

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2019

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TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures and Changes in Fund Balances	30
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Agency Funds:	
Statement of Assets and Liabilities	32
Notes to the Basic Financial Statements	33
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	56
Transportation Special Revenue Fund	57
Aquatic Invasive Species Special Revenue Fund	58
Note to Required Supplementary Information	59
Supplementary Schedules:	
General Fund:	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

(Continued)

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Supplementary Schedules (Continued):	
Non-Major Governmental Funds:	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64
Budgetary Comparison Schedules:	
Special Revenue Funds:	
Environmental Improvement Program Fund	66
Erosion Control Fund	67
Agency Funds:	
Combining Statement of Assets and Liabilities	68
Combining Statement of Changes in Assets and Liabilities	70

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, 2019, 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, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the financial statements of TRPA for the year ended June 30, 2018 and we expressed an unmodified audit opinion on those financial statements in our report dated December 11, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 December 10, 2019 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.

A handwritten signature in blue ink that reads "Davis Lane" followed by a stylized flourish.

Irvine, California
December 10, 2019

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TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The Tahoe Regional Planning Agency (TRPA) was created in 1969 by a Compact between the States of Nevada and California, and ratified by the U.S. 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 both 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's 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, which is costly and labor-intensive.

The Lake Tahoe region, and TRPA's jurisdiction, covers over 500 square miles. Approximately 90% of the land area is held by the USDA Forest Service and various other state and local entities. 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.

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 50+ 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, 2019. 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.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

TRPA Highlights

TRPA celebrated the 10-year anniversary of our highly successful and nation-leading Aquatic Invasive Species prevention plan in 2019. We are pleased to announce no new invasive species have been detected in the lake since the plan was adopted.

Other Highlights for Fiscal Year (FY) 2019 include: adopting and implementing a new set of shoreline regulations, 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 Aquatic Invasive Species from the 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, increasing collaboration and improving 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 operations of the Tahoe Science Advisory Council to link science and decision making. Public restoration funding is rebounding. California and Nevada committed bond monies to the lake's restoration and the federal Lake Tahoe Restoration Act passed in December 2016.

TRPA is working with agency partners, stakeholders, and the 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 the University of California Davis, University of Nevada Reno, Desert Research Institute, US Geological Survey, and the USDA Forest Service Pacific Southwest Research Station.

Following adoption of TRPA's strategic plan in June 2014, the Agency's focus in FY 2019 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. The TRPA Governing Board established five major strategic initiatives:

- Shoreline Initiative
- Development Rights
- Transportation
- Thresholds Update
- Forest Health

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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 operations divisions are organized to reflect the adaptive management model.

The Long Range and Transportation Planning Division represents the “plan” function. The Current Planning Division and Environmental Improvement Division 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” the day-to-day operations of the Agency. This 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. Long Range Planning and Transportation is also the lead on the Main Street Management Plan portion of the South Shore community Revitalization project, and Transportation strategic initiatives. The 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 are met. The Code Compliance team reviews and issues tree removal permits and includes two watercraft crews to monitor shoreline conditions and enforce TRPA boating ordinances.
- The Research & Analysis Division is responsible for ensuring that TRPA planning and implementation are guided by the best available scientific information and technical data. The

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 & Analysis coordinates the 4-year Threshold Evaluation to report on progress toward threshold attainment (the 2019 Threshold Evaluation Report will be released in 2020), directs the Agency's development of the LakeTahoeInfo.org platform and also 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 scientific knowledge.

- The Environmental Improvement Division coordinates a public-private partnership of over 80 partners, a collaborative restoration initiative that rivals some of the largest in the United States in scope. 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 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 Best Management Practices (BMPs) for residential, commercial, and public properties.
 - Forest Health program management, including collaborative planning and permitting of fuels 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 activities 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 2019 totaled \$17.4 million. The State of California's annual commitment was \$4.6 million, and the State of Nevada's commitment was \$2.2 million. State and local annual commitments represent 40% 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 41% of revenues, amounting to \$7.2 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.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Fees for services amounted to \$2.9 million or 17% 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 declined by \$0.2 million from 2018. AIS fees were largely unchanged from FY 2018.

Agency Expenditures

Total expenditures for FY 2019 were \$17.0 million. Staff costs accounted for \$6.4 million or 38% of the total. Contracts comprised \$9.2 million or 55% of the total. Financing costs related to the bonds for the TRPA office building amounted to \$0.4 million or 2% of total expenditures.

TRPA works closely with other governmental entities in the basin to fund and execute various environmental initiatives. During FY 2019, TRPA passed through:

- \$2.2 million in funding to the Tahoe Transportation District.
- \$1.0 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.
- \$0.7 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 7% or \$0.2 million during FY 2019. This is due to a surplus of revenues over expenses.

Key Operational Accomplishments in FY 2019

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 \$5.2 million in grants from the Federal Government and the states of California and Nevada to support these activities. Almost \$2.7 million of this funding was passed on to transit operators, Placer County and TTD. TRPA incurred \$1.1 million in personnel costs and \$4.5 million in contract and operating costs related to LRTP.

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

- 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 reviewing 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.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

- Continued coordination with multi-agency coalitions to address housing challenges for the Tahoe Region and the development of a regional housing work plan.
- Supported the implementation of the Shoreline Plan including contract management, development of a Greenhouse Gas Reduction Strategy, research and surveys to verify environmental assumptions, research and surveys to verify environmental assumptions, and stakeholder engagement.
- Continued leading sustainable recreation for the Tahoe Basin including participation on the State Route 89 Recreation Corridor Management Plan and a 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.
- Continued leadership in promoting environmental conservation and planning including hosting and speaking at the Mountain and Resort Town Planners Summit, participating in a national podcast series, and growing peer-collaboration on sustainable development in southern Chile.
- Continued user data collection by completing an annual recreation user online survey with 500+ responses, and a shoreline user intercept survey with 400+ responses.
- Coordinated with local land banks in California and Nevada to increase the effectiveness of the development rights system.
- Developed 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 860 permit applications during FY 2019 and issued 787 permits. Almost all these applications were processed within 120 days of receiving a complete application meeting TRPA's Code of Ordinances and operations performance measure. Fees for services totaled \$1.9 million during the fiscal year. TRPA spent \$1.5 million on personnel costs and \$0.7 million on contracts and operating costs in the Current Planning Division. Field inspectors performed 912 project inspections during the year, and 846 tree removal reviews. Project inspections resulted in the resolution and return of 137 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 began during Fiscal Year 2019 for property owners with existing moorings. The program uses a new online registration and permitting system accessed on the Lake Tahoe Info website (<https://parcels.laketahoeinfo.org/MooringRegistration/Welcome>). Through the end of the fiscal year, more than 400 applications/registrations had been submitted using TRPA's online platform. Submitted applications for moorings during the fiscal year included 1,483 buoys, 140 boat lifts, and 78 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. TRPA began accepting new pier proposals

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

for single-use and multiple-use piers June 1. By the end of the month, TRPA had received 117 preliminary pier applications.

Research and Analysis Division:

The Research & Analysis Division (R&A) collects information from our partner agencies and other Divisions within TRPA to report on TRPA's planning and implementation programs and regional progress toward threshold attainment. During the Fiscal Year the TRPA Governing Board continued the process of modernizing and updating our Threshold system. The board voted unanimously to provide a more seamless connection between the threshold standards and the Regional Plan and continue to bring the threshold standards in line with best practices, by co-locating the threshold standards with the Regional Plan and removing six narrative policy statements as threshold standards. The modifications were the result of ongoing work with the Tahoe Science Advisory Council Threshold Update Working group, and other partners. Co-locating the threshold standards and Regional Plan makes the environmental goals to be achieved by the Regional Plan clearer and more apparent. Identifying the policies and measures to achieve those goals within the same document directly links the TRPA Compact's mission to set environmental threshold standards and develop a Regional Plan to meet those standards.

