

TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2018

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TAHOE REGIONAL PLANNING AGENCY

Financial Statements

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tahoe Regional Planning Agency
Stateline, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tahoe Regional Planning Agency (TRPA), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise TRPA's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of TRPA for the year ended June 30, 2017 and we expressed an unmodified audit opinion on those financial statements in our report dated December 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018 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 11, 2018

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

TRPA operates in the context of the Tahoe Region which has global reach and impact. Considered a precious natural resource to both states of California and Nevada, and the driver of the area's \$5 billion economy, Lake Tahoe has faced extraordinary challenges in recent years as it climbed out of the recession. The Tahoe Basin's economy is rebounding, and a renaissance is underway in pockets around the lake. This positive trend helps strengthen the Region's resolve to protect and restore Lake Tahoe, which is costly and labor-intensive.

The Lake Tahoe region, and TRPA's jurisdiction, covers over 500 square miles. Approximately 90% of the land area is held by the US Forest Service and various other state and local entities. Over 50,000 people live in the Region, and the most recent estimates of visitation top 10 million annually. The lake has been designated an Outstanding National Resource Water under the Federal Clean Water Act.

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

The adoption of environmental standards called "thresholds," first set for the Region in 1982, were established by TRPA to answer its mandate. The Compact directs the Agency to establish management measures that meet and maintain the thresholds and authorizes it to work through a variety of means including land use regulations, growth management, capital improvement programs, and resource management plans. TRPA coordinates the 50+ organizations who collectively and collaboratively implement the management measures, programs and plans to achieve the Compact's requirements.

Using the Annual Report

The discussion and analysis of the financial performance of TRPA provides review of the organization's overall financial activities for the fiscal year ended June 30, 2018. This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized to assist the reader in understanding the Agency as a financial whole and an entire operating entity. The statements also provide an increasingly detailed look at specific financial activities.

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

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

TRPA Highlights

Highlights for Fiscal Year (FY) 2018 include: engaging with stakeholders on comprehensive shoreline regulations, updating the development rights system to encourage environmentally responsible redevelopment, facilitating a bi-state transportation working group to identify solutions for transportation issues, and securing ongoing financing for the Aquatic Invasive Species and Stormwater Management Programs. The updated shoreline ordinances and development rights changes were approved after the end of the fiscal year, at the October Governing Board meeting.

The passage of the Regional Plan Update in 2012 put a new framework in place to integrate the activities of stakeholders, increasing collaboration and improving processes. The goal of threshold attainment to transform what was a deteriorating environment and community into a thriving, healthy ecosystem remains the same. Basin partnerships are strong, and progress is being made on multiple fronts. Initiatives underway include implementing the newly adopted Shoreline and Development Rights Plans, and the ongoing operations of the Tahoe Science Advisory Council to link science and decision making. Public restoration funding is rebounding. California and Nevada committed bond monies to the lake's restoration and the federal Lake Tahoe Restoration Act passed in December 2016 with initial funding released in federal Fiscal Year 2018.

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

Following adoption of TRPA's strategic plan in June 2014, the Agency's focus in FY 2018 centered on implementing the plan's four pillars of accelerating threshold attainment, using the best available science for decision making, establishing the Agency as a leader in sustainability, and operating as a high-performing team. The TRPA Governing Board established five major strategic initiatives:

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

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

TRPA Organization

To address the Strategic Plan Objectives, Strategic Initiatives, Internal Initiatives, and ongoing annual

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activities, TRPA has embraced the adaptive management or continuous improvement “plan-do-check-adjust” approach. The TRPA operations divisions are organized to reflect the adaptive management model.

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

The roles and responsibilities of the Divisions are:

- The Long-Range Planning and Transportation Division primarily keeps the Regional Plan and the Regional Transportation Plan up to date. The division focuses on TRPA plan amendments, development and refinement of policies, and modifications to TRPA rules and regulations to meet the dynamic needs of the Tahoe environment. Other major functions include executing TRPA’s federally designated transportation role as the Tahoe Metropolitan Planning Organization (TMPO) and the California designated Regional Transportation Planning Agency. Primary activities include reviewing local area plans submitted by local jurisdictions as well as periodic revisions of the Regional Transportation Plan (RTP) and transportation improvement program. Long Range Planning and Transportation is also the lead on the Shoreline, Development Rights, and Transportation strategic initiatives. The Sustainable Communities Program connects to related activities in and outside the Region to accelerate 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 Current Planning Division is responsible for permitting land use activities in the Tahoe Region, either directly or through delegation of permitting to local jurisdictions. The Division also leads the permit streamlining “Welcome Mat” initiative to dovetail with development rights system improvements needed to make redevelopment more feasible and successful in reaching the goals of the Regional Plan. Current Planning includes the Code Compliance team, whose staff visits work sites, inspects projects, and responds to complaints regarding Code violations, ensuring the conditions of the permits issued by TRPA or through delegation are met. The Code Compliance team reviews and issues tree removal permits and includes a watercraft crew to monitor shoreline conditions and enforce TRPA boating ordinances.
- The Research & Analysis Division is responsible for ensuring that TRPA planning and implementation are guided by the best available scientific information and technical data. The Division manages organizational data and systems, provides key information tools and reports, engages with the scientific community, and provides efficient and timely analysis to support TRPA staff and Governing Board decision making. Research & Analysis coordinates the 4-year Threshold Evaluation to report on progress toward threshold attainment, directs the Agency’s development of the LakeTahoeInfo.org platform and also leads the Thresholds Update strategic

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initiative in coordination with the Bi-State Tahoe Science Advisory Council to bring the Region's thresholds and monitoring systems current with the last 30 years of scientific knowledge.

- The Environmental Improvement Division coordinates a public-private partnership of over 50 funding partners, a collaborative restoration initiative that rivals some of the largest in the United States in scope. The Division's key programs include:
 - Management of the Environmental Improvement Program (EIP), the region-wide, multi-sector capital investment strategy to carry out a multitude of restoration programs and projects designed to implement the adopted Regional Plan and address environmental concerns in the Tahoe Region.
 - Management of the Aquatic Invasive Species (AIS) program including preventing new species introduction, treatment to control existing invasive species, and emergency response to new infestations. This is one of our five strategic initiatives.
 - Stormwater program management through the application of Best Management Practices (BMPs) for residential, commercial, and public properties.
 - Forest Health program management, including fuels reduction to control the risk of destructive wildfires and collaborative planning to promote the health and restoration of the forest resources in and across the region's boundaries.

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

Financial Highlights

Agency Revenues

TRPA revenues for FY 2018 totaled \$15.6 million. The State of California's annual commitment was \$4.7 million, and the State of Nevada's commitment was \$2.2 million. State and local annual commitments represent 45% of total revenues. In addition to these annual commitments, various departments and agencies of the two states and local organizations contribute to specific projects through grant funding.

Directly funded programs (grants) totaled 33% of revenues, amounting to \$5.2 million from local, state, and federal sources. Major federal contributors include the Department of the Interior, Department of Transportation, Department of Agriculture, and Environmental Protection Agency. State entities include CalTrans, NDOT, California Water Quality Control Board (Lahontan Region), Nevada Division of Environmental Protection, California Energy Commission, California State Lands, California Tahoe Conservancy, CalFire, California Department of Boating and Waterways, Nevada Division of State Lands, California Office of Emergency Services, and others.

Fees for services amounted to \$3.1 million or 20% of the Agency's revenues. This includes Planning Fees and reimbursed costs from applicants as well as Watercraft Inspection Fees supporting the AIS program. Fees for service increased significantly, 14%, from FY 2017 due to higher project permitting activity. AIS fees were largely unchanged from FY 2017.

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Agency Expenditures

Total expenditures for FY 2018 were \$15.3 million. Staff costs accounted for \$6.0 million or 39% of the total. Contracts comprised \$7.7 million or 49% of the total. Financing costs related to the bonds for the TRPA office building amounted to \$0.4 million or 3% of total expenditures.

TRPA works closely with other governmental entities in the basin to fund and execute various environmental initiatives. During FY 2018, TRPA passed through:

- \$1.6 million in funding to the Tahoe Transportation District.
- \$0.8 million to Placer County for implementation of transportation projects and operation of transit systems throughout the basin.
- \$0.8 million to the Tahoe Resource Conservation District, a unit of El Dorado County, California for roadside inspections of watercraft as part of the Aquatic Invasive Species program.
- \$1.0 million in mitigation funds were passed on to local jurisdictions to fund projects designed to offset the environmental impact of development.

The TRPA General Fund Balance increased by 21% or \$0.6 million during FY 2018. This is due to a surplus of revenues over expenses.

