

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2014

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TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2014

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Board of Directors
Tahoe Regional Planning Agency
Stateline, Nevada

INDEPENDENT AUDITOR'S REPORT

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, 2014, 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.

Auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA, as of June 30, 2014, 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 TRPA's 2013 and 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2013 and December 3, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 and 2012 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 and individual nonmajor fund financial statements 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 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 and individual nonmajor fund financial statements 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 January 20, 2015 on our consideration of TRPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Morgan Hoffman McCann P.C.

Irvine, California
January 20, 2015

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

Year Ended June 30, 2014

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's vision is for a Lake environment that is sustainable, healthy, and safe for the community and future generations. The mission is to cooperatively lead the effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe Region now and in the future.

To answer its mandate, the TRPA adopted "environmental threshold carrying capacities" (thresholds) for the Region, first set in 1982. The Compact directs the Agency to establish 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.

Using the Annual Report

The discussion and analysis of the financial performance of the Tahoe Regional Planning Agency (Agency) provides review of the organization's overall financial activities for the fiscal year ended June 30, 2014. 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. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Agency's most significant funds – the General Fund, the Transportation Fund and the Aquatic Invasive Species (AIS) Fund, with all other non-major funds presented in total in one column.

The Notes to the Basic Financial Statements include notes to explain financial statement information and provide more detailed data.

Financial Highlights

The focus of the Agency in Fiscal Year (FY) 2014 was the implementation of a new Regional Plan Update (RPU) and related Regional Transportation Plan (RTP), both adopted on December 12, 2012. A key

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

component of the RPU is the adoption of area plans to guide development and to streamline permitting. During Fiscal Year 2014, two area plans were adopted, one for the Douglas County (NV) Casino Core and one for the City of South Lake Tahoe (CA) Tourist Core. The Governing Board held public meetings, and accepted a wide variety of comments and inputs from the community before approving both plans. All jurisdictions in the basin are developing additional area plans.

Operational Financial Highlights

The regular operations of TRPA are organized into five divisions and two programs. Their roles and responsibilities are:

- Long Range Planning Division focuses on periodic and occasional amendments to the adopted Regional Plan and modifications to TRPA rules and regulations to meet the dynamic needs of the Tahoe environment and the Region.
- Transportation Planning Division operates under requirements of the compact as well as under TRPA's designated role as the Tahoe Metropolitan Planning Organization (TMPO) and the Regional Transportation Planning Agency. This includes a periodic revision of the Regional Transportation Plan (RTP) and transportation improvement projects.
- Current Planning Division covers all permitting for land use activities in the Tahoe basin, either directly or through delegation of permitting responsibilities to local governments.
- Code Compliance Program ensures the conditions of the permits issued by TRPA or through delegation are met by visiting work sites and inspecting projects, as well as by responding to complaints regarding Code violations.
- Research & Analysis Division is responsible for acquiring data and reporting on a wide variety of performance metrics including the Environmental Thresholds, Regional Plan compliance measures, and other data gathering required to support the Agency's mission.
- Sustainable Communities Program accelerates the implementation of the Regional Plan, Regional Transportation Plan, Area Plans, Sustainability Action Plan, and other partner initiatives by pursuing grant funding, legislative action, and building local, regional, national, and global partnerships.
- The Environmental Improvement Division carries out several key programs of the Agency including:
 - Management of the Environmental Improvement Program (EIP), the Region-wide multi-

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

entity, multi-sector capital investment strategy to implement the adopted Regional Plan and a comprehensive set of programs aimed at addressing environmental concerns in the Tahoe basin.

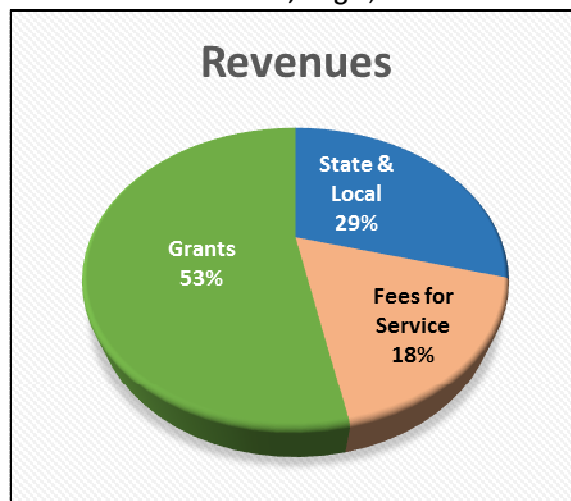
- Aquatic Invasive Species (AIS) program management including prevention of new aquatic invasive species, treatment to control existing species, and responding to new infestations.
- Storm-water management through the application of Best Management Practices (BMPs) for residential, commercial, and public properties.
- Forest fuels reduction to control the risk of destructive wildfires and promote the health of the forest resources in the basin.

In addition to these operational divisions, TRPA has a variety of service units supporting Departmental activities and the general operation of the Agency. These include Executive, Legal, External Affairs, Finance, Human Resources, and Information Technology.

Financial Highlights

Agency Revenues

TRPA revenues for the FY 2014 were \$19.4 million. Direct contributions to the General Fund from the State of California were \$4.1 million. The State of Nevada contribution to the General Fund was \$1.5 million. Combined with local funding, this represents 29% of total revenues. In addition to General Fund contributions, various departments and agencies of the two states contribute to specific projects through Grant funding.



Directly funded programs (Grants) totaled 53% of revenues, amounting to \$10.3 million. Funding sources include California, Nevada, and the United States Government. Major Federal contributors include the Department of the Interior, Department of Transportation, and the Environmental Protection Agency. State entities include CalTrans, NDOT, Cal EPA, CA State Water Resource Control Board (including Lahontan), NV Division of Environmental Protection, CA Tahoe Resource Conservation District, Nevada Resource Conservation District, and others.

Fees for services amounted to \$3.4 million or 18% of the Agency's revenues. This includes Planning Fees and reimbursed costs from applicants as well as Watercraft Inspection fees supporting the AIS program.

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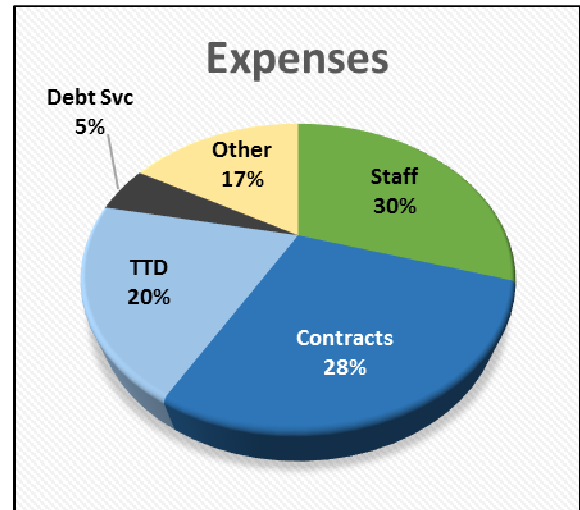
Management's Discussion and Analysis

(Continued)

Agency Expenditures

Total expenditures for FY 2014 were \$18.7 million. Staff costs accounted for \$5.6 million, or 30% of the total. Contracts comprised \$5.3 million, 28% of costs not including \$3.8 million in funds transferred to the Tahoe Transportation District (20% of expenditures). Financing costs, mostly related to the acquisition of the TRPA office building, amounted to \$0.9 million, 5% of total expenditures.

TRPA works closely with other governmental entities in the basin to fund and execute various environmental initiatives. During FY 2014, TRPA provided/passed through \$3.8 million in funding to the Tahoe Transportation District for implementation of transportation projects and operation of transit systems throughout the basin. In addition, TRPA provided \$0.9 million to the Tahoe Resource Conservation District, a unit of El Dorado County, California, to fund roadside inspections of watercraft as part of the Aquatic Invasive Species program. \$4.8 million of Excess Coverage Mitigation funds and \$4.9 million of other Mitigation funds collected from applicants were passed on to local jurisdictions. These funds are used to finance projects designed to offset the environmental impact of development.



Overall, TRPA Fund Balances increased by 94% or \$2.5 million during FY 2014. This is due to a variety of reasons discussed below (see Table 3), including collecting revenues deferred in prior years and expenditure underruns.

Key Operational Accomplishments in FY 2014

Long Range Planning Division:

After many years of unprecedented public engagement and input and Governing Board modification of planning and policy alternatives, the RPU was adopted on December 12, 2012. The next major activity is the development and approval of Area Plans in each jurisdiction. Two area plans, one in Douglas County, NV and one in the City of South Lake Tahoe, CA were approved during FY 2014. Additional Area Plans are under development in Douglas County, Nevada; the City of South Lake Tahoe; El Dorado County California, Washoe County Nevada, and Placer County, California. Total direct costs of the RPU implementation amounted to \$307 thousand in personnel costs and \$123 thousand in contracts and operating expenses. These costs were funded by the TRPA General Fund.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Transportation Planning Division:

The Agency operates under multiple transportation planning mandates, including serving as the region's Transportation Planning Agency, known as the Tahoe Metropolitan Planning Organization (TMPO). During FY 2014, the transportation planning program primarily supported the transportation aspects of the TRPA Regional Plan Update required by the Compact. The Agency received \$5,127 thousand in grants from the Federal Government and the states of California and Nevada to support these activities. A significant portion of that revenue represented prior year's deferrals. The Agency incurred \$562 thousand in personnel costs and \$4,499 thousand in contract and operating costs related to the TMPO.

Note: Transportation in the Fund Financial Statements includes Sustainable Communities Grant (SCG) activities separately reported below.

Current Planning Division:

Current Planning received 715 permit applications during FY 2014, and approved 764 permits. Ninety eight percent (98%) of applications were processed within 120 days of submittal, and 100% of applicants rated service as "Good" or "Excellent." Fees for services totaled \$2,350 thousand. TRPA spent \$1,405 thousand on personnel costs and \$1,270 thousand on contracts and operating costs in the planning department. These expenditures include Code Compliance (below).