R&A's ongoing activities include managing and organizing TRPA's data and information systems to improve the public transparency and openness of TRPA's 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 new shoreline regulations and programs, including developing the new 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 creating the new mooring permitting and registration system on <https://laketahoeinfo.org/Moorings>. Other notable accomplishments this year include creation of a new boat navigation system for the TRPA boats and supporting the implementation of the development rights program with new tools on <https://LakeTahoeInfo.org>. Additionally, R&A staff have started the data organization, collection and analysis necessary to support the upcoming publication of the 2019 TRPA Threshold Evaluation expected to be released in 2020. The 2019 Threshold Evaluation, 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.

R&A received \$0.1 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 2019, expenses included \$1.0 million in personnel and \$1.1 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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 received \$1.6 million in grants, \$0.7 million in State Funds, and \$0.6 million in fees for services. The Division spent \$0.8 million on compensation and \$2.4 million on contracts and other costs during the year. 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 completed in FY2019 included the iconic 3-mile Tahoe East Shore Trail, a landmark project for the Tahoe Trail. More than \$1 million in philanthropic donations from the Tahoe Fund allowed the Nevada Department of Transportation and the Tahoe Transportation District to unlock \$20 million in public funding for the multi-benefit project. This project demonstrates years of collaborative planning and strategic implementation by more than 10 organizations to bring a bold and innovative project to fruition. Other project accomplishments include restoration of Baldwin Meadow by the USDA Forest Service through prescribed burning, environmentally beneficial upgrades to public facilities at the Roundhill Pines and Zephyr Cove properties, and a UC Davis pilot project to remove invasive Mysis shrimp from the lake.

The Lake Tahoe Aquatic Invasive Species (AIS) Program continued implementation of the nationally recognized watercraft inspection program, to prevent infestation of new invasive species. Last year, the program celebrated 10 years of fighting AIS, with no new invasions detected. TRPA oversaw watercraft inspections performed by Tahoe Resource Conservation District (Tahoe RCD) inspectors at four 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. Tahoe RCD performed 9,367 boat inspections—the highest volume of inspections in a single year to date. Inspectors decontaminated 4,952 boats and intercepted 31 boats carrying invasive species, eight of them with quagga mussels, preventing an environmental catastrophe. Outreach has been a critical part of the program and has been very 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 \$0.6 million in inspection fees. We also received \$1.5 million in grants to pay for treatment programs. TRPA incurred \$0.3 million in personnel costs and \$2.2 million in contract and \$0.3 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. Utilizing funding from LTRA, TRPA initiated a 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 Tahoe RCD, and the League to Save Lake Tahoe. These stakeholders are working together to design a project that will test a variety of different AIS control methods to inform the long-term management strategy of AIS within the Tahoe Keys. Because the infestation is over 170 acres, new methods such as herbicide and UV light treatment are being proposed, which will require a robust environmental impact review and testing methodology, along with Lahontan Water Board and TRPA board approval. In fiscal year 2019, a stakeholder assessment was completed, the stakeholder committee was formed, and public engagement through the formal scoping process was completed.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The 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 251 residential and 23 commercial BMP certificates during FY 2019 reflecting private property owner investments to improve environmental conditions in the Region. Funding for this activity included \$0.1 million in grants from the U.S. Environmental Protection Agency passed through California State Water Resources Control Board and Nevada Division of Environmental Protection. TRPA spent \$0.1 million in personnel 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 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 2019, the LTW partnership developed the Landscape Resilience Strategy that identifies priority areas for treatment and a roadmap for project implementation over the next twenty years. In a parallel process, TRPA initiated a code update process to update the Vegetation Management chapter of the TRPA Code of Ordinances. The goal of this process is to make the code more user-friendly for project implementers and to bring regulations up to date with contemporary forest practices.

On public lands, implementing agencies including the USDA Forest Service, state agencies and local jurisdictions completed over 2,800 acres of fuels treatments basin-wide in the 2019 field season. TRPA also issues tree permits for removal of hazardous trees on private property. After receipt of 898 applications, TRPA issued 846 permits for tree removal in FY 2019. Tree permits can now be processed entirely online, with 77% of applicants choosing to file through the TRPA website. Average time to issue a tree 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. Staffing shortages and contract underruns resulted in a surplus for FY 2019. That surplus was rolled forward into FY 2020 to fund ongoing multi-year Agency projects.

Long term risks have been addressed and funded to the extent possible. There are only two significant long-term liabilities. 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 is one permit-related lawsuit in process currently, but we do not expect any

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

financial liabilities to arise from it. Applicants typically indemnify TRPA against the costs of defending a permit.

TRPA's Governing Board approved the FY 2019 budget in June of 2018. 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. The bonds were issued through the Nevada Division of Business and Industry to acquire the TRPA office building in Stateline, Nevada.

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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 as a whole. Table 1 provides a summary that compares the Agency's Net Position from FY 2019 to FY 2018.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Table 1 - Summary of Statement of Net Position

	2019	2018	Change	%
Assets				
Current & Other Non-Current Assets	15,780,025	14,718,120	1,061,905	7%
Capital Assets	9,337,747	9,175,911	161,836	2%
Total Assets	<u>25,117,772</u>	<u>23,894,031</u>	<u>1,223,741</u>	5%
Liabilities				
Current Liabilities and Other	9,004,338	7,110,437	1,893,901	27%
Unearned Revenue	1,297,412	2,398,278	(1,100,866)	-46%
Long Term Liabilities	8,505,531	8,503,639	1,892	0%
Total Liabilities	<u>18,807,281</u>	<u>18,012,354</u>	<u>794,927</u>	4%
Net Position				
Net Investment in Capital Assets of Debt	2,358,543	2,337,745	20,798	1%
Restricted	2,381,213	2,328,971	52,242	2%
Unrestricted	1,570,735	1,214,961	355,774	29%
Total Net Position	<u>6,310,491</u>	<u>5,881,677</u>	<u>428,814</u>	7%

Assets:

Current and Other Noncurrent Assets increased by \$1.1 million from \$14.7 million at June 30, 2018 to \$15.8 million at June 30, 2019. Cash and investments increased by \$0.4 million. Due from other governments (outstanding invoices with other governmental entities) increased by \$0.6 million. This is due to a higher level of outstanding invoices at year-end over the prior year. The balance was from miscellaneous current asset accounts.

Capital Assets increased by \$0.2 million or 2%, from a balance of \$9.2 million at June 30, 2018, to a balance of \$9.3 million at June 30, 2019. This is due to the purchase of a new decontamination unit for the AIS prevention program.

Liabilities:

Current Liabilities increased by \$1.9 million from \$7.1 million on June 30, 2018 to \$9.0 million at June 30, 2019. Mitigation funds increased by \$1.2 million. Another \$0.4 million is due to an increase in project securities held for others. An increase in year-end Accounts Payable balances accounts for the remainder.

Unearned Revenue decreased by \$1.1 million, or 46% from a balance of \$2.4 million as of June 30, 2018 to \$1.3 million as of June 30, 2019. Deferred revenue for the Prop 1B program reduced by \$1.1 million during FY 2019 when funds were passed through to Tahoe Area Rural Transit and Tahoe Transportation District to implement the Prop 1B program including transit equipment, safety and security measures, and the Lake Tahoe Community College Mobility Hub.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Long-Term Liabilities are largely unchanged from 2018.

Net Position:

Net Investment in Capital Assets is largely unchanged due to depreciation offsetting new acquisitions.

Restricted – Restricted Net Position increased slightly for the year.

Unrestricted – Unrestricted Net Position increased by \$0.4 million from \$1.2 million at June 30, 2018 to a balance of \$1.6 million at June 30, 2019. This is entirely due to the surplus of revenues over expenses.

Table 2 shows the changes in Net Position for fiscal year 2018 and 2019.