Key Operational Accomplishments in FY 2018

Long Range and Transportation Planning Division:

Long Range and Transportation Planning (LRTP) Division continues its work to continuously keep plans and implementing management strategies up to date with the current conditions of the Region. This year the Division furthered the implementation of the 2012 Regional Plan with approval of a fifth local government area plan and advanced three key strategic initiatives—Shoreline, Development Rights, and transportation planning to address burgeoning regional recreation visitation. Area plans now cover 48,000 acres, 24% of the Tahoe basin and 76% of town centers. TRPA operates under multiple transportation planning mandates, including serving as the Tahoe Metropolitan Planning Organization (TMPO). Funding for the Division includes TRPA General Funds and transportation grants. TRPA received \$4.0 million in grants from the Federal Government and the states of California and Nevada to support these activities. Almost \$2.4 million of this funding was passed on to transit operators, Placer County and TTD. TRPA incurred \$1.0 million in personnel costs and \$3.2 million in contract and operating costs related to LRTP.

- LRTP continues to review and approve local area plans in each jurisdiction to implement the Regional Plan. The Meyers Area Plan was approved in January of FY 2018. Several more area plans are currently in development in Douglas County, Nevada; the City of South Lake Tahoe, California; and Washoe County, Nevada.
- The Division supported the development of the Shoreline Plan, which included new regulations, stakeholder engagement and collaboration, and public outreach. The final Shoreline plan was adopted by the Governing Board in October of 2018.
- Long Range Planning staff completed modifications to the existing development rights system to

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strengthen the feasibility of environmental redevelopment needed to achieve Regional Plan goals. The Development Rights proposal was approved by the Governing Board in November of 2018.

- The Sustainable Communities Program was instrumental in establishing a Sustainable Recreation Working Group to coordinate recreation planning and management in the Region. The working group is developing a recreation plan to document existing recreation facilities and recreation management responsibilities. A work group kicked off the highest priority recreation corridor plan at Emerald Bay to integrate transportation and visitor management.

Current Planning Division:

Current Planning maintained its record of permit review efficiency. The Division received 933 permit applications during FY 2018 and issued 946 permits. Nearly one hundred percent (100%) of applications were processed within 120 days of receiving a complete application meeting TRPA's Code of Ordinances and operations performance measure. Fees for services totaled \$2.1 million during the fiscal year. TRPA spent \$1.3 million on personnel costs and \$0.7 million on contracts and operating costs in the Current Planning Division. Field inspectors performed 966 project inspections during the year, and 852 tree removal reviews. Project inspections resulted in the resolution and return of \$0.6 million in security deposits. An additional \$0.4 million of non-cash securities were also released. The Current Planning team is funded through planning fees.

Research and Analysis Division:

The Research & Analysis Division (R&A) collects information from our partner agencies and other Divisions within TRPA to report on TRPA's planning and implementation programs and regional progress toward threshold attainment. During the Fiscal Year the TRPA Governing Board unanimously voted to adopt a reorganization and set of non-policy technical corrections to improve the threshold standards. The modifications were the result of over a year of work with the Tahoe Science Advisory Council and other partners and were the first modifications of the threshold standards since the regional plan was revised in 2012. The reorganization consolidated 173 threshold standards to 152 standards by reducing overlap in the system. The reorganization and technical corrections made the goals and framework of the standards more transparent, a critical step in advance of engaging stakeholders to consider more substantive changes. The reorganization maintained the same level of protection afforded by the system and will not affect TRPA's Regional Plan, Code of Ordinances, project review, or analyses.

R&A's ongoing activities include managing and organizing TRPA's data and information systems to improve the public transparency and openness of TRPA's programs and activities, engaging with the scientific community and Tahoe Science Advisory Council, and providing efficient and timely analysis to support TRPA staff and Governing Board decision making. Notable accomplishments this year include developing innovative tools and reports, such as new interactive map tools on www.trpa.org/maps, continued enhancements to the LakeTahoeInfo.org public reporting platform in connection with the parcel tracker, the Lake Tahoe Clarity Crediting Program, the EIP Project Tracker, and a public Monitoring Program Dashboard. R&A also published its first ever annual monitoring report, the 2017 Annual Monitoring Report. While the TRPA Threshold Evaluation reports comprehensively on monitoring results from across the basin partnership the annual report keys in on monitoring performed by TRPA related to the threshold categories of streams, SEZ, air quality, noise, wildlife, Tahoe Yellow

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Cress, and bicycle/pedestrian usage. R&A received \$0.2 million in grant revenue during the fiscal year, to support long-term monitoring of lake clarity and fund the integration of Tahoe Total Maximum Daily Load (TMDL) information management tools into the LakeTahoeInfo.org platform. During FY 2018, expenses included \$1.0 million in personnel and \$1.0 million in contract and operating costs.

Environmental Improvement Division:

The Environmental Improvement Program (EIP) continued to implement major public projects in FY 2018. Since 1997, 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. In 2018, Dean Heller hosted the annual Lake Tahoe Federal Summit to highlight the accomplishments of the past year. This year the Tahoe Resource Conservation District's acquired Johnson Meadow, a 200-acre private inholding in the Upper Truckee River Johnson Meadow. This landmark project was years in the making and a major accomplishment in bringing the watershed into nearly full public ownership, which will enable major restoration work to improve the meadow's health and while also improving public access and recreation opportunities. Other major projects completed include El Dorado County's Meyers Stream Environment Zone project, the Nevada Tahoe Conservation District's Zephyr Cove Water Quality project, and 14 acres of aquatic invasive plant control treatment lake-wide.

TRPA provides strategic coordination for the EIP and works with partners for the effective and efficient delivery of programs, projects, and funding. The Tahoe Interagency Executive Steering Committee (TIE) is the informal oversight and governing body for the EIP. A variety of multi-agency workgroups in specific focus areas support the TIE Steering Committee's consensus-driven decision-making. All of the EIP partners work diligently to invest and pursue sustainable funding for the EIP. TRPA received \$0.2 million in grant revenue this year to support the EIP. TRPA incurred \$0.4 million in personnel costs related to the EIP.

The Lake Tahoe Aquatic Invasive Species (AIS) Program continued implementation of the watercraft inspection program, first started in 2008, to prevent catastrophic infestation of new invasive species. During the fiscal year TRPA oversaw watercraft inspections performed by Tahoe Resource Conservation District inspectors at four roadside stations in the Tahoe Basin during the primary boating season and at two launch ramps during the winter months. Launching boats had inspection seals verified by trained inspectors prior to launch at fifteen (15) launch facilities. Outreach has been a critical part of the program and has been very successful with 60% of boats arriving at an inspection station clean, drained, and dry. The program inspected 8,870 boats with 4,942 requiring decontamination. The states of Nevada and California have contributed funding in the amount of \$0.7 million to support the AIS prevention program. TRPA collected \$0.6 million in inspection fees. We also received \$0.7 million in grants to pay for treatment programs. TRPA incurred \$0.3 million in personnel costs and \$1.7 million in contract and operating costs related to the AIS Program.

The Stormwater Management Team has been working for many years to complete water quality retrofit improvements on all developed properties in the Lake Tahoe region. TRPA permits all BMP retrofit projects either directly or by delegation. Staff worked with private homeowners, commercial property owners, and several public entities (local jurisdictions and U.S. Forest Service) in the Tahoe Region to implement water quality Best Management Practices (BMPs). TRPA issued 443 residential and 22 commercial BMP certificates during FY 2018 reflecting private property owner investments to improve

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environmental conditions in the Region. Funding for this activity included \$0.2 million in grants from the U.S. Environmental Protection Agency passed through California State Water Resources Control Board and Nevada Division of Environmental Protection. TRPA spent \$0.1 in personnel costs and \$0.1 million in contract and operating costs during the fiscal year. The Stormwater Program Manager's salary is paid for out of the TRPA general fund.

TRPA's Forest and Ecosystem Health Program Manager works with implementers such as the U.S. Forest Service, state agencies, and local fire districts in the basin to ensure forest health projects are designed in line with TRPA code of ordinances and receive streamlined project review from the agency. TRPA is a founding member of the Tahoe Fire and Fuels Team (TFFT), which coordinates the Forest Health focus area of the EIP. The greater Sierra as well as Tahoe are responding to growing impacts of tree mortality and catastrophic wildfire due to drought stress and changing climate conditions. The Lake Tahoe West (LTW) Partnership, co-led by TRPA, began in 2016 to implement a watershed restoration project across 60,000 acres of Tahoe's West Shore. This project is the current centerpiece of TRPA's Forest Health initiative that aims to increase the scale of forest health projects and bring in a more holistic multi-benefit ecosystem health approach to future forestry projects in the Region and beyond. In FY2018, the LTW partnership completed the Landscape Resilience Assessment where scientists, resource managers, and stakeholders worked together to share and analyze data across many different landownerships to determine the health of the landscape.

