

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR
JOINT POWERS AUTHORITY**

AGENDA

SPECIAL BOARD MEETING

9:30 A.M., MONDAY, May 16, 2022

FOLSOM CITY HALL, COUNCIL CHAMBERS

50 NATOMA STREET, FOLSOM, CALIFORNIA

1. CALL TO ORDER

- 2. ROLL CALL** Chair Kerri Howell, Directors Don Nottoli (Alternate: Sue Frost), Linda Budge (Alternate: Don Nottoli), John Hidahl (Alternate: George Turnboo), and David Sander (Alternate: Linda Budge)

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF MINUTES

- a. Motion: Approve Minutes for Regular Meeting of May 10, 2021

5. CONSENT

- a. Motion: Approve Independent Audit Findings for FY 2019
b. Motion: Approve Independent Audit Findings for FY 2020
c. Motion: Adoption of FY 22/23 Board Meeting Calendar

6. NEW BUSINESS

- a. Resolution: Approve Brett Bollinger of the City of Folsom as the SPTC-JPA's Chief Executive Officer
b. Resolution: Approve SPTC-JPA Management Reimbursement Agreements
c. Resolution: Adoption of FY 22/23 Operating Budget

- d. Resolution: Adoption of FY 22/23 Capital Improvement Budget
- e. Resolution honoring outgoing CEO, Mark Rackovan
- f. Information: CEO/Member Agency Staff Reports
 - i. CEO
 - ii. City of Folsom
 - iii. El Dorado County
 - iv. Sacramento County
 - v. Sacramento Regional Transit

7. BUSINESS FROM THE FLOOR/GOOD OF THE ORDER*

8. NEXT MEETING: August 1, 2022

9. ADJOURNMENT

***NOTE TO CITIZEN PARTICIPANTS**

It is the policy of the Board of Directors of the Sacramento-Placerville Transportation Corridor Joint Powers Authority to encourage citizen participation in the meetings of the Board of Directors. At each open meeting members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board of Directors. However, in order that the business scheduled for consideration at such meetings may be disposed of in an orderly manner, citizens wishing to address the Board on matters not on the agenda, whose presentations may be lengthy or in the nature of request for action of some kind on the part of the Board, are requested to first discuss matters with the Chair or his/her designee. If after such consultation an appearance before the Board is desired, the subject matter may be calendared as an agenda item for a date and time convenient to the parties concerned.

The meeting is accessible to the disabled. In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the SPT-JPA's Deputy CEO, Vickie Sanders, by telephone at 530-621-7538 or email at vickie.sanders@edcgov.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

STAFF REPORT

Board Meeting Date: February 7, 2022

Page 1 of 1

MOTION: Approve the minutes from the May 10, 2021 meeting.

**AGENDA ITEM
NO. 4a**

DISCUSSION:

Approve the minutes from the May 10, 2021.

BOARD ACTION:

Staff recommends the Board approve the minutes.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

Minutes of the Regular Meeting of the Board of Directors on
May 10, 2021

Call to Order: The meeting was called to order at 9:33 a.m. by Kerri Howell

Roll Call: Present: Directors Nottoli, Budge, Hidahl and Howell
Absent: Director Sander

Approval of Minutes

A motion was made by Director Budge and seconded by Director Nottoli, passed by directors Nottoli and Howell with Hidahl abstaining that:

THE BOARD OF DIRECTORS OF THE SACRAMENTO PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY APPROVES THE FOLLOWING ITEM:

- Item 4: Approve Minutes for Regular Meeting of November 2, 2020

Consent Agenda

A motion was made by Director Budge and seconded by Director Hidahl, and passed by unanimous vote that:

THE BOARD OF DIRECTORS OF THE SACRAMENTO PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY APPROVES THE FOLLOWING ITEMS FROM THE CONSENT AGENDA:

- Approve Board Meeting Calendar for Fiscal year 2021/22
- Appoint Vickie Sanders as Deputy Chief Executive Officer

New Business

Item 6a: A motion was made by Director Nottoli, seconded by Director Budge, and passed by unanimous vote that:

THE BOARD OF DIRECTORS OF THE SACRAMENTO PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWER AUTHORITY APPROVES RESOLUTION 2021-05-02 THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2021/22

Item 6b: A motion was made by Director Hidahl to adopt Resolution 2021-05-03, seconded by Director Budge, and passed by unanimous vote that:

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

Minutes of the Regular Meeting of the Board of Directors on
May 10, 2021

THE BOARD OF DIRECTORS OF THE SACRAMENTO PLACERVILLE
TRANSPORTATION COORIDOR JOINT POWER AUTHORITY APPROVES THE FY
2021/22 CAPITAL IMPROVEMENT BUDGET

Item 6c: Presentation was made regarding the Natural Trail Project Update. The board discussed proper signage to allow for class 1 and 2 E-bikes.

Item 6d: CEO Member Agency Staff Reports

i. CEO reported that the corridor had a recent Federal Railroad Administration inspection completed.

The inspection gave several recommendations/action items. CEO Mark Rackovan will share a summary with the board.

ii. City of Folsom did not have any updates.

iii. El Dorado County gave an update on the Latrobe to El Dorado Trail. They are two-weeks away from natural trail removal.

iv. Sacramento County reported that they are completing Folsom Blvd. Project Phase 1. Reported that there are homeless encampments permanently camped on section of corridor.

v. Sacramento Regional Transit reported on cleanup efforts and weed abatement.

Michael explained that instrument house repair has been delayed. Kender-Morgan is to provide additional track East of Bradshaw.

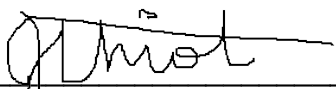
Business from the floor/good of the order

The Board discussed a possible master plan update. How best to collaborate for future projects with member-agencies.

The next meeting will be the Regular Board Meeting August 2, 2021 and will likely be held in-person.

The meeting adjourned at 10:28 a.m.

I hereby certify that the Board of Directors approved the foregoing minutes at its Regular Board Meeting on May 10, 2021.



Jennifer Thiot, Board Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

MOTION: Approve independent audit for FY18/19 and FY19/20

**AGENDA ITEM
NO. 5a & b**

DISCUSSION:

MUN CPA with the assistance of Russell CPA has completed the audit of the JPA'S records for FY 18/19 and FY19/20.

The audit report has concluded that there are no findings of non-compliance and the JPA's operations are in conformity with general accepted accounting principles. However, the management letter accompanying each audited financial statement notes that the audits were delayed due to a loss of accounting data. The JPA's former Board Secretary maintained the JPA's accounting data on her home computer. Unfortunately, the data on her computer, including the JPA's accounting data, was either erased or corrupted. JPA staff were able to reconstruct the accounting data that was lost in order to proceed with the audited financial statements. JPA staff has also taken steps to ensure that such a loss does not occur again in the future. All of the JPA's data, including its accounting data, is now maintained by Board Secretary, Jennifer Thiot, on the City of Folsom's servers.

BOARD ACTION:

Staff recommends the Board approve the audited financial statements for FY18/19 and FY19/20.



November 24, 2021

Board of Directors
Sacramento-Placerville Transportation Corridor joint Powers Authority
Sacramento, California

We have audited the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

Management's estimate of depreciation is based on the Authority's capitalization policy. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 24, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Very truly yours,

Mann, Urrutia, Nelson CPAs & Associates, LLP



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

Management Letter

November 24, 2021

To the Board of Directors and Management
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

In planning and performing our audit of the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously communicated to you about the Authority's internal control in our letter dated November 24, 2021. This letter does not affect our report dated November 24, 2021, on the financial statements of the Authority.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Authority, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Mann, Urrutia, Nelson CPAs".

Mann, Urrutia, Nelson CPAs & Associates LLP

Sacramento-Placerville Transportation Corridor Joint Powers Authority

Control Deficiencies and Internal Control Recommendations

June 30, 2019

Financial Reporting

During our audit we noted the Authority experienced an unfortunate event that led to the loss of accounting data. This data loss resulted in financial statements not being completed timely, the Board of Directors were unable to review monthly financial statements and bank reconciliations were not completed timely or reviewed. We recommend the Authority review policies and procedures over accounting data to ensure the integrity of the accounting data is not compromised and the data is available to complete monthly bank reconciliations and financial reporting to the Board of Directors along with timely annual financial reporting.