Code Compliance Program:

Field inspectors performed 642 project inspections during the year. These project inspections resulted in the resolution and return of \$1.1 million in security deposits. An additional \$2.8 million of non-cash securities were also released.

Research and Analysis Division:

During the last part of Fiscal Year 2014, TRPA reorganized the Measurement and Analysis program to reflect a new strategic priority of bringing the best Science and Data to decision-making in the basin. Resources from other departments have been transferred into the renamed Research and Analysis Division. The Division plays a central role in the preparation of the four-year threshold evaluation report which is currently underway. This report will detail current and emerging challenges such as near-shore water quality, invasive species, changing climatic conditions, and other issues. During FY 2014, expenses included \$234 thousand in labor and \$375 thousand in other expenses. These non-labor expenses cover contracting and additional expenses related to ongoing monitoring activities. In future years, this Division's expenses will be considerably higher reflecting a broader scope of data management and analysis.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Sustainable Communities Program:

The Sustainable Communities Program was primarily funded by a State of California Strategic Growth Council grant. The \$2 million grant funded multiple foundational elements of the program including, but not limited to, a regional sustainability action plan, local area plans, a development commodities exchange and tracking system, a sustainability dashboard, and an economic development strategy for the region. The development of the Sustainability Dashboard was partially funded by a US EPA grant. Total funding for FY 2014 was \$931 thousand. TRPA spent \$108 thousand in staff costs and \$828 thousand in other expenses.

Environmental Improvement Division:

The Environmental Improvement Division manages a number of programs including management of the basin-wide Environmental Improvement Program (EIP) which includes Forest Fuels Management, Aquatic Invasive Species prevention and treatment, and Storm-water Management (through implementation of Best Management Practices). The EIP and forestry programs are largely funded through the Agency's General fund, although \$221 thousand of Grants were received. During FY 2014, TRPA spent \$740 thousand on staff and \$270 thousand on other expenses to support the Division's operations.

The Lake Tahoe Aquatic Invasive Species (AIS) Program continued implementation of the watercraft inspection program, first started in 2007, to prevent and control catastrophic infestation of invasive species. TRPA oversaw watercraft inspections performed by Tahoe Resource Conservation District (TRCD) inspectors at four roadside stations in the Tahoe basin during the primary boating season. Previously inspected boats had inspection seals verified by trained inspectors prior to launch at sixteen (16) launch facilities. During the last boating session, the program inspected approximately 7,000 boats and decontaminated about 2,700. As of fiscal year ending June 30, 2014, the Agency collected \$600 thousand in inspection fees and received \$1,267 thousand in Federal grant funds from various sources including US Fish and Wildlife Service, Lahontan Regional Water Quality Control Board, Nevada Division of State Lands, the California Tahoe Conservancy, and other partners. The Agency incurred \$180 thousand in personnel costs and \$1,586 thousand in contract and operating costs related to the Aquatic Invasive Species Program.

The Storm-water management team has been working for many years to complete water quality retrofit improvements on all developed properties in the basin. The Agency permits all BMP retrofit projects, working primarily with private homeowners, commercial property owners, and several public entities (Resource Conservation Districts) in the Tahoe basin to implement water quality Best Management Practices (BMPs). During FY 2014, 501 residential and 48 commercial BMP certificates were issued, reflecting private property owner investments to improve environmental conditions in the basin. TRPA spent \$190 thousand in personnel costs and \$103 thousand in contract and operating costs on BMPs. Funding for this activity included \$396 thousand in grants from various entities.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Planning and construction activities for Environmental Improvement Program Projects continued during FY 2014. Since 1997, significant environmental progress has been made by all partners, public and private, in capital projects needed to make progress toward threshold attainment. A number of long-awaited projects, critical for further threshold progress, either started construction this year or were completed. Examples of completed projects include the Bijou Area-Wide Storm-water Treatment project and the Harrison Avenue Streetscape Improvement Project. The Agency provides strategic coordination between and within the EIP program areas, and the design of many EIP projects are being guided by technical advisory committees with staff from implementing, funding and regulatory agencies. Partners invested additional funds on science and technical research to help inform policy choices and management decisions by increasing knowledge related to environmental thresholds and for technical assistance. The Agency received \$228 thousand in grants, mostly from the Federal Government, to support this activity. The Agency incurred \$68 thousand in personnel costs and \$152 thousand in contract and operating costs related to the Environmental Improvement Program. The next 10-year phase of the Program will continue to be science-based and incorporates an adaptive management approach to reflect evolving environmental conditions, such as climate change.

Administrative Financial Highlights

The Agency continued implementing its strategic plan through staffing and organizational adjustments to achieve TRPA's goals in an efficient and effective manner. Staffing shortages and revenues from settlements on permit violations have resulted in a surplus for FY 2014. That surplus was rolled forward into FY 2015 to cover RPU litigation, certain program expenses not covered by Grants, and deferred maintenance on buildings and systems.

Long term risks have been addressed and, to the extent possible, funded. The only significant long term liabilities are accrued but not taken employee paid time off (reserved for), and the lease revenue bonds used to finance the building (addressed below). The TRPA retirement plan is a defined contribution plan, and is fully funded. All benefit plans have been fully funded. There are no known unfunded future liabilities not addressed in these statements.

The Agency adopted the FY 2014 budget in June of 2013. 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.

The Agency continued debt service payments for Lease Revenue Bonds, Series A and B, in the amount of \$265 thousand in principal and \$623 thousand in interest. These bonds were issued through the Nevada Division of Business and Industry to acquire the TRPA office building located at 128 Market Street, Stateline, NV.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

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 the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Agency'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 the Agency'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).

Both of the government-wide financial statements report functions of the Agency that are principally supported by taxes and intergovernmental revenues, including federal and state grants, as governmental activities. The governmental activities of the Agency include administrative services, support services, legal services, development services, environmental improvement implementation, planning and evaluation services, and measurement and reporting.

Reporting the Agency's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

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 the Agency'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 the Agency's 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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.

The Agency maintains eleven individual governmental funds, of which, information is disclosed separately in the fund balance sheet and the governmental fund statement of revenues, expenditures and changes in governmental fund balances. The Agency has combined the 128 Market Street Building fund, Shorezone fund, Special Studies fund, Environmental Education fund and the Development Securities fund into the General fund for presentation purposes. The General fund, Transportation fund, and Aquatic Invasive Species fund are each considered a major Governmental fund and are presented separately. Data from the other eight 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 the Agency acts solely as a trustee or agent for the benefit of others and are not reflected in the government-wide financial statements.

The Agency as a Whole

The Statement of Net Position provides the perspective of the Agency as a whole. Table 1 provides a summary that compares the Agency's Net Position from FY 2014 to FY 2013.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Table 1 - Summary of Statement of Net Position

	2014	2013	Increase (Decrease)	Percentage Change
Assets				
Current & Other Non-Current Assets	15,556,760	14,085,110	1,471,650	10%
Capital Assets	10,209,425	10,703,310	(493,885)	-5%
Total Assets	25,766,185	24,788,420	977,765	4%
Liabilities				
Current Liabilities and Other	7,031,682	6,914,159	117,523	2%
Unearned Revenue	2,836,246	2,421,446	414,800	17%
Long-Term Liabilities	12,103,687	12,415,813	(312,126)	-3%
Total Liabilities	21,971,615	21,751,418	220,197	1%
Net Position				
Net Investment in Capital Assets of Debt	(369,461)	4,086	(373,547)	
Restricted	1,641,617	1,126,708	514,909	46%
Unrestricted	2,522,414	1,906,208	616,206	32%
Total Net Position	3,794,570	3,037,002	757,568	25%

Assets:

Current and Other Noncurrent Assets – Increased by \$1.5 million, or 10%, from a balance of \$14.1 million at June 30, 2013, to a balance of \$15.6 million at June 30, 2014. Some key factors that resulted in this increase include:

- Cash and Investments increased by \$1.0 million from the prior year
 - ⊖ \$0.8 million reflects a surplus from operations.
 - ⊖ \$0.2 million is due to operational timing of receivable collections and processing of payables.
- Due from Other Governments increased by \$0.6 million. Transportation invoices accounted for \$1.0 million increase, offset by reductions of \$0.2 million each in AIS and BMP programs. This reflects lower activity levels in AIS and BMPs, and timing of collections in Transportation.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

- Accounts Receivable decreased by \$0.1 million due to collection of outstanding invoices from FY 2013.

Capital Assets – Capital assets decreased by \$0.5 million or 5%, from a balance of \$10.7 million at June 30, 2013, to a balance of \$10.2 million at June 30, 2014. This reflects depreciation.

Liabilities:

Current Liabilities – Current Liabilities increased slightly, by \$0.1 million to \$7.0 million at June 30, 2014 compared to \$6.9 million at the end of FY 2013.

Unearned Revenue – increased by \$0.4 million, or 17% from a balance of \$2.4 million as of June 30, 2013 to \$2.8 million as of June 30, 2014. This is due to Transportation (RSTP) funds received in advance of expenditures.

Long-Term Liabilities – Long-Term Liabilities decreased by \$0.3 million, or 3%, from a balance of \$12.4 million at June 30, 2013, to a balance of \$12.1 million at June 30, 2014. The main factor is a \$265,000 principal payment on lease revenue bonds used to purchase the TRPA office building.

Net Position:

Net Investment in Capital Assets decreased by \$0.4 million from essentially zero at June 30, 2013 to (\$0.4) million at June 30, 2014. The decrease is due to a \$0.4 million increase in net assets due to depreciation.

Restricted – Restricted Net Position increased \$0.5 million from \$1.1 million as of June 30, 2013 to \$1.6 million on June 30, 2014. Transportation (RSTP funds noted above) accounted for \$0.4 million of this and Environmental Improvement accounts for the balance.

