

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2015

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TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2015

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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, 2015, 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The financial statements for the year ended June 30, 2015, reflect certain prior period adjustments as described further in note 13 to the financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The financial statements of the Tahoe Regional Planning Agency for the years ended June 30, 2014 and June 30, 2013 were audited by other auditors whose reports dated January 20, 2015 and December 5, 2013, respectively, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the years ended June 30, 2014 and June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules for the General Fund and each major special revenue fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TRPA's basic financial statements. The combining financial statements and individual nonmajor budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual nonmajor budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 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.



Irvine, California
December 7, 2015

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

Year Ended June 30, 2015

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. TRPA leads the cooperative effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe Region, while improving local communities, and people's interactions with our irreplaceable environment.

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 TRPA provides review of the organization's overall financial activities for the fiscal year ended June 30, 2015. 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.

TRPA Highlights

TRPA operates in the context of the Tahoe Region which has global reach and impact. Considered a precious natural resource to both states of California and Nevada, and the driver of the area's \$5 billion economy, Lake Tahoe has faced extraordinary challenges in recent years. The Tahoe Basin's economy, struggling even before the Great Recession, is rebounding and a renaissance is underway in pockets

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

around the lake. This positive trend helps strengthen the Region's resolve to protect and restore Lake Tahoe, which is costly and labor-intensive.

With the passage of the Regional Plan Update in 2012, the framework is in place to transform what was a deteriorating environment and community into a thriving, healthy ecosystem. Basin partnerships are stronger than ever and progress is being made on multiple fronts. Public restoration funding is also showing signs of life. Both California and Nevada are putting bond monies into the lake's restoration and the pending Lake Tahoe Restoration Act is moving through committees in the US Congress.

The focus of the Agency in Fiscal Year (FY) 2015 was the implementation of a new Regional Plan Update (RPU) and related Regional Transportation Plan (RTP), both adopted on December 12, 2012. Activities included working with the Basin jurisdictions to develop multiple area plans with substantial community input. The other major strategic focus for the Agency was securing sustainable, long-term funding to maintain TRPA's nationally recognized Aquatic Invasive Species prevention program. California and Nevada both significantly increased funding to TRPA to maintain the program. Prior funding was provided by grants from the Southern Nevada Public Lands Management Act (SNPLMA). Funding authorization has expired and SNPLMA funds for Lake Tahoe entities will decline over time.

Following adoption of TRPA's strategic plan in June 2014, the Agency's focus in FY 2015 centered on implementing the plan's four pillars of accelerating threshold attainment, using the best available science for decision-making, establishing the Agency as a leader in sustainability, and operating as a high-performing team. TRPA staff developed 10 strategic, cross-cutting initiatives that support these pillars ranging from improving regional permitting efficiencies to updating the Regional Transportation Plan.

TRPA Organization

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

- The Long Range Planning and Transportation Division was created during Fiscal Year 2015 by combining two separate Divisions. In future years, the new Division will be reported on a combined basis. For this year, they are reported separately. The former 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. The former 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.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

The 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.

- The 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.
- The 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.
- The 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-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 2015 were \$17.1 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 34% of total revenues. In addition to General

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Management's Discussion and Analysis

(Continued)

Fund contributions, various departments and agencies of the two states contribute to specific projects through Grant funding.

Directly funded programs (Grants) totaled 47% of revenues, amounting to \$8.0 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, California State Water Resource Control Board (including Lahontan), Nevada Division of Environmental Protection, California Tahoe Resource Conservation District, Nevada Resource Conservation District, and others.

Fees for services amounted to \$3.3 million or 19% of the Agency's revenues. This includes Planning Fees and reimbursed costs from applicants as well as Watercraft Inspection fees supporting the AIS program.

Agency Expenditures

Total expenditures for FY 2015 were \$16.6 million. Staff costs accounted for \$5.3 million, or 32% of the total. Contracts comprised \$9.3 million, 56% of costs including \$3.3 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, 4% of total expenditures.

TRPA works closely with other governmental entities in the basin to fund and execute various environmental initiatives. During FY 2015, TRPA passed through \$3.3 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 \$1.1 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. \$1.9 million of Excess Coverage Mitigation funds and \$0.7 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.

The TRPA General Fund Balance increased by 12% or \$0.5 million during FY 2015. 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 2015

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. 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

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

thousand in personnel costs and \$6 thousand in contracts and operating expenses. These costs were funded by the TRPA General Fund.

Transportation Planning Division:

TRPA 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 2015, the transportation planning program primarily supported the transportation aspects of the TRPA Regional Plan Update required by the Compact. TRPA received \$5,921 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. TRPA incurred \$620 thousand in personnel costs and \$4,107 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 632 permit applications during FY 2015, and approved 451 permits. Ninety percent (90%) of applications were processed within 120 days of submittal. Fees for services totaled \$2,033 thousand. TRPA spent \$874 thousand on personnel costs and \$965 thousand on contracts and operating costs in the planning department.

Code Compliance Program:

Field inspectors performed 762 project inspections during the year, a 19% increase over FY 2014. These project inspections resulted in the resolution and return of \$0.8 million in security deposits. An additional \$0.2 million of non-cash securities were also released. TRPA spent \$307 thousand in personnel costs in Code Compliance.

Research and Analysis Division:

The Research & Analysis Division (R&A) supports TRPA's planning and implementation efforts, and provides key information to the public regarding the Lake Tahoe Region. R&A manages organizational data, provides key information systems, tools and reports, engages with the scientific community, and provides efficient and timely analysis to support TRPA staff and Governing Board decision-making. In addition to ongoing work program activities, this Fiscal year, R&A will prepare the four-year Threshold Evaluation Report required by the bi-state TRPA Compact. This report will evaluate the status and trend related to the TRPA Thresholds for air and water quality, soil conservation, vegetation, fisheries, wildlife, scenic, noise and recreation. During FY 2015, expenses included \$699 thousand in labor and \$557 thousand in other expenses. These non-labor expenses cover contracting and additional expenses related to ongoing monitoring activities and the Threshold Evaluation Report.

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Management's Discussion and Analysis

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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 2015 was \$203 thousand. TRPA spent \$75 thousand in staff costs and \$7 thousand in other expenses.

Environmental Improvement Division:

The Environmental Improvement Program (EIP) continued to implement major public projects in FY 2015. For the past 18 years, the many private and public organizations working towards environmental threshold attainment in the Lake Tahoe Basin have worked together under the umbrella of the EIP. Projects to highlight this year include completion of two Caltrans Highway 89 Water Quality Projects covering the Westshore from Eagle Falls to Tahoma, which enhanced the treatment of water runoff from this major highway running alongside the Lake. Also, the Laura Drive Phase of the NV Stateline to Stateline Bike Path and the Sawmill Bike Path in Eldorado County were completed, adding more low-impact transit options to the Basin and a better recreational experience. TRPA provides strategic coordination for the EIP and works with partners for the effective and efficient delivery of projects through many coordinated bodies including the Tahoe Interagency Executive Steering Committee and multi-stakeholder workgroups that coordinate on specific EIP focus areas. All of the EIP partners work diligently to invest and pursue sustainable funding for the EIP. This year, TRPA received \$418 thousand in grants to support the EIP. TRPA incurred \$619 thousand in personnel costs and \$458 thousand in contract and operating costs related to the EIP. New sources of funding from California's Proposition 1 and SB 630 have begun to provide new opportunities for investment in major EIP priorities going forward. As the EIP approaches its 20-year anniversary, the partners are committed to continue to invest in science and technical research that will keep the program current with the latest environmental advancements and to continue to work together to implement the critical projects needed for the sustainable future of Lake Tahoe's environment and community.

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 7,500 boats and decontaminated about 3,595. As of fiscal year ending June 30, 2015, TRPA collected \$536 thousand in inspection fees and received \$681 thousand in grant funds from various sources including US Fish and Wildlife Service, Lahontan Regional Water Quality Control Board, Nevada Division of State Lands, the

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

California Tahoe Conservancy, and other partners. TRPA incurred \$98 thousand in personnel costs and \$1,230 thousand in contract and operating costs related to the AIS Program.

The Storm-water management team has been working for many years to complete water quality retrofit improvements on all developed properties in the Region. TRPA permits all BMP retrofit projects, working primarily with private homeowners, commercial property owners, and several public entities (Resource Conservation Districts, local jurisdictions and U.S. Forest Service) in the Tahoe Region to implement water quality Best Management Practices (BMPs). During FY 2015, 1,075 residential and 45 commercial BMP certificates were issued, reflecting private property owner investments to improve environmental conditions in the Region. TRPA spent \$157 thousand in personnel costs and \$170 thousand in contract and operating costs on BMPs. Funding for this activity included \$394 thousand in grants from various entities.