On public lands, implementing agencies including the U.S. Forest Service, state agencies and local jurisdictions completed 3,569 acres of fuels treatments basin-wide in the 2018 field season. TRPA also issues tree permits for removal of hazardous trees on private property. After receipt of 852 applications, TRPA issued 846 permits for tree removal in FY 2018. Tree permits can now be processed entirely online, with almost 65% of applicants choosing to file through the TRPA website. Average time to issue a tree permit is now less than 3 days. Expenditures for the Forest Health program are included in the general Environmental Improvement expenses.

Administrative Financial Highlights

TRPA continued implementing its strategic plan through staffing and organizational adjustments to achieve goals in an efficient and effective manner. Staffing shortages and other cost underruns resulted in a surplus for FY 2018. That surplus was rolled forward into FY 2019 to fund ongoing multi-year Agency projects.

Long term risks have been addressed and funded to the extent possible. There are only two significant long-term liabilities. Accrued employee paid time off that has not yet been taken and the lease revenue bonds used to finance the building (addressed below). TRPA's retirement plan is a defined contribution plan and is fully funded. All benefit plans are fully funded. There are no known unfunded future liabilities not addressed in these statements. TRPA is periodically subject to lawsuits whose outcome cannot be predicted. There is one permit-related lawsuit in process at this time, but we do not expect any financial liabilities to arise from it. Applicants typically indemnify TRPA against the costs of defending a permit.

TRPA's Governing Board approved the FY 2018 budget in June of 2017. Budgets were adopted for the General Fund and certain Special Revenue Funds. The budgets for the El Dorado County State Transit

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Assistance Fund, El Dorado County Local Transportation Fund and Placer County Local Transportation Fund are adopted by the respective County jurisdictions.

TRPA continued scheduled debt service payments for Series A and B Lease Revenue Bonds in the amount of \$0.4 million in interest expense. The bonds were issued through the Nevada Division of Business and Industry to acquire the TRPA office building 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.

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, environmental improvement, planning services, and research and analysis.

Reporting the Agency's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. TRPA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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

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measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of TRPA's general government operations. Governmental fund information is useful in evaluating the government's financial resources that can be spent in the near future to finance programs.

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

TRPA maintains twelve individual governmental funds. TRPA has combined the 128 Market Street Building fund, Shoreline fund, Settlement fund, and Planning Services fund into the General fund for presentation purposes. The General fund, Transportation fund, and Aquatic Invasive Species fund are each considered major Governmental funds and are presented separately. Data from the other 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 2018 to FY 2017.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Table 1 - Summary of Statement of Net Position

	2018	2017	Change	%
Assets				
Current & Other Non-Current Assets	14,718,120	13,616,655	1,101,465	8%
Capital Assets	9,175,911	9,443,494	(267,583)	-3%
Total Assets	<u>23,894,031</u>	<u>23,060,149</u>	<u>833,882</u>	4%
Liabilities				
Current Liabilities and Other	7,110,437	6,767,712	342,725	5%
Unearned Revenue	2,387,644	2,526,051	(138,407)	-5%
Long Term Liabilities	8,503,639	8,162,563	341,076	4%
Total Liabilities	<u>18,001,720</u>	<u>17,456,326</u>	<u>545,394</u>	3%
Net Position				
Net Investment in Capital Assets of Debt	2,337,745	2,605,783	(268,038)	-10%
Restricted	2,339,605	2,292,020	47,585	2%
Unrestricted	1,214,961	706,020	508,941	72%
Total Net Position	<u>5,892,311</u>	<u>5,603,823</u>	<u>288,488</u>	5%

Assets:

Current and Other Noncurrent Assets increased by \$1.1 million from \$13.6 million at June 30, 2017 to \$14.7 million at June 30, 2018. Half of the increase reflects a budget surplus of \$0.6M. The balance is due to increased project securities and mitigation funds held for others.

Capital Assets decreased by \$0.3 million or 3%, from a balance of \$9.4 million at June 30, 2017, to a balance of \$9.2 million at June 30, 2018. This is due to depreciation. TRPA acquired new copier equipment during the fiscal year.

Liabilities:

Current Liabilities increased by \$0.3 million from \$6.8 million on June 30, 2017 to \$7.1 million at June 30, 2018. This is due to an increase in project securities held for others.

Unearned Revenue decreased slightly by \$0.1 million, or 5% from a balance of \$2.5 million as of June 30, 2017 to \$2.4 million as of June 30, 2018. This is due to higher deferrals in FY 2017 due to revenues not received within 120 days of the end of the fiscal year.

Long-Term Liabilities increased by \$0.3 million, or 4%, from a balance of \$8.2 million at June 30, 2017, to a balance of \$8.5 million at June 30, 2018. This was due to a reduction in the current portion of long-term liabilities.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net Position:

Net Investment in Capital Assets decreased by \$0.3 million due to depreciation.

Restricted – Restricted Net Position increased slightly for the year.

Unrestricted – Unrestricted Net Position increased by \$0.5 million from \$0.7 million at June 30, 2017 to a balance of \$1.2 million at June 30, 2018. This is entirely due to the surplus of revenues over expenses.

Table 2 shows the changes in Net Position for fiscal year 2017 and 2018.

Table 2 - Revenue, Expenses, Changes in Net Assets				
	2018	2017	Change	%
Revenues				
Program Revenues				
Charges for Services	3,094,298	2,725,736	368,562	14%
Grants and Contributions	5,192,557	4,659,658	532,899	11%
General Revenues				
State Revenue	6,967,457	6,427,187	540,270	8%
Local Revenue	150,000	160,001	(10,001)	-6%
Investment Earnings - Unrestricted	118,337	51,051	67,286	132%
Miscellaneous	30,822	14,401	16,421	114%
Total Revenues	<u>15,553,471</u>	<u>14,038,034</u>	<u>1,515,437</u>	11%
Program Expenses				
General Government	3,339,821	2,829,508	510,313	18%
Env. Planning & Implementation	11,312,585	10,073,960	1,238,625	12%
Building Operations	220,632	210,331	10,301	5%
Interest and Debt Service	391,944	566,889	(174,945)	-31%
Total Expenses	<u>15,264,982</u>	<u>13,680,688</u>	<u>1,584,294</u>	12%
Increase (Decrease) in Net Assets	<u>288,489</u>	<u>357,346</u>	<u>(68,857)</u>	-19%

Program Revenues:

Charges for Services – Charges for Services Revenue increased by \$0.4 million, or 14%, from \$2.7 million for the year ended June 30, 2017, to \$3.1 million for the year ended June 30, 2018. This is entirely due to record quantity of permits in the Current Planning Division. AIS fees for services were unchanged for the year.

Grants and Contributions - Grants and Contributions Revenue increased by \$0.5 million, or 11%, from

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

\$4.7 million for the year ended June 30, 2017, to \$5.2 million for the year ended June 30, 2018.

- AIS grants increased by \$0.3 million for control projects, including the Sand Harbor Asian Clam control project.
- Transportation Planning Services grants and contributions increased by \$0.1 million.
- Science Council funding increased by \$0.1 million, as the Universities started executing on their work plans.

General Revenues:

State Revenue increased by \$0.5 million. Both states combined to fund the AIS prevention program by \$0.7M. The increase was offset by expiration of a \$0.2 million one-time allocation from California. Investment Earnings increased by \$0.1 million due to higher interest rates. Local Revenue and Miscellaneous Earnings were essentially unchanged.

Program Expenses:

The cost of all Program Expenses increased by \$1.6 million, or 12% from \$13.7 million for the year ended June 30, 2017, to \$15.3 million for the year ended June 30, 2018. Some of the key factors that resulted in the increase include:

- Compensation increased by \$0.5 million. TRPA recently completed an exhaustive compensation study to compare salaries to market. The study showed a significant shortfall in the magnitude of approximately \$1.0 million. The Agency used money saved by retiring a significant portion of our long-term debt to reduce this shortfall by approximately 50%.
- Current Planning contracts increased by \$0.3 million to support the record level of permit activity. TRPA outsources some permit reviews during times of high demand.
- AIS contract expenses increased by \$0.4 million for control projects, including the Sand Harbor Asian Clam treatment project.
- TRPA acts as fiscal agent for the Tahoe Science Advisory Council. The Council's activities began in earnest in FY 2018, leading to \$0.2 million in contract expenses. Most of this funding goes to Universities and research institutions studying the Tahoe environment.
- Spending on Transportation grants increased by \$0.6 million. Eldorado County STA/LTF funding accounted for \$0.2 million. SGA grants accounted for \$0.1 million, and the remaining \$0.2 million was for transportation planning.
- Reduced grant funding for the LTINFO platform resulted in \$0.3 million in reduced contracting effort.
- Interest payments on TRPA's long-term debt decreased by \$0.2 million due to retiring a significant portion of that debt in FY 2017.

