability criteria for recognition in the current period. In subsequent periods, when the revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

(k) Unearned Revenue

Unearned revenue represents amounts received prior to the incurrence of eligible expenditures for intergovernmental revenue that is in a form substantially equivalent to reimbursement grants. For these intergovernmental revenues, TRPA does not become entitled to the revenues until it has first incurred expenditures for the projects specified for these funds.

(l) Compensated Absences

Compensated absences include accumulated vacation and other compensatory leave balances that are accrued as earned. The employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. Compensated absences are generally liquidated in the General Fund.

(m) Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as long-term liabilities in the governmental activities. Bond discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are recorded net of the bond discount.

In the fund financial statements, governmental fund types recognize bond discounts and bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred.

(n) Fund Balances

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

(1) Summary of Significant Accounting Policies (Continued)

- *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. For TRPA, a resolution is the highest level of decision-making authority that is used to establish a commitment of 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 has delegated the ability to assign uses of specific funds, for specific purposes to the Executive Director and the Finance Director.

- *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.

(o) Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities and deferred inflows and outflows and is classified into three categories:

- *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- *Restricted net position* – represents the net position that is not accessible for general use because their use is subject to restrictions enforceable by third parties.

(1) Summary of Significant Accounting Policies (Continued)

- *Unrestricted net position* – represents those assets that are available for general use.

When both restricted and unrestricted resources are available for use, it is TRPA's policy to use restricted resources first.

(p) Use of Estimates

The preparation of basic 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 reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(q) Prior Year Data

Selected information from the prior years has been included in the accompanying financial statements in order to provide an understanding of changes in TRPA'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 TRPA's financial statements for the year ended June 30, 2019, from which this selected financial data was derived. Certain minor reclassifications of prior year data have been made in order to enhance its comparability with current year figures.

(2) Cash and Investments

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 12,599,509
Cash and investments with fiscal agent	10,379
Agency Funds:	
Cash and investments	13,876,303
Total cash and investments	$ 26,486,191

(2) Cash and Investments (Continued)

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	$ 100
Deposits with financial institutions	4,579,418
Investments	21,906,673
Total cash and investments	$ 26,486,191

Investments Authorized by the California Government Code, Nevada Revised Statutes and TRPA's Investment Policy

The table below identifies the investment types that are authorized for TRPA by the California Government Code, Nevada Revised Statutes and TRPA's investment policy. The table also identifies certain provisions of the California Government Code, Nevada Revised Statutes, or TRPA's investment policy, if more restrictive, that address interest rate risk, credit risk and concentration of credit risk.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local agency bonds	Yes	5 years	40%	None
U.S. Treasury obligations	Yes	5 years	75%	None
Federal agency securities	Yes	5 years	50%	30%
Banker's acceptances	Yes	180 days	20%	30%
Commercial paper	Yes	180 days	15%	10%
Negotiable certificates of deposit	Yes	5 years	25%	None
Repurchase agreements	Yes	90 days	None	None
Medium-term notes	Yes	5 years	20%	10%
Mutual funds	Yes	N/A	10%	10%
Money market mutual funds	Yes	N/A	20%	10%
County pooled investment fund	Yes	N/A	None	None
State investment pools	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the fiscal agent is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code, Nevada Revised Statutes or TRPA's investment policy. As of June 30, 2020, there were $10,379 in a cost of issuance fund. These funds are to be held by the Trustee in trust and applied to the cost of issuance for the 2020 Lease revenue Refunding Bonds.

(2) Cash and Investments (Continued)

Disclosures Relating to 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. One way that TRPA manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities. A portion of the portfolio is always maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for TRPA's operations. In addition, the investment policy limits purchase of securities to those with maturities of five years or less.

Information about the sensitivity of the fair value of TRPA's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of TRPA's investments by maturity.

		Maturities (in Months)	
	Total	12 Months or less	13-24 Months
Treasury Securities	$ 6,079,316	4,537,637	1,541,679
Federal Agency Securities	464,877	-	464,877
Medium Term Notes	4,594,429	3,593,082	1,001,347
Local Agency Investment Fund (LAIF)	8,854,260	8,810,975	-
Local Government Investment Pool (LGIP)	1,151,663	1,127,770	-
Money Market Funds	751,749	751,749	-
Investments with fiscal agent:			
Money Market Funds	10,379	10,379	-
Total Investments	$ 21,906,673	18,831,592	3,007,903

Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code, Nevada Revised Statutes, TRPA's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

(2) Cash and Investments (Continued)

	Total	Minimum Legal Rating	Ratings as of Year End AAA	AA+ - AA-	A+ - A-	Not Rated
Treasury Securities	$ 6,079,316	N/A*	-	-	-	-
Federal Agency Securities	464,877	N/A	-	464,877	-	-
Medium Term Notes	4,594,429	A	-	1,037,194	3,557,235	-
LAIF	8,854,260	N/A	-	-	-	8,854,260
LGIP	1,151,663	N/A	-	-	-	1,151,663
Money Market Funds	751,749	Multiple**	751,749	-	-	-
Investments with fiscal agent:						
Money Market Funds	10,379	AAA-m	10,379	-	-	-
Total Investments	$ 21,906,673		762,128	1,502,071	3,557,235	10,005,923

* - Exempt from disclosure

** - Must receive highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of $500

Concentration of Credit Risk

Concentration risk is the risk of loss attributed to the magnitude of an investor's investment in a single issue. To limit concentration risk, TRPA places a limit on the amount that can be invested in specific investment types. No investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represents 5% or more of total TRPA investments were held at year year-end.