Administrative Financial Highlights

TRPA continued implementing its strategic plan through staffing and organizational adjustments to achieve goals in an efficient and effective manner. Staffing shortages and other cost underruns resulted in a surplus for FY 2015. That surplus was rolled forward into FY 2016 to establish a fund to retire a portion of the Agency's long term debt.

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 (in restricted fund balances), 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.

TRPA's Governing Board approved the FY 2015 budget in June of 2014. Budgets were adopted for the General Fund and certain Special Revenue Funds. The budgets for the El Dorado County State Transit Assistance Fund, El Dorado County Local Transportation Fund and Placer County Local Transportation Fund are adopted by the respective County jurisdictions.

TRPA continued debt service payments for Lease Revenue Bonds, Series A and B, in the amount of \$280 thousand in principal and \$609 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.

Overview of the Financial Statements

Government-wide Financial Statements – Statement of Net Position and the Statement of Activities

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

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Management's Discussion and Analysis

(Continued)

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

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

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

Reporting the Agency's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. TRPA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of TRPA's general government operations. Governmental fund information is useful in evaluating the government's financial resources that can be spent in the near future to finance programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing

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Management's Discussion and Analysis

(Continued)

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.

TRPA 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. TRPA has combined the 128 Market Street Building fund, Shoreline 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 TRPA acts solely as a trustee or agent for the benefit of others and are not reflected in the government-wide financial statements.

TRPA as a Whole

The Statement of Net Position provides the perspective of TRPA as a whole. Table 1 provides a summary that compares the Agency's Net Position from FY 2015 to FY 2014.

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Management's Discussion and Analysis

(Continued)

Table 1 - Summary of Statement of Net Position

	2015	2014	Change	%
Assets				
Current & Other Non-Current Assets	16,735,994	15,556,760	1,179,234	8%
Capital Assets	10,083,708	10,209,425	(125,717)	-1%
Total Assets	<u>26,819,702</u>	<u>25,766,185</u>	<u>1,053,517</u>	<u>4%</u>
Liabilities				
Current Liabilities and Other	7,261,409	7,031,682	229,727	3%
Unearned Revenue	2,915,697	2,836,246	79,451	3%
Long Term Liabilities	11,783,697	12,103,687	(319,990)	-3%
Total Liabilities	<u>21,960,803</u>	<u>21,971,615</u>	<u>(10,812)</u>	<u>0%</u>
Net Position				
Net Investment in Capital Assets of Debt	(70,563)	(369,461)	298,898	-81%
Restricted	1,496,583	1,641,617	(145,034)	-9%
Unrestricted	3,432,879	2,522,414	910,465	36%
Total Net Position	<u>4,858,899</u>	<u>3,794,570</u>	<u>1,064,329</u>	<u>28%</u>

Assets:

Current and Other Noncurrent Assets – Increased by \$1.2 million, or 8% from a balance of \$15.6 million at June 30, 2014, to a balance of \$16.7 million at June 30, 2015. Some key factors that resulted in this increase include:

- Cash and Investments increased by \$3.5 million from the prior year.
 - \$0.6 million increase in the general fund primarily reflecting a surplus from operations.
 - \$0.3 million increase in securities collected during FY 2015.
 - \$2.4 million increase in the transportation fund due to collecting outstanding invoices from the 4th quarter of FY 2014 and prior years' administrative and overhead costs in addition to California transportation Prop 1B grant funding paid in advance.
 - \$0.2 million increase in the AIS fund due to collecting outstanding invoices from the 4th quarter of.
- Due from other governments decreased by \$2.3 million due to a reduction in grant activity in AIS and Transportation.
 - AIS grant activity has reduced about \$0.7 million as the SNPLMA grants come to a close. Funding has been secured from both states to cover the major costs for the prevention portion of the AIS program.

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Management's Discussion and Analysis

(Continued)

- Transportation grant activity has decreased by about \$1.7 million due to approximately \$1.0 million in decreased TTD passthrough grant activity on the half-percent funding and recovery of approximately \$0.7 million in prior years' administrative and overhead costs.
- The Stormwater management team experienced a slight increase in the Nevada 319 portion of grant funding in the amount of \$0.1 million due to the timing of grant deliverables.

Capital Assets – Capital assets decreased by \$0.1 million or 1%, from a balance of \$10.2 million at June 30, 2014, to a balance of \$10.1million at June 30, 2015. This reflects depreciation.

Liabilities:

Current Liabilities – Current Liabilities increased by \$0.2 million, or 3% to \$7.2 million at June 30th, 2015 compared to \$7.0 million at the end of FY 2014.

Unearned Revenue – increased by \$0.1 million, or 3% from a balance of \$2.8 million as of June 30, 2014 to \$2.9 million as of June 30, 2015.

Long-Term Liabilities – Long-Term Liabilities decreased by \$0.3 million, or 3%, from a balance of \$12.1 million at June 30, 2014, to a balance of \$11.8 million at June 30, 2015. The main factor is a \$280,000 principal payment on lease revenue bonds used to purchase the TRPA office building. In addition, TRPA paid off an outstanding Capital Lease for \$125,000.

Net Position:

Net Investment in Capital Assets increased by \$0.3 million from (\$0.4) million at June 30, 2014 to (0.1) million at June 30, 2015. The increase is due to TRPA paying off a capital lease used to finance a patrol boat.

Restricted – Restricted Net Position decreased \$0.1 million from \$1.6 million as of June 30, 2014 to \$1.5 million on June 30, 2015.

Unrestricted – Unrestricted Net Position increased by \$0.9 million, or 36%, from a balance of \$2.5 million at June 30, 2014, to a balance of \$3.4 million at June 30, 2015. This increase is due to all of the factors listed above for changes in Assets & Liabilities. TRPA intends to commit these funds to reducing long-term debt and associated annual financing expenses.

Table 2 shows the changes in Net Position for fiscal year 2014 and 2015.

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Management's Discussion and Analysis

(Continued)

Table 2 - Revenue, Expenses, Changes in Net Assets

	2015	2014	Change	%
Revenues				
Program Revenues				
Charges for Services	2,624,876	3,406,824	781,948	23%
Grants and Contributions	8,638,675	10,066,913	1,428,238	14%
General Revenues				
State Revenue	5,648,553	5,648,553	0	0%
Local Revenue	150,000	231,388	81,388	35%
Investment Earnings - Unrestricted	26,161	17,270	(8,891)	-51%
Miscellaneous	12,131	51,830	39,699	77%
Total Revenues	<u>17,100,396</u>	<u>19,422,778</u>	<u>2,322,382</u>	<u>12%</u>
Program Expenses				
General Government	2,349,786	3,089,672	739,886	24%
Env. Planning & Implementation	13,535,429	14,796,611	1,261,182	9%
Building Rental	129,689	153,541	23,852	16%
Interest and Debt Service	612,384	625,386	13,002	2%
Total Expenses	<u>16,627,288</u>	<u>18,665,210</u>	<u>2,037,922</u>	<u>11%</u>
Increase (Decrease) in Net Assets	<u>473,108</u>	<u>757,568</u>	<u>284,460</u>	<u>38%</u>

Program Revenues:

Charges for Services – Charges for Services Revenue decreased by \$0.8 million, or 23%, from \$3.4 million for the year ended June 30, 2014, to \$2.6 million for the year ended June 30, 2015. This is due to decreases in reimbursed planning fees mostly related to completion of the Cal Peco project.

Grants and Contributions – Grants and Contributions Revenue decreased by \$1.4 million, or 14%, from \$10.1 million for the year ended June 30, 2014, to \$8.6 million for the year ended June 30, 2015.

- Environmental improvement revenue decreased by \$0.3 million.
 - AIS Grant revenues in Fiscal Year 2015 were lower by \$0.6 million due to reduced treatment activity. The Southern Nevada Public Lands Management Act (SNPLMA) funding has been significantly reduced, impacting treatment activities.
 - EIP grants increased by \$0.3 million due to work on the LTINFO project, an online tracking system for the EIP program.
- Completion of the Sustainable Communities Program resulted in a reduction of \$0.6 million.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

- Transportation revenues experienced a decrease of a net \$0.5 million.
 - ½% Pass through funding to TTD decreased \$1.1 million
 - ½% funding to TRPA increased \$0.4 million
 - Prop 1B revenues increased \$0.2 million

General Revenues:

State Revenue, Investment, and Miscellaneous Earnings were essentially unchanged. Local Revenue increased by \$0.1 million due to receipting a late payment from El Dorado County.