Fund Balances:

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

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Table 3 - Summary of Fund Balances

	2018	2017	Change	%
General Fund	3,400,879	2,821,007	579,872	21%
Aquatic Invasive Species Fund	1,098,694	1,066,424	32,270	3%
Transportation Fund	706,248	854,526	(148,278)	-17%
Other Nonmajor Governmental Funds	410,498	279,271	131,227	47%
Total Fund Balance	5,616,319	5,021,228	595,091	12%

TRPA's governmental funds report a combined fund balance of \$5.6 million as of June 30, 2018, a \$0.6 million, or 12% increase from last year's \$5.0 million totals. Some key factors that resulted in the increase include:

- General Fund balance increased by \$0.6 million due to a surplus of revenues over expenses.
- A decrease of \$0.1 million in the Transportation Fund is due spending accumulated funds
- Other non-major governmental funds increased by \$0.1 million due to a variety of small changes.

General Fund Budgeting Highlights

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

TRPA adopted the FY 2018 budget in June of 2017. The budget contained the following assumptions concerning revenues and expenses:

- California's contribution increased by \$0.4 million to support the AIS prevention program. This was offset by a reduction of \$0.3 million due to a one-time special appropriate for Shoreline program collaboration consultant.
- Nevada's contribution increased by \$0.4 million to support the AIS prevention program.
- The Planning Fund fee for service revenue was budgeted at \$1.3 million, consistent with the prior year.

The budget to actual comparison for the General Fund for the year ended June 30, 2018 includes the following items:

- Revenues were \$0.6 million higher than budgeted.
 - Higher permitting activity generated an increase of \$0.5 million of revenue. An estimate of this revenue and the associated expenses were budgeted at the beginning of FY 2018.
 - Investment income was up \$0.1 million due to higher interest rates.
- Overall expenditures were \$0.2 million above budget.
 - Contract expenses were \$0.2 million above projections. This is primarily due to increased sub-contracting of plan reviews reflecting an increase in applications for permits.

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Capital Assets

For the year ended June 30, 2018, TRPA had \$9.2 million invested in capital assets. Table 4 shows June 30, 2018 balances compared to June 30, 2017.

Table 4 - Summary of Capital Assets Net of Depreciation

	2018	2017	Change	%
Land	1,606,706	1,606,706		
Buildings & Improvements	10,749,152	10,749,152		
Boats, Equipment and Furniture	1,821,138	1,834,909	(13,771)	
Software	733,245	733,245		
Accumulated Depreciation	<u>(5,734,330)</u>	<u>(5,480,518)</u>	<u>(253,812)</u>	5%
Total Capital Assets - Net	<u>9,175,911</u>	<u>9,443,494</u>	<u>(267,583)</u>	-3%

Overall capital assets decreased by \$0.3 million or 3%, from \$9.4 million for the year ended June 30, 2017, to \$9.2 million for the year ended June 30, 2018 based on depreciation. No significant capital investments were made during FY 2018.

Long Term Debt

Table 5 - Summary of Long Term Debt

	2018	2017	Change	%
Lease Revenue Bonds	8,445,000	8,445,000	0	0%
Capital Lease Obligations				
Long Term Loans				
Compensated Absences	<u>550,407</u>	<u>475,583</u>	<u>74,824</u>	16%
Total Long Term Debt	<u>8,995,407</u>	<u>8,920,583</u>	<u>74,824</u>	1%

TRPA's debt considered a liability of governmental activities, increased by \$0.1 million, or 1%, from \$8.9 million for the year ended June 30, 2017, to \$9.0 million for the year ended June 30, 2018. This is due to an increase in compensated absences, time off earned by TRPA employees but not taken.

Factors bearing on TRPA's Future

TRPA receives significant funding from the states of California and Nevada. The compact calls for funding to be split two-thirds California and one-third Nevada. Actual funding can vary depending on each State's budget process. Funding for Fiscal Year 2019 is secured, and the Agency is working with California on the Fiscal Year 2020 budget. Nevada follows a 2-year budget cycle, and the next budget cycle will start in the Spring of 2019.

In 2007, TRPA issued \$13.5 million in General Lease Revenue Bonds to finance the acquisition of the

TAHOE REGIONAL PLANNING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Agency's headquarters. These bonds have a 30-year maturity schedule. From June of 2017 on, TRPA has the right to call all or part of these bonds. In June of 2017, TRPA called \$2.9 million of the bonds, significantly reducing annual debt service costs by over \$400 thousand per year through 2025. Total savings to the agency amounts to almost \$1 million in reduced interest expense.

The key assumptions in the General Fund revenue and expenditure budget for fiscal year 2019 were:

1. The California appropriated budget was finalized in June of 2018. The bulk of their contribution has already been received.
2. The Nevada appropriated budget was approved by the Legislature in 2017, as part of the biennial budget process. TRPA has already received these funds for FY 2019.
3. The local support from the counties is fixed at \$150,000 per the Tahoe Regional Planning Compact.
4. 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 2019 assumes a similar level to FY 2018. TRPA's Governing Board approved an increase in filing fees at the meeting on November 14, 2018. These fees may not equal budgeted totals and represent the biggest near-term risk to General Fund Revenues.

Contacting TRPA

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

BASIC FINANCIAL STATEMENTS

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TAHOE REGIONAL PLANNING AGENCY

Statement of Net Position

June 30, 2018

(with comparative prior year information)

	Governmental Activities	
	2018	2017
Assets:		
Cash and investments (note 2)	\$ 12,217,841	11,221,072
Cash and investments with fiscal agent (note 2)	893,479	893,934
Receivables:		
Accounts	8,258	711
Interest	55,040	37,591
Due from other governments	1,383,938	1,218,765
Prepaid items and deposits	159,564	244,582
Capital assets not being depreciated (note 4)	1,606,706	1,606,706
Capital assets, net of accumulated depreciation (note 4)	7,569,205	7,836,788
Total assets	23,894,031	23,060,149
Liabilities:		
Accounts payable	1,221,010	1,016,790
Accrued payroll and benefits	386,348	361,613
Interest payable	32,662	32,662
Due to other governments	1,530	1,530
Due to claimants	10,190	10,190
Unearned revenue	2,398,278	2,526,051
Deposits payable	4,966,929	4,586,907
Long-term liabilities (note 5):		
Due within one year	491,768	758,020
Due in more than one year	8,503,639	8,162,563
Total liabilities	18,012,354	17,456,326
Net position:		
Net investment in capital assets	2,337,745	2,605,783
Restricted for:		
Planning and evaluation services	797,355	959,698
Environmental implementation	1,531,616	1,332,322
Unrestricted	1,214,961	706,020
Total net position	\$ 5,881,677	5,603,823

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Statement of Activities

Year Ended June 30, 2018

(with comparative prior year information)

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government:					
Administrative services	\$ 1,171,785	(199,036)	-	48,802	-
Support services	1,759,866	(298,926)	141,928	-	-
Legal services	408,169	(69,330)	-	-	-
Environmental planning, implementation, and research and analysis:					
Environmental implementation	2,463,899	240,073	607,143	1,084,350	-
Planning services	6,904,121	326,693	2,003,752	3,620,828	227,607
Research and analysis	1,955,200	526	-	210,969	-
Building and rental activities	220,632	-	341,475	-	-
Interest and fiscal charges	391,944	-	-	-	-
Total governmental activities	<u>\$ 15,275,616</u>	<u>-</u>	<u>3,094,298</u>	<u>4,964,949</u>	<u>227,607</u>

General revenues:

State revenue

Local revenue

Investment earnings, unrestricted

Miscellaneous

Total general revenues

Changes in net position

Net position, beginning of year

Net position, end of year

See Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position	
<u>2018</u>	<u>2017</u>
(923,947)	(705,538)
(1,319,012)	(1,120,105)
(338,839)	(209,773)
(1,012,479)	(890,461)
(1,378,627)	(1,182,220)
(1,744,757)	(1,744,352)
120,843	124,044
<u>(391,944)</u>	<u>(566,889)</u>
<u>(6,988,762)</u>	<u>(6,295,294)</u>
\$ 6,967,457	6,427,187
150,000	160,001
118,337	51,051
<u>30,822</u>	<u>14,401</u>
<u>7,266,616</u>	<u>6,652,640</u>
277,854	357,346
<u>5,603,823</u>	<u>5,246,477</u>
<u>\$ 5,881,677</u>	<u>5,603,823</u>

TAHOE REGIONAL PLANNING AGENCY

Governmental Funds

Balance Sheet

June 30, 2018

(with comparative prior year information)