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. TRPA's Investment Policy requires financial institutions to collateralize deposits. TRPA participates in Nevada's collateral pool for public agencies, which is overseen by the Nevada State Treasurer. Amounts with financial institutions are first covered by FDIC insurance and amounts exceeding the limit are collateralized by the bank with the Nevada State Treasurer's office. The minimum collateralization is 102% of the public deposit.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (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. To address investment custodial credit risk, TRPA's Investment Policy requires the investments be placed with an independent third party for safekeeping and that all trade where applicable will be executed by Delivery vs. Payment. This ensures that securities are deposited in eligible financial institutions prior to the release of funds.

(2) Cash and Investments (Continued)

TRPA's investment manager and its safekeeping custodian are affiliated with the same bank, but are under separate operational management. To ensure proper internal controls are in place between the manager and the safekeeping custodian, TRPA annually reviews the examination report on controls placed in operation and tests of operating effectiveness for the trust services of the investment safekeeping custodian issued by an independent public accounting firm.

TRPA uses an investment management firm to manage all of its investments that are held in securities form. The investment management firm executes investment purchases within the prescribed allowability and diversification guidelines provided by TRPA's investment policy. The investment manager places buy and sell orders with a number of broker-dealers on behalf of TRPA and in keeping with TRPA's Investment Policy. The investment manager executes all transactions using Delivery vs. Payment with the securities being held in safekeeping by the trust department affiliated with the investment manager. In addition, all cash and securities in TRPA's portfolio are held in safekeeping in TRPA's name by the safekeeping custodian, acting as agent for TRPA.

For investments identified herein as held by fiscal agent, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment and holds the investment on behalf of TRPA.

Investment in State Investment Pools

TRPA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California, and the Local Government Investment Pool (LGIP) that is regulated by the Nevada Revised Statutes under the oversight of the Treasurer of the State of Nevada. The fair value of TRPA's investments in these pools are reported in the accompanying financial

statements at an amount based upon TRPA's pro-rata share of the fair value provided by pools. The balance available for withdrawal is based on the accounting records maintained by the pools, which are recorded on an amortized cost basis. Currently, the pools do not have an investment rating.

Investment in County Investment Pool

Funds invested in county investment pools represent Local Transportation Funds under the Transportation Development Act that are held by the Counties of El Dorado and Placer, who receive the funds from the State of California on behalf of TRPA. The fair value of TRPA's investment in these pools are reported in the accompanying financial statements at an amount based upon TRPA's pro-rata share of the fair value provided by the pools. The balance available for withdrawal is based on the accounting records maintained by the pools. Currently, the pools do not have an investment rating.

(2) Cash and Investments (Continued)

Fair Value Measurement and Application

TRPA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. TRPA's investments are categorized as follows:

		Fair Value Hierarchy		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significiant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments measured at fair value:				
Treasury Securities	$ 6,079,316	6,079,316	-	-
Federal Agency Securities	464,877	-	464,877	-
Medium Term Notes	4,594,429	-	4,594,429	-
Total investments measured at fair value	11,138,622	6,079,316	5,059,306	-
Investments not measured at fair value:				
LAIF	8,854,260			
LGIP	1,151,663			
Money Market	762,128			
Total Investments not measured at fair value	10,768,051			
Total Investments	$21,906,673			

(3) Interfund Transactions

Due From/Due to Other Funds

The composition of balances related to due from other funds and due to other funds at June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 24,034

The amounts due to the General Fund represent temporary cash borrowings that will be repaid when reimbursements from granting agencies are received.

Interfund Transfers

Interfund transfers consisted of the following for the year ended June 30, 2020:

(3) Interfund Transactions (Continued)

Transfers In	Transfers Out	Amount
Transportation Fund	General Fund	$ 9,827
Aquatic Invasive Species Fund	General Fund	237,951
Nonmajor Governmental Funds	General Fund	21,409
Total		$ 269,187

Interfund transfers are primarily used: (1) to reimburse funds that have made an expenditure on behalf of another fund due to statutory requirements; (2) to pay for capital projects or capital outlays, lease or debt service payments and operating expenses; and (3) to finance various programs with unrestricted revenues.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	Balance At June 30, 2019	Additions	Deletions	Balance At June 30, 2020
Capital assets not being depreciated:				
Land	$ 1,606,706	-	-	1,606,706
Construction in progress	157,470	101,940	-	259,410
Total capital assets not being depreciated	1,764,176	101,940	-	1,866,116
Capital assets being depreciated:				
Buildings and improvements	10,775,610	-	-	10,775,610
Boats, equipment and furniture	1,982,690	58,332	(101,917)	1,939,105
Software	733,245	-	-	733,245
Total capital assets being depreciated	13,491,545	58,332	(101,917)	13,447,960
Less accumulated depreciation for:				
Buildings and improvements	(3,504,248)	(274,855)	-	(3,779,103)
Boats, equipment and furniture	(1,680,481)	(77,174)	101,917	(1,655,738)
Software	(733,245)	-	-	(733,245)
Total accumulated depreciation	(5,917,974)	(352,029)	101,917	(6,168,086)
Capital assets being depreciated, net	7,573,571	(293,697)	-	7,279,874
Total capital assets	$ 9,337,747	(191,757)	-	9,145,990

(4) Capital Assets (Continued)

Depreciation expense of $352,029 was charged to the Support Services function.