Unrestricted – Unrestricted Net Position decreased by \$0.6 million, or 32%, from a balance of \$1.9 million at June 30, 2013, to a balance of \$2.5 million at June 30, 2014. This reduction is due to all of the factors listed above.

Table 2 shows the changes in Net Position for fiscal year 2013 and 2014.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Table 2 - Revenue, Expenses, Change in Net Assets

	2014	2013	Increase (Decrease)	Presentage Change
Revenues				
Program Revenues				
Charges for Services	3,406,824	3,091,687	315,137	10%
Grants and Contributions	10,312,553	12,288,784	(1,976,231)	-16%
General Revenues				
State Revenue	5,402,913	5,196,710	206,203	4%
Local Revenue	231,388	217,224	14,164	7%
Investment Earnings - Unrestricted	17,270	30,026	(12,756)	-42%
Miscellaneous	51,830	866	50,964	5885%
Total Revenues	19,422,778	20,825,297	(1,402,519)	-7%
Program Expenses				
General Government	3,089,672	3,105,467	(15,795)	-1%
Environmental Planning, Implementation	14,796,611	16,199,269	(1,402,658)	-9%
Building Rental	153,541	163,233	(9,692)	-6%
Interest and Debt Service	625,386	651,905	(26,519)	-4%
Total expenses	18,665,210	20,119,874	(1,454,664)	-7%
Increase (Decrease) in Net Assets	757,568	705,423	52,145	7%

Program Revenues:

Charges for Services – Charges for Services Revenue increased by \$0.3 million, or 10%, from \$3.1 million for the year ended June 30, 2013, to \$3.4 million for the year ended June 30, 2014. This is due to increases in reimbursed planning fees.

Grants and Contributions - Grants and Contributions Revenue decreased by \$2.0 million, or 16%, from \$12.3 million for the year ended June 30, 2013, to \$10.3 million for the year ended June 30, 2014.

- Environmental improvement revenue decreased by \$2.8 million.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

- AIS revenues in Fiscal Year 2013 were lower by \$2.0 million due to reduced treatment activity. The Southern Nevada Public Lands Management Act (SNPLMA) funding has been significantly reduced, impacting treatment activities.
- Storm-water Management grant revenue decreased by \$0.8 million due to completion of the CA Prop 50 program. New funding sources are being pursued to continue this activity, and new 319 Grants have been received from both CA and NV.
- Planning and evaluation services revenue increased by \$0.8 million due to a grant from the State of California for the Sustainable Communities Program.

General Revenues:

State Revenue increased \$0.2 million from \$5.2 million in FY 2013 to \$5.4 million in FY 2014. This was due to Nevada increasing its annual allocation during the last budget cycle. Local Revenue, Investment, and Miscellaneous Earnings were essentially unchanged.

Program Expenses:

The cost of all Program Expenses decreased by \$1.4 million, or 7%, from \$20.1 million for the year ended June 30, 2013, to \$18.7 million for the year ended June 30, 2014. Some of the key factors that resulted in the decrease include:

- Planning expenses decreased by a net of \$0.1 million, due to a reduction in contract expenses of \$0.3 million offset by staff costs increasing by \$0.2 million. In FY 2013 staff shortages led to short-term outsourcing of some planning support.
- AIS Program costs decreased by \$0.8 million due to reductions in SNPLMA funding for treatment projects.
- The Storm-water Management Program (BMPs) costs decreased by \$0.2 million due to completion of several grants, mostly related to Prop 50.
- TRPA invested an additional \$0.1 million in IT infrastructure, purchasing new servers and partially replacing staff computers.

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

(Continued)

Table 3 - Summary of Fund Balances

	2014	2013	Increase (Decrease)	Percentage Change
General Fund	4,775,849	3,561,956	1,213,893	34%
Aquatic Invasive Species Fund	776,617	(135,154)	911,771	-675%
Transportation Fund	(623,270)	(403,707)	(219,563)	54%
Other Nonmajor Governmental Funds	163,824	(398,565)	562,389	-141%
Total Fund Balances	5,093,020	2,624,530	2,468,490	94%

The Agency's governmental funds report a combined fund balance of \$5.1 million as of June 30, 2014, a \$2.5 million, or 94% increase from last year's \$2.6 million total. The negative fund balance in the Transportation Fund reflects GASB rules requiring the deferral of revenue not collected within 120 days of year end. The Agency collected all of the FY 2013 balance in FY 2014, and expects to collect all of the FY 2014 revenue in FY 2015. Some key factors that resulted in the decrease include:

- General Fund balance increased by \$1.2 million.
 - Staffing vacancies and tight management of expenses led to a surplus of \$0.7 million in General Fund activities.
 - Net Investment in Capital Assets decreased \$0.3 million as described above, leading to an increase in net assets (fund balance).
 - Long Term Debt Obligations decreased by \$0.3 million leading to an increase in net assets (fund balance).
- The Aquatic Invasive Species Fund incurred a fund balance increase of \$0.9 million. The increased fund balance is primarily due to receiving revenue deferred in FY 2013 because it was not received soon enough after year end to be considered available.
- A decrease of \$0.2 million in the Transportation Fund is primarily due to deferred revenue not received within 120 days from the Fiscal Year End.
- Other non-major governmental funds increased by \$0.6 million. Most of the other non-major fund balance decreases are attributable to revenue deferred in FY 2014 because it was not received soon enough after year-end to be considered available. Those funds were received in FY 2015.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

General Fund Budgeting Highlights

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

The Agency adopted the fiscal budget in June of 2013. The budget contained the following adjustments to revenue and expenses as compared with the prior fiscal year budget:

- The State of California funding provided to the General Fund remained unchanged from the prior year at \$4.1 million.
- The State of Nevada funding increased by \$0.3 million from FY 2013, a total of \$1.5 million. Nevada has a biennial budget process and FY 2014 was the first of the two years.
- The Planning Fund fee for service revenue was budgeted at \$1.0 million, consistent the prior year.

The budget to actual comparison for the General Fund for the year ended June 30, 2014 includes the following items:

- Reimbursed planning expenses from major projects provided an additional \$1.0 million of revenue. An estimate of this revenue and the associated expenses, were budgeted at the beginning of FY 2014. These costs are reimbursed from applicants and can be significant for major projects. The largest project underway in FY 2014 was the Liberty Energy power line upgrade on the North Shore. Costs increased by a \$717 thousand. Timing differences can result in a mismatch. TRPA derives no benefit from these expenses, as they merely reimburse for planning and legal efforts performed by consultants.
- Overall expenditures were slightly above budget.
 - Contracted planning costs were \$717 thousand above budget due to reimbursed planning expenses (above).
 - Labor expenses were \$502 thousand below budget due to staff turnover and positions remaining open longer than expected.
 - Other expenses came in \$87 thousand below budget.

Capital Assets

For the year ended June 30, 2014, the Agency had \$10.2 million invested in capital assets. Table 4 shows June 30, 2014 balances compared to June 30, 2013.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Table 4 - Summary of Capital Assets Net of Depreciation

	2014	2013	Increase (Decrease)	Percentage Change
Land, Buildings & Improvements	12,355,858	12,355,858	-	0%
Boats, Equipment and Furniture	1,883,144	1,972,587	(89,443)	-5%
Software	840,749	847,249	(6,500)	-1%
Accumulated Depreciation	(4,870,326)	(4,472,384)	(397,942)	9%
Total Capital Assets - Net	10,209,425	10,703,310	(493,885)	-5%

Overall capital assets decreased by \$0.5 million or 5%, from \$10.7 million for the year ended June 30, 2013, to \$10.2 million for the year ended June 30, 2014. This is due to depreciation. No significant capital investments were made during FY 2014.

Long Term Debt

Table 5 - Summary of Long Term Debt

	2014	2013	Increase (Decrease)	Percentage Change
Lease Revenue Bonds	12,230,000	12,495,000	(265,000)	-2%
Capital Lease Obligations	144,568	206,119	(61,551)	-30%
Long Term Loans		23,958	(23,958)	-100%
Compensated Absences	421,825	491,180	(69,355)	-14%
	12,796,393	13,216,257	(419,864)	-3%

The Agency's debt, considered a liability of governmental activities, decreased by \$0.4 million, or 3%, from \$13.2 million for the year ended June 30, 2013, to \$12.8 million for the year ended June 30, 2014. The decrease can be attributed to the following items:

- Principal payments of \$0.3 million, decreasing the balance of the Series B Agency issued lease revenue bonds.
- Reduction in earned but not used Compensated Absences and Capital Lease obligations of a combined \$0.1 million.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Factors bearing on the Agency's Future

The key assumptions in the General Fund revenue and expenditure budget for fiscal year 2015 were:

1. The California appropriated budget remains intact and fully funded as approved during the Legislative process. TRPA has already received these funds for FY 2015.
2. The Nevada appropriated budget approved by the Legislature in their biennial budget process. This is the second year of that budget, and TRPA has already received these funds for FY 2015.
3. The local support is fixed at \$150,000 per the Tahoe Regional Planning Compact.
4. The Sierra Club and Friends of the West Shore have filed a lawsuit against the newly adopted Regional Plan. TRPA prevailed in the US District Court, but the plaintiffs appealed to the 9th Circuit Court. Briefing has been completed, and we are awaiting a hearing date. While the results of litigation cannot be reasonably predicted, the Agency believes adequate funds have been set aside to defend against this suit and cover any possible liability.
5. Filing fees and permitting revenues are subject to fluctuations in the real estate and construction economies of the Lake Tahoe basin. The Agency budget for FY 2015 assumes a slight increase from FY 2014, based on leading indicators. These fees may not equal actual totals and represent the biggest near-term risk to General Fund Revenues.
6. TRPA has been receiving a portion of the gasoline sales tax revenue in the region to support transportation planning, environmental reviews, and transit operations. This direct allocation to TRPA was removed in the 2013 Federal Highways Bill (MAP 21). TRPA will still receive these Funds for several years. Funding will be available for these activities through a new funding mechanism that is being put into place, but the level of future funding is uncertain.