	General	Special Revenue Funds		Non-Major Governmental Funds	Totals	
		Transportation Fund	Aquatic Invasive Species		2018	2017
<u>Assets</u>						
Cash and investments	\$ 8,928,943	1,685,985	1,356,704	246,209	12,217,841	11,221,072
Cash and investments with fiscal agent	893,479	-	-	-	893,479	893,934
Receivables:						
Accounts	8,234	23	-	1	8,258	711
Interest	48,129	6,911	-	-	55,040	37,591
Due from other governments	67,098	789,707	259,702	267,431	1,383,938	1,218,765
Due from other funds	-	-	-	-	-	71,665
Prepaid items	159,564	-	-	-	159,564	244,582
Total assets	\$ 10,105,447	2,482,626	1,616,406	513,641	14,718,120	13,688,320
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 537,158	170,571	429,994	83,287	1,221,010	1,016,790
Accrued payroll and benefits	386,348	-	-	-	386,348	361,613
Due to other funds	-	-	-	-	-	71,665
Due to other governments	1,530	-	-	-	1,530	1,530
Due to claimants	-	-	-	10,190	10,190	10,190
Unearned revenue	808,618	1,589,660	-	-	2,398,278	2,526,051
Deposits payable	4,966,929	-	-	-	4,966,929	4,586,907
Total liabilities	6,700,583	1,760,231	429,994	93,477	8,984,285	8,574,746
Deferred inflows of resources:						
Unavailable revenues	3,985	26,781	87,718	9,666	128,150	92,346
Total deferred inflows of resources	3,985	26,781	87,718	9,666	128,150	92,346
Fund balances:						
Nonspendable:						
Prepaid items	159,564	-	-	-	159,564	244,582
Restricted for:						
Environmental implementation	-	-	1,098,694	345,204	1,443,898	1,329,239
Planning and evaluation services	-	695,614	-	65,294	760,908	877,855
Debt service	893,479	-	-	-	893,479	884,484
Assigned to:						
Debt restructuring	-	-	-	-	-	1,487,972
Capital projects	-	-	-	-	-	547
Unassigned	2,347,836	-	-	-	2,347,836	196,549
Total fund balances	3,400,879	695,614	1,098,694	410,498	5,605,685	5,021,228
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,105,447	2,482,626	1,616,406	513,641	14,718,120	13,688,320

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, 2018

Fund balances of governmental funds \$ 5,605,685

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	14,910,241
Accumulated depreciation	(5,734,330)

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	(550,407)
Lease revenue bonds	(8,445,000)

Interest expenditures are recognized in the governmental funds when
due. Interest expense is recorded on the accrual basis in the government-
wide financial statements, and therefore these statements reflect a
liability for accrued interest payable. (32,662)

Revenue is unavailable in the governmental funds when it is not received soon
enough after the year-end to be considered available. The availability
criteria does not apply to the government-wide financial statements and,
therefore, the revenue is not unavailable. 128,150

Net position of governmental activities \$ 5,881,677

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, 2018

(with comparative prior year information)

	Special Revenue Funds			Non-Major Governmental Funds	Totals	
	General	Transportation Fund	Aquatic Invasive Species		2018	2017
Revenues:						
Federal grants	\$ -	1,139,607	348,434	327,473	1,815,514	2,177,716
State government grants and contracts	6,217,657	420,859	1,077,066	2,568,095	10,283,677	9,436,010
Local government grants and contracts	198,802	-	-	-	198,802	203,990
Charges for services	2,064,210	-	607,143	-	2,671,353	2,330,584
Fines and forfeitures	82,000	-	-	-	82,000	63,006
Rental income	338,695	-	-	-	338,695	330,369
Investment income	112,521	-	-	5,814	118,335	51,051
Miscellaneous revenues	9,290	-	-	-	9,290	14,401
Total revenues	9,023,175	1,560,466	2,032,643	2,901,382	15,517,666	14,607,127
Expenditures:						
Current:						
General government:						
Administrative services	1,096,961	-	-	-	1,096,961	964,196
Support services	1,510,821	-	-	-	1,510,821	1,281,793
Legal services	408,169	-	-	-	408,169	269,480
Interfund reimbursements	(585,304)	-	-	-	(585,304)	(627,408)
Environmental planning, implementation and research and analysis:						
Environmental implementation	409,620	-	2,055,705	238,647	2,703,972	2,584,230
Planning services	3,182,747	1,719,680	-	2,328,387	7,230,814	6,192,527
Research and analysis	1,723,414	-	-	231,786	1,955,200	1,923,210
Building and rental activities	220,632	-	-	-	220,632	210,331
Debt service:						
Principal payments	-	-	-	-	-	3,210,000
Interest and fiscal charges	391,944	-	-	-	391,944	582,449
Total expenditures	8,359,004	1,719,680	2,055,705	2,798,820	14,933,209	16,590,808
Excess (deficiency) of revenues over (under) expenditures	664,171	(159,214)	(23,062)	102,562	584,457	(1,983,681)
Other financing sources (uses):						
Transfers in (note 3)	547	302	55,332	29,212	85,393	389,513
Transfers out (note 3)	(84,846)	-	-	(547)	(85,393)	(389,513)
Total other financing sources (uses)	(84,299)	302	55,332	28,665	-	-
Net changes in fund balances	579,872	(158,912)	32,270	131,227	584,457	(1,983,681)
Fund balances, beginning of year	2,821,007	854,526	1,066,424	279,271	5,021,228	7,004,909
Fund balances, end of year	\$ 3,400,879	695,614	1,098,694	410,498	5,605,685	5,021,228

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, 2018

Net change in fund balances - total governmental funds \$ 584,457

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	(293,531)
Capital asset additions	25,948

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.

	(74,824)
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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 unavailable.

	<u>35,804</u>
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Change in net position of governmental activities \$ 277,854

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Statement of Assets and Liabilities

June 30, 2018

Assets

Cash and investments (note 2)	\$	10,713,313
Receivables:		
Interest		41,792
Due from other governments		<u>34,326</u>
 Total assets	\$	<u><u>10,789,431</u></u>

Liabilities

Due to other governments	\$	10,645,080
Deposits payable		<u>144,351</u>
 Total liabilities	\$	<u><u>10,789,431</u></u>

See Notes to the Basic Financial Statements

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

Year Ended June 30, 2018

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

(d) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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)

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.

(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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(f) Fair Value Measurements

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

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

(g) Prepaid Items

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

(h) Interfund Transactions

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(i) Capital Assets

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

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

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

(j) Deferred Outflows and Inflows of Resources

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

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(k) Unearned Revenue

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

(l) Compensated Absences

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

(m) Long-Term Obligations

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

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

(n) Fund Balances

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

- *Nonspendable* – includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).
- *Restricted* – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(n) Fund Balances (Continued)

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

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

(o) Net Position

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

- *Net Investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* – represents the net position that is not accessible for general use because their use is subject to restrictions enforceable by third parties.
- *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.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

(p) Use of Estimates

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(q) Prior Year Data

Selected information from the prior years has been included in the accompanying financial statements in order to provide an understanding of changes in TRPA's financial position and operations. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with TRPA's financial statements for the year ended June 30, 2017, 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, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 12,217,841
Cash and investments with fiscal agent	893,479
Agency Funds:	
Cash and investments	<u>10,713,313</u>
Total cash and investments	<u>\$ 23,824,633</u>

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 300
Deposits with financial institutions	1,799,665
Investments	<u>22,024,668</u>
Total cash and investments	<u>\$ 23,824,633</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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

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

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the fiscal agent is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code, Nevada Revised Statutes or TRPA's investment policy. The table below identifies the investment types that are authorized for investments held by the fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One way that TRPA manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities. A portion of the portfolio is always maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for TRPA's operations. In addition, the investment policy limits purchase of securities to those with maturities of five years or less.

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

	<u>Total</u>	<u>Maturities (in Months)</u>			
		<u>12 Months or less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Treasury Securities	\$ 6,060,618	3,835,654	1,977,766	247,198	-
Federal Agency Securities	1,037,541	247,353	790,188	-	-
Medium Term Notes	2,420,367	1,096,371	980,995	343,001	-
Local Agency Investment Fund (LAIF)	7,749,066	7,749,066	-	-	-
Local Government Investment Pool (LGIP)	2,058,717	2,058,717	-	-	-
Money Market Funds	1,804,880	1,804,880	-	-	-
Investments with fiscal agent:					
Money Market Funds	893,479	893,479	-	-	-
Total Investments	<u>\$ 22,024,668</u>	<u>17,685,520</u>	<u>3,748,949</u>	<u>590,199</u>	<u>-</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

	Total	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End			
				AAA	AA+ - AA-	A+ - A-	Not Rated
Treasury Securities	\$ 6,060,618	N/A	6,060,618	-	-	-	-
Federal Agency Securities	1,037,541	N/A	-	-	1,037,541	-	-
Medium Term Notes	2,420,367	A	-	124,666	578,959	1,716,742	-
LAIF	7,749,066	N/A	-	-	-	-	7,749,066
LGIP	2,058,717	N/A	-	-	-	-	2,058,717
Money Market Funds	1,804,880	Multiple*	-	1,804,880	-	-	-
Investments with fiscal agent:							
Money Market Funds	893,479	AAA-m	-	893,479	-	-	-
Total Investments	\$ 22,024,668		6,060,618	2,823,025	1,616,500	1,716,742	9,807,783

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

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.