Table 2 - Revenue, Expenses, Changes in Net Assets				
	2019	2018	Change	%
Revenues				
Program Revenues				
Charges for Services	2,897,252	3,094,298	(197,046)	-6%
Grants and Contributions	7,220,626	5,192,557	2,028,069	39%
General Revenues				
State Revenue	6,810,236	6,967,457	(157,221)	-2%
Local Revenue	150,000	150,000	0	0%
Investment Earnings - Unrestricted	332,719	118,337	214,382	181%
Miscellaneous	14,645	30,822	(16,177)	-52%
Total Revenues	<u>17,425,478</u>	<u>15,553,471</u>	<u>1,872,007</u>	12%
Program Expenses				
General Government	2,663,662	3,339,821	(676,159)	-20%
Env. Planning & Implementation	13,775,339	11,323,220	2,452,119	22%
Building Operations	165,719	220,632	(54,913)	-25%
Interest and Debt Service	391,944	391,944	0	0%
Total Expenses	<u>16,996,664</u>	<u>15,275,617</u>	<u>1,721,047</u>	11%
Increase (Decrease) in Net Assets	<u>428,814</u>	<u>277,854</u>	<u>150,960</u>	54%

Program Revenues:

Charges for Services – Charges for Services Revenue decreased by \$0.2 million, or 6%, from \$3.1 million for the year ended June 30, 2018, to \$2.9 million for the year ended June 30, 2019. This is due to a reduction in planning revenues.

Grants and Contributions - Grants and Contributions Revenue increased by \$2.0 million, or 39%, from

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

\$5.2 million for the year ended June 30, 2018, to \$7.2 million for the year ended June 30, 2019.

- AIS grants increased by \$0.9 Million:
 - \$0.6 million increase due to a US Fish and Wildlife Service control grant for developing a project to control weeds in the Tahoe Keys.
 - \$0.3 million is due to California Department of Boating and Watercraft grants for the purchase of a new decontamination unit and other watercraft inspection supplies.
- Transportation Planning Services grants and contributions increased by \$1.4 million.
 - Proposition 1B funding from the state of California increased by 0.9 million
 - \$0.4 million is due the TDA funding for Transit projects on both the North and South shores.
 - Miscellaneous transportation grants account for the balance.
- Completion of the CEC PEV grant reduced revenues by \$0.1 million
- Reductions in Clean Water Act (319 program) grants also reduced revenues by \$0.1 million.

General Revenues:

State Revenue decreased by \$0.2 million. The decrease reflects expiration of a \$0.2 million one-time allocation from California. Investment Earnings increased by \$0.2 million due to higher interest rates. Local Revenue and Miscellaneous Earnings were essentially unchanged.

Program Expenses:

The cost of all Program Expenses increased by \$1.7 million, or 11% from \$15.3 million for the year ended June 30, 2018, to \$17.0 million for the year ended June 30, 2019. The largest increases were in contracting and compensation. Some of the key factors that resulted in the increase include:

- Compensation increased by \$0.5 million. This increase reflects three items, a) annual 3% salary increase, b) increased headcount from filling vacancies and converting one intern to a full-time staff and c) increases in benefit costs.
- Implementation of the Agency's Shoreline Regulations required substantial up-front work, increasing contracts by \$0.3 million.
- AIS contract expenses increased by \$0.9 million. Development of a management plan for the Tahoe Keys accounts for \$0.6 million of that. An additional \$0.3 million was spent on capital investments for the prevention program, including purchasing new decontamination units.

Fund Balances:

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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Table 3 - Summary of Fund Balances

	2019	2018	Change	%
General Fund	3,627,550	3,400,879	226,671	7%
Aquatic Invasive Species Fund	1,144,316	1,098,694	45,622	4%
Transportation Fund	658,535	695,614	(37,079)	-5%
Other Nonmajor Governmental Funds	202,054	410,498	(208,444)	-51%
Total Fund Balance	5,632,455	5,605,685	26,770	

TRPA's governmental funds report a combined fund balance of \$5.6 million as of June 30, 2019, a negligible change from last year. Some key factors that resulted in the increase include:

- General Fund balance increased by \$0.2 million due to a surplus of revenues over expenses.
- Other non-major governmental funds decreased by \$0.2 million due to a variety of small changes.

General Fund Budgeting Highlights

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

TRPA adopted the FY 2019 budget in June of 2018. The budget contained the following assumptions concerning revenues and expenses:

- California's contribution decreased by \$0.1 million
- Nevada's contribution was unchanged from FY 2018.
- 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, 2019 includes the following items:

- Revenues were \$0.5 million higher than budgeted.
 - Fees collected from the new Shoreline Regulations increased fees for service by \$0.3 million.
 - Investment income was up \$0.2 million due to higher interest rates.
- Overall expenditures were \$0.1 million below budget.
 - Contract expenses were \$0.1 million below projections. This is primarily due to reduced spending on the <https://LakeTahoeInfo.org> platform.

Capital Assets

For the year ended June 30, 2019, TRPA had \$9.3 million invested in capital assets. Table 4 shows June 30, 2019 balances compared to June 30, 2018.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Table 4 - Summary of Capital Assets Net of Depreciation

	2019	2018	Change	%
Land	1,606,706	1,606,706	0	0%
Buildings & Improvements	10,775,610	10,749,152	26,458	0%
Boats, Equipment and Furniture	1,982,690	1,821,138	161,552	9%
Software	733,245	733,245	0	0%
Capital In Process	157,470	0	157,470	
Accumulated Depreciation	(5,917,974)	(5,734,330)	(183,644)	3%
Total Capital Assets - Net	<u>9,337,747</u>	<u>9,175,911</u>	<u>161,836</u>	2%

Overall capital assets increased by \$0.2 million or 2%, from \$9.2 million for the year ended June 30, 2018, to \$9.3 million for the year ended June 30, 2019. Capital purchased to support the AIS prevention program increased both Boats, Equipment and Furniture and the Building Improvements categories by \$0.2 million. The software increase was due to shoreline permitting software developed under contract in the amount of \$0.2 million. These increases were offset by \$0.2 million in Depreciation.

Long Term Debt

Table 5 - Summary of Long Term Debt

	2019	2018	Change	%
Lease Revenue Bonds	8,445,000	8,445,000	0	0%
Compensated Absences	<u>575,114</u>	<u>550,407</u>	<u>24,707</u>	4%
Total Long Term Debt	<u>9,020,114</u>	<u>8,995,407</u>	<u>24,707</u>	0%

TRPA's debt considered a liability of governmental activities, is largely unchanged for the year ended June 30, 2019. The Agency prepaid the FY 2019 principal payment on the lease revenue bonds and compensated absences changed by an immaterial amount.

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. Funding for Fiscal Year 2020 is secured, and the Agency is working with both states on the Fiscal Year 2021 budget.

In 2007, TRPA issued \$13.5 million in General Lease Revenue Bonds to finance the acquisition of the Agency's headquarters. These bonds have a 30-year maturity schedule. From June of 2018 on, TRPA has the right to call all or part of these bonds. In June of 2018, TRPA called \$2.9 million of the bonds, significantly reducing annual debt service costs by over \$0.4 million per year through 2025. Total savings to the agency amounts to almost \$1 million in reduced interest expense.

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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

1. The California appropriated budget was finalized in June of 2019. 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. TRPA has already received these funds for FY 2020.
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 2020 assumes a similar level to FY 2019. TRPA's Governing Board approved an increase in filing fees at the meeting on November 20, 2019. These fees 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.