Contacting the Agency

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

BASIC FINANCIAL STATEMENTS

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TAHOE REGIONAL PLANNING AGENCY

Statement of Net Position

June 30, 2014

(with comparative prior year information)

	Governmental Activities		
	2014	2013	2012
Assets:			
Cash and investments (note 2)	\$ 9,944,419	8,979,515	6,188,398
Cash and investments with fiscal agent (note 2)	892,803	892,897	892,803
Receivables:			
Accounts	14,244	164,806	199,225
Interest	12,832	9,951	2,023
Due from other governments	4,579,162	3,934,302	5,458,618
Prepaid items	113,300	103,639	118,009
Deposits	-	-	2,130
Unamortized bond issuance costs	-	-	752,444
Capital assets, net of accumulated depreciation (note 4)	10,209,425	10,703,310	11,168,401
Total assets	25,766,185	24,788,420	24,782,051
Liabilities:			
Accounts payable	2,335,076	1,964,733	1,835,691
Accrued payroll and benefits	115,735	109,998	139,415
Interest payable	50,942	53,147	53,077
Due to other governments	1,530	1,531	1,530
Due to claimants	10,190	10,190	240,045
Unearned revenue	2,836,246	2,421,446	1,785,594
Deposits payable	3,825,503	3,974,116	4,024,876
Long-term liabilities (note 5):			
Due within one year	692,706	800,444	891,488
Due in more than one year	12,103,687	12,415,813	12,726,312
Total liabilities	21,971,615	21,751,418	21,698,028
Net position:			
Net Investment in capital assets	(369,461)	4,086	63,648
Restricted for:			
Planning and evaluation services	37,235	156,484	133,899
Environmental implementation	1,086,752	857,628	1,177,508
Transportation	517,630	112,596	275,732
Unrestricted	2,522,414	1,906,208	1,433,236
Total net position	\$ 3,794,570	3,037,002	3,084,023

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Statement of Activities

Year Ended June 30, 2014

(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	\$ 636,158	(158,998)	(30)	-	-
Support services	1,806,026	(397,613)	109,502	-	-
Legal services	647,488	(111,711)	-	-	-
Environmental planning, implementation, and measurement and reporting:					
Developmental services	1,344	-	1,007,993	-	-
Environmental implementation	3,315,812	243,916	-	2,239,635	-
Planning and evaluation services	10,401,872	424,406	1,288,008	7,655,575	160,703
Measurement and reporting	647,268	-	-	256,640	-
Regional plan update	430,315	-	-	-	-
Building and rental activities	153,541	-	1,001,351	-	-
Interest and fiscal charges	625,386	-	-	-	-
Total governmental activities	<u>\$ 18,665,210</u>	<u>-</u>	<u>3,406,824</u>	<u>10,151,850</u>	<u>160,703</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		
2014	2013	2012
(477,190)	(444,902)	(454,471)
(1,298,911)	(1,129,196)	(1,642,236)
(535,777)	(636,449)	(563,843)
1,006,649	1,047,491	985,176
(1,320,093)	(892,728)	(838,503)
(1,721,992)	(1,976,473)	(2,212,364)
(390,628)	(275,411)	(748,211)
(430,315)	(573,904)	(921,335)
847,810	794,074	924,509
(625,386)	(651,905)	(696,431)
(4,945,833)	(4,739,403)	(6,167,709)
\$ 5,402,913	5,196,710	5,030,359
231,388	217,224	113,578
17,270	30,026	56
51,830	866	48,093
5,703,401	5,444,826	5,192,086
757,568	705,423	(975,623)
3,037,002	2,331,579	4,059,646
\$ 3,794,570	3,037,002	3,084,023

TAHOE REGIONAL PLANNING AGENCY

Governmental Funds

Balance Sheet

June 30, 2014

(with comparative prior year information)

	General	Special Revenue Funds Transportation Fund	Aquatic Invasive Species	Non-Major Governmental Funds
<u>Assets</u>				
Cash and investments	\$ 8,828,296	61,458	622,781	431,884
Cash and investments with fiscal agent	892,803	-	-	-
Receivables:				
Accounts	14,212	32	-	-
Interest	12,832	-	-	-
Due from other governments	4,061	3,632,050	712,318	230,733
Due from other funds (note 3)	241,957	-	-	547
Prepaid items	111,664	-	1,636	-
Deposits	-	-	-	-
 Total assets	 \$ 10,105,825	 3,693,540	 1,336,735	 663,164
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 699,411	1,026,830	487,467	121,368
Accrued payroll and benefits	115,735	-	-	-
Due to other funds (note 3)	-	-	-	242,504
Due to other governments	1,530	-	-	-
Due to claimants	-	-	-	10,190
Unearned revenue	687,797	2,148,449	-	-
Deposits payable	3,825,503	-	-	-
 Total liabilities	 5,329,976	 3,175,279	 487,467	 374,062
 Deferred inflows of resources:				
Unavailable revenues	-	1,141,531	72,651	125,278
 Total deferred inflows of resources	 -	 1,141,531	 72,651	 125,278
 Fund balances:				
Nonspendable:				
Prepaid items	111,664	-	1,636	-
Deposits	-	-	-	-
Restricted for:				
Environmental implementation	-	-	774,981	112,206
Planning and evaluation services	-	-	-	37,235
Measurement and reporting	-	-	-	-
Debt service	892,803	-	-	-
Assigned to:				
Capital projects	1,785,000	-	-	100,547
Unassigned	1,986,382	(623,270)	-	(86,164)
 Total fund balances	 4,775,849	 (623,270)	 776,617	 163,824
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 10,105,825	 3,693,540	 1,336,735	 663,164

See Notes to the Basic Financial Statements

Totals		
2014	2013	2012
9,944,419	8,979,515	6,188,398
892,803	892,897	892,803
14,244	164,806	199,225
12,832	9,951	2,023
4,579,162	3,934,302	5,458,618
242,504	252,029	2,176,741
113,300	103,639	118,009
-	-	2,130
<u>15,799,264</u>	<u>14,337,139</u>	<u>15,037,947</u>
2,335,076	1,964,733	1,835,691
115,735	109,998	139,415
242,504	252,029	2,176,741
1,530	1,531	1,530
10,190	10,190	240,045
2,836,246	2,421,446	1,785,594
<u>3,825,503</u>	<u>3,974,116</u>	<u>4,024,876</u>
<u>9,366,784</u>	<u>8,734,043</u>	<u>10,203,892</u>
<u>1,339,460</u>	<u>1,091,318</u>	<u>2,209,525</u>
<u>1,339,460</u>	<u>1,091,318</u>	<u>2,209,525</u>
113,300	103,639	118,009
-	-	2,130
887,187	707,467	-
37,235	156,484	133,899
-	-	4,656
892,803	892,897	892,803
1,885,547	100,547	-
<u>1,276,948</u>	<u>2,550,744</u>	<u>1,473,033</u>
<u>5,093,020</u>	<u>4,511,778</u>	<u>2,624,530</u>
<u>15,799,264</u>	<u>14,337,139</u>	<u>15,037,947</u>

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TAHOE REGIONAL PLANNING AGENCY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2014

Fund balances of governmental funds	\$ 5,093,020
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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	15,079,751
Accumulated depreciation	(4,870,326)

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	(421,825)
Capital lease obligations	(144,568)
Lease revenue bonds	(12,230,000)

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.

(50,942)

Revenue is deferred 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 deferred.

1,339,460

Net position of governmental activities

\$ 3,794,570

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, 2014

(with comparative prior year information)

		Special Revenue Funds		Non-Major
	General	Transportation	Aquatic Invasive	Governmental
		Fund	Species	Funds
Revenues:				
Federal grants	\$ -	4,757,526	1,201,394	100,951
State government grants and contracts	5,659,553	1,300,009	66,142	2,223,351
Local government grants and contracts	231,431	-	-	124,200
Charges for services	2,354,950	-	599,565	-
Fines and forfeitures	191,603	-	-	-
Rental income	306,207	-	-	-
Investment income	15,787	(338)	(175)	1,996
Miscellaneous revenues	52,484	-	-	-
Pass-through revenue	-	-	-	-
Total revenues	<u>8,812,015</u>	<u>6,057,197</u>	<u>1,866,926</u>	<u>2,450,498</u>
Expenditures:				
Current:				
General government:				
Administrative services	725,903	-	-	-
Support services	1,420,311	-	-	-
Legal services	647,488	-	-	-
Interfund reimbursements	(670,848)	-	-	-
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	999,383	-	1,855,344	593,965
Planning and evaluation services	2,717,900	6,057,734	-	2,037,686
Measurement and reporting	647,268	-	-	-
Regional plan update	430,315	-	-	-
Building and rental activities	153,541	-	-	-
Capital outlay	39,372	-	-	-
Debt service:				
Principal payments	309,483	-	-	-
Interest and fiscal charges	627,591	-	-	-
Pass-through expenditures	<u>12,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,060,665</u>	<u>6,057,734</u>	<u>1,855,344</u>	<u>2,631,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>751,350</u>	<u>(537)</u>	<u>11,582</u>	<u>(181,153)</u>
Other financing sources (uses):				
Transfers in (note 3)	-	70,348	83,646	61,868
Transfers out (note 3)	(215,862)	-	-	-
Proceeds of capital lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(215,862)</u>	<u>70,348</u>	<u>83,646</u>	<u>61,868</u>
Net changes in fund balances	535,488	69,811	95,228	(119,285)
Fund balances (deficit), beginning of year	<u>4,240,361</u>	<u>(693,081)</u>	<u>681,389</u>	<u>283,109</u>
Fund balances (deficit), end of year	<u>\$ 4,775,849</u>	<u>(623,270)</u>	<u>776,617</u>	<u>163,824</u>