August 10, 2021

PAUL J. CHRISMAN
TELEPHONE: (916) 258-8818
pchrism@slsloansakai.com

Mann, Urrutia, Nelson CPAs & Associates, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, CA 95833

Via U.S. Mail

Re: Audit Letter Request for Sacramento-Placerville Transportation Corridor Joint Powers Authority

Dear Sir/Madam:

At the request of Mark Rackovan, Chief Executive Officer of the Sacramento-Placerville Transportation Corridor Joint Powers Authority ("JPA"), we have prepared the following summary of matters affecting the JPA from July 1, 2019, through and including the date of this letter.

We have been asked to provide information in the following specified categories: (1) pending or threatened litigation, and (2) unasserted claims or assessments (considered to be probable of assertion).

1. **Pending or Threatened Litigation**

There are no material litigation, claims, or assessments pending, nor, to our knowledge, threatened, against the JPA at this time. Materiality for purposes of this letter means items involving amounts exceeding \$10,000 individually, or in the aggregate.

2. **Unasserted Claims or Assessments (Considered to be Probable of Assertion)**

We are not aware of any unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with FASB ASC 450, Contingencies. Whenever, in the course of performing legal services with respect to matter recognized to involve a possible unasserted claim or assessment that may call for financial statement disclosure, we would form a professional conclusion that we should disclose, or consider disclosure concerning, such possible claim or assessment. In such circumstances, as a matter of professional responsibility, we would advise and consult with our client concerning the question of such disclosure and the applicable requirements of FASB ASC 450, Contingencies.

Sloan Sakai

ATTORNEYS AT LAW

Mann, Urrutia, Nelson CPAs & Associates, LLP

August 10, 2021

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This response is limited by, and in accordance with, the ABA Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (December 1975); without limiting the generality of the foregoing, the limitations set forth in such Statement concerning the scope and use of this response (Paragraphs 2 and 7) are specifically incorporated herein by reference, and any description herein of any "loss contingencies" is qualified in its entirety by Paragraph 5 of the Statement and the accompanying Commentary (which is an integral part of the Statement).

Finally, effective June 30, 2019, SPTCA was indebted to the firm in the amount of \$1,202.40 and has been paid in full.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul J. Chrisman", with a stylized flourish at the end.

Paul J. Chrisman

cc: Mark Rackovan

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 and the major fund of the Authority as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 information as listed in the table of contents 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.



Sacramento, California
November 24, 2021

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

As management of the Sacramento-Placerville Transportation Corridor Joint Powers Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

The Authority's annual operating budget for fiscal year 2018/2019 was \$110,000, which is the same as fiscal year 2017/2018 budget of \$110,000.

The fiscal year 2018/2019 operating budget of \$110,000 was funded by a \$27,500 contribution from each member agency.

The Authority's fixed asset value is \$14.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements which have the following components, in addition to management's discussion and analysis: 1) Authority-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary schedules. The Authority-wide and fund financial statements are presented in a combined format on pages 7 through 8. Items in the adjustment column are discussed in Notes 6 and 7 to the financial statements.

As the Authority's Board of Directors is appointed by governmental agencies, the Authority adopted Governmental Accounting Standards Board (GASB). The Authority has only governmental type fund.

AUTHORITY-WIDE FINANCIAL

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

The *Statement of Net Position* presents information on all of the Authority'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 Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related contractual requirements. The Authority has one fund which is a governmental-type fund.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the Authority-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented for governmental activities. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a column detailing the difference (adjustments) between the governmental fund and governmental activities. These adjustments are discussed in further detail in Notes 6 and 7 to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the Authority-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 15 of this report.

AUTHORITY-WIDE FINANCIAL ANALYSIS

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Summary of Net Positions
Authority-Wide Activities
As of June 30, 2019 and 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase/ (Decrease)</u>
Current Assets	\$ 194,795	\$ 156,409	\$ 38,386
Other Assets	<u>14,839,553</u>	<u>14,839,553</u>	<u>-</u>
Total Assets	<u>15,034,348</u>	<u>14,995,962</u>	<u>38,386</u>
Current Liabilities	<u>4,385</u>	<u>19,311</u>	<u>(14,926)</u>
Net Position:			
Invested in Capital Assets	14,839,553	14,839,553	-
Unassigned/Unrestricted	<u>190,410</u>	<u>137,098</u>	<u>53,312</u>
TOTAL NET POSITION	<u>\$ 15,029,963</u>	<u>\$ 14,976,651</u>	<u>\$ 53,312</u>

Net position represents the difference between the Authority's resources and its obligations. At June 30, 2019, approximately 99% of the Authority's net position was invested in land.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Authority-Wide Activities
As of June 30, 2019 and 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues			
Charges for Services			
Permit Fees	\$ -	\$ 1,004	\$ (1,004)
Investment Income	4,449	1,773	2,676
Contributions			
Member Contributions	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total Revenues	<u>114,449</u>	<u>112,777</u>	<u>1,672</u>
EXPENDITURES			
Land preservation	<u>61,137</u>	<u>59,052</u>	<u>2,085</u>
Increase (Decrease) in Net Position	53,312	53,725	(413)
NET POSITION BEGINNING OF YEAR	<u>14,976,651</u>	<u>14,922,926</u>	<u>53,725</u>
NET POSITION END OF YEAR	<u>\$ 15,029,963</u>	<u>\$ 14,976,651</u>	<u>\$ 53,312</u>

AUTHORITY BUDGET ANALYSIS

The Authority's Board of Directors approved the proposed 2018/2019 budget in May 2018. The budget-to-actual schedule for the year is shown on page 17.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

The focus of the Authority's funds, all of which are governmental type funds, is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information may serve as a useful measure of the Authority's net resources available for spending for program purposes at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's fund balances totaled \$190,410. The Authority's major source of revenue is from member contributions. The Authority's typical major expenditures are for management fees and legal fees, however, for the past year there have been some expenditures for the Authority's capital projects. Capital assets are not shown on the fund statements since they are not available for nearterm financing of the Authority's operations.

CAPITAL ASSETS

As of June 30, 2019, the Authority's investment in capital assets was \$14,839,553. Capital assets are stated at cost, net of accumulated depreciation. This investment in capital assets includes land, land improvements, construction in progress, and equipment.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

On May 7, 2018, the JPA Board adopted an operating budget in the amount of \$110,000 for fiscal year 2018/2019, which is same as the fiscal year 2017/2018 budget (\$110,000).

The member agencies annual contributions for fiscal year 2018/2019 will be the same as the previous fiscal year \$27,500. The annual operating budget will be funded entirely by member agency contributions.

In the year 2000, the Authority's Board adopted a "Continuing Funding Agreement" by which the member agencies agreed to contribute up to 25% of the annual budget adopted by the Authority for each fiscal year. The \$27,500 member contribution for fiscal years 2017/2018 and 2018/2019 is under the limit set by the Continuing Funding Agreement.

The new fiscal year 2019/2020 budget anticipated changes to the budget line items:

The weed control in the JPA corridor having been previously performed by the FEDSHRA, will now be shared with the El Dorado Western Railway Foundation (EDWRF) and the Placerville & Sacramento Valley Railroad (P&SVRR). The P&SVRR will be responsible for weed control in Folsom and Sacramento County, with the EDWRF working in El Dorado County.

During FY 2018/2019, the Board approved \$55,000 for a Capital Improvement Project (CIP). The CIP approved by the Board is to develop and construct ten miles of unpaved trail between Latrobe Road in El Dorado County and ending at Iron Point Road in Folsom. The CIP in the amount of \$132,381 is funded entirely from the JPA's reserve account. The Board approved the Project's EIR and IS/MND in November 2015.