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BASIC FINANCIAL STATEMENTS

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TAHOE REGIONAL PLANNING AGENCY
Statement of Net Position
June 30, 2019
(with comparative prior year information)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Cash and investments (note 2)	\$ 12,614,707	12,217,841
Cash and investments with fiscal agent (note 2)	909,911	893,479
Receivables:		
Accounts	15,999	8,258
Interest	68,339	55,040
Due from other governments	1,992,889	1,383,938
Prepaid items and deposits	178,180	159,564
Capital assets not being depreciated (note 4)	1,764,176	1,606,706
Capital assets, net of accumulated depreciation (note 4)	<u>7,573,571</u>	<u>7,569,205</u>
Total assets	<u>25,117,772</u>	<u>23,894,031</u>
Liabilities:		
Accounts payable	2,782,181	1,221,010
Accrued payroll and benefits	352,611	386,348
Interest payable	32,662	32,662
Due to other governments	4,660	1,530
Due to claimants	10,190	10,190
Unearned revenue	1,297,412	2,398,278
Deposits payable	5,307,451	4,966,929
Long-term liabilities (note 5):		
Due within one year	514,583	491,768
Due in more than one year	<u>8,505,531</u>	<u>8,503,639</u>
Total liabilities	<u>18,807,281</u>	<u>18,012,354</u>
Net position:		
Net investment in capital assets	2,358,543	2,337,745
Restricted for:		
Long range and transportation planning	782,752	797,355
Environmental implementation	1,598,461	1,531,616
Unrestricted	<u>1,570,735</u>	<u>1,214,961</u>
Total net position	<u>\$ 6,310,491</u>	<u>5,881,677</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY
Statement of Activities
Year Ended June 30, 2019
(with comparative prior year information)

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government:					
Administrative services	\$ 1,263,901	(333,298)	-	53,190	-
Support services	1,022,278	(269,581)	19,940	-	-
Legal services	377,483	(99,545)	44,215	-	-
Environmental planning, implementation, and research and analysis:					
Environmental implementation	3,198,069	295,025	610,417	1,841,703	-
Planning services	2,392,554	3,471	1,852,056	-	-
Long range and transportation planning	6,071,370	403,430	-	4,191,429	1,002,284
Research and analysis	2,113,346	498	-	132,020	-
Building and rental activities	165,719	-	370,624	-	-
Interest and fiscal charges	391,944	-	-	-	-
Total governmental activities	<u>\$ 16,996,664</u>	<u>-</u>	<u>2,897,252</u>	<u>6,218,342</u>	<u>1,002,284</u>
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

<u>2019</u>	<u>2018</u>
(877,413)	(923,947)
(732,757)	(1,319,012)
(233,723)	(338,839)
(1,040,974)	(1,012,479)
(543,969)	8,404
(1,281,087)	(1,387,031)
(1,981,824)	(1,744,757)
204,905	120,843
<u>(391,944)</u>	<u>(391,944)</u>
<u>(6,878,786)</u>	<u>(6,988,762)</u>
\$ 6,810,236	6,967,457
150,000	150,000
332,719	118,337
<u>14,645</u>	<u>30,822</u>
<u>7,307,600</u>	<u>7,266,616</u>
428,814	277,854
<u>5,881,677</u>	<u>5,603,823</u>
<u>\$ 6,310,491</u>	<u>5,881,677</u>

TAHOE REGIONAL PLANNING AGENCY
Governmental Funds
Balance Sheet
June 30, 2019
(with comparative prior year information)

		Special Revenue Funds		Non-Major	Totals	
	General	Transportation Fund	Aquatic Invasive Species	Governmental Funds	2019	2018
Assets						
Cash and investments	\$ 9,600,723	1,515,926	1,193,660	304,398	12,614,707	12,217,841
Cash and investments with fiscal agent	909,911	-	-	-	909,911	893,479
Receivables:						
Accounts	15,976	23	-	-	15,999	8,258
Interest	59,934	8,405	-	-	68,339	55,040
Due from other governments	51,834	671,927	947,207	321,921	1,992,889	1,383,938
Due from other funds (note 3)	52,354	-	-	-	52,354	-
Prepaid items	176,900	-	1,280	-	178,180	159,564
Total assets	\$ 10,867,632	2,196,281	2,142,147	626,319	15,832,379	14,718,120
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	\$ 753,787	1,043,464	918,999	65,931	2,782,181	1,221,010
Accrued payroll and benefits	352,611	-	-	-	352,611	386,348
Due to other funds (note 3)	-	-	-	52,354	52,354	-
Due to other governments	4,660	-	-	-	4,660	1,530
Due to claimants	-	-	-	10,190	10,190	10,190
Unearned revenue	806,096	491,316	-	-	1,297,412	2,398,278
Deposits payable	5,307,451	-	-	-	5,307,451	4,966,929
Total liabilities	7,224,605	1,534,780	918,999	128,475	9,806,859	8,984,285
Deferred inflows of resources:						
Unavailable revenues	15,477	2,966	78,832	295,790	393,065	128,150
Total deferred inflows of resources	15,477	2,966	78,832	295,790	393,065	128,150
Fund balances:						
Nonspendable:						
Prepaid items	176,900	-	1,280	-	178,180	159,564
Restricted for:						
Environmental implementation	-	-	1,143,036	179,462	1,322,498	1,443,898
Long range and transportation planning	-	658,535	-	121,251	779,786	760,908
Debt service	909,911	-	-	-	909,911	893,479
Unassigned	2,540,739	-	-	(98,659)	2,442,080	2,347,836
Total fund balances	3,627,550	658,535	1,144,316	202,054	5,632,455	5,605,685
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,867,632	2,196,281	2,142,147	626,319	15,832,379	14,718,120

TAHOE REGIONAL PLANNING AGENCY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

Fund balances of governmental funds	\$ 5,632,455
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	15,255,721
Accumulated depreciation	(5,917,974)
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	(575,114)
Lease revenue bonds	(8,445,000)
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.	
	(32,662)
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.	
	<u>393,065</u>
Net position of governmental activities	<u><u>\$ 6,310,491</u></u>

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, 2019
(with comparative prior year information)

		Special Revenue Funds		Non-Major	Totals	
	General	Transportation Fund	Aquatic Invasive Species	Governmental Funds	2019	2018
Revenues:						
Federal grants	\$ -	1,144,269	963,850	127,905	2,236,024	1,815,514
State government grants and contracts	6,060,236	1,381,067	1,222,814	2,809,108	11,473,225	10,283,677
Local government grants and contracts	199,590	-	-	15,000	214,590	198,802
Charges for services	1,756,422	-	610,417	-	2,366,839	2,671,353
Fines and forfeitures	165,000	-	-	-	165,000	82,000
Rental income	365,413	-	-	-	365,413	338,695
Investment income	314,951	8	-	17,757	332,716	118,335
Miscellaneous revenues	6,756	-	-	-	6,756	9,290
Total revenues	<u>8,868,368</u>	<u>2,525,344</u>	<u>2,797,081</u>	<u>2,969,770</u>	<u>17,160,563</u>	<u>15,517,666</u>
Expenditures:						
Current:						
General government:						
Administrative services	1,239,194	-	-	-	1,239,194	1,096,961
Support services	1,590,379	-	-	-	1,590,379	1,510,821
Legal services	377,483	-	-	-	377,483	408,169
Interfund reimbursements	(704,761)	-	-	-	(704,761)	(585,304)
Environmental planning, implementation and research and analysis:						
Environmental implementation	427,698	-	2,899,416	165,980	3,493,094	2,703,972
Planning services	2,396,025	-	-	-	2,396,025	2,025,208
Long range and transportation planning	861,584	2,565,460	-	2,644,326	6,071,370	5,205,606
Research and analysis	1,707,706	-	-	405,640	2,113,346	1,955,200
Building and rental activities	165,719	-	-	-	165,719	220,632
Debt service:						
Interest and fiscal charges	391,944	-	-	-	391,944	391,944
Total expenditures	<u>8,452,971</u>	<u>2,565,460</u>	<u>2,899,416</u>	<u>3,215,946</u>	<u>17,133,793</u>	<u>14,933,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>415,397</u>	<u>(40,116)</u>	<u>(102,335)</u>	<u>(246,176)</u>	<u>26,770</u>	<u>584,457</u>
Other financing sources (uses):						
Transfers in (note 3)	-	3,037	147,957	37,732	188,726	85,393
Transfers out (note 3)	(188,726)	-	-	-	(188,726)	(85,393)
Total other financing sources (uses)	<u>(188,726)</u>	<u>3,037</u>	<u>147,957</u>	<u>37,732</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	226,671	(37,079)	45,622	(208,444)	26,770	584,457
Fund balances, beginning of year	<u>3,400,879</u>	<u>695,614</u>	<u>1,098,694</u>	<u>410,498</u>	<u>5,605,685</u>	<u>5,021,228</u>
Fund balances, end of year	<u>\$ 3,627,550</u>	<u>658,535</u>	<u>1,144,316</u>	<u>202,054</u>	<u>5,632,455</u>	<u>5,605,685</u>