See Notes to the Basic Financial Statements

Totals		
2014	2013	2012
6,059,871	6,923,934	6,698,073
9,249,055	9,748,585	9,129,135
355,631	1,432,846	460,191
2,954,515	3,402,279	2,665,531
191,603	160,965	239,326
306,207	255,601	343,027
17,270	30,294	3,508
52,484	-	51,324
-	999	20,682
<u>19,186,636</u>	<u>21,955,503</u>	<u>19,610,797</u>

725,903	775,445	686,901
1,420,311	1,271,474	1,799,918
647,488	768,347	707,446
(670,848)	(788,814)	(859,122)

3,448,692	5,447,642	4,582,868
10,813,320	10,263,855	11,271,108
647,268	532,051	1,008,300
430,315	573,904	921,335
153,541	163,233	134,629
39,372	131,591	66,578
309,483	369,791	263,227
627,591	651,835	667,399
<u>12,958</u>	<u>11,528</u>	<u>21,681</u>
<u>18,605,394</u>	<u>20,171,882</u>	<u>21,272,268</u>

<u>581,242</u>	<u>1,783,621</u>	<u>(1,661,471)</u>
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215,862	366,067	408,184
(215,862)	(366,067)	(408,184)
-	103,627	36,200
-	103,627	36,200
581,242	1,887,248	(1,625,271)
<u>4,511,778</u>	<u>2,624,530</u>	<u>4,249,801</u>
<u>5,093,020</u>	<u>4,511,778</u>	<u>2,624,530</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, 2014

Net change in fund balances - total governmental funds	\$ 581,242
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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	(512,621)
Capital outlay	18,736

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments for lease revenue bonds	265,000
Principal payments for capital lease obligations	85,509

Interest on noncurrent liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.	2,205
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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.	69,355
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Revenue is deferred 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 deferred.	<u>248,142</u>
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Change in net position of governmental activities	<u>\$ 757,568</u>
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See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Statement of Assets and Liabilities

June 30, 2014

Assets

Cash and investments (note 2)	\$	8,433,033
Receivables:		
Interest		<u>12,699</u>
Total assets	\$	<u>8,445,732</u>

Liabilities

Accounts payable	\$	-
Due to governments		8,337,963
Deposits payable		<u>107,769</u>
Total liabilities	\$	<u>8,445,732</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

Year Ended June 30, 2014

(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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(c) Major Funds (Continued)

- Excess Coverage Mitigation Fund – This fund was established to hold environmental mitigation fees collected on behalf of the States of California and Nevada as an offsetting effect to expected impacts on land coverage. The mitigation fees are paid by project applicants in lieu of a reduction of land coverage. Disbursements from this fund are made to the States of California and Nevada to fund land purchases.
- Mitigation Fund – This fund was established to collect mitigation fees on behalf of various Lake Tahoe basin jurisdictions as an offsetting effect to expected impacts of certain projects within the Lake Tahoe Basin. The mitigation fees are paid by project applicants and grouped into air quality, water quality and stream zone environment. Disbursements from this fund are made to Lake Tahoe basin jurisdictions to fund eligible projects that serve to mitigate impacts of development.

(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) 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.

(g) 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(h) 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 fair market value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

<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

(i) 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. The 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(j) 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.

(k) Compensated Absences

Compensated absences include accumulated vacation and other compensatory leave balances that are accrued as earned. The employee's 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.

(l) 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.

(m) 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).

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(m) Fund Balances (Continued)

- Restricted – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.
- Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board action limiting the use of the funds is separate from the action (legislation) that created (enabled) the funding source, then it is committed, not restricted. For TRPA, a resolution is the highest level of decision-making authority that is used to establish a commitment of fund balance.
- Assigned – includes amounts that are designated or expressed by the Board, but does not require a formal action like a resolution or ordinance. The Board has delegated the ability to assign uses of specific funds, for specific purposes to the Executive Director and the Finance Director.
- Unassigned – includes the remaining spendable amounts which are not included in one of the other classifications.

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

(n) 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(n) Net Position (Continued)

- 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.

(o) 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.

(p) Prior Year Data

Selected information from the prior fiscal 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 years ended June 30, 2013 and 2012, from which this selected financial data was derived.

(2) Cash and Investments

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

Statement of Net Position:

Cash and investments	\$ 9,944,419
Cash and investments with fiscal agent	892,803
Agency Funds:	
Cash and investments	<u>8,433,033</u>

Total cash and investments \$19,270,255

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 300
Deposits with financial institutions	1,506,208
Investments	<u>17,763,747</u>
Total cash and investments	<u>\$19,270,255</u>

Investments Authorized by the California Government Code 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 Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	Yes	5 years	40%	None
U.S. Treasury Obligations	Yes	5 years	75%	None
U.S. 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
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Notes	Yes	5 years	20%	10%
Mutual Funds	Yes	N/A	10%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	N/A	N/A	N/A
County Pooled Investment Fund	Yes	N/A	None	None
State Investment Pools	Yes	N/A	None	None

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

* 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.

<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 values 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

	<u>Total</u>	Maturities (in Months)			
		12 Months or <u>Less</u>	13-24 <u>Months</u>	25-36 <u>Months</u>	More than <u>36 Months</u>
State investment pool	\$5,748,733	5,748,733	-	-	-
County investment pool	37,235	37,235	-	-	-
Federal agencies securities	6,542,855	-	1,253,488	5,289,367	-
U.S. Treasury notes	747,443	-	-	747,443	-
Medium-term notes	3,246,813	-	857,205	2,389,608	-
Money market mutual funds	547,780	547,780	-	-	-
Held by fiscal agent:					
Money market mutual funds	<u>892,888</u>	<u>892,888</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$17,763,747</u>	<u>7,226,636</u>	<u>2,110,693</u>	<u>8,426,418</u>	<u>-</u>

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.

		Minimum	Exempt	Rating as of Year End					
	<u>Total</u>	Legal	from						
		<u>Rating</u>	<u>Disclosure</u>	<u>AAA</u>	<u>AA+ - AA-</u>	<u>A+ - A-</u>	<u>BBB+</u>	<u>Not Rated</u>	
State investment pool	\$5,748,733	N/A	-	-	-	-	-	-	5,748,733
County investment pool	37,235	N/A	-	-	-	-	-	-	37,235
Federal agencies securities	6,542,855	AAA	-	-	6,542,855	-	-	-	-
U.S. Treasury notes	747,443	N/A	747,443	-	-	-	-	-	-
Medium-term notes	3,246,813	AAA	-	-	1,219,491	2,027,322	-	-	-
Money market mutual funds	547,780	AAA	-	-	-	-	-	-	547,780
Held by fiscal agent:									
Money market mutual funds	<u>892,888</u>	AAA-m	<u>-</u>	<u>892,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$17,763,747</u>		<u>747,443</u>	<u>892,888</u>	<u>7,762,346</u>	<u>2,027,322</u>	<u>-</u>	<u>-</u>	<u>6,333,748</u>

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. 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 are as follows:

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association	Federal agency securities	\$2,525,950
Federal Home Loan Mortgage Corporation	Federal agency securities	3,006,559

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. TRPA's Investment Policy requires financial institutions to collateralize deposits. TRPA participates in Nevada's collateral pool for public agencies, which is overseen by the Nevada State Treasurer. Amounts with financial institutions are first covered by FDIC insurance and amounts exceeding the limit are collateralized by the bank with the Nevada State Treasurer's office. The minimum collateralization is 102% of the public deposit.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. To address investment custodial credit risk, TRPA's Investment Policy requires the investments be placed with an independent third party for safekeeping and that all trade where applicable will be executed by Delivery vs. Payment. This ensures that securities are deposited in eligible financial institutions prior to the release of funds. 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. As of June 30, 2014, total investments held by the safekeeping custodian on behalf of TRPA were \$11,084,891.

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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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.

(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, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$241,957
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>547</u>
	Total	<u>\$242,504</u>

The amounts due to the General Fund and Nonmajor Governmental Funds represent temporary cash borrowings that will be repaid when reimbursements from granting agencies are collected.

Interfund Transfers

Interfund transfers consisted of the following for the year ended June 30, 2014:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Transportation Fund	General Fund	70,348
Aquatic Invasive Species Fund	General Fund	83,646
Nonmajor Governmental Funds	General Fund	<u>61,274</u>
Total transfers		<u>\$215,268</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Interfund Transactions (Continued)

Interfund Transfers (Continued)

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

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014 is as follows:

	Balance at <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ <u>1,606,706</u>	<u>-</u>	<u>-</u>	<u>1,606,706</u>
Total capital assets not being depreciated	<u>1,606,706</u>	<u>-</u>	<u>-</u>	<u>1,606,706</u>
Capital assets being depreciated:				
Buildings and improvements	10,749,152	-	-	10,749,152
Boats, equipment and furniture	1,972,587	18,736	(108,179)	1,883,144
Software	<u>847,249</u>	<u>-</u>	<u>(6,500)</u>	<u>840,749</u>
Total capital assets being depreciated	<u>13,568,988</u>	<u>18,736</u>	<u>(114,679)</u>	<u>13,473,045</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (2,065,531)	(335,627)	-	(2,401,158)
Boats, equipment and furniture	(1,624,460)	(154,891)	108,179	(1,671,172)
Software	<u>(782,393)</u>	<u>(22,103)</u>	<u>6,500</u>	<u>(797,996)</u>
Total accumulated depreciation	<u>(4,472,384)</u>	<u>(512,621)</u>	<u>114,679</u>	<u>(4,870,326)</u>
Capital assets, net	<u>\$10,703,310</u>	<u>(493,885)</u>	<u>-</u>	<u>10,209,425</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(4) Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

Support services	\$388,241
Environmental planning, implementation and measurement and reporting:	
Development services	1,344
Environmental improvement implementation	<u>123,036</u>
Total depreciation	<u>\$512,621</u>

(5) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014	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	4,920,000	-	(265,000)	4,655,000	280,000	4,375,000
Capital Lease Obligations	206,119	-	(61,551)	144,568	43,505	101,063
Loans Payable	23,958	-	(23,958)	-	-	-
Compensated Absences	<u>491,180</u>	<u>301,976</u>	<u>(371,331)</u>	<u>421,825</u>	<u>369,201</u>	<u>52,624</u>
Total	<u>\$13,216,257</u>	<u>301,976</u>	<u>(721,840)</u>	<u>12,796,393</u>	<u>692,706</u>	<u>12,103,687</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, 2014, cash and investments held in the reserve account for the series A and B bonds was equal to the reserve requirement of \$688,336.