The reserve account consists of the final carryover balance from previous fiscal years plus any revenue earned, such as interest and fees collected. The reserve account allows the Authority to maintain sufficient funds in its account for cash flow purposes and be used to supplement member agency contributions. This also covers additional unexpected expenses that may occur rather than seeking additional midyear funding contributions from its member agencies.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, SPTC JPA, 50 Natoma St, Folsom, CA 95630 or by calling (916) 924-8800.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	<u>General Fund</u>	<u>Adjustments Note 6</u>	<u>Statement of Net Position</u>
ASSETS			
Current Assets			
Cash and Investments (Note 3)	\$ 192,295	\$ -	\$ 192,295
Interest Income Receivable	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Current Assets	<u>194,795</u>	<u>-</u>	<u>194,795</u>
Land (Note 5)	-	14,707,172	14,707,172
Construction in Progress - Nature Trail (Note 5)	-	132,381	132,381
Property and Equipment (Note 5)	-	2,470	2,470
Less: Accumulated Depreciation (Note 5)	<u>-</u>	<u>(2,470)</u>	<u>(2,470)</u>
TOTAL ASSETS	<u>\$ 194,795</u>	<u>\$ 14,839,553</u>	<u>\$ 15,034,348</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ <u>4,385</u>	\$ <u>-</u>	\$ <u>4,385</u>
Total Current Liabilities	<u>4,385</u>	<u>-</u>	<u>4,385</u>
FUND BALANCE/NET POSITION			
Investment in Capital Assets	-	14,839,553	14,839,553
Unassigned/Unrestricted	<u>190,410</u>	<u>-</u>	<u>190,410</u>
Total Fund Balance/Net Position	<u>190,410</u>	<u>14,839,553</u>	<u>15,029,963</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 194,795</u>	<u>\$ 14,839,553</u>	<u>\$ 15,034,348</u>

The accompanying notes to the financial statements are an integral part of this statement.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Adjustments Note 7</u>	<u>Statement of Activities</u>
REVENUES			
Program Revenues			
Charges for Services			
Investment Income	\$ 4,449	\$ -	\$ 4,449
Contributions			
Member Contributions (Note 4)	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total Revenues	<u>114,449</u>	<u>-</u>	<u>114,449</u>
EXPENDITURES			
Land Preservation			
Administrative	45,403	-	45,403
Legal	10,096	-	10,096
Maintenance	<u>5,638</u>	<u>-</u>	<u>5,638</u>
Total Expenditures	<u>61,137</u>	<u>-</u>	<u>61,137</u>
Excess of Revenue over Expenditures	<u>53,312</u>	<u>-</u>	<u>53,312</u>
Changes in Fund Balance/Net Position	53,312	-	53,312
FUND BALANCE/NET POSITION BEGINNING OF YEAR	<u>137,098</u>	<u>14,839,553</u>	<u>14,976,651</u>
FUND BALANCE/NET POSITION END OF YEAR	<u>\$ 190,410</u>	<u>\$ 14,839,553</u>	<u>\$ 15,029,963</u>

The accompanying notes to the financial statements are an integral part of this statement.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - The Sacramento-Placerville Transportation Corridor Joint Powers Authority, ("the Authority"), was formed in 1991 for the purpose of acquiring the Southern Pacific Transportation Company's Placerville Branch (Rail Corridor), and to provide reciprocal use agreements for transportation and transportation preservation uses as may be desired by the agencies. The Authority was formed by the Sacramento Regional Transit District, County of Sacramento, City of Folsom, and County of El Dorado. The Authority is a separate legal entity and not a component unit of any of the founding governmental members.

The Authority acquired title to the Rail Corridor on September 6, 1996 formerly owned by the Southern Pacific Transportation Company. Concurrently with the acquisition of the Rail Corridor, the Authority entered into a Reciprocal Use and Funding Agreement with its member agencies and granted to each member agency a broad general-use easement over its respective allocated portion of the Rail Corridor. Under the terms of the respective easement agreements, each member agency has the right to use its allocated portion of the Rail Corridor, subject to certain limitations, and has primary responsibility for property maintenance. The Authority retains ownership of the fee title and grants permits, licenses, leases, easements and other third-party use agreements, if requested by its member agencies. The Authority's Chief Executive Officer is authorized to execute any such third-party agreement upon receipt of a written request from the member agency holding an easement for the affected portion of the Rail Corridor. The Authority exists primarily to provide unified ownership of the Rail Corridor, to facilitate coordination of uses of the Rail Corridor, and to protect the overall integrity and continuity of the Rail Corridor.

Each member of the Authority contributed cash for their share of the corridor prorated by the portion of the corridor running through their respective geographic regions. Initial member contributions are as follows:

City of Folsom	\$ 3,239,931
Sacramento Regional Transit District	8,105,010
County of Sacramento	526,515
County of El Dorado	<u>2,835,716</u>
	<u>\$ 14,707,172</u>

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

Authority-wide and fund financial statements

The Authority-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary fund types of the Authority.

The accounts of the Authority are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual funds are reported as separate columns in the fund financial statements.

Currently the Authority only has one fund.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority-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.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

The Authority reports the following major governmental funds:

General Fund - This fund is established to account for resources devoted to the administration of the activities of the Authority and excludes those resources required to be accounted for in another fund.

Operations – The Authority is governed by an independent Board of Directors. Administrative services are provided by staff members from the City of Folsom as the Authority has no employees of its own. The accounting function of the Authority is contracted to the County of Sacramento.

Cash – The Authority's cash is pooled with the County of Sacramento for investment purposes.

Capital Assets – The Authority capitalizes all land, land improvements, furniture and fixtures, and equipment purchases with costs in excess of \$1,000 and a useful life of one year or more.

Capital asset acquisitions are recorded at cost. Contributions are recorded at acquisition value on the date of contribution. Non-monetary land trades are valued at the historical cost of the land relinquished.

Capital assets are depreciated using the straight-line method, half-year convention, over the following estimated useful lives:

Equipment	5 Years
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Fund Equity – The Authority-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, and unrestricted.

Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Unrestricted Net Position - This category represents the net position of the Authority not restricted for any project or other purpose.

The Authority's governmental fund statements utilize a fund balance presentation. Fund balances are

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

categorized as nonspendable, restricted, committed, assigned, and unassigned. Currently the Authority only has unassigned fund balances.

Unassigned Fund Balance - This category presents the portion of the fund balance that does not fall into nonspendable, restricted, committed, or assigned and are expendable.

Member Contributions – Per the Reciprocal Use and Funding Agreement each member shall contribute an equal contribution annually for the operations of the Authority. The Authority's board sets the annual contributions at its May board meeting after adopting its annual budget. Members are billed July 1st of each fiscal year.

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2: MANAGEMENT COMPANY

The City of Folsom (Management Company), provided management services for the Authority. The Authority pays the Management Company a monthly fee based on the number of hours the City of Folsom's employees spend on the Authority's behalf. The Authority paid the Management Company \$8,333 for the year ended June 30, 2019.

NOTE 3: CASH AND INVESTMENTS

The County of Sacramento maintains a cash and investment pool that is available for use by all fund participants. The share of each fund participant's cash and investments in the pool is separately maintained and interest thereon apportioned to each fund based on its average balance.

Investments

The Authority's investment policy, in conformity with applicable California General Statutes, authorizes investments in Sacramento County pooled funds. The value of the position in the pools is the same as the pool shares. These investments are not categorized since these funds and pools contain a diversified portfolio of securities within each category as defined in the following paragraph:

Category 1 includes investments that are insured or registered or for which collateral is held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or its trust department in the Authority's name. Category 3 includes unsecured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the Authority's name.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: CASH AND INVESTMENTS (Continued)

Cash in County Treasury

The County of Sacramento Treasury (the Treasury), acts as a bank for the Authority's cash transactions. Interest income is prorated to the Authority based on the average cash balance maintained in the pool. Interest earned on grant funds is remitted to the grantors or used for program purposes. The County of Sacramento Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by California Government Code Section 27134. The value of the pool shares which may be withdrawn is determined on an amortized cost basis, which may be different than the fair value of the Authority's position in the pool.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

The investment policy and a number of reports regarding investment positions and performance of the external investment pool are available at the County of Sacramento webpage.