(5) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020	Amount Due in One Year	Amount Due Beyond One Year
2007 Series A Lease Revenue Bonds	$ 7,575,000	-	(7,575,000)	-	-	-
2007 Series B Lease Revenue Bonds	870,000	-	(870,000)	-	-	-
2020 Series A Lease Revenue Bonds	-	7,396,000	-	7,396,000	-	7,396,000
2020 Series B Lease Revenue Bonds	-	902,000	-	902,000	-	902,000
Compensated Absences	575,114	674,739	(546,784)	703,069	449,159	253,910
Total	$ 9,020,114	8,972,739	(8,991,784)	9,001,069	449,159	8,551,910

Lease Revenue Refunding Bonds

On June 16, 2020, TRPA issued $8,298,000 in Lease Revenue Refunding Bonds through the City of Carson, Nevada, comprised of $7,396,000 in Lease Revenue Refunding Bonds Series 2020A (Tax-Exempt) and $902,000 in Lease Revenue Refunding Bonds Series 2020B (Taxable). These 2020 Bonds were issued to currently refund the outstanding balances of TRPA's 2007 Lease Revenue Bonds, Series A and B, which were originally issued to fund the acquisition and improvements for the building located at 128 Market Street, Stateline, Nevada, which serves as TRPA's office headquarters. Principal payments for the 2020 Bonds are due annually on December 1 in amounts ranging from $98,000 to $530,000. Interest is payable semiannually at 4.00% for the 2020 Series A bonds and at 3.65% for the 2020 Series B bonds. The current refunding increased total debt service payments over the next 24 years by $808,702 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $778,937.

(5) Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

Series A Bonds			
Year Ending June 30	Principal	Interest	Total
2021	$ -	283,513	283,513
2022	-	295,840	295,840
2023	-	295,840	295,840
2024	-	295,840	295,840
2025	156,000	295,840	451,840
2026-2030	1,417,000	1,364,380	2,781,380
2031-2035	1,724,000	1,154,740	2,878,740
2036-2040	2,098,000	609,480	2,707,480
2040-2045	2,001,000	253,120	2,254,120
Total	$ 7,396,000	4,848,593	12,244,593

Series B Bonds			
Year Ending June 30	Principal	Interest	Total
2021	$ -	31,551	31,551
2022	100,000	31,098	131,098
2023	226,000	25,149	251,149
2024	235,000	16,735	251,735
2025	243,000	8,012	251,012
2026	98,000	1,789	99,789
Total	$ 902,000	114,333	1,016,333

Compensated Absences

TRPA's policies relating to employee leave benefits are described in Note 1(l). This liability will be paid in future years from future resources from the General Fund.

(6) Pledged Revenue

TRPA's 2007 Series A and Series B Lease Revenue Bonds debt service payments were collateralized by the pledging of rental income. For the current year, debt service payments as a percentage of the pledged gross revenue are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment.

(6) Pledged Revenue (Continued)

Description of Pledged Revenue	Annual Amount of Pledged Revenue	Annual Debt Service Payments (of all Debt Secured by this Revenue)	Debt Service as a Percentage of Pledged Revenue
Rental Income	$ 352,329	$ 391,344	111%

(7) Defined Contribution Pension Plan

Plan Description

TRPA offers regular employees two defined contribution retirement plans. The first is a Money Purchase Plan (MPP) which is TRPA's Social Security Replacement Plan. The second is a voluntary 457(b) deferred compensation plan. Participation and vesting in both plans are immediate. Seasonal employees, interns and short-term employees are not eligible.

Contributions

TRPA contributes 8% of the employees' pay into the MPP plan. Employer contributions are in lieu of contributing to Social Security. Employee contributions to the 457(b) plan are limited by IRS regulations, updated annually. Benefit provisions are established and may be amended by TRPA's Board of Directors. During the fiscal year ended June 30, 2020, TRPA contributed $424,854 to the MPP and employees contributed $534,011 to the 457(b) plan.

(8) Risk Management

TRPA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. TRPA protects itself against such losses with commercial insurance purchased from independent third parties. Loss exposures retained by TRPA are treated as normal expenditures and include any loss contingency not covered by TRPA's purchased insurance policies. Settlements have not exceeded covered amounts in the previous three fiscal years.

(9) Proposition 1B

As a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by California voters as Proposition 1B (Prop 1B) on November 7, 2006, TRPA was awarded funding from the Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) and the Transit System Safety, Security and Disaster Response Account (TSSSDRA). Prop 1B activity during the fiscal year ended June 30, 2020 was as follows:

(9) Proposition 1B (Continued)

	PTMISEA	TSSSDRA	Total
Unspent Prop 1B funds as of June 30, 2019	$ 421,688	60,595	482,283
Prop 1B funds received	-	61,601	61,601
Interest earned	6,603	1,194	7,797
Prop 1B expenditures incurred	(247,282)	(24,870)	(272,152)
Unspent Prop 1B funds as of June 30, 2020	$ 181,009	98,520	279,529

(10) Contingencies

Litigation

Various claims and suits have been filed against TRPA in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of TRPA.