\$12,230,000

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Lease Revenue Bonds (Continued)

Annual debt service requirements to maturity are as follows:

Series A Bonds			
Year Ending			
June 30	Principal	Interest	Total
2015	\$ -	340,875	340,875
2016	-	340,875	340,875
2017	-	340,875	340,875
2018	-	340,875	340,875
2019	-	340,875	340,875
2020-2023	-	1,874,813	1,874,813
2025-2029	1,705,000	1,630,575	3,335,575
2030-2034	3,425,000	1,026,000	4,451,000
2035-2037	<u>2,445,000</u>	<u>223,200</u>	<u>2,668,200</u>
Total	<u>\$7,575,000</u>	<u>6,458,963</u>	<u>14,033,963</u>

Series B Bonds			
Year Ending			
June 30	Principal	Interest	Total
2015	280,000	268,381	548,381
2016	295,000	253,485	548,485
2017	310,000	237,791	547,791
2018	330,000	221,299	551,299
2019	350,000	201,928	551,928
2020-2024	2,065,000	677,692	2,742,692
2025-2027	<u>1,025,000</u>	<u>92,453</u>	<u>1,117,453</u>
Total	<u>\$4,655,000</u>	<u>1,953,029</u>	<u>6,608,029</u>

Capital Lease Obligations

In 2005, TRPA entered into an equipment lease for a 28-foot sounder patrol boat in the amount of \$200,553. Title transfers to TRPA at the termination of the lease. The annual principal and interest installment is \$21,717 and interest on the lease is 3.26%.

\$116,371

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Capital Lease Obligations (Continued)

In 2013, TRPA entered into an Equipment Lease for four Xerox printers in the amount of \$41,915. Title transfers to TRPA at the termination of the lease. The annual principal and interest installment is \$1,746 and the interest rate on the lease is 5.35%.

6,910

In 2013, TRPA entered into an Equipment Lease for NetApp hardware, software and support in the amount of \$63,908. Title transfers to TRPA at the termination of the lease. The annual principal and interest installment is \$22,299 and interest on the lease is 4.75%.

21,287

Total obligations under capital leases

\$144,568

Future minimum lease payments for all capital lease obligations are as follows:

Year Ending	
<u>June 30</u>	
2015	\$51,000
2016	21,717
2017	21,718
2018	21,717
2019	21,717
2020-2023	<u>28,839</u>
Total lease payments	166,708
Less interest	<u>(22,140)</u>
Present Value of Minimum Lease Payments	<u>\$144,568</u>

As of June 30, 2014, capital assets acquired under capital leases were detailed as follows:

Boats, equipment and furniture	\$ 240,272
Software	63,908
Less accumulated depreciation	<u>(221,949)</u>
Total capital leases, net	<u>\$ 82,231</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Loans Payable

In 2011, TRPA entered into a vehicle loan for two Ford Escapes in the amount of \$36,200. Title transfers to TRPA at the termination of the loan. The annual principal and interest installment is \$8,212 and interest on the lease is 5.00%. The loan was paid in full during the year ended June 30, 2014.

\$ -

Compensated Absences

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

\$421,825

(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 <u>Pledged Revenue</u>	Annual amount of Pledged <u>Revenue</u>	Annual Debt Service Payments (of all Debt Secured by this <u>Revenues</u>)	Debt Service as a Percentage of <u>Pledged Revenue</u>
Rental Income	\$995,186	888,157	112%

(7) Defined Contribution Pension Plan

Plan Description

TRPA participates in a 401(a) defined contribution plan (Plan) that is administered by Daily Access. The Plan provides retirement benefits to eligible employees. Employees are eligible to participate in the plan after six months of employment. TRPA's contributions for each employee become fully vested after five years of continuous service. Separate financial statements for the Plan are not prepared.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(7) Defined Contribution Pension Plan (Continued)

Contributions

Participants may contribute up to 15% of their annual gross salary (subject to annual limits). TRPA contributes 8% of employees' gross salaries. Employer contributions are in lieu of contributing to social security. Benefit provisions are established and may be amended by TRPA's Board of Directors. During the fiscal year ended June 30, 2014, TRPA contributed \$419,878 and the employees contributed \$524,687 to the Plan.

During 2012, the District determined its 401(a) plan was not compliant with Internal Revenue Service (IRS) requirements for a Social Security Replacement Plan. New plans, a Money Purchase Plan as the Social Security Replacement Plan and a 457(b) plan for deferred compensation were established. The 401(a) plan was frozen on July 27, 2012 and a Voluntary Compliance Program (VCP) filing was made with the IRS regarding disposition of the assets. The IRS approved the District's VCP on July 14, 2014. On November 20, 2014 the 401(a) plan was terminated and the assets were distributed according to the direction of the participants.

(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) Deficit Fund Balances

The following fund reported a deficit as of June 30, 2014. These deficits will be remedied when outstanding receivables are collected from granting agencies.

Major Funds:

Transportation Fund	\$2,889,866
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TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(10) Expenditures in Excess of Appropriations

Expenditures in the fund below exceeded appropriations as of June 30, 2014:

	<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Amount Exceeding Appropriations</u>
Major Funds:				
General Fund		\$7,867,921	7,996,562	128,641

There were sufficient revenues to account for the expenditures in excess of appropriations as noted in the above funds. The General Fund amounts expended were authorized by the Governing Board, but not as part of the formal TRPA budget process.

(11) 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, 2014 was as follows:

	<u>PTMISEA</u>	<u>TSSSDRA</u>	<u>Total</u>
Unspent Prop 1B funds as of June 30, 2013	\$1,553,264	241,649	1,794,913
Prop 1B funds received	133,672	75,431	209,103
Interest earned	3,955	453	4,408
Prop 1B expenditures incurred	<u>(66,365)</u>	<u>(102,710)</u>	<u>(169,075)</u>
Unspent Prop 1B funds as of June 30, 2014	<u>\$1,624,526</u>	<u>214,823</u>	<u>1,839,349</u>

(12) 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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(12) Contingencies (Continued)

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.

(13) Economic Dependency

During the fiscal year ended June 30, 2014, approximately 79% of TRPA's total revenue was derived from federal, state, and local government agencies.

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REQUIRED SUPPLEMENTARY INFORMATION

TAHOE REGIONAL PLANNING AGENCY

General Fund

Budgetary Comparison Schedule

Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State government grants and contracts	\$ 5,668,265	5,668,265	5,659,553	(8,712)
Local government grants and contracts	224,999	224,999	231,431	6,432
Charges for services	1,337,284	1,337,284	2,354,950	1,017,666
Fines and forfeitures	165,000	165,000	191,603	26,603
Rental income	307,876	307,876	306,207	(1,669)
Investment income	80	80	15,787	15,707
Miscellaneous revenues	-	-	52,484	52,484
Total revenues	<u>7,703,504</u>	<u>7,703,504</u>	<u>8,812,015</u>	<u>1,108,511</u>
Expenditures:				
Current:				
General government:				
Administrative services	710,730	710,730	725,903	(15,173)
Support services	1,923,725	1,923,725	1,420,311	503,414
Legal services	733,963	733,963	647,488	86,475
Interfund reimbursements	(671,925)	(671,925)	(670,848)	(1,077)
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	1,152,473	1,152,473	999,383	153,090
Planning and evaluation services	1,499,993	1,499,993	2,717,900	(1,217,907)
Measurement and reporting	797,034	797,034	647,268	149,766
Regional plan update	602,354	602,354	430,315	172,039
Building and rental activities	138,721	138,721	153,541	(14,820)
Capital outlay	30,996	30,996	39,372	(8,376)
Debt service:				
Principal payments	315,008	315,008	309,483	5,525
Interest and fiscal charges	623,354	623,354	627,591	(4,237)
Pass-through expenditures	-	-	12,958	(12,958)
Total expenditures	<u>7,856,426</u>	<u>7,856,426</u>	<u>8,060,665</u>	<u>(204,239)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(152,922)</u>	<u>(152,922)</u>	<u>751,350</u>	<u>904,272</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(179,124)	(179,124)	(215,862)	(36,738)
Proceeds of capital lease	-	-	-	-
Total other financing sources (uses)	<u>(179,124)</u>	<u>(179,124)</u>	<u>(215,862)</u>	<u>(36,738)</u>
Net change in fund balance	(332,046)	(332,046)	535,488	867,534
Fund balance, beginning of year	<u>4,240,361</u>	<u>4,240,361</u>	<u>4,240,361</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,908,315</u>	<u>3,908,315</u>	<u>4,775,849</u>	<u>867,534</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Transportation Fund

Budgetary Comparison Schedule

Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 4,761,471	4,761,471	4,757,526	(3,945)
State government grants and contracts	1,337,131	1,337,131	1,300,009	(37,122)
Investment income	-	-	(338)	(338)
Total revenues	6,098,602	6,098,602	6,057,197	(41,405)
Expenditures:				
Current:				
Environmental planning, implementation, and measurement and reporting:				
Planning and evaluation services	6,098,607	6,098,607	6,057,734	40,873
Total expenditures	6,098,607	6,098,607	6,057,734	40,873
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(537)	(532)
Other financing sources:				
Transfers in	-	-	70,348	70,348
Total other financing sources	-	-	70,348	70,348
Net change in fund balance	(5)	(5)	69,811	69,816
Fund deficit, beginning of year	(693,081)	(693,081)	(693,081)	-
Fund deficit, end of year	<u>\$ (693,086)</u>	<u>(693,086)</u>	<u>(623,270)</u>	<u>69,816</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Aquatic Invasive Species Fund