Concentration of Credit Risk

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

Custodial Credit Risk

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

Custodial Credit Risk (Continued)

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

TRPA's investment manager and its safekeeping custodian are affiliated with the same bank, but are under separate operational management. To ensure proper internal controls are in place between the manager and the safekeeping custodian, TRPA annually reviews the audit report on controls placed in operation and tests of operating effectiveness for the trust services of the investment safekeeping custodian issued by an independent public accounting firm (Statement on Standards for Attestation Engagements No. 16 audit report).

TRPA uses an investment management firm to manage all of its investments that are held in securities form. The investment management firm executes investment purchases within the prescribed allowability and diversification guidelines provided by TRPA's investment policy. The investment manager places buy and sell orders with a number of broker-dealers on behalf of TRPA and in keeping with TRPA's Investment Policy. The investment manager executes all transactions using Delivery vs. Payment with the securities being held in safekeeping by the trust department affiliated with the investment manager. In addition, all cash and securities in TRPA's portfolio are held in safekeeping in TRPA's name by the safekeeping custodian, acting as agent for TRPA. As of June 30, 2018, total investments held by the safekeeping custodian on behalf of TRPA were \$11,323,408.

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

Investment in State Investment Pools

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments (Continued)

Investment in County Investment Pool

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

Fair Value Measurement and Application

TRPA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2018, TRPA has no nonrecurring fair value measurement on its assets.

		Fair Value Hierarchy		
		Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total		Total	Total	Total
Treasury Securities	\$ 6,060,618	6,060,618	-	-
Federal Agency Securities	1,037,541	-	1,037,541	-
Medium Term Notes	<u>2,420,367</u>	<u>-</u>	<u>2,420,367</u>	<u>-</u>
Total Investments by Fair Value	<u>9,518,526</u>	<u>6,060,618</u>	<u>3,457,908</u>	<u>-</u>
Investments not measured at fair value:				
LAIF	7,749,066			
LGIP	2,058,717			
Money Market	<u>2,698,359</u>			
Total Investments not measured at fair value:	<u>12,506,142</u>			
Total Investments	<u>\$ 22,024,668</u>			

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Interfund Transactions

Interfund Transfers

Interfund transfers consisted of the following for the year ended June 30, 2018:

<u>Transfers In</u>	<u>Transfers Out</u>	
Transportation Fund	General Fund	\$ 302
Aquatic Invasive Species Fund	General Fund	55,332
Nonmajor Governmental Funds	General Fund	29,212
General Fund	Nonmajor Governmental Funds	547
Total		<u>\$ 85,393</u>

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

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2018 is as follows:

	Balance At June 30, 2017	Additions	Deletions	Balance At June 30, 2018
Capital assets not being depreciated:				
Land	\$ 1,606,706	-	-	1,606,706
Total capital assets not being depreciated	1,606,706	-	-	1,606,706
Capital assets being depreciated:				
Buildings and improvements	10,749,152	-	-	10,749,152
Boats, Equipment and furniture	1,834,909	25,948	(39,719)	1,821,138
Software	733,245	-	-	733,245
Total capital assets being depreciated	13,317,306	25,948	(39,719)	13,303,535
Less accumulated depreciation for:				
Buildings and improvements	(2,954,330)	(274,646)	-	(3,228,976)
Boats, Equipment and furniture	(1,792,943)	(18,885)	39,719	(1,772,109)
Software	(733,245)	-	-	(733,245)
Total accumulated depreciation	(5,480,518)	(293,531)	39,719	(5,734,330)
Capital assets being depreciated, net	7,836,788	(267,583)	-	7,569,205
Total capital assets	\$ 9,443,494	(267,583)	-	9,175,911

Depreciation expense was charged to the following function:

Support Services	\$ 293,531
Total depreciation	\$ 293,531

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018	Amount Due in One Year	Amount Due Beyond One Year
Series A Lease Revenue Bonds	\$ 7,575,000	-	-	7,575,000	-	7,575,000
Series B Lease Revenue Bonds	870,000	-	-	870,000	-	870,000
Compensated Absences	475,583	606,791	(531,967)	550,407	491,768	58,639
Total	\$ 8,920,583	606,791	(531,967)	8,995,407	491,768	8,503,639

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, 2018, cash and investments held in the reserve account for the series A and B bonds was above the reserve requirement of \$892,280.

Annual debt service requirements to maturity are as follows:

Series A Bonds			
Year Ending	Principal	Interest	Total
June 30			
2019	\$ -	340,875	340,875
2020	-	340,875	340,875
2021	-	340,875	340,875
2022	-	340,875	340,875
2023	-	340,875	340,875
2024-2028	1,105,000	1,680,300	2,785,300
2029-2033	3,280,000	1,173,600	4,453,600
2034-2037	3,190,000	366,750	3,556,750
Total	\$ 7,575,000	4,925,025	12,500,025

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities (Continued)

Lease Revenue Bonds (Continued)

Series A Bonds			
Year Ending	Principal	Interest	Total
June 30	Principal	Interest	Total
2019	\$ -	51,069	51,069
2020	-	51,069	51,069
2021	-	51,069	51,069
2022	-	51,069	51,069
2023	-	51,069	51,069
2024-2027	870,000	134,423	1,004,423
Total	\$ 870,000	389,768	1,259,768

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.

(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.

<u>Description of Pledged Revenue</u>	<u>Annual amount of Pledged Revenue</u>	<u>Annual Debt Service Payments (of all Debt Secured by this Revenue)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Rental Income	\$338,695	391,944	116%

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 TRPA's Board of Directors. During the fiscal year ended June 30, 2018, TRPA contributed \$369,881 to the MPP and employees contributed \$397,752 to the 457(b) plan.

(8) Risk Management

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

(9) Proposition 1B

As a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by California voters as Proposition 1B (Prop 1B) on November 7, 2006, TRPA was awarded funding from the Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) and the Transit System Safety, Security and Disaster Response Account (TSSSDRA). Prop 1B activity during the fiscal year ended June 30, 2018 was as follows:

	<u>PTMISEA</u>	<u>TSSSDRA</u>	<u>Total</u>
Unspent Prop 1B funds as of June 30, 2017	\$ 1,533,331	219,302	1,752,633
Prop 1B funds received	-	60,346	60,346
Interest earned	19,484	2,367	21,851
Prop 1B expenditures incurred	<u>(165,291)</u>	<u>(90,513)</u>	<u>(255,804)</u>
Unspent Prop 1B funds as of June 30, 2018	<u>\$ 1,387,524</u>	<u>191,502</u>	<u>1,579,026</u>

TAHOE REGIONAL PLANNING AGENCY

Notes to the Basic Financial Statements

(Continued)

(10) Contingencies

Litigation

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

Federal and State Grants

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

(11) Economic Dependency

During the fiscal year ended June 30, 2018, approximately 79% of TRPA's total revenue was derived from federal, state, and local government agencies.

(12) Expenditures Exceeding Appropriations

Expenditures exceed appropriations in the following funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$8,359,004	8,117,183	241,821
Environmental Improvement	363,775	249,350	14,425

REQUIRED SUPPLEMENTARY INFORMATION

TAHOE REGIONAL PLANNING AGENCY

General Fund

Budgetary Comparison Schedule

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State government grants and contracts	\$ 6,199,441	6,199,441	6,217,657	18,216
Local government grants and contracts	160,000	160,000	198,802	38,802
Charges for services	1,538,448	1,538,448	2,064,210	525,762
Fines and forfeitures	150,000	150,000	82,000	(68,000)
Rental income	336,070	336,070	338,695	2,625
Investment income	467	467	112,521	112,054
Miscellaneous revenues	-	-	9,290	9,290
Total revenues	8,384,426	8,384,426	9,023,175	638,749
Expenditures:				
Current:				
General government:				
Administrative services	941,971	941,971	1,096,961	(154,990)
Support services	2,027,267	2,027,267	1,510,821	516,446
Legal services	348,278	348,278	408,169	(59,891)
Interfund reimbursements	(987,790)	(987,790)	(585,304)	(402,486)
Environmental planning, implementation, and research and analysis:				
Environmental implementation	471,780	471,780	409,620	62,160
Planning services	2,926,667	2,926,667	3,182,747	(256,080)
Research and analysis	1,691,900	1,691,900	1,723,414	(31,514)
Building and rental activities	288,674	288,674	220,632	68,042
Debt service:				
Interest and fiscal charges	408,436	408,436	391,944	16,492
Total expenditures	8,117,183	8,117,183	8,359,004	(241,821)
Excess of revenues over expenditures	267,243	267,243	664,171	396,928
Other financing sources (uses):				
Transfers in	-	-	547	547
Transfers out	(262,664)	(262,664)	(84,846)	177,818
Total other financing sources (uses)	(262,664)	(262,664)	(84,299)	178,365
Net change in fund balance	4,579	4,579	579,872	575,293
Fund balance, beginning of year	2,821,007	2,821,007	2,821,007	-
Fund balance, end of year	\$ 2,825,586	2,825,586	3,400,879	575,293