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, 2019

Net change in fund balances - total governmental funds	\$ 26,770
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	(311,337)
Capital asset additions	473,173
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.	(24,707)
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.	<u>264,915</u>
Change in net position of governmental activities	<u>\$ 428,814</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Statement of Assets and Liabilities
June 30, 2019
(with comparative prior year information)

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Cash and investments (note 2)	\$ 11,882,006	10,713,313
Receivables:		
Interest	56,868	41,792
Due from other governments	<u>86,642</u>	<u>34,326</u>
Total assets	<u>\$ 12,025,516</u>	<u>10,789,431</u>
<u>Liabilities</u>		
Accounts payable	\$ 19,617	-
Due to other governments	11,851,133	10,645,080
Deposits payable	<u>154,766</u>	<u>144,351</u>
Total liabilities	<u>\$ 12,025,516</u>	<u>10,789,431</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

Year Ended June 30, 2019

(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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(b) Financial Statement Presentation (Continued)

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.

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.

TAHOE REGIONAL PLANNING AGENCY
Notes to the Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(c) Major Funds (Continued)

Additionally, TRPA reports the following fund types:

Capital Projects Funds

These funds are used to account for financial resources that are restricted, committed, or assigned for expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

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:

- 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(c) Major Funds (Continued)

- 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.
- 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(d) Measurement Focus and Basis of Accounting (Continued)

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.

(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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(f) Fair Value Measurements (Continued)

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.

(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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(i) Capital Assets (Continued)

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:

<u>Item</u>	<u>Useful Life</u>
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.

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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(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:

- 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(n) Fund Balances (Continued)

- 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.
- 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.

TAHOE REGIONAL PLANNING AGENCY
Notes to the Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(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, 2018, 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, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 12,614,707
Cash and investments with fiscal agent	909,911
Agency Funds:	
Cash and investments	<u>11,882,006</u>
Total cash and investments	<u>\$ 25,406,624</u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$ 100
Deposits with financial institutions	2,939,583
Investments	<u>22,466,941</u>
Total cash and investments	<u>\$ 25,406,624</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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 <u>Authorized by State Law</u>	Authorized by Investment <u>Policy</u>	Maximum <u>Maturity*</u>	Maximum Percentage <u>of Portfolio*</u>	Maximum Investment <u>In One Issuer*</u>
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. The table below identifies the investment types that are authorized for investments held by the fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
Defeasance securities	None	None	None
U.S. Treasury obligations	None	None	None
Federal agency securities	None	None	None
Banker's acceptances	360 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	None	None	None
Investment agreements	None	None	None
Municipal obligations	None	None	None
Pre-refunded municipal obligations	None	None	None

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.

	<u>Total</u>	<u>Maturities (in Months)</u>	
		<u>12 Months or less</u>	<u>13-24 Months</u>
Treasury Securities	\$ 9,282,492	\$ 6,693,824	\$ 2,588,668
Federal Agency Securities	798,643	798,643	-
Medium Term Notes	1,232,480	755,678	476,802
Local Agency Investment Fund (LAIF)	7,835,321	7,835,321	-
Local Government Investment Pool (LGIP)	2,106,850	2,106,850	-
Money Market Funds	301,244	301,244	-
Investments with fiscal agent:			
Money Market Funds	909,911	909,911	-
Total Investments	<u>\$ 22,466,941</u>	<u>19,401,471</u>	<u>3,065,470</u>

TAHOE REGIONAL PLANNING AGENCY
Notes to the Basic Financial Statements
(Continued)

(2) Cash and Investments (Continued)

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.

	Total	Minimum Legal Rating	Ratings as of Year End			
			AAA	AA+ - AA-	A+ - A-	Not Rated
Treasury Securities	\$ 9,282,492	N/A*	-	-	-	-
Federal Agency Securities	798,643	N/A	-	798,643	-	-
Medium Term Notes	1,232,480	A	-	427,650	804,830	-
LAIF	7,835,321	N/A	-	-	-	7,835,321
LGIP	2,106,850	N/A	-	-	-	2,106,850
Money Market Funds	301,244	Multiple**	301,244	-	-	-
Investments with fiscal agent: Money Market Funds	909,911	AAA-m	909,911	-	-	-
Total Investments	\$ 22,466,941		1,211,155	1,226,293	804,830	9,942,171

* - 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 million.

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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

Custodial Credit Risk (Continued)

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.

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 audit 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 (Statement on Standards for Attestation Engagements No. 16 audit report).

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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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.

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		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Treasury Securities	\$ 9,282,492	9,282,492	-	-
Federal Agency Securities	798,643	-	798,643	-
Medium Term Notes	1,232,480	-	1,232,480	-
Total Investments measured at Fair Value	11,313,615	9,282,492	2,031,123	-
Investments not measured at fair value:				
LAIF	7,835,321			
LGIP	2,106,850			
Money Market	1,211,155			
Total Investments not measured at fair value	11,153,326			
Total Investments	\$ 22,466,941			

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(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, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 52,354
Total		<u>\$ 52,354</u>

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, 2019:

<u>Transfers In</u>	<u>Transfers Out</u>	
Transportation Fund	General Fund	\$ 3,037
Aquatic Invasive Species Fund	General Fund	147,957
Nonmajor Governmental Funds	General Fund	<u>37,732</u>
Total		<u>\$ 188,726</u>

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.

TAHOE REGIONAL PLANNING AGENCY
Notes to the Basic Financial Statements
(Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2019 is as follows:

	Balance At June 30, 2018	Additions	Deletions	Balance At June 30, 2019
Capital assets not being depreciated:				
Land	\$ 1,606,706	-	-	1,606,706
Construction in progress	-	157,470	-	157,470
Total capital assets not being depreciated	<u>1,606,706</u>	<u>157,470</u>	<u>-</u>	<u>1,764,176</u>
Capital assets being depreciated:				
Buildings and improvements	10,749,152	26,458	-	10,775,610
Boats, equipment and furniture	1,821,138	289,245	(127,693)	1,982,690
Software	733,245	-	-	733,245
Total capital assets being depreciated	<u>13,303,535</u>	<u>315,703</u>	<u>(127,693)</u>	<u>13,491,545</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,228,976)	(275,272)	-	(3,504,248)
Boats, equipment and furniture	(1,772,109)	(36,065)	127,693	(1,680,481)
Software	(733,245)	-	-	(733,245)
Total accumulated depreciation	<u>(5,734,330)</u>	<u>(311,337)</u>	<u>127,693</u>	<u>(5,917,974)</u>
Capital assets being depreciated, net	<u>7,569,205</u>	<u>4,366</u>	<u>-</u>	<u>7,573,571</u>
Total capital assets	<u>\$ 9,175,911</u>	<u>161,836</u>	<u>-</u>	<u>9,337,747</u>

Depreciation expense was charged to the following function:

Support Services	<u>\$ 311,337</u>
Total depreciation	<u><u>\$ 311,337</u></u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019	Amount Due in One Year	Amount Due Beyond One Year
Series A Lease Revenue Bonds	\$ 7,575,000	-	-	7,575,000	-	7,575,000
Series B Lease Revenue Bonds	870,000	-	-	870,000	-	870,000
Compensated Absences	550,407	638,080	(613,373)	575,114	514,583	60,531
Total	<u>\$ 8,995,407</u>	<u>638,080</u>	<u>(613,373)</u>	<u>9,020,114</u>	<u>514,583</u>	<u>8,505,531</u>

Lease Revenue Bonds

On May 1, 2007, TRPA issued Lease Revenue Bonds, Series A and B, in the amounts of \$7,575,000 and \$6,245,000, respectively. The bonds were 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 are due annually on June 1 in amounts ranging from \$15,000 to \$362,000. Interest is payable semiannually at 4.5% for the Series A bonds and rates ranging from 5.32% to 5.87% for the Series B bonds. As of June 30, 2019, cash and investments held in the reserve account for the series A and B bonds was above the reserve requirement of \$892,280.