Program Expenses:

The cost of all Program Expenses decreased by \$2.0 million, or 11%, from \$18.7 million for the year ended June 30, 2014, to \$16.6 million for the year ended June 30, 2015. Some of the key factors that resulted in the decrease include:

- Transportation expenses decreased by \$1.3 million, mostly reduced pass throughs to the Tahoe Transportation District.
- AIS Program costs decreased by \$0.4 million due to reductions in SNPLMA funding for treatment projects.
- Reimbursed planning expenses decreased by \$0.4 million due reduced activity on major projects, primarily the Cal Peco electric distribution project on the North Shore.
- TRPA increased expenditures in the Storm Water Management program by \$0.1 million.

Fund Balances:

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

Table 3 - Summary of Fund Balances

	2015	2014	Change	%
General Fund	5,326,113	4,775,849	550,264	12%
Aquatic Invasive Species Fund	619,044	776,617	(157,573)	-20%
Transportation Fund	693,708	(623,270)	1,316,978	-211%
Other Nonmajor Governmental Funds	282,817	163,824	118,993	73%
Total Fund Balances	6,921,682	5,093,020	1,828,662	36%

TRPA's governmental funds report a combined fund balance of \$6.9 million as of June 30, 2015, a \$1.8 million, or 36% increase from last year's \$5.1 million total. Some key factors that resulted in the increase include:

- General Fund balance increased by \$0.6 million.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

- Staffing vacancies and tight management of expenses led to a surplus of \$0.4 million in General Fund activities.
- Net Investment in Capital Assets decreased \$0.1 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 balance decreased by \$0.2 million. The decreased fund balance is primarily due to an operational surplus.
- An increase of \$1.3 million in the Transportation Fund is primarily due to collecting deferred revenue not received within 120 days from the 2014 end of Fiscal Year.
- Other non-major governmental funds increased by \$0.1 million.

General Fund Budgeting Highlights

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

TRPA adopted the fiscal year budget in June of 2014. The budget contained the following assumptions concerning revenue and expenses: the prior year at \$4.1 million.

- The State of Nevada funding remained unchanged from FY 2014, a total of \$1.5 million. Nevada has a biennial budget process and FY 2015 was the second of the two years.
- The Planning Fund fee for service revenue was budgeted at \$1.2 million, consistent with the prior year.

The budget to actual comparison for the General Fund for the year ended June 30, 2015 includes the following items:

- Higher permitting activity generated an additional \$0.2 million of revenue. An estimate of this revenue and the associated expenses, were budgeted at the beginning of FY 2015.
- Overall expenditures were below budget.
 - Labor expenses were \$0.3 million below budget due to staff turnover and positions remaining open longer than expected.
 - Legal expenses were \$0.4 million below budget due to delays in the 9th Circuit Court of Appeals hearing the Sierra Club appeal of TRPA's 2012 Regional Plan Update. No hearing date has been set yet.
 - Other expenses came in \$0.2 million below budget.
 - These budget underruns were offset by a \$0.5 million increase in planning costs associated with the higher level of applications.

Capital Assets

For the year ended June 30, 2015, TRPA had \$10.1 million invested in capital assets. Table 4 shows June 30, 2015 balances compared to June 30, 2014.

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

Table 4 - Summary of Capital Assets Net of Depreciation

	2015	2014	Change	%
Land, Buildings & Improvements	12,355,858	12,355,858	0	
Boats, Equipment and Furniture	1,884,521	1,883,144	1,377	0%
Software	840,749	840,749	0	
Accumulated Depreciation	(4,997,420)	(4,589,153)	(408,267)	9%
Total Capital Assets - Net	10,083,708	10,490,598	(406,890)	-4%

Overall capital assets decreased by \$0.4 million or 1%, from \$10.5 million for the year ended June 30, 2014, to \$10.1 million for the year ended June 30, 2015. This is due to depreciation. No significant capital investments were made during FY 2015.

Long Term Debt

Table 5 - Summary of Long Term Debt

	2015	2014	Change	%
Lease Revenue Bonds	11,950,000	12,230,000	(280,000)	-2%
Capital Lease Obligations		144,568	(144,568)	-100%
Long Term Loans				
Compensated Absences	471,656	421,825	49,831	12%
	12,421,656	12,796,393	(374,737)	-3%

TRPA's debt, considered a liability of governmental activities, decreased by \$0.4 million, or 3%, from \$12.8 million for the year ended June 30, 2014, to \$12.4 million for the year ended June 30, 2015.

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.
- Early buyout of a capital lease to finance the TRPA Patrol Boat, reducing long term debt by \$0.1 million.

Factors bearing on TRPA's Future

The key assumptions in the General Fund revenue and expenditure budget for fiscal year 2016 were:

1. The California appropriated budget increased their annual contribution to TRPA by \$0.4 million to fund the AIS Prevention program and \$0.3 million as a one-time increase to cover costs

TAHOE REGIONAL PLANNING AGENCY

Management's Discussion and Analysis

(Continued)

associated with the 2015 Threshold Evaluation Report. TRPA has already received these funds for FY 2016.

2. The Nevada appropriated budget was approved by the Legislature in their biennial budget process. Funding increased by \$0.4 million to fund the AIS Prevention Program and \$0.3 million in a one-year increase to cover costs associated with the 2015 Threshold Evaluation report. These increases bring the Nevada contribution up to the 2:1 ratio with California. TRPA has already received these funds for FY 2015.
3. The local support from the counties 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 Regional Plan Update adopted in 2012. TRPA prevailed in the US District Court, but the plaintiffs appealed to the 9th Circuit Court. The briefing has been completed, and TRPA is awaiting a hearing date. While the results of litigation cannot be reasonably predicted, TRPA believes adequate funds have been set aside to defend against this suit to 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. TRPA's budget for FY 2016 assumes a slight increase from FY 2015, 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 TRPA

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

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BASIC FINANCIAL STATEMENTS

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TAHOE REGIONAL PLANNING AGENCY

Statement of Net Position

June 30, 2015

(with comparative prior year information)

	Governmental Activities		
	2015	2014	2013
Assets:			
Cash and investments (note 2)	\$ 13,414,145	9,944,419	8,979,515
Cash and investments with fiscal agent (note 2)	892,850	892,803	892,897
Receivables:			
Accounts	11,888	14,244	164,806
Interest	18,606	12,832	9,951
Due from other governments	2,262,245	4,579,162	3,934,302
Prepaid items	136,260	113,300	103,639
Capital assets, net of accumulated depreciation (note 4)	10,083,708	10,209,425	10,703,310
 Total assets	 26,819,702	 25,766,185	 24,788,420
Liabilities:			
Accounts payable	2,367,710	2,335,076	1,964,733
Accrued payroll and benefits	138,834	115,735	109,998
Interest payable	49,530	50,942	53,147
Due to other governments	1,530	1,530	1,531
Due to claimants	10,190	10,190	10,190
Unearned revenue	2,915,697	2,836,246	2,421,446
Deposits payable	4,055,656	3,825,503	3,974,116
Long-term liabilities (note 5):			
Due within one year	637,959	692,706	800,444
Due in more than one year	11,783,697	12,103,687	12,415,813
 Total liabilities	 21,960,803	 21,971,615	 21,751,418
Net position:			
Net investment in capital assets	(70,563)	(369,461)	4,086
Restricted for:			
Planning and evaluation services	731,309	37,235	156,484
Environmental implementation	765,274	1,086,752	857,628
Transportation	-	517,630	112,596
Unrestricted	3,432,879	2,522,414	1,906,208
 Total net position	 \$ 4,858,899	 3,794,570	 3,037,002

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Statement of Activities

Year Ended June 30, 2015

(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	\$ 957,464	(138,264)	-	76,491	-
Support services	1,529,301	(345,761)	116,267	-	-
Legal services	444,188	(97,142)	-	-	-
Environmental planning, implementation, and measurement and reporting:					
Developmental services	1,344	-	1,164,707	-	-
Environmental implementation	2,753,922	202,467	-	1,707,861	-
Planning and evaluation services	8,629,089	378,700	1,038,579	6,333,891	390,961
Measurement and reporting	1,256,124	-	-	129,471	-
Regional plan update	313,783	-	-	-	-
Building and rental activities	129,689	-	305,323	-	-
Interest and fiscal charges	612,384	-	-	-	-
Total governmental activities	<u>\$ 16,627,288</u>	<u>-</u>	<u>2,624,876</u>	<u>8,247,714</u>	<u>390,961</u>