Federal and State Grants

TRPA receives federal and state funds for specific purposes that are subject to audit by the granting agencies. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits would not have a material effect on TRPA's financial position or changes in financial position.

(11) Economic Dependency

During the fiscal year ended June 30, 2020, approximately 68% of TRPA's total revenue was derived from federal, state, and local government agencies.

(12) Expenditures Exceeding Appropriations

Expenditures exceeded appropriations in the following funds:

	Expenditures	Appropriations	Excess
Transportation fund	$1,894,002	1,809,467	84,535
Environmental Improvement Program Fund	370,654	236,187	134,467

(13) Deficit Fund Balances

TRPA has accumulated a fund deficit in the following individual funds:

Transportation Fund	$(110,208)
Placer County Local Transportation Fund	(24,034)

The Transportation fund deficit is due to unavailable revenue in the amount of $793,234. Revenue was not collected within 120 days of the fiscal year end but will be recovered in FY 2021.

The Placer County Local Transportation fund deficit will be eliminated in fiscal year 2021 when reimbursements are received for certain costs incurred in fiscal year 2020.

(14) Restatement of Beginning Equity

During the fiscal year it was noted that a certain liability balance had been overstated in the prior year. The following schedule summarizes the net effect on beginning fund balance and net position as follows:

	General Fund	Governmental Activities
Fund balance/net position as of June 30, 2019, as previously reported	$3,627,550	6,310,491
Adjustment for unearned revenue that was overstated in the prior year	369,234	369,234
Fund balance/net position as of June 30, 2019, as restated	$3,996,784	6,679,725

REQUIRED SUPPLEMENTARY INFORMATION

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TAHOE REGIONAL PLANNING AGENCY

General Fund

Budgetary Comparison Schedule

Year Ended June 30, 2020

	Budgeted Amounts			Variances with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
State government grants and contracts	$ 6,625,073	6,625,073	6,644,427	19,354
Local government grants and contracts	166,881	166,881	209,874	42,993
Charges for services	2,406,612	2,406,612	2,484,110	77,498
Fines and forfeitures	150,000	150,000	11,300	(138,700)
Rental income	328,844	328,844	352,329	23,485
Investment income	193,755	193,755	268,613	74,858
Miscellaneous revenues	6,300	6,300	13,756	7,456
Total revenues	9,877,465	9,877,465	9,984,409	106,944
Expenditures:				
Current:				
General government:				
Administrative services	1,239,491	1,239,491	1,249,480	(9,989)
Support services	1,982,021	1,982,021	1,539,970	442,051
Legal services	436,138	436,138	290,339	145,799
Interfund reimbursements	(2,118,091)	(2,118,091)	(768,639)	(1,349,452)
Environmental planning, implementation, and research and analysis:				
Environmental implementation	540,652	540,652	542,866	(2,214)
Planning services	3,702,175	3,702,175	2,605,220	1,096,955
Long range and transportation planning	911,641	911,641	813,060	98,581
Research and analysis	2,238,712	2,238,712	1,976,966	261,746
Building and rental activities	302,281	302,281	150,059	152,222
Debt service:				
Principal payment	-	8,445,000	8,445,000	-
Bond issuance costs	-	249,870	239,833	10,037
Interest and fiscal charges	391,944	391,944	415,896	(23,952)
Total expenditures	9,626,964	18,321,834	17,500,050	821,784
Excess (deficiency) of revenues over (under) expenditures	250,501	(8,444,369)	(7,515,641)	928,728
Other financing sources (uses):				
Transfers out	(255,692)	(255,692)	(269,187)	13,495
Refunding bonds issued	-	8,298,000	8,298,000	-
Total other financing sources (uses)	(255,692)	8,042,308	8,028,813	13,495
Net change in fund balance	(5,191)	(402,061)	513,172	942,223
Fund balance, beginning of year	3,996,784	3,996,784	3,996,784	-
Fund balance, end of year	$ 3,991,593	3,594,723	4,509,956	942,223

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY
Transportation Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020

	Budgeted Amounts			Variances with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal grants	$ 1,377,294	1,377,294	514,084	(863,210)
State government grants and contracts	432,175	432,175	601,348	169,173
Total revenues	1,809,469	1,809,469	1,115,432	(694,037)
Expenditures:				
Environmental planning, implementation, and research and analysis:				
Planning services	133	133	926	(793)
Long range and transportation planning	1,809,334	1,809,334	1,893,076	(83,742)
Total expenditures	1,809,467	1,809,467	1,894,002	(84,535)
Excess (deficiency) of revenues over (under) expenditures	2	2	(778,570)	(778,572)
Other financing sources:				
Transfers in	-	-	9,827	9,827
Net change in fund balance	2	2	(768,743)	(768,745)
Fund balance, beginning of year	658,535	658,535	658,535	-
Fund balance (deficit), end of year	$ 658,537	658,537	(110,208)	(768,745)

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY
Aquatic Invasive Species Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020