Annual debt service requirements to maturity are as follows:

Series A Bonds			
Year Ending June 30	Principal	Interest	Total
2020	\$ -	340,875	340,875
2021	-	340,875	340,875
2022	-	340,875	340,875
2023	-	340,875	340,875
2024	-	340,875	340,875
2025-2029	1,105,000	1,630,575	2,735,575
2030-2034	3,280,000	1,026,000	4,306,000
2035-2037	3,190,000	223,200	3,413,200
Total	<u>\$ 7,575,000</u>	<u>4,584,150</u>	<u>12,159,150</u>

Series B Bonds			
Year Ending June 30	Principal	Interest	Total
2020	\$ -	51,069	51,069
2021	-	51,069	51,069
2022	-	51,069	51,069
2023	-	51,069	51,069
2024	-	51,069	51,069
2025-2027	870,000	83,354	953,354
Total	<u>\$ 870,000</u>	<u>338,699</u>	<u>1,208,699</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Compensated Absences

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

(6) Pledged Revenue

TRPA's Series A and Series B Lease Revenue Bonds are collateralized by the pledging of rental income. See Note 5 for the amount and term of the remainder of these commitments, which are indicated in the debt service to maturity tables, and also the purposes of the related debt issuances utilized disclosed in the debt descriptions. 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.

Description of Pledged Revenue	Annual Amount of Pledged Revenue	Annual Debt Service	Debt Service as a Percentage of Pledged Revenue
		Payments (of all Debt Secured by this Revenues)	
Rental Income	365,413	391,944	107%

(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, 2019, TRPA contributed \$407,259 to the MPP and employees contributed \$479,126 to the 457(b) plan.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(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, 2019 was as follows:

	<u>PTMISEA</u>	<u>TSSSDRA</u>	<u>Total</u>
Unspent Prop 1B funds as of June 30, 2018	\$ 1,387,524	191,502	1,579,026
Prop 1B funds received	-	-	-
Interest earned	29,820	3,082	32,902
Prop 1B expenditures incurred	<u>(995,656)</u>	<u>(133,989)</u>	<u>(1,129,645)</u>
Unspent Prop 1B funds as of June 30, 2019	<u>\$ 421,688</u>	<u>60,595</u>	<u>482,283</u>

(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, 2019, approximately 75% of TRPA's total revenue was derived from federal, state, and local government agencies.

TAHOE REGIONAL PLANNING AGENCY
Notes to the Basic Financial Statements
(Continued)

(12) Expenditures Exceeding Appropriations

Expenditures exceed appropriations in the following funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Transportation	\$2,565,460	2,210,263	355,197
Environmental Improvement	426,712	381,228	45,484

(13) Deficit Fund Balances

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

Environmental Improvement Program Fund \$(98,659)

The Environmental Improvement Program fund deficit is due to unavailable revenue in the amount of \$0.3 million. Revenue was not collected within 120 days of the fiscal year end but will be recovered in FY 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

TAHOE REGIONAL PLANNING AGENCY

General Fund

Budgetary Comparison Schedule

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State government grants and contracts	\$ 6,060,236	6,060,236	6,060,236	-
Local government grants and contracts	160,000	160,000	199,590	39,590
Charges for services	1,688,938	1,688,938	1,756,422	67,484
Fines and forfeitures	150,000	150,000	165,000	15,000
Rental income	287,903	287,903	365,413	77,510
Investment income	17,987	17,987	314,951	296,964
Miscellaneous revenues	3,331	3,331	6,756	3,425
Total revenues	<u>8,368,395</u>	<u>8,368,395</u>	<u>8,868,368</u>	<u>499,973</u>
Expenditures:				
Current:				
General government:				
Administrative services	1,107,091	1,107,091	1,239,194	(132,103)
Support services	1,855,551	1,855,551	1,590,379	265,172
Legal services	384,905	384,905	377,483	7,422
Interfund reimbursements	(684,129)	(684,129)	(704,761)	20,632
Environmental planning, implementation, and research and analysis:				
Environmental implementation	466,868	466,868	427,698	39,170
Planning services	2,245,985	2,245,985	2,396,025	(150,040)
Long range and transportation planning	850,788	850,788	861,584	(10,796)
Research and analysis	1,703,389	1,703,389	1,707,706	(4,317)
Building and rental activities	236,521	236,521	165,719	70,802
Debt service:				
Interest and fiscal charges	391,944	391,944	391,944	-
Total expenditures	<u>8,558,913</u>	<u>8,558,913</u>	<u>8,452,971</u>	<u>105,942</u>
Excess of revenues over expenditures	(190,518)	(190,518)	415,397	605,915
Other financing sources (uses):				
Transfers out	<u>(138,386)</u>	<u>(138,386)</u>	<u>(188,726)</u>	<u>(50,340)</u>
Total other financing sources (uses)	<u>(138,386)</u>	<u>(138,386)</u>	<u>(188,726)</u>	<u>(50,340)</u>
Net change in fund balance	(328,904)	(328,904)	226,671	555,575
Fund balance, beginning of year	<u>3,400,879</u>	<u>3,400,879</u>	<u>3,400,879</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,071,975</u>	<u>3,071,975</u>	<u>3,627,550</u>	<u>555,575</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY
Transportation Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 1,664,314	1,664,314	1,144,269	(520,045)
State government grants and contracts	545,949	545,949	1,381,067	835,118
Investment income	-	-	8	8
Total revenues	<u>2,210,263</u>	<u>2,210,263</u>	<u>2,525,344</u>	<u>315,081</u>
Expenditures:				
Environmental planning, implementation, and research and analysis:				
Planning services	11,093	11,093	-	11,093
Long range and transportation planning	<u>2,199,170</u>	<u>2,199,170</u>	<u>2,565,460</u>	<u>(366,290)</u>
Total expenditures	<u>2,210,263</u>	<u>2,210,263</u>	<u>2,565,460</u>	<u>(355,197)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(40,116)	(40,116)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>3,037</u>	<u>3,037</u>
Net change in fund balance	-	-	(37,079)	(37,079)
Fund balance, beginning of year	<u>695,614</u>	<u>695,614</u>	<u>695,614</u>	<u>-</u>
Fund balance, end of year	<u>\$ 695,614</u>	<u>695,614</u>	<u>658,535</u>	<u>(37,079)</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY
Aquatic Invasive Species Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 833,666	833,666	963,850	130,184
State government grants and contracts	1,305,046	1,305,046	1,222,814	(82,232)
Charges for services	<u>632,985</u>	<u>632,985</u>	<u>610,417</u>	<u>(22,568)</u>
Total revenues	<u>2,771,697</u>	<u>2,771,697</u>	<u>2,797,081</u>	<u>25,384</u>
Expenditures:				
Current:				
Environmental planning, implementation, and research and analysis:				
Environmental implementation	<u>2,964,564</u>	<u>2,964,564</u>	<u>2,899,416</u>	<u>65,148</u>
Total expenditures	<u>2,964,564</u>	<u>2,964,564</u>	<u>2,899,416</u>	<u>65,148</u>
Excess (deficiency) of revenues over (under) expenditures	(192,867)	(192,867)	(102,335)	90,532
Other financing sources:				
Transfers in	<u>111,609</u>	<u>111,609</u>	<u>147,957</u>	<u>36,348</u>
Net change in fund balance	(81,258)	(81,258)	45,622	126,880
Fund balance, beginning of year	<u>1,098,694</u>	<u>1,098,694</u>	<u>1,098,694</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,017,436</u>	<u>1,017,436</u>	<u>1,144,316</u>	<u>126,880</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Note to Required Supplementary Information