General revenues:

State revenue

Local revenue

Investment earnings, unrestricted

Miscellaneous

Total general revenues

Changes in net position

Net position, beginning of year, as restated (note 13)

Net position, end of year

See Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
2015	2014	2013
(742,709)	(477,190)	(444,902)
(1,067,273)	(1,298,911)	(1,129,196)
(347,046)	(535,777)	(636,449)
1,163,363	1,006,649	1,047,491
(1,248,528)	(1,320,093)	(892,728)
(1,244,358)	(1,721,992)	(1,976,473)
(1,126,653)	(636,268)	(275,411)
(313,783)	(430,315)	(573,904)
175,634	847,810	794,074
(612,384)	(625,386)	(651,905)
(5,363,737)	(5,191,473)	(4,739,403)
\$ 5,648,553	5,648,553	5,196,710
150,000	231,388	217,224
26,161	17,270	30,026
12,131	51,830	866
5,836,845	5,949,041	5,444,826
473,108	757,568	705,423
4,385,791	3,037,002	2,331,579
\$ 4,858,899	3,794,570	3,037,002

TAHOE REGIONAL PLANNING AGENCY

Governmental Funds

Balance Sheet

June 30, 2015

(with comparative prior year information)

		Special Revenue Funds		Non-Major		Totals	
	General	Transportation Fund	Aquatic Invasive Species	Governmental Funds		2015	2014
						2015	2012
<u>Assets</u>							
Cash and investments	\$ 9,619,082	2,473,541	851,976	469,546	13,414,145	9,944,419	8,979,515
Cash and investments with fiscal agent	892,850	-	-	-	892,850	892,803	892,897
Receivables:							
Accounts	11,864	24	-	-	11,888	14,244	164,806
Interest	18,606	-	-	-	18,606	12,832	9,951
Due from other governments	43,544	1,929,937	47,755	241,009	2,262,245	4,579,162	3,934,302
Due from other funds (note 3)	369,338	-	-	547	369,885	242,504	252,029
Prepaid items	136,260	-	-	-	136,260	113,300	103,639
 Total assets	<u>\$11,091,544</u>	<u>4,403,502</u>	<u>899,731</u>	<u>711,102</u>	<u>17,105,879</u>	<u>15,799,264</u>	<u>14,337,139</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 794,862	1,240,820	269,226	62,802	2,367,710	2,335,076	1,964,733
Accrued payroll and benefits	138,834	-	-	-	138,834	115,735	109,998
Due to other funds (note 3)	14,592	-	-	355,293	369,885	242,504	252,029
Due to other governments	1,530	-	-	-	1,530	1,530	1,531
Due to claimants	-	-	-	10,190	10,190	10,190	10,190
Unearned revenue	436,823	2,468,974	9,900	-	2,915,697	2,836,246	2,421,446
Deposits payable	4,055,656	-	-	-	4,055,656	3,825,503	3,974,116
 Total liabilities	<u>5,442,297</u>	<u>3,709,794</u>	<u>279,126</u>	<u>428,285</u>	<u>9,859,502</u>	<u>9,366,784</u>	<u>8,734,043</u>
Deferred inflows of resources:							
Unavailable revenues	323,134	-	1,561	-	324,695	1,339,460	1,091,318
 Total deferred inflows of resources	<u>323,134</u>	<u>-</u>	<u>1,561</u>	<u>-</u>	<u>324,695</u>	<u>1,339,460</u>	<u>1,091,318</u>
Fund balances:							
Nonspendable:							
Prepaid items	136,260	-	-	-	136,260	113,300	103,639
Restricted for:							
Environmental implementation	-	-	619,044	179,025	798,069	887,187	707,467
Planning and evaluation services	-	693,708	-	37,601	731,309	37,235	156,484
Debt service	892,850	-	-	-	892,850	892,803	892,897
Committed to:							
Building Maintenance	312,000	-	-	-	312,000	-	-
Assigned to:							
Capital projects	-	-	-	100,547	100,547	1,885,547	100,547
Unassigned	3,985,003	-	-	(34,356)	3,950,647	1,276,948	2,550,744
 Total fund balances	<u>5,326,113</u>	<u>693,708</u>	<u>619,044</u>	<u>282,817</u>	<u>6,921,682</u>	<u>5,093,020</u>	<u>4,511,778</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$11,091,544</u>	<u>4,403,502</u>	<u>899,731</u>	<u>711,102</u>	<u>17,105,879</u>	<u>15,799,264</u>	<u>14,337,139</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

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

June 30, 2015

Fund balances of governmental funds	\$ 6,921,682
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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	15,081,128
Accumulated depreciation	(4,997,420)

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	(471,656)
Lease revenue bonds	(11,950,000)

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.

	(49,530)
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Revenue is unavailable in the governmental funds when it is not received soon
enough after the year-end to be considered available. The availability
criteria does not apply to the government-wide financial statements and,
therefore, the revenue is not unavailable.

	<u>324,695</u>
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Net position of governmental activities	<u><u>\$ 4,858,899</u></u>
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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, 2015

(with comparative prior year information)

		Special Revenue Funds		Non-Major	Totals		
		Transportation	Aquatic Invasive	Governmental			
	General	Fund	Species	Funds	2015	2014	2013
Revenues:							
Federal grants	\$ -	5,081,947	386,631	344,106	5,812,684	6,059,871	6,923,934
State government grants and contracts	5,648,553	839,340	255,924	2,414,454	9,158,271	9,249,055	9,748,585
Local government grants and contracts	230,491	-	38,750	-	269,241	355,631	1,432,846
Charges for services	1,833,749	-	536,171	-	2,369,920	2,954,515	3,402,279
Fines and forfeitures	175,938	-	-	-	175,938	191,603	160,965
Rental income	300,975	-	-	-	300,975	306,207	255,601
Investment income	24,440	-	-	1,721	26,161	17,270	30,294
Miscellaneous revenues	2,971	-	-	-	2,971	52,484	-
Pass-through revenue	-	-	-	-	-	-	999
Total revenues	<u>8,217,117</u>	<u>5,921,287</u>	<u>1,217,476</u>	<u>2,760,281</u>	<u>18,116,161</u>	<u>19,186,636</u>	<u>21,955,503</u>
Expenditures:							
Current:							
General government:							
Administrative services	933,762	-	-	-	933,762	725,903	775,445
Support services	1,217,163	-	-	-	1,217,163	1,420,311	1,271,474
Legal services	444,188	-	-	-	444,188	647,488	768,347
Interfund reimbursements	(582,965)	-	-	-	(582,965)	(670,848)	(788,814)
Environmental planning, implementation and measurement and reporting:							
Environmental implementation	779,376	-	1,425,055	639,876	2,844,307	3,448,692	5,447,642
Planning and evaluation services	2,269,694	4,628,115	-	2,109,980	9,007,789	10,813,320	10,263,855
Measurement and reporting	1,256,124	-	-	-	1,256,124	647,268	532,051
Regional plan update	313,783	-	-	-	313,783	430,315	573,904
Building and rental activities	129,689	-	-	-	129,689	153,541	163,233
Capital outlay	21,622	-	-	-	21,622	39,372	131,591
Debt service:							
Principal payments	396,540	-	-	-	396,540	309,483	369,791
Interest and fiscal charges	613,796	-	-	-	613,796	627,591	651,835
Pass-through expenditures	1,749	-	-	-	1,749	12,958	11,528
Total expenditures	<u>7,794,521</u>	<u>4,628,115</u>	<u>1,425,055</u>	<u>2,749,856</u>	<u>16,597,547</u>	<u>18,605,394</u>	<u>20,171,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>422,596</u>	<u>1,293,172</u>	<u>(207,579)</u>	<u>10,425</u>	<u>1,518,614</u>	<u>581,242</u>	<u>1,783,621</u>
Other financing sources (uses):							
Transfers in (note 3)	-	23,806	50,006	70,716	144,528	215,862	366,067
Transfers out (note 3)	(144,528)	-	-	-	(144,528)	(215,862)	(366,067)
Proceeds of capital lease	-	-	-	-	-	-	103,627
Total other financing sources (uses)	<u>(144,528)</u>	<u>23,806</u>	<u>50,006</u>	<u>70,716</u>	<u>-</u>	<u>-</u>	<u>103,627</u>
Net changes in fund balances	278,068	1,316,978	(157,573)	81,141	1,518,614	581,242	1,887,248
Fund balances (deficit), beginning of year, as restated (note 13)	<u>5,048,045</u>	<u>(623,270)</u>	<u>776,617</u>	<u>201,676</u>	<u>5,403,068</u>	<u>4,511,778</u>	<u>2,624,530</u>
Fund balances (deficit), end of year	<u>\$5,326,113</u>	<u>693,708</u>	<u>619,044</u>	<u>282,817</u>	<u>6,921,682</u>	<u>5,093,020</u>	<u>4,511,778</u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