Investments Authorized by The Authority's Investment Policy

The table below identifies the investment types authorized for the Authority by the California Government Code Section 53601. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: CASH AND INVESTMENTS (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Notes and Agency Obligations	5 years	100%	None
Bonds issued by Local Agencies	5 years	80%	10%
Registered State Warrants and Municipal Notes	5 years	80%	10%
Bankers Acceptances	180 days	40%	10%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	180 days	30%	10%
CRA Bank Deposits/Certificates of Deposit	1 year	30%	10%
Repurchase Agreements	1 year	30%	10%
Reverse Repurchase Agreements	92 days	20%	10%
Medium-Term Corporate Notes	180 days	30%	10%
Shares of a Money Market Mutual Fund	Per SEC regulations	20%	10%
Collateralized Mortgage Obligations	180 days	20%	10%
Local Agency Investment Funds (LAIF)	N/A	State Limit	\$50 million

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 fair values of investments with longer maturities have a greater sensitivity to changes in market interest rates. As of June 30, 2019, the weighted average maturity of the investments contained in the Treasury investment pool is approximately 259 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

NOTE 4: MEMBER CONTRIBUTIONS

Contributions from members for the year ended June 30, 2019 consisted of the following:

City of Folsom	\$ 27,500
Sacramento Regional Transit District	27,500
County of Sacramento	27,500
County of El Dorado	<u>27,500</u>
Total Member Contributions	<u>\$ 110,000</u>

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5: CAPITAL ASSETS

On September 6, 1996 the Southern Pacific Transportation Company (seller) transferred its rights, title, and interest in those portions of the Rail Corridor held in fee or by easement and quick claimed all its rights, title and interest by grant, without warranty of any kind, whether oral or written, expressed or implied, whether existing by common law or by statute or any other manner to the Authority.

The Rail Corridor acquired consists of a 54 mile rail corridor extending from Sacramento, California to Placerville, California.

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

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Capital Assets not being depreciated:				
Land	\$ 14,707,172	\$ -	\$ -	\$ 14,707,172
Construction in Progress	<u>132,381</u>	<u>-</u>	<u>-</u>	<u>132,381</u>
Total Capital Assets not being depreciated	<u>14,839,553</u>	<u>-</u>	<u>-</u>	<u>14,839,553</u>
Capital Assets being depreciated:				
Equipment	<u>2,470</u>	<u>-</u>	<u>-</u>	<u>2,470</u>
Total Capital Assets being depreciated	<u>2,470</u>	<u>-</u>	<u>-</u>	<u>2,470</u>
Less accumulated depreciation				
Equipment	<u>(2,470)</u>	<u>-</u>	<u>-</u>	<u>(2,470)</u>
Total accumulated depreciation	<u>(2,470)</u>	<u>-</u>	<u>-</u>	<u>(2,470)</u>
Capital Assets, net	<u>\$ 14,839,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,839,553</u>

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6: EXPLANATION OF DIFFERENCES BETWEEN THE BALANCE SHEET AND THE STATEMENT OF NET POSITION

FUND BALANCE	\$ 190,410
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Capital assets used in Conservancy activities are not financial resources and therefore are not reported in the governmental funds.

Capital Assets	\$ 14,842,023	
Less: Accumulated Depreciation	<u>(2,470)</u>	
		<u>14,839,553</u>

NET POSITION	\$ <u>15,029,963</u>
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NOTE 7: EXPLANATION OF THE DIFFERENCES BETWEEN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES

NET CHANGE IN FUND BALANCE	\$ 53,312
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Governmental funds report capital outlay as expenditures. In the statement of activities however, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	<u>-</u>
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CHANGE IN NET POSITION	\$ <u><u>53,312</u></u>
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NOTE 8: SUBSEQUENT EVENT

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date which the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2019 that require recognition or disclosure in such financial statements

Subsequent to June 30, 2019, as COVID-19 spreads globally, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, by mandating temporary work stoppage in various sectors, limiting travel, size and duration of group meetings. Most industries will be experiencing disruptions to their business and philanthropic operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. While management cannot quantify the financial and other impact to the Authority, as of the date of the Independent Auditor's Report, management believes that a material impact on the the Authority's financial position and results of future changes in net position is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Operating Budget</u>			
	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Program Revenues				
Investment Income	\$ -	\$ -	\$ 4,449	\$ 4,449
Contributions				
Member Contributions (Note 4)	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>114,449</u>	<u>4,449</u>
EXPENDITURES				
Land Preservation				
Chief Executive Officer	58,000	58,000	8,335	49,665
JPA General Counsel	15,000	15,000	10,096	4,904
Annual Audit	9,000	9,000	9,000	-
Treasury Services	6,000	6,000	3,965	2,035
Maintenance Allowance	12,000	12,000	28,213	(16,213)
Insurance	<u>10,000</u>	<u>10,000</u>	<u>1,528</u>	<u>8,472</u>
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>61,137</u>	<u>48,863</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>53,312</u>	<u>\$ (44,414)</u>
Fund Balance - June 30, 2018			<u>137,098</u>	
Fund Balance - June 30, 2019			<u>\$ 190,410</u>	



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year-ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
November 24, 2021



November 24, 2021

Board of Directors
Sacramento-Placerville Transportation Corridor joint Powers Authority
Sacramento, California

We have audited the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

Management's estimate of depreciation is based on the Authority's capitalization policy. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 24, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Very truly yours,

Mann, Urrutia, Nelson CPAs & Associates, LLP



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
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Management Letter

November 24, 2021

To the Board of Directors and Management
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

In planning and performing our audit of the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously communicated to you about the Authority's internal control in our letter dated November 24, 2021. This letter does not affect our report dated November 24, 2021, on the financial statements of the Authority.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Authority, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Mann, Urrutia, Nelson CPAs".

Mann, Urrutia, Nelson CPAs & Associates LLP

Sacramento-Placerville Transportation Corridor Joint Powers Authority

Control Deficiencies and Internal Control Recommendations

June 30, 2020

Financial Reporting

During our audit we noted the Authority experienced an unfortunate event that led to the loss of accounting data. This data loss resulted in financial statements not being completed timely, the Board of Directors were unable to review monthly financial statements and bank reconciliations were not completed timely or reviewed. We recommend the Authority review policies and procedures over accounting data to ensure the integrity of the accounting data is not compromised and the data is available to complete monthly bank reconciliations and financial reporting to the Board of Directors along with timely annual financial reporting.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 and the major fund of the Authority as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 information as listed in the table of contents 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.



Sacramento, California
November 24, 2021

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

As management of the Sacramento-Placerville Transportation Corridor Joint Powers Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

The Authority's annual operating budget for fiscal year 2019/2020 was \$110,000, which is the same as fiscal year 2018/2019 budget of \$110,000.

The fiscal year 2019/2020 operating budget of \$110,000 was funded by a \$27,500 contribution from each member agency.

The Authority's fixed asset value is \$14.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements which have the following components, in addition to management's discussion and analysis: 1) Authority-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary schedules. The Authority-wide and fund financial statements are presented in a combined format on pages 7 through 8. Items in the adjustment column are discussed in Notes 6 and 7 to the financial statements.

As the Authority's Board of Directors is appointed by governmental agencies, the Authority adopted Governmental Accounting Standards Board (GASB). The Authority has only governmental type fund.

AUTHORITY-WIDE FINANCIAL

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

The *Statement of Net Position* presents information on all of the Authority'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 Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related contractual requirements. The Authority has one fund which is a governmental-type fund.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the Authority-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented for governmental activities. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a column detailing the difference (adjustments) between the governmental fund and governmental activities. These adjustments are discussed in further detail in Notes 6 and 7 to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the Authority-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 15 of this report.