Year Ended June 30, 2019

(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's 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
June 30, 2019

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Total
<u>Assets</u>						
Cash and investments	\$ 8,077,596	496,306	733,394	291,570	1,857	9,600,723
Cash and investments with fiscal agent	-	909,911	-	-	-	909,911
Receivables:						
Accounts	14,700	776	-	-	500	15,976
Interest	59,934	-	-	-	-	59,934
Due from other governments	44,334	-	-	-	7,500	51,834
Due from other funds	52,354	-	-	-	-	52,354
Prepaid items and deposits	159,949	15,451	-	-	1,500	176,900
Total assets	\$ 8,408,867	1,422,444	733,394	291,570	11,357	10,867,632
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 667,453	13,073	53,913	10,250	9,098	753,787
Accrued payroll and benefits	352,611	-	-	-	-	352,611
Due to other governments	4,660	-	-	-	-	4,660
Unearned revenue	803,538	-	-	-	2,558	806,096
Deposits payable	5,280,545	26,906	-	-	-	5,307,451
Total liabilities	7,108,807	39,979	53,913	10,250	11,656	7,224,605
Deferred inflows of resources:						
Unavailable revenues	14,701	776	-	-	-	15,477
Total deferred inflows of resources	14,701	776	-	-	-	15,477
Fund balances:						
Nonspendable:						
Prepaid items	159,949	15,451	-	-	1,500	176,900
Restricted for:						
Debt service	-	909,911	-	-	-	909,911
Unassigned	1,125,410	456,327	679,481	281,320	(1,799)	2,540,739
Total fund balances	1,285,359	1,381,689	679,481	281,320	(299)	3,627,550
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,408,867	1,422,444	733,394	291,570	11,357	10,867,632

TAHOE REGIONAL PLANNING AGENCY
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2019

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Eliminations (1)	Total
Revenues:							
State government grants and contracts	\$ 6,060,236	-	-	-	-	-	6,060,236
Local government grants and contracts	150,000	-	-	-	49,590	-	199,590
Charges for services	1,728,464	5,211	22,747	-	-	-	1,756,422
Fines and forfeitures	-	-	-	165,000	-	-	165,000
Rental income	-	1,054,393	-	-	-	(688,980)	365,413
Investment income	276,591	17,156	21,204	-	-	-	314,951
Miscellaneous revenues	3,156	-	-	3,600	-	-	6,756
Total revenues	8,218,447	1,076,760	43,951	168,600	49,590	(688,980)	8,868,368
Expenditures:							
Current:							
General Government:							
Administrative services	1,032,731	-	-	161,875	44,588	-	1,239,194
Support services	1,590,379	-	-	-	-	-	1,590,379
Legal services	377,483	-	-	-	-	-	377,483
Interfund reimbursements	(704,761)	-	-	-	-	-	(704,761)
Environmental planning, implementation, and research and analysis:							
Environmental implementation	427,698	-	-	-	-	-	427,698
Planning services	2,003,438	-	392,587	-	-	-	2,396,025
Long range and transportation planning	858,284	-	-	-	3,300	-	861,584
Research and analysis	1,707,706	-	-	-	-	-	1,707,706
Building and rental activities	688,979	165,720	-	-	-	(688,980)	165,719
Debt service:							
Interest and fiscal charges	-	391,944	-	-	-	-	391,944
Total expenditures	7,981,937	557,664	392,587	161,875	47,888	(688,980)	8,452,971
Excess (deficiency) of revenues over (under) expenditures	236,510	519,096	(348,636)	6,725	1,702	-	415,397
Other financing sources (uses):							
Transfers in	-	-	-	-	3,667	(3,667)	-
Transfers out	(192,393)	-	-	-	-	3,667	(188,726)
Total other financing sources (uses)	(192,393)	-	-	-	3,667	-	(188,726)
Net change in fund balances	44,117	519,096	(348,636)	6,725	5,369	-	226,671
Fund balances (deficit), beginning of year	1,241,242	862,593	1,028,117	274,595	(5,668)	-	3,400,879
Fund balances (deficit), end of year	\$ 1,285,359	1,381,689	679,481	281,320	(299)	-	3,627,550

(1) Transfers and rental income 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.

TAHOE REGIONAL PLANNING AGENCY
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
(with comparative prior year information)

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
<u>Assets</u>			
Cash and investments	\$ -	183,147	80,304
Due from other governments	314,669	7,252	-
Total assets	\$ 314,669	190,399	80,304
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 65,184	747	-
Due to other funds	52,354	-	-
Due to claimants	-	10,190	-
Total liabilities	117,538	10,937	-
Deferred inflows of resources:			
Unavailable revenues	295,790	-	-
Total deferred inflows of resources	295,790	-	-
Fund balances (deficit):			
Restricted for:			
Environmental implementation	-	179,462	-
Long range and transportation planning	-	-	80,304
Unassigned	(98,659)	-	-
Total fund balances	(98,659)	179,462	80,304
Total liabilities, deferred inflows of resources, and fund balance	\$ 314,669	190,399	80,304

<u>SPECIAL REVENUE FUNDS</u>			
<u>Placer County Local Transportation Fund</u>	<u>El Dorado County State Transit Assistance Fund</u>	<u>Totals</u>	
		<u>2019</u>	<u>2018</u>
38,427	2,520	304,398	246,209
-	-	321,921	267,432
<u>38,427</u>	<u>2,520</u>	<u>626,319</u>	<u>513,641</u>
-	-	65,931	83,287
-	-	52,354	-
-	-	10,190	10,190
<u>-</u>	<u>-</u>	<u>128,475</u>	<u>93,477</u>
-	-	295,790	9,666
<u>-</u>	<u>-</u>	<u>295,790</u>	<u>9,666</u>
-	-	179,462	345,204
38,427	2,520	121,251	65,294
-	-	(98,659)	-
<u>38,427</u>	<u>2,520</u>	<u>202,054</u>	<u>410,498</u>
<u>38,427</u>	<u>2,520</u>	<u>626,319</u>	<u>513,641</u>

TAHOE REGIONAL PLANNING AGENCY
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2019
(with comparative prior year information)

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
Revenues:			
Federal grants	\$ 33,797	94,108	-
State government grants and contracts	126,582	-	1,072,787
Local government grants and contracts	-	15,000	-
Investment income	-	-	5,627
Total revenues	<u>160,379</u>	<u>109,108</u>	<u>1,078,414</u>
Expenditures:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	21,072	144,908	-
Long range and transportation planning	-	-	1,038,116
Research and analysis	<u>405,640</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>426,712</u>	<u>144,908</u>	<u>1,038,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(266,333)</u>	<u>(35,800)</u>	<u>40,298</u>
Other financing sources:			
Transfers in	498	37,234	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>498</u>	<u>37,234</u>	<u>-</u>
Net change in fund balances	(265,835)	1,434	40,298
Fund balances, beginning of year	<u>167,176</u>	<u>178,028</u>	<u>40,006</u>
Fund balances (deficit), end of year	<u>\$ (98,659)</u>	<u>179,462</u>	<u>80,304</u>

SPECIAL REVENUE FUNDS			
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Totals	
		2019	2018
-	-	127,905	327,473
715,819	893,920	2,809,108	2,568,095
-	-	15,000	-
8,752	3,378	17,757	5,814
<u>724,571</u>	<u>897,298</u>	<u>2,969,770</u>	<u>2,901,382</u>
-	-	165,980	238,647
711,307	894,903	2,644,326	2,328,387
-	-	405,640	231,786
<u>711,307</u>	<u>894,903</u>	<u>3,215,946</u>	<u>2,798,820</u>
<u>13,264</u>	<u>2,395</u>	<u>(246,176)</u>	<u>102,562</u>
-	-	37,732	29,212
-	-	-	(547)
<u>-</u>	<u>-</u>	<u>37,732</u>	<u>28,665</u>
13,264	2,395	(208,444)	131,227
25,163	125	410,498	279,271
<u>38,427</u>	<u>2,520</u>	<u>202,054</u>	<u>410,498</u>