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

Year Ended June 30, 2015

Net change in fund balances - total governmental funds	\$ 1,518,614
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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	(456,390)
Capital outlay	49,500

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	280,000
Principal payments for capital lease obligations	144,568

Interest on noncurrent liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. The net change is reported on the Statement of Activities.	1,412
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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.	(49,831)
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Revenue is unavailable in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide financial statements and, therefore, the revenue is not available.	<u>(1,014,765)</u>
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Change in net position of governmental activities	<u>\$ 473,108</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, 2015

Assets

Cash and investments (note 2)	\$	7,565,994
Receivables:		
Interest		<u>14,285</u>
Total assets	\$	<u><u>7,580,279</u></u>

Liabilities

Due to governments	\$	7,472,196
Deposits payable		<u>108,083</u>
Total liabilities	\$	<u><u>7,580,279</u></u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

Year Ended June 30, 2015

(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. 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 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, 2014 and 2013, from which this selected financial data was derived. Certain minor reclassifications of prior year data have been made in order to enhance its comparability with current year figures.

(2) Cash and Investments

Cash and investments as of June 30, 2015 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	\$ 13,414,145
Cash and investments with fiscal agent	892,850
Agency Funds:	
Cash and investments	<u>7,565,994</u>
Total cash and investments	<u>\$21,872,989</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 300
Deposits with financial institutions	2,048,627
Investments	<u>19,824,062</u>
Total cash and investments	<u>\$21,872,989</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
Federal agency securities	Yes	5 years	50%	30%
Banker's acceptances	Yes	180 days	20%	30%
Commercial paper	Yes	180 days	15%	10%
Negotiable certificates of deposit	Yes	5 years	25%	None
Repurchase agreements	Yes	90 days	None	None
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

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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

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	\$7,765,796	7,765,796	-	-	-
County investment pool	37,601	37,601	-	-	-
Federal agencies securities	5,531,597	2,004,426	3,527,171	-	-
U.S. Treasury notes	1,403,618	-	1,150,355	-	253,263
Medium-term notes	3,643,611	1,055,152	1,762,302	714,963	111,194
Money market mutual funds	548,989	548,989	-	-	-
Held by fiscal agent:					
Money market mutual funds	<u>892,850</u>	<u>892,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$19,824,062</u>	<u>12,304,814</u>	<u>6,439,828</u>	<u>714,963</u>	<u>364,457</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 Legal Rating	Exempt from Disclosure	Rating as of Year End					
	Total			AAA	AA+ - AA-	A+ - A-	BBB+	Not Rated	
State investment pool	\$7,765,796	N/A	-	-	-	-	-	7,765,796	
County investment pool	37,601	N/A	-	-	-	-	-	37,601	
Federal agencies securities	5,531,597	AAA	-	-	5,531,597	-	-	-	
U.S. Treasury notes	1,403,618	N/A	1,403,618	-	-	-	-	-	
Medium-term notes	3,643,611	AAA	-	-	1,454,045	2,040,015	149,551	-	
Money market mutual funds	548,989	AAA	-	-	-	-	-	548,989	
Held by fiscal agent:									
Money market mutual funds	<u>892,850</u>	AAA-m	<u>-</u>	<u>892,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total investments	<u>\$19,824,062</u>		<u>1,403,618</u>	<u>892,850</u>	<u>6,985,642</u>	<u>2,040,015</u>	<u>149,551</u>	<u>8,352,386</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	\$2,017,225
Federal Home Loan Mortgage Corporation	Federal agency securities	2,507,866

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, 2015, total investments held by the safekeeping custodian on behalf of TRPA were \$11,127,807.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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

Investment in State Investment Pools

TRPA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California, and the Local Government Investment Pool (LGIP) that is regulated by the Nevada Revised Statutes under the oversight of the Treasurer of the State of Nevada. The fair value of TRPA's investments in these pools are reported in the accompanying financial statements at an amount based upon TRPA's pro-rata share of the fair value provided by pools. The balance available for withdrawal is based on the accounting records maintained by the pools, which are recorded on an amortized cost basis. Currently, the pools do not have an investment rating.

Investment in County Investment Pool

Funds invested in county investment pools represent Local Transportation Funds under the Transportation Development Act that are held by the counties who receive the funds from the State of California on behalf of TRPA. The fair value of TRPA's investment in these pools are reported in the accompanying financial statements at an amount based upon TRPA's pro-rata share of the fair value provided by the pools. The balance available for withdrawal is based on the accounting records maintained by the pools, 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, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$369,338
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>547</u>
	Total	<u>\$369,885</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Interfund Transactions (Continued)

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, 2015:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Transportation Fund	General Fund	\$ 23,806
Aquatic Invasive Species Fund	General Fund	50,006
Nonmajor Governmental Funds	General Fund	<u>70,716</u>
Total transfers		<u>\$144,528</u>

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

(4) Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</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	1,883,144	49,500	(48,123)	1,884,521
Software	<u>840,749</u>	<u>-</u>	<u>-</u>	<u>840,749</u>
Total capital assets being depreciated	<u>13,473,045</u>	<u>49,500</u>	<u>(48,123)</u>	<u>13,474,422</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(4) Capital Assets (Continued)

	Balance at <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>
Less accumulated depreciation for:				
Buildings and improvements, as restated*	(2,119,985)	(285,053)	-	(2,405,038)
Boats, equipment and furniture	(1,671,172)	(149,234)	48,123	(1,772,283)
Software	<u>(797,996)</u>	<u>(22,103)</u>	<u>-</u>	<u>(820,099)</u>
Total accumulated depreciation	<u>(4,589,153)</u>	<u>(456,390)</u>	<u>48,123</u>	<u>(4,997,420)</u>
Capital assets, net	<u>\$10,490,598</u>	<u>(406,890)</u>	<u>-</u>	<u>10,083,708</u>

* - See Note 13 regarding the restated accumulated depreciation beginning balance related to buildings and improvements.

Depreciation expense was charged to functions as follows:

Support services	\$341,964
Environmental planning, implementation and measurement and reporting:	
Development services	1,344
Environmental improvement implementation	<u>113,082</u>
Total depreciation	<u>\$456,390</u>

(5) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Balance at <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>	Amount Due In <u>One Year</u>	Amount Due Beyond <u>One Year</u>
Series A Lease Revenue Bonds	\$ 7,575,000	-	-	7,575,000	-	7,575,000
Series B Lease Revenue Bonds	4,655,000	-	(280,000)	4,375,000	295,000	4,080,000
Capital Lease Obligations	144,568	-	(144,568)	-	-	-
Loans Payable	-	-	-	-	-	-
Compensated Absences	<u>421,825</u>	<u>517,817</u>	<u>(467,986)</u>	<u>471,656</u>	<u>342,959</u>	<u>128,697</u>
Total	<u>\$12,796,393</u>	<u>517,817</u>	<u>(892,554)</u>	<u>12,421,656</u>	<u>637,959</u>	<u>11,783,697</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

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, 2015, cash and investments held in the reserve account for the series A and B bonds was equal to the reserve requirement of \$688,336.

\$11,950,000

Annual debt service requirements to maturity are as follows:

Series A Bonds			
Year Ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	340,875	340,875
2017	-	340,875	340,875
2018	-	340,875	340,875
2019	-	340,875	340,875
2020	-	340,875	340,875
2021-2025	-	1,704,375	1,704,375
2026-2030	2,330,000	1,501,425	3,831,425
2031-2035	3,580,000	791,325	4,371,325
2036-2037	<u>1,665,000</u>	<u>75,713</u>	<u>1,740,713</u>
Total	<u>\$7,575,000</u>	<u>5,777,213</u>	<u>13,352,213</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Lease Revenue Bonds (Continued)

Series B Bonds			
Year Ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	370,000	181,383	551,383
2021-2025	2,185,000	556,476	2,741,476
2026-2027	<u>535,000</u>	<u>32,285</u>	<u>567,285</u>
Total	<u>\$4,375,000</u>	<u>1,684,647</u>	<u>6,059,647</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%. The lease was paid in full during the year ended June 30, 2015.