Budgetary Comparison Schedule

Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 1,906,928	1,906,928	1,201,394	(705,534)
State government grants and contracts	-	289,150	66,142	(223,008)
Local government grants and contracts	-	10,000	-	(10,000)
Charges for services	600,000	600,000	599,565	(435)
Total revenues	<u>2,506,928</u>	<u>2,806,078</u>	<u>1,866,926</u>	<u>(939,152)</u>
Expenditures:				
Current:				
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	<u>2,879,024</u>	<u>2,879,024</u>	<u>1,855,344</u>	<u>1,023,680</u>
Total expenditures	<u>2,879,024</u>	<u>2,879,024</u>	<u>1,855,344</u>	<u>1,023,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,096)</u>	<u>(72,946)</u>	<u>11,582</u>	<u>84,528</u>
Other financing sources:				
Transfers in	<u>112,053</u>	<u>112,053</u>	<u>83,646</u>	<u>(28,407)</u>
Total other financing sources	<u>112,053</u>	<u>112,053</u>	<u>83,646</u>	<u>(28,407)</u>
Net change in fund balance	(260,043)	39,107	95,228	56,121
Fund deficit, beginning of year	<u>681,389</u>	<u>681,389</u>	<u>681,389</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 421,346</u>	<u>720,496</u>	<u>776,617</u>	<u>56,121</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Notes to Required Supplementary Information

Year Ended June 30, 2014

(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, 2014

	General Fund	128 Market Street Building	Watercraft & Shorezone	Settlements	Charitable Contributions
<u>Assets</u>					
Cash and investments	\$ 7,612,391	22,749	1,008,633	184,523	-
Cash and investments with fiscal agent	-	892,803	-	-	-
Receivables:					
Accounts	3,077	1,135	-	-	10,000
Interest	11,544	-	1,288	-	-
Due from other governments	1,061	-	-	-	3,000
Due from other funds	3,413,932	-	-	-	-
Prepaid items	91,181	12,484	7,999	-	-
Total assets	\$ 11,133,186	929,171	1,017,920	184,523	13,000
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 669,488	19,611	3,354	-	6,958
Accrued payroll and benefits	115,735	-	-	-	-
Due to other funds	3,159,610	-	-	-	12,365
Due to other governments	1,530	-	-	-	-
Unearned revenue	655,308	-	-	-	32,489
Deposits payable	3,800,380	25,123	-	-	-
Total liabilities	8,402,051	44,734	3,354	-	51,812
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaid items	91,181	12,484	7,999	-	-
Restricted for:					
Debt service	-	892,803	-	-	-
Assigned to:					
Capital projects	1,785,000	-	-	-	-
Unassigned	854,954	(20,850)	1,006,567	184,523	(38,812)
Total fund balances	2,731,135	884,437	1,014,566	184,523	(38,812)
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,133,186	929,171	1,017,920	184,523	13,000

(1) Interfund balances 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.

<u>Eliminations (1)</u>	<u>Total</u>
-	8,828,296
-	892,803
-	14,212
-	12,832
-	4,061
(3,171,975)	241,957
-	111,664
<u>(3,171,975)</u>	<u>10,105,825</u>

-	699,411
-	115,735
(3,171,975)	-
-	1,530
-	687,797
-	3,825,503
<u>(3,171,975)</u>	<u>5,329,976</u>

-	-
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-	111,664
-	892,803
-	1,785,000
-	1,986,382
-	4,775,849

<u>(3,171,975)</u>	<u>10,105,825</u>
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TAHOE REGIONAL PLANNING AGENCY

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2014

	General Fund	128 Market Street Building	Watercraft & Shorezone	Settlements
Revenues:				
State government grants and contracts	\$ 5,535,553	-	124,000	-
Local government grants and contracts	206,163	-	-	-
Charges for services	2,348,285	6,165	500	-
Fines and forfeitures	-	-	-	191,603
Rental income	-	995,186	-	-
Investment income	9,459	-	6,328	-
Miscellaneous revenues	52,484	-	-	-
Total revenues	<u>8,151,944</u>	<u>1,001,351</u>	<u>130,828</u>	<u>191,603</u>
Expenditures:				
Current:				
General Government:				
Administrative services	682,914	-	-	-
Support services	1,420,311	-	-	-
Legal services	406,416	-	-	241,072
Interfund reimbursements	(670,848)	-	-	-
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	817,359	-	182,024	-
Planning and evaluation services	2,717,900	-	-	-
Measurement and reporting	647,268	-	-	-
Regional plan update	430,315	-	-	-
Building and rental activities	688,979	153,541	-	-
Capital outlay	39,372	-	-	-
Debt service:				
Principal payments	23,959	265,000	20,524	-
Interest and fiscal charges	3,739	623,157	695	-
Pass-through expenditures	12,958	-	-	-
Total expenditures	<u>7,220,642</u>	<u>1,041,698</u>	<u>203,243</u>	<u>241,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>931,302</u>	<u>(40,347)</u>	<u>(72,415)</u>	<u>(49,469)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(215,862)	-	-	-
Proceeds of capital lease	-	-	-	-
Total other financing sources (uses)	<u>(215,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	715,440	(40,347)	(72,415)	(49,469)
Fund balances (deficit), beginning of year	<u>2,015,695</u>	<u>924,784</u>	<u>1,086,981</u>	<u>233,992</u>
Fund balances (deficit), end of year	<u>\$ 2,731,135</u>	<u>884,437</u>	<u>1,014,566</u>	<u>184,523</u>

(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.

Charitable Contributions	Eliminations (1)	Total
-	-	5,659,553
25,268	-	231,431
-	-	2,354,950
-	-	191,603
-	(688,979)	306,207
-	-	15,787
-	-	52,484
<u>25,268</u>	<u>(688,979)</u>	<u>8,812,015</u>

42,989	-	725,903
-	-	1,420,311
-	-	647,488
-	-	(670,848)
-	-	999,383
-	-	2,717,900
-	-	647,268
-	-	430,315
-	(688,979)	153,541
-	-	39,372
-	-	309,483
-	-	627,591
-	-	12,958
<u>42,989</u>	<u>(688,979)</u>	<u>8,060,665</u>

<u>(17,721)</u>	<u>-</u>	<u>751,350</u>
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-	-	-
-	-	(215,862)
-	-	-
-	-	(215,862)
(17,721)	-	535,488
<u>(21,091)</u>	<u>-</u>	<u>4,240,361</u>
<u>(38,812)</u>	<u>-</u>	<u>4,775,849</u>

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2014

SPECIAL REVENUE FUNDS					
	Environmental Improvement Program	Threshold	South Nevada Public Lands Management Fund	Erosion Control Fund	El Dorado County Local Transportation Fund
<u>Assets</u>					
Cash and investments	\$ 13,349	-	-	281,300	7
Receivables:					
Accounts	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	171,595	-	-	59,138	-
Due from other funds	-	-	-	-	-
Total assets	184,944	-	-	340,438	7
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 112,077	-	-	9,291	-
Due to other funds	57,813	-	-	184,691	-
Due to claimants	-	-	-	10,190	-
Unearned revenue	-	-	-	-	-
Total liabilities	169,890	-	-	204,172	-
Deferred inflows of resources:					
Unavailable revenues	101,218	-	-	24,060	-
Total deferred inflows of resources	101,218	-	-	24,060	-
Fund balances (deficit):					
Restricted for:					
Developmental services	-	-	-	-	-
Environmental implementation	-	-	-	112,206	-
Planning and evaluation services	-	-	-	-	7
Measurement and reporting	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Unassigned	(86,164)	-	-	-	-
Total fund balances (deficit)	(86,164)	-	-	112,206	7
Total liabilities, deferred inflows of resources, and fund balance	\$ 184,944	-	-	340,438	7

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND			
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Capital Outlay	Totals		
			2014	2013	2012
37,204	24	100,000	431,884	257,031	148,154
-	-	-	-	875	4,841
-	-	-	-	-	612
-	-	-	230,733	423,938	863,069
-	-	547	547	-	-
<u>37,204</u>	<u>24</u>	<u>100,547</u>	<u>663,164</u>	<u>681,844</u>	<u>1,016,676</u>
-	-	-	121,368	31,798	27,899
-	-	-	242,504	232,504	550,219
-	-	-	10,190	10,190	240,045
-	-	-	-	-	597,078
<u>-</u>	<u>-</u>	<u>-</u>	<u>374,062</u>	<u>274,492</u>	<u>1,415,241</u>
-	-	-	125,278	124,243	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>125,278</u>	<u>124,243</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	112,206	26,078	-
37,204	24	-	37,235	156,484	133,899
-	-	-	-	-	4,656
-	-	100,547	100,547	100,547	547
-	-	-	(86,164)	-	(537,667)
<u>37,204</u>	<u>24</u>	<u>100,547</u>	<u>163,824</u>	<u>283,109</u>	<u>(398,565)</u>
<u>37,204</u>	<u>24</u>	<u>100,547</u>	<u>663,164</u>	<u>681,844</u>	<u>1,016,676</u>