TAHOE REGIONAL PLANNING AGENCY
Environmental Improvement Program
Budgetary Comparison Schedule
Year Ended June 30, 2019

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 98,625	33,797	(64,828)
State government grants and contracts	<u>282,603</u>	<u>126,582</u>	<u>(156,021)</u>
Total revenues	<u>381,228</u>	<u>160,379</u>	<u>(220,849)</u>
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	18,758	21,072	(2,314)
Research and analysis	<u>362,470</u>	<u>405,640</u>	<u>(43,170)</u>
Total expenditures	<u>381,228</u>	<u>426,712</u>	<u>(45,484)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(266,333)	(266,333)
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>498</u>	<u>498</u>
Net change in fund balance	-	(265,835)	(265,835)
Fund balance, beginning of year	<u>167,176</u>	<u>167,176</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ 167,176</u></u>	<u><u>(98,659)</u></u>	<u><u>(265,835)</u></u>

TAHOE REGIONAL PLANNING AGENCY
Erosion Control Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 131,977	94,108	(37,869)
Local government grants and contracts	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total revenues	<u>131,977</u>	<u>109,108</u>	<u>(22,869)</u>
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	<u>158,755</u>	<u>144,908</u>	<u>13,847</u>
Total expenditures	<u>158,755</u>	<u>144,908</u>	<u>13,847</u>
Excess (deficiency) of revenues over (under) expenditures	(26,778)	(35,800)	(9,022)
Other financing sources:			
Transfers in	<u>26,778</u>	<u>37,234</u>	<u>10,456</u>
Net change in fund balance	-	1,434	1,434
Fund balance, beginning of year	<u>178,028</u>	<u>178,028</u>	<u>-</u>
Fund balance, end of year	<u>\$ 178,028</u>	<u>179,462</u>	<u>1,434</u>

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2019
(with comparative prior year information)

	CTRPA Tahoe Keys	CTRPA Securities	CTRPA Indirect Source	Excess Coverage Mitigation
<u>Assets</u>				
Cash and investments	\$ 386,772	111,918	9,104	4,267,417
Receivables:				
Interest	1,865	540	44	20,393
Due from other governments	-	-	-	-
Total assets	<u>\$ 388,637</u>	<u>112,458</u>	<u>9,148</u>	<u>4,287,810</u>
<u>Liabilities</u>				
Accounts payable	\$ -	-	-	-
Due to other governments	388,637	-	9,148	4,287,810
Deposits payable	-	112,458	-	-
Total liabilities	<u>\$ 388,637</u>	<u>112,458</u>	<u>9,148</u>	<u>4,287,810</u>

Mitigation	Science Advisory Council	Totals	
		2019	2018
7,106,795	-	11,882,006	10,713,313
34,026	-	56,868	41,792
-	86,642	86,642	34,326
<u>7,140,821</u>	<u>86,642</u>	<u>12,025,516</u>	<u>10,789,431</u>
19,617	-	19,617	-
7,121,204	44,334	11,851,133	10,645,080
-	42,308	154,766	144,351
<u>7,140,821</u>	<u>86,642</u>	<u>12,025,516</u>	<u>10,789,431</u>

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>CTRPA Tahoe Keys</u>				
<u>Assets</u>				
Cash and investments	\$ 378,751	9,261	1,240	386,772
Receivables:				
Interest	<u>1,476</u>	<u>1,865</u>	<u>1,476</u>	<u>1,865</u>
Total assets	<u>\$ 380,227</u>	<u>11,126</u>	<u>2,716</u>	<u>388,637</u>
 <u>Liabilities</u>				
Due to other governments	<u>\$ 380,227</u>	<u>11,112</u>	<u>2,702</u>	<u>388,637</u>
Total liabilities	<u>\$ 380,227</u>	<u>11,112</u>	<u>2,702</u>	<u>388,637</u>
 <u>CTRPA Securities</u>				
<u>Assets</u>				
Cash and investments	\$ 109,597	2,680	359	111,918
Receivables:				
Interest	<u>428</u>	<u>540</u>	<u>428</u>	<u>540</u>
Total assets	<u>\$ 110,025</u>	<u>3,220</u>	<u>787</u>	<u>112,458</u>
 <u>Liabilities</u>				
Deposits payable	<u>\$ 110,025</u>	<u>3,215</u>	<u>782</u>	<u>112,458</u>
Total liabilities	<u>\$ 110,025</u>	<u>3,215</u>	<u>782</u>	<u>112,458</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>CTRPA Indirect Source</u>				
<u>Assets</u>				
Cash and investments	\$ 8,915	218	29	9,104
Receivables:				
Interest	<u>34</u>	<u>44</u>	<u>34</u>	<u>44</u>
Total assets	<u>\$ 8,949</u>	<u>262</u>	<u>63</u>	<u>9,148</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 8,949</u>	<u>262</u>	<u>63</u>	<u>9,148</u>
Total liabilities	<u>\$ 8,949</u>	<u>262</u>	<u>63</u>	<u>9,148</u>
<u>Excess Coverage Mitigation</u>				
<u>Assets</u>				
Cash and investments	\$ 3,547,448	731,731	11,762	4,267,417
Receivables:				
Interest	<u>13,590</u>	<u>20,393</u>	<u>13,590</u>	<u>20,393</u>
Total assets	<u>\$ 3,561,038</u>	<u>752,124</u>	<u>25,352</u>	<u>4,287,810</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 3,561,038</u>	<u>751,997</u>	<u>25,225</u>	<u>4,287,810</u>
Total liabilities	<u>\$ 3,561,038</u>	<u>751,997</u>	<u>25,225</u>	<u>4,287,810</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Mitigation</u>				
<u>Assets</u>				
Cash and investments	\$ 6,668,602	1,161,557	723,364	7,106,795
Receivables:				
Interest	<u>26,264</u>	<u>34,026</u>	<u>26,264</u>	<u>34,026</u>
Total assets	<u>\$ 6,694,866</u>	<u>1,195,583</u>	<u>749,628</u>	<u>7,140,821</u>
<u>Liabilities</u>				
Accounts payable	\$ -	709,641	690,024	19,617
Due to other governments	<u>6,694,866</u>	<u>1,547,183</u>	<u>1,120,845</u>	<u>7,121,204</u>
Total liabilities	<u>\$ 6,694,866</u>	<u>2,256,824</u>	<u>1,810,869</u>	<u>7,140,821</u>
<u>Science Advisory Council</u>				
<u>Assets</u>				
Cash and investments	\$ -	89,228	89,228	-
Due from other governments	<u>34,326</u>	<u>95,206</u>	<u>42,890</u>	<u>86,642</u>
Total assets	<u>\$ 34,326</u>	<u>184,434</u>	<u>132,118</u>	<u>86,642</u>
<u>Liabilities</u>				
Due to other governments	\$ 549	43,785	-	44,334
Deposits payable	<u>33,777</u>	<u>118,540</u>	<u>110,009</u>	<u>42,308</u>
Total liabilities	<u>\$ 34,326</u>	<u>162,325</u>	<u>110,009</u>	<u>86,642</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 10,713,313	1,994,675	825,982	11,882,006
Receivables:				
Interest	41,792	56,868	41,792	56,868
Due from other governments	<u>34,326</u>	<u>95,206</u>	<u>42,890</u>	<u>86,642</u>
Total assets	<u>\$ 10,789,431</u>	<u>2,146,749</u>	<u>910,664</u>	<u>12,025,516</u>
<u>Liabilities</u>				
Accounts payable	\$ -	709,641	690,024	19,617
Due to other governments	10,645,629	2,354,339	1,148,835	11,851,133
Deposits payable	<u>143,802</u>	<u>121,755</u>	<u>110,791</u>	<u>154,766</u>
Total liabilities	<u>\$ 10,789,431</u>	<u>3,185,735</u>	<u>1,949,650</u>	<u>12,025,516</u>