\$ -

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%. The lease was paid in full during the year ended June 30, 2015.

-

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%. The lease was paid in full during the year ended June 30, 2015.

-

Total obligations under capital leases

\$ -

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Capital Lease Obligations (Continued)

As of June 30, 2015, capital assets acquired under capital leases were detailed as follows:

Boats, equipment and furniture	\$ 240,272
Software	63,908
Less accumulated depreciation	<u>(262,729)</u>
Total capital leases, net	\$ <u>41,451</u>

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.

\$471,656

(6) Pledged Revenue

TRPA's Series A and Series B Lease Revenue Bonds are collateralized by the pledging of rental income. See Note 5 for the amount and term of the remainder of these commitments, which are indicated in the debt service to maturity tables, and also the purposes of the related debt issuances utilized disclosed in the debt descriptions. For the current year, debt service payments as a percentage of the pledged gross revenue are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment.

Description of Pledged Revenue	Annual amount of Pledged Revenue	Annual Debt Service	
		Payments (of all Debt Secured by this Revenues)	Debt Service as a Percentage of Pledged Revenue
Rental Income	\$989,955	889,124	90%

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(7) Defined Contribution Pension Plan

Plan Description

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

Contributions

TRPA contributes 8% of the employees pay into the MPP plan. Employer contributions are in lieu of contributing to Social Security. Employee contributions to the 457(b) plan are limited by IRS regulations, updated annually. Benefit provisions are established and may be amended by TPRA's Board of Governors. During the fiscal year ended June 30, 2015, TRPA contributed \$400,408 to the MPP and employees contributed \$469,886 to the 457(b) plan.

During 2012, the Agency determined its 401(a) plan was not compliant with Internal Revenue Service (IRS) requirements for a Social Security Replacement Plan. New plans, the MPP as a Social Security Replacement Plan and the 457(b) plan for deferred compensation were established. The 401(a) plan was frozen on July 25, 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 Environmental Improvement Program Fund (Non-Major Fund) reported a deficit as of June 30, 2015 in the amount of \$34,356. This deficit will be remedied when outstanding receivables are collected from granting agencies.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(10) 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, 2015 was as follows:

	<u>PTMISEA</u>	<u>TSSSDRA</u>	<u>Total</u>
Unspent Prop 1B funds as of June 30, 2014	\$1,624,526	214,823	1,839,349
Prop 1B funds received	689,487	75,431	764,918
Interest earned	4,536	522	5,058
Prop 1B expenditures incurred	<u>(297,486)</u>	<u>(78,773)</u>	<u>(376,259)</u>
Unspent Prop 1B funds as of June 30, 2015	<u>\$2,021,063</u>	<u>212,003</u>	<u>2,233,066</u>

(11) Contingencies

Litigation

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

Federal and State Grants

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

(12) Economic Dependency

During the fiscal year ended June 30, 2015, approximately 79% of TRPA's total revenue was derived from federal, state, and local government agencies.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(13) Prior Period Adjustment

During the year ended June 30, 2015, certain transactions were recorded that related to prior year activities. For a Non-Major Special Revenue fund (Placer County Local Transportation Fund), beginning fund was restated to properly reflect \$37,852 of revenue earned in the prior year. The General Fund beginning fund was restated to properly reflect \$272,196 of revenue earned in the prior year. An adjustment was also made to the Government Wide financial statements for accumulated depreciation that was overstated in prior years. The following schedule summarizes the effects of the prior period adjustments to the Fund Financial Statements and Government-wide Statements.

Governmental Funds:

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Beginning fund balance, as previously reported	\$4,775,849	163,824
Recognize revenue earned in prior years	<u>272,196</u>	<u>37,852</u>
Beginning fund balance, as restated	<u>\$5,048,045</u>	<u>201,676</u>

Government-Wide:

	<u>Governmental Activities</u>
Beginning fund balance, as previously reported	\$3,794,570
Recognize revenue earned in prior years	310,048
Excess depreciation recorded in prior years	<u>281,173</u>
Beginning fund balance, as restated	<u>\$4,385,791</u>

REQUIRED SUPPLEMENTARY INFORMATION

TAHOE REGIONAL PLANNING AGENCY

General Fund

Budgetary Comparison Schedule

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State government grants and contracts	\$ 5,652,187	5,652,187	5,648,553	(3,634)
Local government grants and contracts	149,999	149,999	230,491	80,492
Charges for services	1,680,401	1,680,401	1,833,749	153,348
Fines and forfeitures	165,000	165,000	175,938	10,938
Rental income	318,507	318,507	300,975	(17,532)
Investment income	-	-	24,440	24,440
Miscellaneous revenues	-	-	2,971	2,971
Total revenues	<u>7,966,094</u>	<u>7,966,094</u>	<u>8,217,117</u>	<u>251,023</u>
Expenditures:				
Current:				
General government:				
Administrative services	922,112	922,112	933,762	(11,650)
Support services	1,639,681	1,639,681	1,217,163	422,518
Legal services	838,103	838,103	444,188	393,915
Interfund reimbursements	(689,015)	(689,015)	(582,965)	(106,050)
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	711,548	711,548	779,376	(67,828)
Planning and evaluation services	1,693,615	1,693,615	2,269,694	(576,079)
Measurement and reporting	1,510,717	1,510,717	1,256,124	254,593
Regional plan update	539,243	539,243	313,783	225,460
Building and rental activities	140,435	140,435	129,689	10,746
Capital outlay	29,985	29,985	21,622	8,363
Debt service:				
Principal payments	309,097	309,097	396,540	(87,443)
Interest and fiscal charges	630,351	630,351	613,796	16,555
Pass-through expenditures	-	-	1,749	(1,749)
Total expenditures	<u>8,275,872</u>	<u>8,275,872</u>	<u>7,794,521</u>	<u>481,351</u>
Excess (deficiency) of revenues over (under) expenditures	(309,778)	(309,778)	422,596	732,374
Other financing sources (uses):				
Transfers out	<u>(199,414)</u>	<u>(199,414)</u>	<u>(144,528)</u>	<u>54,886</u>
Net change in fund balance	(509,192)	(509,192)	278,068	787,260
Fund balance, beginning of year	<u>5,048,045</u>	<u>5,048,045</u>	<u>5,048,045</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,538,853</u>	<u>4,538,853</u>	<u>5,326,113</u>	<u>787,260</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Transportation Fund

Budgetary Comparison Schedule

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 4,618,640	4,618,640	5,081,947	463,307
State government grants and contracts	<u>313,548</u>	<u>313,548</u>	<u>839,340</u>	<u>525,792</u>
Total revenues	<u>4,932,188</u>	<u>4,932,188</u>	<u>5,921,287</u>	<u>989,099</u>
Expenditures:				
Current:				
Environmental planning, implementation, and measurement and reporting:				
Planning and evaluation services	<u>4,932,186</u>	<u>4,932,186</u>	<u>4,628,115</u>	<u>304,071</u>
Total expenditures	<u>4,932,186</u>	<u>4,932,186</u>	<u>4,628,115</u>	<u>304,071</u>
Excess of revenues over expenditures	2	2	1,293,172	1,293,170
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>23,806</u>	<u>23,806</u>
Net change in fund balance	2	2	1,316,978	1,316,976
Fund deficit (deficit), beginning of year	<u>(623,270)</u>	<u>(623,270)</u>	<u>(623,270)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (623,268)</u>	<u>(623,268)</u>	<u>693,708</u>	<u>1,316,976</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Aquatic Invasive Species Fund

Budgetary Comparison Schedule

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal grants	\$ 890,179	890,179	386,631	(503,548)
State government grants and contracts	-	239,117	255,924	16,807
Local government grants and contracts	-	38,000	38,750	750
Charges for services	<u>650,000</u>	<u>650,000</u>	<u>536,171</u>	<u>(113,829)</u>
Total revenues	<u>1,540,179</u>	<u>1,817,296</u>	<u>1,217,476</u>	<u>(599,820)</u>
Expenditures:				
Current:				
Environmental planning, implementation, and measurement and reporting:				
Environmental implementation	<u>2,118,959</u>	<u>2,118,959</u>	<u>1,425,055</u>	<u>693,904</u>
Total expenditures	<u>2,118,959</u>	<u>2,118,959</u>	<u>1,425,055</u>	<u>693,904</u>
Excess (deficiency) of revenues over (under) expenditures	(578,780)	(301,663)	(207,579)	94,084
Other financing sources:				
Transfers in	<u>109,816</u>	<u>109,816</u>	<u>50,006</u>	<u>(59,810)</u>
Net change in fund balance	(468,964)	(191,847)	(157,573)	34,274
Fund balance, beginning of year	<u>776,617</u>	<u>776,617</u>	<u>776,617</u>	<u>-</u>
Fund balance, end of year	<u>\$ 307,653</u>	<u>584,770</u>	<u>619,044</u>	<u>34,274</u>