	Budgeted Amounts			Variances with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal grants	$ 2,068,869	2,068,869	1,763,191	(305,678)
State government grants and contracts	833,252	833,252	807,855	(25,397)
Local government grants and contracts	-	-	4,038	4,038
Charges for services	1,116,214	1,116,214	772,567	(343,647)
Total revenues	4,018,335	4,018,335	3,347,651	(670,684)
Expenditures:				
Current:				
Environmental planning, implementation, and research and analysis:				
Environmental implementation	4,342,739	4,342,739	3,757,876	584,863
Total expenditures	4,342,739	4,342,739	3,757,876	584,863
Excess (deficiency) of revenues over (under) expenditures	(324,404)	(324,404)	(410,225)	(85,821)
Other financing sources:				
Transfers in	229,014	229,014	237,951	8,937
Net change in fund balance	(95,390)	(95,390)	(172,274)	(76,884)
Fund balance, beginning of year	1,144,316	1,144,316	1,144,316	-
Fund balance, end of year	$ 1,048,926	1,048,926	972,042	(76,884)

See Note to Required Supplementary Information

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TAHOE REGIONAL PLANNING AGENCY

Note to Required Supplementary Information

Year Ended June 30, 2020

(1) Budgetary Data

TRPA follows the procedures below when establishing the budgetary data reflected in the financial statements:

1. By September 30 of each calendar year, TRPA management submits a proposed operating and capital improvement budget to the Board of Directors for the fiscal year commencing the following July 1. The budget includes the proposed expenditures and means of financing them. In order to obtain state funding, TRPA must submit budget requests to the State of California annually and the State of Nevada biannually.

2. The budget is legally enacted through adoption of a resolution by the Board of Directors.

3. TRPA's Executive Director is authorized to implement the programs as approved in the adopted budget. Within a specific fund, the Executive Director or his designee may transfer appropriations between categories, departments, projects and programs as needed to implement the adopted budget, whereas the Board of Directors must authorize budget increases and decreases, and transfers between funds. Therefore, the legal level of budgetary control is at the fund level.

4. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets were adopted for the General Fund and certain Special Revenue Funds. The budgets for the El Dorado County State Transit Assistance Fund, El Dorado County Local Transportation Fund and Placer County Local Transportation Fund are adopted by the respective County's jurisdictions.

TAHOE REGIONAL PLANNING AGENCY

General Fund

Combining Balance Sheet

Year Ended June 30, 2020

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Total
Assets						
Cash and investments	$ 8,829,420	1,492,849	476,341	144,143	9,037	10,951,790
Cash and investments with fiscal agent	-	10,379	-	-	-	10,379
Receivables:						
Accounts	2,490	-	-	-	-	2,490
Interest	42,887	-	-	-	-	42,887
Due from other governments	64,517	-	-	-	8,500	73,017
Due from other funds	24,034	-	-	-	-	24,034
Prepaid items	133,679	15,815	-	-	-	149,494
Total assets	$ 9,097,027	1,519,043	476,341	144,143	17,537	11,254,091
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	$ 353,529	7,343	26,198	16,750	9,048	412,868
Accrued payroll and benefits	263,810	-	-	-	-	263,810
Due to other governments	1,530	-	-	-	-	1,530
Unearned revenue	482,745	-	-	-	2,788	485,533
Deposits payable	5,546,404	26,906	-	-	-	5,573,310
Total liabilities	6,648,018	34,249	26,198	16,750	11,836	6,737,051
Deferred inflows of resources:						
Unavailable revenues	1,084	-	-	-	6,000	7,084
Total deferred inflows of resources	1,084	-	-	-	6,000	7,084
Fund balances:						
Nonspendable:						
Prepaid items	133,679	15,815	-	-	-	149,494
Committed for:						
Code enforcements	377,474	-	-	-	-	377,474
Restricted for:						
Debt service	-	10,379	-	-	-	10,379
Building improvements	-	500,000	-	-	-	500,000
Unassigned	1,936,772	958,600	450,143	127,393	(299)	3,472,609
Total fund balances	2,447,925	1,484,794	450,143	127,393	(299)	4,509,956
Total liabilities, deferred inflows of resources, and fund balances	$ 9,097,027	1,519,043	476,341	144,143	17,537	11,254,091

TAHOE REGIONAL PLANNING AGENCY

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2020

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Eliminations (1)	Total
Revenues:							
State government grants and contracts	$ 6,644,427	-	-	-	-	-	6,644,427
Local government grants and contracts	150,000	-	-	-	59,874	-	209,874
Charges for services	2,261,376	3,295	219,439	-	-	-	2,484,110
Fines and forfeitures	-	-	-	11,300	-	-	11,300
Rental income	-	1,041,309	-	-	-	(688,980)	352,329
Investment income	246,412	11,289	10,912	-	-	-	268,613
Miscellaneous revenues	10,156	-	-	3,600	-	-	13,756
Total revenues	9,312,371	1,055,893	230,351	14,900	59,874	(688,980)	9,984,409
Expenditures:							
Current:							
General Government:							
Administrative services	1,056,723	-	-	128,658	64,099	-	1,249,480
Support services	1,539,970						1,539,970
Legal services	290,339						290,339
Interfund reimbursements	(2,035,350)	-	-	-	-	1,266,711	(768,639)
Environmental planning, implementation, and research and analysis:							
Envir	542,866	-	-	-	-	-	542,866
Planning services	3,479,114	-	387,667	5,150	-	(1,266,711)	2,605,220
Long range and transportation planning	782,266						060
Research and analysis	1,904,944	-	72,022	-	-	-	1,976,966
Building and rental activities	688,980	150,059	-	-	-	(688,980)	150,059
Debt service:							
Principal payment	-	8,445,000	-	-	-	-	8,445,000
Bond issuance costs	-	239,833	-	-	-	-	239,833
Interest and fiscal charges	-	415,896	-	-	-	-	415,896
Total expenditures	8,249,852	9,250,788	459,689	133,808	94,893	(688,980)	17,500,050
Excess (deficiency) of revenues over (under) expenditures	1,062,519	(8,194,895)	(229,338)	(118,908)	(35,019)	-	(7,515,641)
Other financing sources (uses):							
Transfers in	-	-	-	-	35,019	(35,019)	-
Transfers out	(269,187)	-	-	(35,019)	-	35,019	(269,187)
Refunding bonds issued	-	8,298,000	-	-	-	-	8,298,000
Total other financing sources (uses)	(269,187)	8,298,000	-	(35,019)	35,019	-	8,028,813
Net change in fund balances	793,332	103,105	(229,338)	(153,927)	-	-	513,172
Fund balances (deficit), beginning of year, as restated	1,654,593	1,381,689	679,481	281,320	(299)	-	3,996,784
Fund balances (deficit), end of year	$ 2,447,925	1,484,794	450,143	127,393	(299)	-	4,509,956