AUTHORITY-WIDE FINANCIAL ANALYSIS

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Summary of Net Positions
Authority-Wide Activities
As of June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase/ (Decrease)</u>
Current Assets	\$ 280,596	\$ 194,795	\$ 85,801
Other Assets	<u>14,839,553</u>	<u>14,839,553</u>	<u>-</u>
Total Assets	<u>15,120,149</u>	<u>15,034,348</u>	<u>85,801</u>
Current Liabilities	<u>3,019</u>	<u>4,385</u>	<u>(1,366)</u>
Net Position:			
Invested in Capital Assets	14,839,553	14,839,553	-
Unassigned/Unrestricted	<u>277,577</u>	<u>190,410</u>	<u>87,167</u>
TOTAL NET POSITION	<u>\$ 15,117,130</u>	<u>\$ 15,029,963</u>	<u>\$ 87,167</u>

Net position represents the difference between the Authority's resources and its obligations. At June 30, 2020, approximately 98% of the Authority's net position was invested in land.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Authority-Wide Activities
As of June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues			
Charges for Services			
Permit Fees	\$ 1,250	\$ -	\$ 1,250
Investment Income	3,616	4,449	(833)
Contributions			
Member Contributions	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total Revenues	<u>114,866</u>	<u>114,449</u>	<u>417</u>
EXPENDITURES			
Land preservation	<u>27,699</u>	<u>61,137</u>	<u>(33,438)</u>
Increase (Decrease) in Net Position	87,167	53,312	33,855
NET POSITION BEGINNING OF YEAR	<u>15,029,963</u>	<u>14,976,651</u>	<u>53,312</u>
NET POSITION END OF YEAR	<u>\$ 15,117,130</u>	<u>\$ 15,029,963</u>	<u>\$ 87,167</u>

AUTHORITY BUDGET ANALYSIS

The Authority's Board of Directors approved the proposed 2020/2021 budget in May 2020. The budget-to-actual schedule for the year is shown on page 17.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

The focus of the Authority's funds, all of which are governmental type funds, is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information may serve as a useful measure of the Authority's net resources available for spending for program purposes at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's fund balances totaled \$277,577. The Authority's major source of revenue is from member contributions. The Authority's typical major expenditures are for management fees and legal fees, however, for the past year there have been some expenditures for the Authority's capital projects. Capital assets are not shown on the fund statements since they are not available for nearterm financing of the Authority's operations.

CAPITAL ASSETS

As of June 30, 2020, the Authority's investment in capital assets was \$14,839,553. Capital assets are stated at cost, net of accumulated depreciation. This investment in capital assets includes land, land improvements, construction in progress, and equipment.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In May 2019, the JPA Board adopted an operating budget in the amount of \$110,000 for fiscal year 2019/2020, which is same as the fiscal year 2018/2019 budget (\$110,000).

The member agencies annual contributions for fiscal year 2019/2020 will be the same as the previous fiscal year \$27,500. The annual operating budget will be funded entirely by member agency contributions.

In the year 2000, the Authority's Board adopted a "Continuing Funding Agreement" by which the member agencies agreed to contribute up to 25% of the annual budget adopted by the Authority for each fiscal year. The \$27,500 member contribution for fiscal years 2018/2019 and 2019/2020 is under the limit set by the Continuing Funding Agreement.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, SPTC JPA, 50 Natoma St, Folsom, CA 95630 or by calling (916) 924-8800.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2020

	<u>General Fund</u>	<u>Adjustments Note 6</u>	<u>Statement of Net Position</u>
ASSETS			
Current Assets			
Cash and Investments (Note 3)	\$ 251,352	\$ -	\$ 251,352
Due from Members (Note 4)	27,500	-	27,500
Interest Income Receivable	<u>1,744</u>	<u>-</u>	<u>1,744</u>
Total Current Assets	<u>280,596</u>	<u>-</u>	<u>280,596</u>
Land (Note 5)	-	14,707,172	14,707,172
Construction in Progress - Nature Trail (Note 5)	-	132,381	132,381
Property and Equipment (Note 5)	-	2,470	2,470
Less: Accumulated Depreciation (Note 5)	<u>-</u>	<u>(2,470)</u>	<u>(2,470)</u>
TOTAL ASSETS	<u>\$ 280,596</u>	<u>\$ 14,839,553</u>	<u>\$ 15,120,149</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ <u>3,019</u>	\$ <u>-</u>	\$ <u>3,019</u>
Total Current Liabilities	<u>3,019</u>	<u>-</u>	<u>3,019</u>
FUND BALANCE/NET POSITION			
Investment in Capital Assets	-	14,839,553	14,839,553
Unassigned/Unrestricted	<u>277,577</u>	<u>-</u>	<u>277,577</u>
Total Fund Balance/Net Position	<u>277,577</u>	<u>14,839,553</u>	<u>15,117,130</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 280,596</u>	<u>\$ 14,839,553</u>	<u>\$ 15,120,149</u>

The accompanying notes to the financial statements are an integral part of this statement.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Adjustments Note 7</u>	<u>Statement of Activities</u>
REVENUES			
Program Revenues			
Charges for Services			
Permit Fees	\$ 1,250	\$ -	\$ 1,250
Investment Income	3,616	-	3,616
Contributions			
Member Contributions (Note 4)	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total Revenues	<u>114,866</u>	<u>-</u>	<u>114,866</u>
EXPENDITURES			
Land Preservation			
Administrative	18,974	-	18,974
Legal	4,073	-	4,073
Maintenance	<u>4,652</u>	<u>-</u>	<u>4,652</u>
Total Expenditures	<u>27,699</u>	<u>-</u>	<u>27,699</u>
Excess of Revenue over Expenditures	<u>87,167</u>	<u>-</u>	<u>87,167</u>
Changes in Fund Balance/Net Position	87,167	-	87,167
FUND BALANCE/NET POSITION BEGINNING OF YEAR	<u>190,410</u>	<u>14,839,553</u>	<u>15,029,963</u>
FUND BALANCE/NET POSITION END OF YEAR	<u>\$ 277,577</u>	<u>\$ 14,839,553</u>	<u>\$ 15,117,130</u>

The accompanying notes to the financial statements are an integral part of this statement.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - The Sacramento-Placerville Transportation Corridor Joint Powers Authority, ("the Authority"), was formed in 1991 for the purpose of acquiring the Southern Pacific Transportation Company's Placerville Branch (Rail Corridor), and to provide reciprocal use agreements for transportation and transportation preservation uses as may be desired by the agencies. The Authority was formed by the Sacramento Regional Transit District, County of Sacramento, City of Folsom, and County of El Dorado. The Authority is a separate legal entity and not a component unit of any of the founding governmental members.

The Authority acquired title to the Rail Corridor on September 6, 1996 formerly owned by the Southern Pacific Transportation Company. Concurrently with the acquisition of the Rail Corridor, the Authority entered into a Reciprocal Use and Funding Agreement with its member agencies and granted to each member agency a broad general-use easement over its respective allocated portion of the Rail Corridor. Under the terms of the respective easement agreements, each member agency has the right to use its allocated portion of the Rail Corridor, subject to certain limitations, and has primary responsibility for property maintenance. The Authority retains ownership of the fee title and grants permits, licenses, leases, easements and other third-party use agreements, if requested by its member agencies. The Authority's Chief Executive Officer is authorized to execute any such third-party agreement upon receipt of a written request from the member agency holding an easement for the affected portion of the Rail Corridor. The Authority exists primarily to provide unified ownership of the Rail Corridor, to facilitate coordination of uses of the Rail Corridor, and to protect the overall integrity and continuity of the Rail Corridor.

Each member of the Authority contributed cash for their share of the corridor prorated by the portion of the corridor running through their respective geographic regions. Initial member contributions are as follows:

City of Folsom	\$ 3,239,931
Sacramento Regional Transit District	8,105,010
County of Sacramento	526,515
County of El Dorado	<u>2,835,716</u>
	<u>\$ 14,707,172</u>

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

Authority-wide and fund financial statements

The Authority-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary fund types of the Authority.

The accounts of the Authority are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual funds are reported as separate columns in the fund financial statements.

Currently the Authority only has one fund.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority-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.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

The Authority reports the following major governmental funds:

General Fund - This fund is established to account for resources devoted to the administration of the activities of the Authority and excludes those resources required to be accounted for in another fund.

Operations – The Authority is governed by an independent Board of Directors. Administrative services are provided by staff members from the City of Folsom as the Authority has no employees of its own. The accounting function of the Authority is contracted to the County of Sacramento.

Cash – The Authority's cash is pooled with the County of Sacramento for investment purposes.

Capital Assets – The Authority capitalizes all land, land improvements, furniture and fixtures, and equipment purchases with costs in excess of \$1,000 and a useful life of one year or more.