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Note to Required Supplementary Information

Year Ended June 30, 2015

(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, 2015

	General Fund	128 Market Street Building	Watercraft & Shorezone	Settlements	Charitable Contributions
<u>Assets</u>					
Cash and investments	\$ 8,403,877	2,980	911,120	286,288	14,817
Cash and investments with fiscal agent	-	892,850	-	-	-
Receivables:					
Accounts	9,693	671	-	1,500	-
Interest	16,892	-	1,714	-	-
Due from other governments	31,544	-	-	-	12,000
Due from other funds	6,148,585	-	-	-	-
Prepaid items	113,720	13,249	9,291	-	-
 Total assets	 \$ 14,724,311	 909,750	 922,125	 287,788	 26,817
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 764,283	10,062	5,805	6,077	8,635
Accrued payroll and benefits	138,834	-	-	-	-
Due to other funds	5,766,882	14,592	-	-	12,365
Due to other governments	1,530	-	-	-	-
Unearned revenue	434,595	-	-	-	2,228
Deposits payable	4,030,533	25,123	-	-	-
 Total liabilities	 11,136,657	 49,777	 5,805	 6,077	 23,228
Deferred inflows of resources:					
Unavailable revenues	322,206	670	-	-	258
 Total deferred inflows of resources	 322,206	 670	 -	 -	 258
Fund balances:					
Nonspendable:					
Prepaid items	113,720	13,249	9,291	-	-
Restricted for:					
Debt service	-	892,850	-	-	-
Committed to:					
Building Maintenance	312,000	-	-	-	-
Unassigned	2,839,728	(46,796)	907,029	281,711	3,331
 Total fund balances	 3,265,448	 859,303	 916,320	 281,711	 3,331
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 14,724,311	 909,750	 922,125	 287,788	 26,817

(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>
-	9,619,082
-	892,850
-	11,864
-	18,606
-	43,544
(5,779,247)	369,338
-	136,260
<u>(5,779,247)</u>	<u>11,091,544</u>

-	794,862
-	138,834
(5,779,247)	14,592
-	1,530
-	436,823
-	4,055,656
<u>(5,779,247)</u>	<u>5,442,297</u>

-	323,134
-	323,134

-	136,260
-	892,850
-	312,000
-	3,985,003
-	5,326,113
<u>(5,779,247)</u>	<u>11,091,544</u>

TAHOE REGIONAL PLANNING AGENCY

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015

	General Fund	128 Market Street Building	Watercraft & Shorezone	Settlements
Revenues:				
State government grants and contracts	\$ 5,524,553	-	124,000	-
Local government grants and contracts	150,000	-	-	-
Charges for services	1,820,071	3,678	10,000	-
Fines and forfeitures	-	-	-	175,938
Rental income	-	989,955	-	-
Investment income	21,347	46	3,047	-
Miscellaneous revenues	2,971	-	-	-
Total revenues	7,518,942	993,679	137,047	175,938
Expenditures:				
Current:				
General Government:				
Administrative services	807,032	-	-	69,173
Support services	1,217,163	-	-	-
Legal services	434,611	-	-	9,577
Interfund reimbursements	(582,965)	-	-	-
Environmental planning, implementation, and measurement and reporting:				
Developmental services	-	-	-	-
Environmental implementation	664,209	-	115,167	-
Planning and evaluation services	2,269,694	-	-	-
Measurement and reporting	1,256,124	-	-	-
Regional plan update	313,783	-	-	-
Building and rental activities	688,980	129,689	-	-
Capital outlay	21,622	-	-	-
Debt service:				
Principal payments	-	280,000	116,540	-
Interest and fiscal charges	1,086	609,124	3,586	-
Pass-through expenditures	1,749	-	-	-
Total expenditures	7,093,088	1,018,813	235,293	78,750
Excess (deficiency) of revenues over (under) expenditures	425,854	(25,134)	(98,246)	97,188
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(163,737)	-	-	-
Total other financing sources (uses)	(163,737)	-	-	-
Net change in fund balances	262,117	(25,134)	(98,246)	97,188
Fund balances (deficit), beginning of year, as restated	3,003,331	884,437	1,014,566	184,523
Fund balances, end of year	\$ 3,265,448	859,303	916,320	281,711

(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
-	-	5,648,553
80,491	-	230,491
-	-	1,833,749
-	-	175,938
-	(688,980)	300,975
-	-	24,440
-	-	2,971
<u>80,491</u>	<u>(688,980)</u>	<u>8,217,117</u>
57,557	-	933,762
-	-	1,217,163
-	-	444,188
-	-	(582,965)
-	-	-
-	-	779,376
-	-	2,269,694
-	-	1,256,124
-	-	313,783
-	(688,980)	129,689
-	-	21,622
-	-	396,540
-	-	613,796
-	-	1,749
<u>57,557</u>	<u>(688,980)</u>	<u>7,794,521</u>
<u>22,934</u>	<u>-</u>	<u>422,596</u>
19,209	(19,209)	-
-	19,209	(144,528)
<u>19,209</u>	<u>-</u>	<u>(144,528)</u>
42,143	-	278,068
<u>(38,812)</u>	<u>-</u>	<u>5,048,045</u>
<u>3,331</u>	<u>-</u>	<u>5,326,113</u>

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2015

		SPECIAL REVENUE FUNDS			
		Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund	Placer County Local Transportation Fund
<u>Assets</u>					
Cash and investments	\$	62,355	269,590	-	37,601
Receivables:					
Accounts		-	-	-	-
Due from other governments		136,246	104,763	-	-
Due from other funds		-	-	-	-
Total assets		<u>198,601</u>	<u>374,353</u>	<u>-</u>	<u>37,601</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$	62,355	447	-	-
Due to other funds		170,602	184,691	-	-
Due to claimants		-	10,190	-	-
Total liabilities		<u>232,957</u>	<u>195,328</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenues		-	-	-	-
Total deferred inflows of resources		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted for:					
Developmental services		-	-	-	-
Environmental implementation		-	179,025	-	-
Planning and evaluation services		-	-	-	37,601
Assigned to:					
Capital projects		-	-	-	-
Unassigned		<u>(34,356)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)		<u>(34,356)</u>	<u>179,025</u>	<u>-</u>	<u>37,601</u>
Total liabilities, deferred inflows of resources, and fund balance	\$	<u>198,601</u>	<u>374,353</u>	<u>-</u>	<u>37,601</u>

SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND			
El Dorado County State Transit Assistance Fund	Capital Outlay	Totals		
		2015	2014	2013
-	100,000	469,546	431,884	257,031
-	-	-	-	875
-	-	241,009	230,733	423,938
-	547	547	547	-
-	100,547	711,102	663,164	681,844
-	-	62,802	121,368	31,798
-	-	355,293	242,504	232,504
-	-	10,190	10,190	10,190
-	-	428,285	374,062	274,492
-	-	-	125,278	124,243
-	-	-	125,278	124,243
-	-	-	-	-
-	-	179,025	112,206	26,078
-	-	37,601	37,235	156,484
-	100,547	100,547	100,547	100,547
-	-	(34,356)	(86,164)	-
-	100,547	282,817	163,824	283,109
-	100,547	711,102	663,164	681,844