(1) Transfers, rental income and other interfund charges within the group of funds that are consolidated to form the General Fund for purposes of the combined financial statements have been eliminated on this schedule.

close enough

close enough excluding 8370, 5802 7110

1194 off ok

close enough with 120

are110-31-60 and 110-33-60 in here?

TAHOE REGIONAL PLANNING AGENCY
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2020
(with comparative prior year information)

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
Assets			
Cash and investments	$ 46,122	162,797	24
Due from other governments	185,617	27,481	-
Total assets	$ 231,739	190,278	24
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 56,801	103	-
Due to other funds	-	-	-
Due to claimants	-	10,190	-
Total liabilities	56,801	10,293	-
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances (deficit):			
Restricted for:			
Environmental implementation	174,938	179,985	-
Long range and transportation planning	-	-	24
Unassigned	-	-	-
Total fund balances	174,938	179,985	24
Total liabilities, deferred inflows of resources, and fund balance	$ 231,739	190,278	24

SPECIAL REVENUE FUNDS			
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Totals 2020	2019
-	48	208,991	304,398
-	-	213,098	321,921
-	48	422,089	626,319
-	-	56,904	65,931
24,034	-	24,034	52,354
-	-	10,190	10,190
24,034	-	91,128	128,475
-	-	-	295,790
-	-	-	295,790
-	-	354,923	179,462
-	48	72	121,251
(24,034)	-	(24,034)	(98,659)
(24,034)	48	330,961	202,054
-	48	422,089	626,319

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2020

(with comparative prior year information)

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
Revenues:			
Federal grants	$ 185,622	75,003	-
State government grants and contracts	457,230	-	1,069,590
Local government grants and contracts	-	15,000	-
Investment income	-	-	2,545
Total revenues	642,852	90,003	1,072,135
Expenditures:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	162,456	109,490	-
Long range and transportation planning	-	-	1,152,415
Research and analysis	208,198	-	-
Total expenditures	370,654	109,490	1,152,415
Excess (deficiency) of revenues over (under) expenditures	272,198	(19,487)	(80,280)
Other financing sources:			
Transfers in	1,399	20,010	-
Total other financing sources	1,399	20,010	-
Net change in fund balances	273,597	523	(80,280)
Fund balances (deficit), beginning of year	(98,659)	179,462	80,304
Fund balances (deficit), end of year	$ 174,938	179,985	24

SPECIAL REVENUE FUNDS			
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Totals 2020	2019
-	-	260,625	127,905
804,381	932,735	3,263,936	2,809,108
-	-	15,000	15,000
3,956	539	7,040	17,757
808,337	933,274	3,546,601	2,969,770
-	-	271,946	165,980
870,798	935,746	2,958,959	2,644,326
-	-	208,198	405,640
870,798	935,746	3,439,103	3,215,946
(62,461)	(2,472)	107,498	(246,176)
-	-	21,409	37,732
-	-	21,409	37,732
(62,461)	(2,472)	128,907	(208,444)
38,427	2,520	202,054	410,498
(24,034)	48	330,961	202,054

TAHOE REGIONAL PLANNING AGENCY
Environmental Improvement Program
Budgetary Comparison Schedule
Year Ended June 30, 2020

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	$ 154,540	185,622	31,082
State government grants and contracts	135,138	457,230	322,092
Total revenues	289,678	642,852	353,174
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	59,950	162,456	(102,506)
Research and analysis	176,237	208,198	(31,961)
Total expenditures	236,187	370,654	(134,467)
Excess of revenues over expenditures	53,491	272,198	218,707
Other financing sources (uses):			
Transfers in	2,423	1,399	(1,024)
Net change in fund balance	55,914	273,597	217,683
Fund balance (deficit), beginning of year	(98,659)	(98,659)	-
Fund balance (deficit), end of year	$ (42,745)	174,938	217,683

TAHOE REGIONAL PLANNING AGENCY

Erosion Control Fund

Budgetary Comparison Schedule

Year Ended June 30, 2020

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	$ 134,871	75,003	(59,868)
Local government grants and contracts	-	15,000	15,000
Total revenues	134,871	90,003	(44,868)
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	159,128	109,490	49,638
Total expenditures	159,128	109,490	49,638
Excess (deficiency) of revenues over (under) expenditures	(24,257)	(19,487)	4,770
Other financing sources:			
Transfers in	24,255	20,010	(4,245)
Net change in fund balance	(2)	523	525
Fund balance, beginning of year	179,462	179,462	-
Fund balance, end of year	$ 179,460	179,985	525