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Transportation Fund

Budgetary Comparison Schedule

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal grants	\$ 1,669,000	1,669,000	1,139,607	(529,393)
State government grants and contracts	75,000	75,000	420,859	345,859
Total revenues	1,744,000	1,744,000	1,560,466	(183,534)
Expenditures:				
Current:				
Environmental planning, implementation, and research and analysis:				
Planning services	1,829,001	1,829,001	1,719,680	109,321
Total expenditures	1,829,001	1,829,001	1,719,680	109,321
Excess (deficiency) of revenues over (under) expenditures	(85,001)	(85,001)	(159,214)	(74,213)
Fund balance, beginning of year	854,526	854,526	854,526	-
Fund balance, end of year	\$ 769,525	769,525	695,614	(73,911)

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Aquatic Invasive Species Fund

Budgetary Comparison Schedule

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 394,817	394,817	348,434	(46,383)
State government grants and contracts	-	1,562,728	1,077,066	(485,662)
Charges for services	450,000	450,000	607,143	157,143
Total revenues	844,817	2,407,545	2,032,643	(374,902)
Expenditures:				
Current:				
Environmental planning, implementation, and research and analysis:				
Environmental implementation	2,655,784	2,655,784	2,055,705	600,079
Total expenditures	2,655,784	2,655,784	2,055,705	600,079
Excess (deficiency) of revenues over (under) expenditures	(1,810,967)	(248,239)	(23,062)	225,177
Other financing sources:				
Transfers in	183,963	183,963	55,332	(128,631)
Net change in fund balance	(1,627,004)	(64,276)	32,270	96,546
Fund balance, beginning of year	1,066,424	1,066,424	1,066,424	-
Fund balance, end of year	\$ (560,580)	1,002,148	1,098,694	96,546

See Note to Required Supplementary Information

TAHOE REGIONAL PLANNING AGENCY

Note to Required Supplementary Information

Year Ended June 30, 2018

(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, 2018

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Total
<u>Assets</u>						
Cash and investments	\$ 7,634,481	-	1,028,117	266,345	-	8,928,943
Cash and investments with fiscal agent	-	893,479	-	-	-	893,479
Receivables:						
Accounts	6,370	1,315	-	-	-	7,685
Interest	48,129	-	-	-	-	48,129
Due from other governments	64,098	-	-	-	3,000	67,098
Due from other funds	549	-	-	-	-	549
Prepaid items and deposits	134,267	15,297	-	10,000	-	159,564
 Total assets	 \$ 7,887,894	 910,091	 1,028,117	 276,345	 3,000	 10,105,447
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 520,879	8,677	-	1,750	5,852	537,158
Accrued payroll and benefits	386,348	-	-	-	-	386,348
Due to other governments	1,530	-	-	-	-	1,530
Unearned revenue	790,460	15,600	-	-	2,558	808,618
Deposits payable	4,945,023	21,906	-	-	-	4,966,929
 Total liabilities	 6,644,240	 46,183	 -	 1,750	 8,410	 6,700,583
 Deferred inflows of resources:						
Unavailable revenues	2,412	1,315	-	-	258	3,985
 Total deferred inflows of resources	 2,412	 1,315	 -	 -	 258	 3,985
 Fund balances:						
Nonspendable:						
Prepaid items	134,267	15,297	-	10,000	-	159,564
Restricted for:						
Debt service	-	893,479	-	-	-	893,479
Unassigned	1,106,975	(46,183)	1,028,117	264,595	(5,668)	2,347,836
 Total fund balances	 1,241,242	 862,593	 1,028,117	 274,595	 (5,668)	 3,400,879
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 7,887,894	 910,091	 1,028,117	 276,345	 3,000	 10,105,447

(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.

TAHOE REGIONAL PLANNING AGENCY

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2018

	General Fund	128 Market Street Building	Shoreline	Settlements	Charitable Contributions	Eliminations (1)	Total
Revenues:							
State government grants and contracts	\$ 6,217,657	-	-	-	-	-	6,217,657
Local government grants and contracts	150,000	-	-	-	48,802	-	198,802
Charges for services	2,058,930	2,780	2,500	-	-	-	2,064,210
Fines and forfeitures	-	-	-	82,000	-	-	82,000
Rental income	-	1,027,675	-	-	-	(688,980)	338,695
Investment income	96,838	8,138	7,545	-	-	-	112,521
Miscellaneous revenues	1,073	5,817	-	2,400	-	-	9,290
Total revenues	<u>8,524,498</u>	<u>1,044,410</u>	<u>10,045</u>	<u>84,400</u>	<u>48,802</u>	<u>(688,980)</u>	<u>9,023,175</u>
Expenditures:							
Current:							
General Government:							
Administrative services	933,477	-	-	114,306	49,178	-	1,096,961
Support services	1,510,821	-	-	-	-	-	1,510,821
Legal services	408,169	-	-	-	-	-	408,169
Interfund reimbursements	(585,304)	-	-	-	-	-	(585,304)
Environmental planning, implementation, and research and analysis:							
Environmental implementation	409,620	-	-	-	-	-	409,620
Planning services	3,182,747	-	-	-	-	-	3,182,747
Research and analysis	1,723,414	-	-	-	-	-	1,723,414
Building and rental activities	688,980	220,632	-	-	-	(688,980)	220,632
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest and fiscal charges	-	391,944	-	-	-	-	391,944
Total expenditures	<u>8,271,924</u>	<u>612,576</u>	<u>-</u>	<u>114,306</u>	<u>49,178</u>	<u>(688,980)</u>	<u>8,359,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>252,574</u>	<u>431,834</u>	<u>10,045</u>	<u>(29,906)</u>	<u>(376)</u>	<u>-</u>	<u>664,171</u>
Other financing sources (uses):							
Transfers in	2,649,669	-	-	-	-	(2,649,122)	547
Transfers out	(2,279,792)	(432,553)	-	(376)	(21,247)	2,649,122	(84,846)
Total other financing sources (uses)	<u>369,877</u>	<u>(432,553)</u>	<u>-</u>	<u>(376)</u>	<u>(21,247)</u>	<u>-</u>	<u>(84,299)</u>
Net change in fund balances	622,451	(719)	10,045	(30,282)	(21,623)	-	579,872
Fund balances (deficit), beginning of year	<u>618,791</u>	<u>863,312</u>	<u>1,018,072</u>	<u>304,877</u>	<u>15,955</u>	<u>-</u>	<u>2,821,007</u>
Fund balances, end of year	<u>\$ 1,241,242</u>	<u>862,593</u>	<u>1,028,117</u>	<u>274,595</u>	<u>(5,668)</u>	<u>-</u>	<u>3,400,879</u>

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

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2018

	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	\$ 66,740	114,175	40,006	25,163
Receivables:				
Accounts	1	-	-	-
Due from other governments	190,724	76,707	-	-
Due from other funds	-	-	-	-
	\$ 257,465	190,882	40,006	25,163
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 80,623	2,664	-	-
Due to other funds	-	-	-	-
Due to claimants	-	10,190	-	-
	80,623	12,854	-	-
Deferred inflows of resources:				
Unavailable revenues	9,666	-	-	-
	9,666	-	-	-
Fund balances (deficit):				
Restricted for:				
Environmental implementation	167,176	178,028	-	-
Planning and evaluation services	-	-	40,006	25,163
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
	167,176	178,028	40,006	25,163
	\$ 257,465	190,882	40,006	25,163

SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	Totals	
El Dorado County State Transit Assistance Fund	Capital Outlay	2018	2017
125	-	246,209	183,198
-	-	1	1
-	-	267,431	411,582
-	-	-	547
<u>125</u>	<u>-</u>	<u>513,641</u>	<u>595,328</u>
-	-	83,287	142,924
-	-	-	71,665
<u>-</u>	<u>-</u>	<u>10,190</u>	<u>10,190</u>
<u>-</u>	<u>-</u>	<u>93,477</u>	<u>224,779</u>
<u>-</u>	<u>-</u>	<u>9,666</u>	<u>91,278</u>
<u>-</u>	<u>-</u>	<u>9,666</u>	<u>91,278</u>
-	-	345,204	265,898
125	-	65,294	23,329
-	-	-	547
<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,503)</u>
<u>125</u>	<u>-</u>	<u>410,498</u>	<u>279,271</u>
<u>125</u>	<u>-</u>	<u>513,641</u>	<u>595,328</u>