Capital asset acquisitions are recorded at cost. Contributions are recorded at acquisition value on the date of contribution. Non-monetary land trades are valued at the historical cost of the land relinquished.

Capital assets are depreciated using the straight-line method, half-year convention, over the following estimated useful lives:

Equipment	5 Years
-----------	---------

Fund Equity – The Authority-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, and unrestricted.

Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Unrestricted Net Position - This category represents the net position of the Authority not restricted for any project or other purpose.

The Authority's governmental fund statements utilize a fund balance presentation. Fund balances are

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

categorized as nonspendable, restricted, committed, assigned, and unassigned. Currently the Authority only has unassigned fund balances.

Unassigned Fund Balance - This category presents the portion of the fund balance that does not fall into nonspendable, restricted, committed, or assigned and are expendable.

Member Contributions – Per the Reciprocal Use and Funding Agreement each member shall contribute an equal contribution annually for the operations of the Authority. The Authority's board sets the annual contributions at it's May board meeting after adopting it's annual budget. Members are billed July 1st of each fiscal year.

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2: MANAGEMENT COMPANY

The City of Folsom (Management Company), provided management services for the Authority. The Authority pays the Management Company a monthly fee based on the number of hours the City of Folsom's employees spend on the Authority's behalf. The Authority paid the Management Company \$8,170 for the year ended June 30, 2020.

NOTE 3: CASH AND INVESTMENTS

The County of Sacramento maintains a cash and investment pool that is available for use by all fund participants. The share of each fund participant's cash and investments in the pool is separately maintained and interest thereon apportioned to each fund based on its average balance.

Investments

The Authority's investment policy, in conformity with applicable California General Statutes, authorizes investments in Sacramento County pooled funds. The value of the position in the pools is the same as the pool shares. These investments are not categorized since these funds and pools contain a diversified portfolio of securities within each category as defined in the following paragraph:

Category 1 includes investments that are insured or registered or for which collateral is held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or its trust department in the Authority's name. Category 3 includes unsecured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the Authority's name.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 3: CASH AND INVESTMENTS (Continued)

Cash in County Treasury

The County of Sacramento Treasury (the Treasury), acts as a bank for the Authority's cash transactions. Interest income is prorated to the Authority based on the average cash balance maintained in the pool. Interest earned on grant funds is remitted to the grantors or used for program purposes. The County of Sacramento Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by California Government Code Section 27134. The value of the pool shares which may be withdrawn is determined on an amortized cost basis, which may be different than the fair value of the Authority's position in the pool.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

The investment policy and a number of reports regarding investment positions and performance of the external investment pool are available at the County of Sacramento webpage.

Investments Authorized by The Authority's Investment Policy

The table below identifies the investment types authorized for the Authority by the California Government Code Section 53601. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Notes and Agency Obligations	5 years	100%	None
Bonds issued by Local Agencies	5 years	80%	10%
Registered State Warrants and Municipal Notes	5 years	80%	10%
Bankers Acceptances	180 days	40%	10%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	180 days	30%	10%
CRA Bank Deposits/Certificates of Deposit	1 year	30%	10%
Repurchase Agreements	1 year	30%	10%
Reverse Repurchase Agreements	92 days	20%	10%
Medium-Term Corporate Notes	180 days	30%	10%
Shares of a Money Market Mutual Fund	Per SEC regulations	20%	10%
Collateralized Mortgage Obligations	180 days	20%	10%
Local Agency Investment Funds (LAIF)	N/A	State Limit	\$50 million

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 fair values of investments with longer maturities have a greater sensitivity to changes in market interest rates. As of June 30, 2020, the weighted average maturity of the investments contained in the Treasury investment pool is approximately 259 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

NOTE 4: MEMBER CONTRIBUTIONS

Contributions from members for the year ended June 30, 2020 consisted of the following:

City of Folsom	\$ 27,500
Sacramento Regional Transit District	27,500
County of Sacramento	27,500
County of El Dorado	<u>27,500</u>
Total Member Contributions	\$ <u>110,000</u>

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 5: CAPITAL ASSETS

On September 6, 1996 the Southern Pacific Transportation Company (seller) transferred its rights, title, and interest in those portions of the Rail Corridor held in fee or by easement and quick claimed all its rights, title and interest by grant, without warranty of any kind, whether oral or written, expressed or implied, whether existing by common law or by statute or any other manner to the Authority.

The Rail Corridor acquired consists of a 54 mile rail corridor extending from Sacramento, California to Placerville, California.

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

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Capital Assets not being depreciated:				
Land	\$ 14,707,172	\$ -	\$ -	\$ 14,707,172
Construction in Progress	<u>132,381</u>	<u>-</u>	<u>-</u>	<u>132,381</u>
Total Capital Assets not being depreciated	<u>14,839,553</u>	<u>-</u>	<u>-</u>	<u>14,839,553</u>
Capital Assets being depreciated:				
Equipment	<u>2,470</u>	<u>-</u>	<u>-</u>	<u>2,470</u>
Total Capital Assets being depreciated	<u>2,470</u>	<u>-</u>	<u>-</u>	<u>2,470</u>
Less accumulated depreciation				
Equipment	<u>(2,470)</u>	<u>-</u>	<u>-</u>	<u>(2,470)</u>
Total accumulated depreciation	<u>(2,470)</u>	<u>-</u>	<u>-</u>	<u>(2,470)</u>
Capital Assets, net	<u>\$ 14,839,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,839,553</u>

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6: EXPLANATION OF DIFFERENCES BETWEEN THE BALANCE SHEET AND THE STATEMENT OF NET POSITION

FUND BALANCE	\$ 277,577
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Capital assets used in Conservancy activities are not financial resources and therefore are not reported in the governmental funds.

Capital Assets	\$ 14,842,023	
Less: Accumulated Depreciation	<u>(2,470)</u>	
		<u>14,839,553</u>

NET POSITION	\$ <u>15,117,130</u>
---------------------	-----------------------------

NOTE 7: EXPLANATION OF THE DIFFERENCES BETWEEN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES

NET CHANGE IN FUND BALANCE	\$ 87,167
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Governmental funds report capital outlay as expenditures. In the statement of activities however, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	<u>-</u>
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CHANGE IN NET POSITION	\$ <u>87,167</u>
-------------------------------	-------------------------

NOTE 8: SUBSEQUENT EVENT

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date which the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2020 that require recognition or disclosure in such financial statements

Subsequent to June 30, 2020, as COVID-19 spreads globally, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, by mandating temporary work stoppage in various sectors, limiting travel, size and duration of group meetings. Most industries will be experiencing disruptions to their business and philanthropic operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. While management cannot quantify the financial and other impact to the Authority, as of the date of the Independent Auditor's Report, management believes that a material impact on the the Authority's financial position and results of future changes in net position is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

	Operating Budget			
	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Program Revenues				
Charges for Services				
Permit Fees	\$ -	\$ -	\$ 1,250	\$ 1,250
Investment Income	-	-	3,616	3,616
Contributions				
Member Contributions (Note 4)	110,000	110,000	110,000	-
Total Revenues	110,000	110,000	114,866	4,866
EXPENDITURES				
Land Preservation				
Chief Executive Officer	58,000	58,000	8,172	49,828
JPA General Counsel	15,000	15,000	4,073	10,927
Annual Audit	9,000	9,000	-	9,000
Treasury Services	6,000	6,000	3,913	2,087
Maintenance Allowance	12,000	12,000	10,318	1,682
Insurance	10,000	10,000	1,223	8,777
Total Expenditures	110,000	110,000	27,699	82,301
Excess of Revenue over Expenditures	\$ -	\$ -	87,167	\$ (77,435)
Fund Balance - June 30, 2019			190,410	
Fund Balance - June 30, 2020			\$ 277,577	

OTHER REPORTS



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Sacramento-Placerville Transportation Corridor Joint Powers Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year-ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
November 24, 2021

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

Motion: Approve Board meeting calendar for Fiscal Year 2022/2023

**AGENDA ITEM
NO. 5c**

DISCUSSION:

In accordance with Section 1.1 “Regular Meetings” of the Rules of Procedure of the JPA, Regular meetings are to be scheduled no less frequently than once each calendar quarter. The JPA Staff proposes the following meeting dates, times and location for the Board’s Regular Meetings during the upcoming Fiscal Year 2022/2023.