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2020

(with comparative prior year information)

	CTRPA Tahoe Keys	CTRPA Securities	CTRPA Indirect Source	Excess Coverage Mitigation
Assets				
Cash and investments	$ 395,179	114,351	9,301	5,195,670
Receivables:				
Interest	1,461	423	34	18,899
Due from other governments	-	-	-	-
Total assets	$ 396,640	114,774	9,335	5,214,569
Liabilities				
Accounts payable	$ -	-	-	-
Due to other governments	396,640	-	9,335	5,214,569
Deposits payable	-	114,774	-	-
Total liabilities	$ 396,640	114,774	9,335	5,214,569

Mitigation	Science Advisory Council	Totals 2020	Totals 2019
8,161,802	-	13,876,303	11,882,006
29,784	-	50,601	56,868
-	177,740	177,740	86,642
8,191,586	177,740	14,104,644	12,025,516
50,000	-	50,000	19,617
8,141,586	49,162	13,811,292	11,851,133
-	128,578	243,352	154,766
8,191,586	177,740	14,104,644	12,025,516

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
CTRPA Tahoe Keys				
Assets				
Cash and investments	$ 386,772	11,900	3,493	395,179
Receivables:				
Interest	1,865	1,461	1,865	1,461
Total assets	$ 388,637	13,361	5,358	396,640
Liabilities				
Due to other governments	$ 388,637	12,697	4,694	396,640
Total liabilities	$ 388,637	12,697	4,694	396,640
CTRPA Securities				
Assets				
Cash and investments	$ 111,918	3,443	1,010	114,351
Receivables:				
Interest	540	423	540	423
Total assets	$ 112,458	3,866	1,550	114,774
Liabilities				
Deposits payable	$ 112,458	3,674	1,358	114,774
Total liabilities	$ 112,458	3,674	1,358	114,774

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
CTRPA Indirect Source				
Assets				
Cash and investments	$ 9,104	280	83	9,301
Receivables:				
Interest	44	34	44	34
Total assets	$ 9,148	314	127	9,335
Liabilities				
Due to other governments	$ 9,148	299	112	9,335
Total liabilities	$ 9,148	299	112	9,335
Excess Coverage Mitigation				
Assets				
Cash and investments	$ 4,267,417	975,100	46,847	5,195,670
Receivables:				
Interest	20,393	18,899	20,393	18,899
Total assets	$ 4,287,810	993,999	67,240	5,214,569
Liabilities				
Due to other governments	$ 4,287,810	986,160	59,401	5,214,569
Total liabilities	$ 4,287,810	986,160	59,401	5,214,569

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Mitigation				
Assets				
Cash and investments	$ 7,106,795	1,568,410	513,403	8,161,802
Receivables:				
Interest	34,026	29,784	34,026	29,784
Total assets	$ 7,140,821	1,598,194	547,429	8,191,586
Liabilities				
Accounts payable	$ 19,617	441,242	410,859	50,000
Due to other governments	7,121,204	1,988,926	968,544	8,141,586
Total liabilities	$ 7,140,821	2,430,168	1,379,403	8,191,586
Science Advisory Council				
Assets				
Cash and investments	$ -	211,799	211,799	-
Due from other governments	86,642	144,846	53,748	177,740
Total assets	$ 86,642	356,645	265,547	177,740
Liabilities				
Due to other governments	$ 44,334	114,906	110,078	49,162
Deposits payable	42,308	218,918	132,648	128,578
Total liabilities	$ 86,642	333,824	242,726	177,740

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and investments	$ 11,882,006	2,770,932	776,635	13,876,303
Receivables:				
Interest	56,868	50,601	56,868	50,601
Due from other governments	86,642	144,846	53,748	177,740
Total assets	$ 12,025,516	2,966,379	887,251	14,104,644
Liabilities				
Accounts payable	$ 19,617	441,242	410,859	50,000
Due to other governments	11,851,133	3,102,988	1,142,829	13,811,292
Deposits payable	154,766	222,592	134,006	243,352
Total liabilities	$ 12,025,516	3,766,822	1,687,694	14,104,644

Attachment C

TRPA Single Audit

TAHOE REGIONAL PLANNING AGENCY

Single Audit Report on Federal Awards

Year Ended June 30, 2020

TAHOE REGIONAL PLANNING AGENCY

Single Audit Report on Federal Awards

Year Ended June 30, 2020

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CERTIFIED PUBLIC ACCOUNTANTS

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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*

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 governmental activities, each major fund, and the aggregate remaining fund information of the Tahoe Regional Planning Agency (TRPA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise TRPA's basic financial statements, and have issued our report thereon dated February 16, 2021.

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 an 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 TRPAs financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TRPA'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. 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*.

TRPA's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 TRPA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
February 16, 2021

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tahoe Regional Planning Agency
Stateline, Nevada

Report on Compliance for Each Major Federal Program

We have audited the Tahoe Regional Planning Agency's (TRPA's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on TRPA's major federal program for the year ended June 30, 2020. TRPA's major federal programs are 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 TRPA'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 U.S. *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 TRPA'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 the major federal program. However, our audit does not provide a legal determination of TRPA's compliance.