TAHOE REGIONAL PLANNING AGENCY

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS		
	Environmental Improvement Program	Erosion Control Fund	El Dorado County Local Transportation Fund
Revenues:			
Federal grants	\$ 127,309	200,164	-
State government grants and contracts	315,682	-	981,727
Investment income	-	-	583
	<u>442,991</u>	<u>200,164</u>	<u>982,310</u>
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	9,361	229,286	-
Planning services	122,628	-	965,587
Research and analysis	231,786	-	-
	<u>363,775</u>	<u>229,286</u>	<u>965,587</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79,216</u>	<u>(29,122)</u>	<u>16,723</u>
Other financing sources:			
Transfers in	2,461	26,751	-
Transfers out	-	-	-
	<u>2,461</u>	<u>26,751</u>	<u>-</u>
Net change in fund balances	81,677	(2,371)	16,723
Fund balances (deficit), beginning of year	<u>85,499</u>	<u>180,399</u>	<u>23,283</u>
Fund balances, end of year	<u>\$ 167,176</u>	<u>178,028</u>	<u>40,006</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	Totals	
Placer County Local Transportation Fund	El Dorado County State Transit Assistance Fund	Capital Outlay	2018	2017
-	-	-	327,473	482,391
678,331	592,355	-	2,568,095	2,588,064
4,742	489	-	5,814	3,457
<u>683,073</u>	<u>592,844</u>	-	<u>2,901,382</u>	<u>3,073,912</u>
-	-	-	238,647	427,687
647,407	592,765	-	2,328,387	2,257,392
-	-	-	231,786	445,223
<u>647,407</u>	<u>592,765</u>	-	<u>2,798,820</u>	<u>3,130,302</u>
<u>35,666</u>	<u>79</u>	-	<u>102,562</u>	<u>(56,390)</u>
-	-	-	29,212	215,955
-	-	(547)	(547)	-
-	-	(547)	28,665	215,955
35,666	79	(547)	131,227	159,565
<u>(10,503)</u>	<u>46</u>	<u>547</u>	<u>279,271</u>	<u>119,706</u>
<u>25,163</u>	<u>125</u>	-	<u>410,498</u>	<u>279,271</u>

TAHOE REGIONAL PLANNING AGENCY

Environmental Improvement Program

Budgetary Comparison Schedule

Year Ended June 30, 2018

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 93,972	127,309	33,337
State government grants and contracts	<u>255,158</u>	<u>315,682</u>	<u>60,524</u>
Total revenues	<u>349,130</u>	<u>442,991</u>	<u>93,861</u>
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	26,880	9,361	17,519
Planning services	111,250	122,628	(11,378)
Research and analysis	<u>211,220</u>	<u>231,786</u>	<u>(20,566)</u>
Total expenditures	<u>349,350</u>	<u>363,775</u>	<u>(14,425)</u>
Excess (deficiency) of revenues over (under) expenditures	(220)	79,216	79,436
Other financing sources (uses):			
Transfers in	<u>220</u>	<u>2,461</u>	<u>2,241</u>
Net change in fund balance	-	81,677	81,677
Fund balance, beginning of year	<u>85,499</u>	<u>85,499</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 85,499</u></u>	<u><u>167,176</u></u>	<u><u>81,677</u></u>

TAHOE REGIONAL PLANNING AGENCY

Erosion Control Fund

Budgetary Comparison Schedule

Year Ended June 30, 2018

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Federal grants	\$ 312,000	200,164	(111,836)
Total revenues	312,000	200,164	(111,836)
Expenditures:			
Current:			
Environmental planning, implementation, and research and analysis:			
Environmental implementation	390,480	229,286	161,194
Total expenditures	390,480	229,286	161,194
Excess (deficiency) of revenues over (under) expenditures	(78,480)	(29,122)	49,358
Other financing sources:			
Transfers in	78,481	26,751	(51,730)
Total other financing sources	78,481	26,751	(51,730)
Net change in fund balance	1	(2,371)	(2,372)
Fund balance, beginning of year	180,399	180,399	-
Fund balance, end of year	\$ 180,400	178,028	(2,372)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Assets and Liabilities

Year Ended June 30, 2018

	CTRPA Tahoe Keys	CTRPA Securities	CTRPA Indirect Source	Excess Coverage Mitigation
<u>Assets</u>				
Cash and investments	\$ 378,751	109,597	8,915	3,547,448
Receivables:				
Interest	1,476	428	34	13,590
Due from other governments	-	-	-	-
Total assets	\$ 380,227	110,025	8,949	3,561,038
<u>Liabilities</u>				
Accounts payable	\$ -	-	-	-
Due to other governments	380,227	-	8,949	3,561,038
Due to other funds	-	-	-	-
Deposits payable	-	110,025	-	-
Total liabilities	\$ 380,227	110,025	8,949	3,561,038

Mitigation	Science Advisory Council	Totals	
		2018	2017
6,668,602	-	10,713,313	9,730,946
26,264	-	41,792	24,683
-	34,326	34,326	36,500
<u>6,694,866</u>	<u>34,326</u>	<u>10,789,431</u>	<u>9,792,129</u>
-	-	-	24,044
6,694,866	-	10,645,080	9,646,494
-	-	-	12,456
-	34,326	144,351	109,135
<u>6,694,866</u>	<u>34,326</u>	<u>10,789,431</u>	<u>9,792,129</u>

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>CTRPA Tahoe Keys</u>				
<u>Assets</u>				
Cash and Investments	\$ 376,123	3,148	520	378,751
Receivables:				
Interest	1,028	1,477	1,029	1,476
Total assets	\$ 377,151	4,625	1,549	380,227
<u>Liabilities</u>				
Due to other governments	\$ 377,151	4,447	1,371	380,227
Total liabilities	\$ 377,151	4,447	1,371	380,227
 <u>CTRPA Securities</u>				
<u>Assets</u>				
Cash and Investments	\$ 108,837	1,337	577	109,597
Receivables:				
Interest	298	428	298	428
Total assets	\$ 109,135	1,765	875	110,025
<u>Liabilities</u>				
Deposits payable	\$ 109,135	1,287	397	110,025
Total liabilities	\$ 109,135	1,287	397	110,025

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>CTRPA Indirect Source</u>				
<u>Assets</u>				
Cash and Investments	\$ 8,853	109	47	8,915
Receivables:				
Interest	24	35	25	34
Total assets	\$ 8,877	144	72	8,949
<u>Liabilities</u>				
Due to other governments	\$ 8,877	105	33	8,949
Total liabilities	\$ 8,877	105	33	8,949
 <u>Excess Coverage Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 2,654,454	899,789	6,795	3,547,448
Receivables:				
Interest	5,760	13,590	5,760	13,590
Total assets	\$ 2,660,214	913,379	12,555	3,561,038
<u>Liabilities</u>				
Accounts payable	\$ -	488	488	-
Due to other governments	2,660,214	912,032	11,208	3,561,038
Total liabilities	\$ 2,660,214	912,520	11,696	3,561,038

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Mitigation</u>				
<u>Assets</u>				
Cash and Investments	\$ 6,582,679	1,048,845	962,922	6,668,602
Receivables:				
Interest	17,573	26,266	17,575	26,264
Total assets	\$ 6,600,252	1,075,111	980,497	6,694,866
<u>Liabilities</u>				
Accounts payable	\$ -	953,624	953,624	-
Due to other governments	6,600,252	1,424,106	1,329,492	6,694,866
Total liabilities	\$ 6,600,252	2,377,730	2,283,116	6,694,866
<u>Science Advisory Council</u>				
<u>Assets</u>				
Cash and Investments	\$ -	224,942	224,942	-
Due from other governments	36,500	220,104	222,278	34,326
Total assets	\$ 36,500	445,046	447,220	34,326
<u>Liabilities</u>				
Deposits payable	\$ -	34,875	549	34,326
Total liabilities	\$ -	34,875	549	34,326

(Continued)

TAHOE REGIONAL PLANNING AGENCY

Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 9,730,946	2,178,170	1,195,803	10,713,313
Receivables:				
Interest	24,683	41,796	24,687	41,792
Due from other governments	36,500	220,104	222,278	34,326
Total assets	\$ 9,792,129	2,440,070	1,442,768	10,789,431
<u>Liabilities</u>				
Accounts payable	\$ -	954,112	954,112	-
Due to other governments	9,646,494	2,340,690	1,342,104	10,645,080
Due to other funds	-	-	-	-
Deposits payable	109,135	36,162	946	144,351
Total liabilities	\$ 9,755,629	3,330,964	2,297,162	10,789,431