DATE	TIME	LOCATION
August 1, 2022	9:30 a.m.	Folsom City Hall, Council Chambers
November 7, 2022	9:30 a.m.	Folsom City Hall, Council Chambers
February 6, 2023	9:30 a.m.	Folsom City Hall, Council Chambers
May 8, 2023	9:30 a.m.	Folsom City Hall, Council Chambers

BOARD ACTION:

Motion: Approve the Board meeting calendar for the upcoming Fiscal Year 2022/2023 as proposed in this staff report.

Note: A meeting may be canceled if there is a lack of agenda items.

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

RESOLUTION: Approve Brett Bollinger of the City of Folsom as the SPTC-JPA's Chief Executive Officer

**AGENDA ITEM
NO. 6a**

DISCUSSION:

The resignation of Mark Rackovan left the vacancy of the Chief Executive Office. After discussion with staff, Brett Bollinger of the City of Folsom is recommended for this position.

BOARD ACTION:

Approve Brett Bollinger of the City of Folsom as the SPTC-JPA's Chief Executive Officer.

RESOLUTION NO. 2022-05-01

Adopted by the Board of Directors of the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC-JPA) on the date of:

May 16, 2022

**APPOINTMENT OF BRETT BOLLINGER
AS CHIEF EXECUTIVE OFFICER**

WHEREAS, Mark Rackovan has retired as CEO of the SPTC-JPA; and

WHEREAS, Brett Bollinger, Senior Trails Planner, of the City of Folsom, has been selected to succeed Mark Rackovan as CEO; and

WHEREAS, Vickie Sanders, Parks Manager for the County of El Dorado, will continue to serve as Deputy CEO.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AS FOLLOWS:

Brett Bollinger is hereby appointed to be the Chief Executive Officer of the SPTC-JPA, effective May 16, 2022.

Passed and Adopted by the Board of the SPTC-JPA, this 16th day of May, 2022, by the following vote on roll call:

AYES:

NOES:

ABSENT:

Kerri Howell, Chair

ATTEST:

Jennifer Thiot, Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

**RESOLUTION: Approve SPTC-JPA
Reimbursement Agreement with El Dorado
County**

**AGENDA ITEM
NO. 6b**

DISCUSSION:

Reimbursement agreement between the Sacramento Placerville Transportation Corridor Joint Powers Authority and El Dorado County.

BOARD ACTION:

Approve Resolution 2022-05-02.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR
JOINT POWERS AUTHORITY**

**REIMBURSEMENT AGREEMENT
FOR THE
COUNTY OF EL DORADO**

THIS REIMBURSEMENT AGREEMENT (the “Agreement”) is made effective as of January 1, 2022, by and among the SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY, a California joint powers agency (“JPA”), and the COUNTY OF EL DORADO, a political subdivision of the State of California (“County”).

Recitals

A. WHEREAS, County has provided a staff member to the JPA to hold the office of Deputy/Interim Chief Executive Officer, and

B. WHEREAS, the JPA desires to reimburse County for the reasonable cost of providing such services.

NOW THEREFORE, the parties hereto agree as follows:

Agreement

1. **Reimbursement of Costs.** In consideration of the provision of the services of Deputy/Interim Chief Executive Officer, the JPA shall reimburse the reasonable cost of providing such services; provided, however, that no reimbursement shall be made for time spent by either officer on matters that solely concern the jurisdiction that he or she represents.

2. **Amount of Reimbursement.** The amount of reimbursement shall be based on the hourly wage paid to the officer by City or County, as applicable, plus a reasonable amount for overhead costs. The total reimbursement paid to City and County shall not exceed the amount budgeted therefor by the JPA’s Board of Directors in any fiscal year.

3. **Invoices.** Reimbursement shall be made within thirty (30) days after receipt of a detailed invoice from County. County shall also mail a copy of every invoice to each staff member representing a JPA member agency. Invoices shall be submitted no more frequently than monthly.

4. **Records Retention**: County shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. County shall maintain records related to the Agreement during the term hereof and for a period of three (3) years from the date of final payment under this Agreement.

5. **Termination**. This Agreement may be terminated by either party upon thirty days written notice to the other party.

6. **Amendments**. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by both parties.

7. **Successors and Assigns**. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

8. **Counterparts**. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

9. **Venue**. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Sacramento.

10. **Integration**. This Agreement constitutes the entire understanding and agreement of the parties with respect to all or any part of the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

**SACRAMENTO-PLACERVILLE
TRANSPORTATION CORRIDOR
JOINT POWERS AUTHORITY**

Kerri Howell
Board Chair

APPROVED AS TO LEGAL FORM:

Paul Chrisman
General Counsel

**COUNTY OF EL DORADO, a political
subdivision of the State of California**

By: _____
Chair of the Board of Supervisors
of the County of El Dorado

ATTEST:

Clerk of the Board of Supervisors

Approved as to Content:

By: _____
Vickie Sanders, Parks Manager
Chief Administrative Office

Approved as to Legal Form:

By: _____
Deputy County Counsel

RESOLUTION NO. 2022-05-02

Adopted by the Board of Directors of the Sacramento-Placerville Transportation
Corridor Joint Powers Authority (SPTC-JPA) on the date of:

May 16, 2022

**APPROVAL OF REIMBURSEMENT AGREEMENT
WITH THE COUNTY OF EL DORADO**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO-
PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AS
FOLLOWS:

That the Chair of the SPTC-JPA is authorized and directed to execute and
deliver a Reimbursement Agreement with the County of El Dorado substantially
in the form presented at this meeting.

Passed and Adopted by the Board of the SPTC-JPA, this 16th day of May, 2022, by
the following vote on roll call:

AYES:

NOES:

ABSENT:

Kerri Howell, Chair

ATTEST:

Jennifer Thiot, Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

RESOLUTION: Approve Operating Budget for Fiscal Year 2022/2023

**AGENDA ITEM
NO. 6c**

DISCUSSION:

At the May 10, 2021 JPA Board meeting, the Board adopted the Operating Budget of \$110,000 for the Fiscal Year 2021/22. The Operating Budget was funded by a contribution of \$27,500 from each of the four member agencies. For Fiscal Year 2022/23, staff is proposing an identical budget; the total operating budget shall remain the same, without modifications.

PROPOSED OPERATING BUDGET

The Operating Budget is separated into six (6) budget line items to facilitate tracking and managing the budget. The following describes the typical activities associated with each budget line item;

Line Item 1-Chief Executive Officer (includes Secretary to the Board)

- This line item reimburses the Chief Executive Officer (CEO), Deputy CEO, and administrative/technical support consultant for providing the following services:
 - Administer the Reciprocal Use and Funding Agreement (RUFA) on behalf of the JPA Board and staff
 - Reviewing and executing official documents on behalf of the JPA.
 - Preparing for and conducting JPA Board meetings, including Secretary to the Board's preparation and approval of the minutes.
 - Assisting the public and Member Agencies with the development of transportation uses in the JPA corridor, such as the Natural Trail project.
 - Coordination with JPA Member Agency staff, including periodic site visits and staff meetings.
 - Participating as stakeholder in regional studies or analyses such as the Capital Southeast Connector Project.
 - Assisting Member Agencies to administer licenses and access permits or easements.
 - Administering contracts with the JPA, including Excursion Rail License Agreement, Executive Officer Reimbursement Agreement, and consultant services agreements.
 - Providing business services such as notary, courier, postage, and other administrative activities necessary to conduct the business of the JPA.
 - Controlling and administering the JPA's website.
 - Providing accounting services to administer the Operating Budget.

Line Item 2 - General Counsel

- This line item reimburses the JPA legal counsel (RSHS) for providing the following services to the JPA:
 - Providing legal advice to the JPA Board and staff.
 - Assisting with preparation for and conducting of JPA Board meetings.
 - Reviewing contractual documents that involve the JPA property.
 - Addressing legal issues with respect to the corridor as they arise.
 - Working on special-use projects within the corridor.
 - Working with insurance broker to obtain insurance coverage.