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2014

SPECIAL REVENUE FUNDS				
	Environmental Improvement Program	Threshold	South Nevada Public Lands Management Fund	Erosion Control Fund
Revenues:				
Federal grants	\$ 100,951	-	-	-
State government grants and contracts	35,197	-	-	271,713
Local government grants and contracts	-	-	-	124,200
Investment income	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>136,148</u>	<u>-</u>	<u>-</u>	<u>395,913</u>
Expenditures:				
Current:				
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	239,263	-	-	354,702
Planning and evaluation services	-	-	-	-
Measurement and reporting	-	-	-	-
Total expenditures	<u>239,263</u>	<u>-</u>	<u>-</u>	<u>354,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(103,115)</u>	<u>-</u>	<u>-</u>	<u>41,211</u>
Other financing sources:				
Transfers in	594	-	-	61,274
Transfers out	-	-	-	-
Total other financing sources	<u>594</u>	<u>-</u>	<u>-</u>	<u>61,274</u>
Net change in fund balances	<u>(102,521)</u>	<u>-</u>	<u>-</u>	<u>102,485</u>
Fund balances (deficit), beginning of year	<u>16,357</u>	<u>-</u>	<u>-</u>	<u>9,721</u>
Fund balances (deficit), end of year	<u>\$ (86,164)</u>	<u>-</u>	<u>-</u>	<u>112,206</u>

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND			
El Dorado County Local Transportation Fund	Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Capital Outlay	Totals		
				2014	2013	2012
-	-	-	-	100,951	194,783	155,301
808,937	585,862	521,642	-	2,223,351	2,205,403	2,307,417
-	-	-	-	124,200	1,093,508	292,013
115	1,812	69	-	1,996	2,139	3,871
-	-	-	-	-	-	2,564
<u>809,052</u>	<u>587,674</u>	<u>521,711</u>	<u>-</u>	<u>2,450,498</u>	<u>3,495,833</u>	<u>2,761,166</u>
-	-	-	-	593,965	1,279,294	1,135,316
840,055	675,928	521,703	-	2,037,686	1,763,675	1,997,395
-	-	-	-	-	-	321,209
<u>840,055</u>	<u>675,928</u>	<u>521,703</u>	<u>-</u>	<u>2,631,651</u>	<u>3,042,969</u>	<u>3,453,920</u>
<u>(31,003)</u>	<u>(88,254)</u>	<u>8</u>	<u>-</u>	<u>(181,153)</u>	<u>452,864</u>	<u>(692,754)</u>
-	-	-	-	61,868	234,059	220,291
-	-	-	-	-	(5,249)	(91,667)
-	-	-	-	61,868	228,810	128,624
<u>(31,003)</u>	<u>(88,254)</u>	<u>8</u>	<u>-</u>	<u>(119,285)</u>	<u>681,674</u>	<u>(564,130)</u>
<u>31,010</u>	<u>125,458</u>	<u>16</u>	<u>100,547</u>	<u>283,109</u>	<u>(398,565)</u>	<u>165,565</u>
<u>7</u>	<u>37,204</u>	<u>24</u>	<u>100,547</u>	<u>163,824</u>	<u>283,109</u>	<u>(398,565)</u>

TAHOE REGIONAL PLANNING AGENCY

Environmental Improvement Program

Budgetary Comparison Schedule

Year Ended June 30, 2014

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 218,312	100,951	(117,361)
State government grants and contracts	50,000	35,197	(14,803)
Total revenues	268,312	136,148	(132,164)
Expenditures:			
Current:			
Environmental planning, implementation, and measurement and reporting:			
Environmental implementation	283,280	239,263	44,017
Total expenditures	283,280	239,263	44,017
Excess (deficiency) of revenues over (under) expenditures	(14,968)	(103,115)	(88,147)
Other financing sources (uses):			
Transfers in	-	594	594
Transfers out	-	-	-
Total other financing sources (uses)	-	594	594
Net change in fund balance	(14,968)	(102,521)	(87,553)
Fund deficit, beginning of year	16,357	16,357	-
Fund balance (deficit), end of year	\$ 1,389	(86,164)	(87,553)

TAHOE REGIONAL PLANNING AGENCY

Erosion Control Fund

Budgetary Comparison Schedule

Year Ended June 30, 2014

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
State government grants and contracts	\$ 481,853	271,713	(210,140)
Local government grants and contracts	-	124,200	124,200
Total revenues	481,853	395,913	(85,940)
Expenditures:			
Current:			
Environmental planning, implementation, and measurement and reporting:			
Environmental implementation	555,599	354,702	200,897
Total expenditures	555,599	354,702	200,897
Excess (deficiency) of revenues over (under) expenditures	(73,746)	41,211	114,957
Other financing sources:			
Transfers in	73,744	61,274	(12,470)
Total other financing sources	73,744	61,274	(12,470)
Net change in fund balance	(2)	102,485	102,487
Fund deficit, beginning of year	9,721	9,721	-
Fund balance (deficit), end of year	\$ 9,719	112,206	102,487

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2014

	CTRPA Tahoe Keys	CTRPA Securities	CTRPA Indirect Source	Excess Coverage Mitigation
<u>Assets</u>				
Cash and investments	\$ 371,992	107,642	8,756	1,999,851
Receivables:				
Interest	<u>439</u>	<u>127</u>	<u>10</u>	<u>5,455</u>
Total assets	<u>\$ 372,431</u>	<u>107,769</u>	<u>8,766</u>	<u>2,005,306</u>
<u>Liabilities</u>				
Accounts payable	\$ -	-	-	-
Due to other governments	372,431	-	8,766	2,005,306
Deposits payable	<u>-</u>	<u>107,769</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 372,431</u>	<u>107,769</u>	<u>8,766</u>	<u>2,005,306</u>

Mitigation	Totals		
	2014	2013	2012
5,944,792	8,433,033	12,470,605	16,047,036
<u>6,668</u>	<u>12,699</u>	<u>12,927</u>	<u>28,290</u>
<u>5,951,460</u>	<u>8,445,732</u>	<u>12,483,532</u>	<u>16,075,326</u>
-	-	20,000	-
5,951,460	8,337,963	12,356,172	15,968,095
<u>-</u>	<u>107,769</u>	<u>107,360</u>	<u>107,231</u>
<u>5,951,460</u>	<u>8,445,732</u>	<u>12,483,532</u>	<u>16,075,326</u>

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>CTRPA Tahoe Keys</u>				
<u>Assets</u>				
Cash and Investments	\$ 370,359	106,998	105,365	371,992
Receivables:				
Interest	<u>194</u>	<u>501</u>	<u>256</u>	<u>439</u>
Total assets	<u>\$ 370,553</u>	<u>107,499</u>	<u>105,621</u>	<u>372,431</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 370,553</u>	<u>5,564</u>	<u>3,686</u>	<u>372,431</u>
Total liabilities	<u>\$ 370,553</u>	<u>5,564</u>	<u>3,686</u>	<u>372,431</u>
 <u>CTRPA Securities</u>				
<u>Assets</u>				
Cash and Investments	\$ 107,169	5,719	5,246	107,642
Receivables:				
Interest	<u>191</u>	<u>280</u>	<u>344</u>	<u>127</u>
Total assets	<u>\$ 107,360</u>	<u>5,999</u>	<u>5,590</u>	<u>107,769</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 107,360</u>	<u>1,749</u>	<u>1,340</u>	<u>107,769</u>
Total liabilities	<u>\$ 107,360</u>	<u>1,749</u>	<u>1,340</u>	<u>107,769</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>CTRPA Indirect Source</u>				
<u>Assets</u>				
Cash and Investments	\$ 8,717	165	126	8,756
Receivables:				
Interest	<u>16</u>	<u>23</u>	<u>29</u>	<u>10</u>
Total assets	<u>\$ 8,733</u>	<u>188</u>	<u>155</u>	<u>8,766</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 8,733</u>	<u>142</u>	<u>109</u>	<u>8,766</u>
Total liabilities	<u>\$ 8,733</u>	<u>142</u>	<u>109</u>	<u>8,766</u>
 <u>Excess Coverage Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 6,402,918	18,658,011	23,061,078	1,999,851
Receivables:				
Interest	<u>6,692</u>	<u>13,401</u>	<u>14,638</u>	<u>5,455</u>
Total assets	<u>\$ 6,409,610</u>	<u>18,671,412</u>	<u>23,075,716</u>	<u>2,005,306</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 6,409,610</u>	<u>808,261</u>	<u>5,212,565</u>	<u>2,005,306</u>
Total liabilities	<u>\$ 6,409,610</u>	<u>808,261</u>	<u>5,212,565</u>	<u>2,005,306</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,581,442	11,208,801	10,845,451	5,944,792
Receivables:				
Interest	<u>5,834</u>	<u>-</u>	<u>(834)</u>	<u>6,668</u>
Total assets	<u><u>\$ 5,587,276</u></u>	<u><u>11,208,801</u></u>	<u><u>10,844,617</u></u>	<u><u>5,951,460</u></u>
<u>Liabilities</u>				
Accounts payable	\$ 20,000	1,617,223	1,637,223	-
Due to other governments	<u>5,567,276</u>	<u>1,918,192</u>	<u>1,534,008</u>	<u>5,951,460</u>
Total liabilities	<u><u>\$ 5,587,276</u></u>	<u><u>3,535,415</u></u>	<u><u>3,171,231</u></u>	<u><u>5,951,460</u></u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 12,470,605	29,979,694	34,017,266	8,433,033
Receivables:				
Interest	<u>12,927</u>	<u>14,205</u>	<u>14,433</u>	<u>12,699</u>
Total assets	<u><u>\$ 12,483,532</u></u>	<u><u>29,993,899</u></u>	<u><u>34,031,699</u></u>	<u><u>8,445,732</u></u>
<u>Liabilities</u>				
Accounts payable	\$ 20,000	1,617,223	1,637,223	-
Due to other governments	12,356,172	2,732,159	6,750,368	8,337,963
Deposits payable	<u>107,360</u>	<u>1,749</u>	<u>1,340</u>	<u>107,769</u>
Total liabilities	<u><u>\$ 12,483,532</u></u>	<u><u>4,351,131</u></u>	<u><u>8,388,931</u></u>	<u><u>8,445,732</u></u>