Opinion on Each Major Federal Program

In our opinion, TRPA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of TRPA 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 TRPA'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 TRPA'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 material weaknesses or significant deficiencies. 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA as of and for the year ended June 30, 2020, and have issued our report thereon dated February 16, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose

of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in material respects in relation to the financial statements as a whole.

Irvine, California
February 16, 2021

TAHOE REGIONAL PLANNING AGENCY

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Interior				
Passed through United States Fish and Wildlife Service:				
Fish and Wildlife Management Assistance:				
Southern Nevada Public Lands Management Act - Round 12 Final	15.608	F18AP00268	$ 47,695	-
Invasive Species:				
Lake Tahoe Restoration Act	15.652	F18CC000767	1,560,765	-
Total U.S. Department of Interior			1,608,460	-
U.S. Department of Agriculture				
U.S. Forest Service:				
Watershed Restoration and Enhancement (Wyden Amendment):				
Meeks Bay Restoration Plan	10.693	19-PA-11051900-019	41,869	-
Lake Tahoe West Restoration Project	10.693	20-PA-11052900-010	8,535	-
Total U.S. Department of Agriculture			50,403	-
U.S. Department of Transportation				
Passed through California Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:				
Highway Planning and Research	20.505	19OWPTMPO 74A0824	716,526	-
FTA-5303	20.505	19OWPTMPO 74A0824	191,727	-
Subtotal CFDA No. 20.505			908,253	-
Passed through Nevada Department of Transportation:				
Highway and Planning Construction Cluster:				
Highway Planning and Research	20.205	PR127-18-804	228,120	-
FTA-5303	20.205	PR127-18-804	31,478	-
Research - MAP 21	20.205	P603-17-816	937	-
Subtotal CFDA No. 20.205			260,536	-
Total U.S. Department of Transportation			1,168,788	-
U.S. Environmental Protection Agency				
Passed through State of Nevada:				
State of Nevada: Non-Point Source Implementation Grants	66.460	DEP 19-037	75,003	-
State of Nevada: NDEP 106	66.419	NDEP #19-036	68,196	-
State of Nevada: NDEP 106	66.419	NDEP #20-025	11,700	-
State of Nevada: NDEP 106	66.419	NDEP #20-013	22,000	-
Subtotal CFDA No. 66.419			101,896	-
Passed through Nevada Division of Environmental Protection:				
US EPA Regional Wetlands Program Development Grants	66.461	99T64901	20,414	-
Total U.S. Environmental Protection Agency			197,313	-
U.S. Army Corps of Engineers				
Lake Tahoe Aquatic Invasive Species Program Phase II	*	PPA 29	132,896	-
Total U.S. Army Corps of Engineers			132,896	-
Total expenditures of federal awards			$ 3,157,861	-

* No CFDA number because this Federal Award is an agreement, not a grant.

See Note to Schedule of Expenditures of Federal Awards.

TAHOE REGIONAL PLANNING AGENCY

Note to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Tahoe Regional Planning Agency (TRPA) that are reimbursable under programs of federal agencies providing financial awards. For the purposes of this schedule, financial awards include federal awards received directly from a federal agency, as well as federal funds received indirectly by TRPA from a non-federal agency or other organization. Only the portions of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum reimbursement authorized or the portion of the program expenditures that were funded with other state, local or other non-federal funds are excluded from the accompanying schedule.

Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized when incurred. Expenditures reported include any property or equipment acquisitions incurred under the federal program. TRPA elected to not use the 10% de minimis cost rate and obtained a negotiated indirect cost rate of 75.52% from its cognizant agency.

TAHOE REGIONAL PLANNING AGENCY

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	Yes
3. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	None Reported
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No

4. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
15.652	Invasive Species

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	Yes

Section II - Financial Statement Findings

2020-001: Auditor Detected Audit Adjustment

During our audit, we identified a material adjustment to correct unearned revenue that was overstated in the prior year. It had been the practice of TRPA to record as unearned revenue deposit payable amounts that were determined to be abandoned. However, in accordance with the accounting standards, these amounts should be considered revenue at the time they are determined to be abandoned. Auditing standards require the auditors to include an internal control recommendation when there are material audit adjustments.

Recommendation

To minimize auditor detected adjustments and prior period adjustments, TRPA should establish procedures to, whenever possible, identify adjustments in the reporting period in which the related transactions occurred. However, it is recognized that this is not always possible and on occasion TRPA accounting procedures will properly identify adjustments in subsequent periods. We also recommend that TRPA recognize as revenue deposits payable amounts when they are determined to be abandoned.

Management Response

TRPA agrees with the auditor's finding. Abandoned securities exist when the Agency is satisfied that the terms of the permit have been met, the applicant has not requested a return of their project security, and the Agency has exhausted available resources to locate the payee. The Governing Board reviews and approves all abandoned securities. TRPA failed to recognize revenue at the time the Board approved abandonment. The individual securities are relatively small but aggregate to a material amount. We have corrected the error and will recognize revenue upon approval of abandonments in the future.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2020.

TAHOE REGIONAL PLANNING AGENCY

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2020

Summary of Prior Audit Findings and Current Status

There are no audit findings identified in the prior year audit report.

Attachment D

TSAC Audited Financial Statements