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
Revenues:			
Federal grants	\$ 344,106	-	-
State government grants and contracts	74,135	393,983	830,253
Local government grants and contracts	-	-	-
Investment income	-	-	288
	<u>418,241</u>	<u>393,983</u>	<u>830,541</u>
Total revenues			
Expenditures:			
Current:			
Environmental planning, implementation, and measurement and reporting:			
Environmental implementation	242,994	396,882	-
Planning and evaluation services	124,437	-	830,548
	<u>367,431</u>	<u>396,882</u>	<u>830,548</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>50,810</u>	<u>(2,899)</u>	<u>(7)</u>
Other financing sources:			
Transfers in	998	69,718	-
Transfers out	-	-	-
	<u>998</u>	<u>69,718</u>	<u>-</u>
Total other financing sources			
Net change in fund balances	51,808	66,819	(7)
Fund balances (deficit), beginning of year, as restated	<u>(86,164)</u>	<u>112,206</u>	<u>7</u>
Fund balances (deficit), end of year	<u>\$ (34,356)</u>	<u>179,025</u>	<u>-</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND			
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Capital Outlay	Totals		
			2015	2014	2013
-	-	-	344,106	100,951	194,783
603,598	512,485	-	2,414,454	2,223,351	2,205,403
-	-	-	-	124,200	1,093,508
1,370	63	-	1,721	1,996	2,139
604,968	512,548	-	2,760,281	2,450,498	3,495,833
-	-	-	639,876	593,965	1,279,294
642,423	512,572	-	2,109,980	2,037,686	1,763,675
642,423	512,572	-	2,749,856	2,631,651	3,042,969
(37,455)	(24)	-	10,425	(181,153)	452,864
-	-	-	70,716	61,868	234,059
-	-	-	-	-	(5,249)
-	-	-	70,716	61,868	228,810
(37,455)	(24)	-	81,141	(119,285)	681,674
75,056	24	100,547	201,676	283,109	(398,565)
37,601	-	100,547	282,817	163,824	283,109

TAHOE REGIONAL PLANNING AGENCY

Environmental Improvement Program

Budgetary Comparison Schedule

Year Ended June 30, 2015

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 680,455	344,106	(336,349)
State government grants and contracts	<u>-</u>	<u>74,135</u>	<u>74,135</u>
Total revenues	<u>680,455</u>	<u>418,241</u>	<u>(262,214)</u>
Expenditures:			
Current:			
Environmental planning, implementation, and measurement and reporting:			
Environmental implementation	690,619	242,994	447,625
Measurement and Reporting	<u>-</u>	<u>124,437</u>	<u>(124,437)</u>
Total expenditures	<u>690,619</u>	<u>367,431</u>	<u>323,188</u>
Excess (deficiency) of revenues over (under) expenditures	(10,164)	50,810	60,974
Other financing sources (uses):			
Transfers in	<u>10,164</u>	<u>998</u>	<u>(9,166)</u>
Net change in fund balance	-	51,808	51,808
Fund balance (deficit), beginning of year	<u>(86,164)</u>	<u>(86,164)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (86,164)</u>	<u>(34,356)</u>	<u>51,808</u>

TAHOE REGIONAL PLANNING AGENCY

Erosion Control Fund

Budgetary Comparison Schedule

Year Ended June 30, 2015

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
State government grants and contracts	\$ 405,174	393,983	(11,191)
Total revenues	<u>405,174</u>	<u>393,983</u>	<u>(11,191)</u>
Expenditures:			
Current:			
Environmental planning, implementation, and measurement and reporting:			
Environmental implementation	<u>484,606</u>	<u>396,882</u>	<u>87,724</u>
Total expenditures	<u>484,606</u>	<u>396,882</u>	<u>87,724</u>
Excess (deficiency) of revenues over (under) expenditures	(79,432)	(2,899)	76,533
Other financing sources:			
Transfers in	<u>79,434</u>	<u>69,718</u>	<u>(9,716)</u>
Net change in fund balance	2	66,819	66,817
Fund balance, beginning of year	<u>112,206</u>	<u>112,206</u>	<u>-</u>
Fund balance, end of year	<u>\$ 112,208</u>	<u>179,025</u>	<u>66,817</u>

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2015

	CTRPA Tahoe Keys	CTRPA Securities	CTRPA Indirect Source	Excess Coverage Mitigation
<u>Assets</u>				
Cash and investments	\$ 372,855	107,892	8,776	830,315
Receivables:				
Interest	<u>662</u>	<u>191</u>	<u>16</u>	<u>2,515</u>
Total assets	<u>\$ 373,517</u>	<u>108,083</u>	<u>8,792</u>	<u>832,830</u>
<u>Liabilities</u>				
Accounts payable	\$ -	-	-	-
Due to other governments	373,517	-	8,792	832,830
Deposits payable	<u>-</u>	<u>108,083</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 373,517</u>	<u>108,083</u>	<u>8,792</u>	<u>832,830</u>

Mitigation	Totals		
	2015	2014	2013
6,246,156	7,565,994	12,470,605	16,047,036
<u>10,901</u>	<u>14,285</u>	<u>12,927</u>	<u>28,290</u>
<u>6,257,057</u>	<u>7,580,279</u>	<u>12,483,532</u>	<u>16,075,326</u>
-	-	20,000	-
6,257,057	7,472,196	12,356,172	15,968,095
<u>-</u>	<u>108,083</u>	<u>107,360</u>	<u>107,231</u>
<u>6,257,057</u>	<u>7,580,279</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, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>CTRPA Tahoe Keys</u>				
<u>Assets</u>				
Cash and Investments	\$ 371,992	863	-	372,855
Receivables:				
Interest	<u>439</u>	<u>662</u>	<u>439</u>	<u>662</u>
Total assets	<u>\$ 372,431</u>	<u>1,525</u>	<u>439</u>	<u>373,517</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 372,431</u>	<u>1,312</u>	<u>226</u>	<u>373,517</u>
Total liabilities	<u>\$ 372,431</u>	<u>1,312</u>	<u>226</u>	<u>373,517</u>
 <u>CTRPA Securities</u>				
<u>Assets</u>				
Cash and Investments	\$ 107,642	250	-	107,892
Receivables:				
Interest	<u>127</u>	<u>191</u>	<u>127</u>	<u>191</u>
Total assets	<u>\$ 107,769</u>	<u>441</u>	<u>127</u>	<u>108,083</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 107,769</u>	<u>380</u>	<u>66</u>	<u>108,083</u>
Total liabilities	<u>\$ 107,769</u>	<u>380</u>	<u>66</u>	<u>108,083</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>CTRPA Indirect Source</u>				
<u>Assets</u>				
Cash and Investments	\$ 8,756	20	-	8,776
Receivables:				
Interest	<u>10</u>	<u>16</u>	<u>10</u>	<u>16</u>
Total assets	<u>\$ 8,766</u>	<u>36</u>	<u>10</u>	<u>8,792</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 8,766</u>	<u>31</u>	<u>5</u>	<u>8,792</u>
Total liabilities	<u>\$ 8,766</u>	<u>31</u>	<u>5</u>	<u>8,792</u>
<u>Excess Coverage Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 1,999,851	5,875,680	7,045,216	830,315
Receivables:				
Interest	<u>5,455</u>	<u>2,515</u>	<u>5,455</u>	<u>2,515</u>
Total assets	<u>\$ 2,005,306</u>	<u>5,878,195</u>	<u>7,050,671</u>	<u>832,830</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 2,005,306</u>	<u>3,622,027</u>	<u>4,794,503</u>	<u>832,830</u>
Total liabilities	<u>\$ 2,005,306</u>	<u>3,622,027</u>	<u>4,794,503</u>	<u>832,830</u>

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,944,792	5,586,126	5,284,762	6,246,156
Receivables:				
Interest	<u>6,668</u>	<u>10,901</u>	<u>6,668</u>	<u>10,901</u>
Total assets	<u>\$ 5,951,460</u>	<u>5,597,027</u>	<u>5,291,430</u>	<u>6,257,057</u>
<u>Liabilities</u>				
Accounts payable	\$ -	364,070	364,070	-
Due to other governments	<u>5,951,460</u>	<u>734,721</u>	<u>429,124</u>	<u>6,257,057</u>
Total liabilities	<u>\$ 5,951,460</u>	<u>1,098,791</u>	<u>793,194</u>	<u>6,257,057</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 8,433,033	11,462,939	12,329,978	7,565,994
Receivables:				
Interest	<u>12,699</u>	<u>14,285</u>	<u>12,699</u>	<u>14,285</u>
Total assets	<u>\$ 8,445,732</u>	<u>11,477,224</u>	<u>12,342,677</u>	<u>7,580,279</u>
<u>Liabilities</u>				
Accounts payable	\$ -	364,070	364,070	-
Due to other governments	8,337,963	4,358,091	5,223,858	7,472,196
Deposits payable	<u>107,769</u>	<u>380</u>	<u>66</u>	<u>108,083</u>
Total liabilities	<u>\$ 8,445,732</u>	<u>4,722,541</u>	<u>5,587,994</u>	<u>7,580,279</u>