Line Item 3 – Annual Audit

- This line item reimburses the JPA's certified public accountant (Russell CPAs).
- The JPA Agreement requires that an accounting of the JPA's financial activities be reported by an independent certified public accountant.
- This line item provides for CPA services to cover the audit for the past fiscal year.

Line Item 4 – Treasury Services

- This line item reimburses Sacramento County for treasury services provided to the JPA.
- Sacramento County has provided these services to the JPA since inception.

Line Item 5 – Maintenance Allowance

- This line item provides for weed abatement services through the JPA for the City of Folsom, Sacramento County, and El Dorado County.
- Weed abatement services will be provided by Placerville & Sacramento Valley Railroad (P&SVRR) and El Dorado Western Railroad (EDWRR) under contract with the JPA, suing volunteer labor, and reimbursement for costs of fuel and materials.
- The line item also provides for trail maintenance, including JPA sponsorship of the corridor segment in EDC's Adopt a Trail Program.

Line Item 6 – Insurance

- This line item addresses the estimated costs associated with providing General Liability coverage for persons working on a volunteer basis on behalf of the JPA SPTC-JPA Budget Reconciliation Fiscal Year 2021/22.

Starting JPA "Bank Account for FY 2021/22: \$ 327,043.02

- Operating Budget 2021/22: \$ 110,000
- Capital Program Budget 2021/22: \$ 35,000
- Reserve Account 2021/22: \$ 182,043.02

JPA account balance as of 4/29/22: \$ 283,008.02

OPERATING BUDGET / LINE ITEM	FY 2021/22 BUDGET	EXENDED TO DATE	FORECASTED TO EXPEND (by end of FY21/22)	PROPOSED BUDGET FOR FY 2022/23
1. CEO & Secretary	\$ 50,000.00	\$ 0	\$ 25,000.00	\$ 50,000.00
2. General Counsel	\$ 17,000.00	\$ 5,077.32	\$ 7,000.00	\$ 17,000.00
3. Annual Audit	\$ 9,000.00	\$20,500.00	\$ 20,500.00	\$ 9,000.00
4. Treasury Services	\$ 6,000.00	\$ 3,913.00	\$ 4,000.00	\$ 6,000.00
5. Maintenance Services	\$ 12,000.00	\$ 9,593.09	\$ 12,000.00	\$ 12,000.00
6. Insurance	\$ 10,000.00	\$1,272.00	\$ 1,500.00	\$ 10,000.00
7. Contingency	\$ 6,000.00	\$ 0	\$ 6,000.00	\$ 6,000.00
Total	\$110,000.00	\$40,355.41	\$ 76,000.00	\$ 110,000.00

Other key expenditures during FY2021/22 included:

- \$20,500 to MUN CPA's and Russel CPA's for audit and financial services

JPA staff recommends maintaining an Operating Budget of **\$110,000** for Fiscal Year 2022/23. Staff further recommends that Operating Budget continue to be funded entirely by the Member Agency contributions, which will remain at **\$27,500** per Member Agency. The forecasted surplus would remain in reserve and could be used to supplement the Capital Improvement Program (CIP). The Reserve balance, forecasted to the start of the new fiscal year, is approximately \$173,008.02.

BOARD ACTION:

Staff recommends that the Board approve the attached Resolution 2022-05-03, approving the fiscal year 2022/23 Operating Budget, as proposed above.

RESOLUTION NO. 2022-05-03

Adopted by the Board of Directors of the Sacramento-Placerville Transportation
Corridor Joint Powers Authority on the date of:

May 16, 2022

**APPROVAL OF FY 2022/23
OPERATING BUDGET**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO-
PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AS
FOLLOWS:

THAT, the Operating Budget for FY2022/23 is hereby approved as presented to
the Board at this meeting; and

THAT, the Chief Executive Officer is hereby authorized to reallocate budget
amounts among the line items in the approved Operating Budget, as he may deem
necessary or desirable; provided, however, that the total amount budgeted for FY
2022/23 shall not be increased with the Board's prior approval.

Kerri Howell, Chair

ATTEST:

Passed and Adopted by the Board of the SPTC-JPA, this 16th day of May, 2022,
by the following vote on roll call:

AYES:

NOES:

ABSENT:

Jennifer Thiot, Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

RESOLUTION: Approve Annual Capital Improvement Budget for Fiscal Year 2022/2023

**AGENDA ITEM
NO. 6d**

DISCUSSION:

For Fiscal Year 2022/23, JPA and members agency staff are requesting that the Board adopt a Capital Improvement Program (CIP) Budget of \$28,075, solely for the Natural Trail Project. This amount represents what remains on the Helix contract for permits and surveys.

PROPOSED CAPITAL IMPROVEMENT BUDGET

The Capital Improvement Budget would consist of the following approved tasks and their estimated costs:

Natural Trail Project:

- Local agencies (El Dorado and Sacramento Counties, City of Folsom) have been cleared to begin work on the Natural Trail project, using volunteer labor forces. To assist these volunteer groups in completing the trail, the JPA is proposing a budget of \$28,075 to provide construction materials and specialist inspections if requested by any of the local agencies.

The total proposed Capital Improvement Budget is \$28,075.

BOARD ACTION:

Staff recommends that the Board approve the attached Resolution 2022-05-04, approving the fiscal year 2022/23 Capital Improvement Budget, as proposed above.

RESOLUTION NO. 2022-05-04

Adopted by the Board of Directors of the Sacramento-Placerville Transportation
Corridor Joint Powers Authority on the date of:

May 16, 2022

**APPROVAL OF FY 2022/23
CAPITAL IMPROVEMENT BUDGET**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO-
PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AS
FOLLOWS:

THAT, the Capital Improvement Budget for FY2022/23 is hereby approved as
presented to the Board at this meeting; and

THAT, the Chief Executive Officer is hereby authorized to reallocate budget
amounts among the line items in the approved Capital Improvement Budget, as he may
deem necessary or desirable; provided, however, that the total amount budgeted for FY
2022/23 shall not be increased with the Board's prior approval.

Kerri Howell, Chair

ATTEST:

Passed and Adopted by the Board of the SPTC-JPA, this 16th day of May, 2022,
by the following vote on roll call:

AYES:

NOES:

ABSENT:

Jennifer Thiot, Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

RESOLUTION: Honoring CEO, Mark Rackovan

**AGENDA ITEM
NO. 6e**

DISCUSSION:

Resolution honors Mark Rackovan for his many years of service to the SPTC JPA.

BOARD ACTION:

Approve Resolution 2022-05-05

Resolution No. 2022-05-05

Adopted by the Board of Directors of the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC-JPA) on the date of:

May 16, 2022

**HONORING MARK RACKOVAN
ON HIS RETIREMENT FROM THE SACRAMENTO-PLACERVILLE
TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY**

WHEREAS, Mark Rackovan has faithfully served the JPA for the last 11 years, first as Deputy Chief Executive Officer from 2010 to 2017, then as Chief Executive Officer from 2017 to 2021; and

WHEREAS, under his stewardship, the Placerville Branch railroad right-of-way, now known as the Sacramento-Placerville Transportation Corridor (SPTC) has been preserved as an historical, cultural and recreational resource, as well as a resource for transportation in the local region; and

WHEREAS, during his tenure Mr. Rackovan was instrumental in facilitating numerous projects with the JPA's member agencies that enriched the lives of the communities served by the SPTC and allowed thousands of visitors to enjoy the SPTC each year.

NOW, THEREFORE, the Board of Directors of the Sacramento-Placerville Transportation Corridor JPA hereby commends and thanks Mark Rackovan for his outstanding service to the community and wishes him future success as he serves the City of Folsom in his capacity as the City's Director of Public Works.

Passed and Adopted by the Board of the SPTC-JPA this 16th day of May, 2022.

Kerri Howell, Chair

ATTEST:

Jennifer Thiot, Secretary

STAFF REPORT

Board Meeting Date: May 16, 2022

Page 1 of 1

Information only

AGENDA ITEM
NO. 6f

DISCUSSION:

Information: CEO/Member Agency Staff Reports

- i. CEO
- ii. City of Folsom
- iii. El Dorado County
- iv. Sacramento County
- v. Sacramento Regional Transit

BOARD ACTION:

Information only