

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

AGENDA

BOARD MEETING

9:30 A.M., MONDAY, AUGUST 7, 2023

FOLSOM CITY HALL, COUNCIL CHAMBERS

50 NATOMA STREET, FOLSOM, CALIFORNIA

1. CALL TO ORDER

- 2. ROLL CALL** Directors Sarah Aquino (Alternate: Anna Rohrbough), John Hidahl (Alternate: George Turnboo), Pat Hume (Alternate: Sue Frost), Linda Budge (Alternate: Pat Hume), and David Sander (Alternate: Linda Budge)

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT*

5. CONSENT

- a. Approve Minutes for Regular Meeting of May 8, 2023
- b. Quarterly Financial Report
- c. Approve Independent Audit Findings for FY 2021
- d. Approve Independent Audit Findings for FY 2022

6. NEW BUSINESS

- a. Resolution: Approve Bridge and Culvert Inspections Consultant Award and Budget Amendment
- b. Information: Nature Trail Update
- c. Information: Ad Hoc Committee Update
- d. Information: CEO/Member Agency Staff Reports
 - i. CEO/City of Folsom –
 - i. Financial Policies and Procedures
 - ii. RUFA Amendment and Easement for SacRT Double Tracking project

- ii. El Dorado County
 - i. Update on Latrobe Washout and FEMA funding
- iii. Sacramento County
- iv. Sacramento Regional Transit

7. DIRECTORS' COMMENTS

6. NEXT MEETING: November 6, 2023

7. 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 an appearance before the Board is desired after such consultation, 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 CEO, Brett Bollinger, by telephone at (916)461-6632 or email at bbollinger@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

Minutes of the Regular Meeting of the Board of Directors on
May 8, 2023

Call to Order: The meeting was called to order at 9:30 a.m.

Roll Call: Present: Directors Aquino, Hidahl, Hume, Budge, and Sander

Approval of Minutes

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

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

- Item 4a: Approve Minutes for Regular Meeting of March 13, 2023

Consent

Item 5a: Adoption of FY 23/24 Board Meeting Calendar

A motion was made by Director Hume 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 ITEM:

- Adoption of FY 23/24 Board Meeting Calendar.

New Business

Item 6a: Adoption of the FY 23/24 Operating Budget

Public comment was made by Kris Payne. A motion was made by Director Hume and seconded by Director Hidahl, and passed by a unanimous vote that:

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

- Resolution No. 2023-05-01: Adoption of the FY 23-24 Operating Budget.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

Minutes of the Regular Meeting of the Board of Directors on
May 8, 2023

Item 6b: Adoption of FY 23/24 Capital Improvement Budget

Public comment was made by Kris Payne. The Board asked that the Capital Improvement Budget be edited to include the \$66,035 approved for environmental surveys support for the natural surface trail from item 6c. A motion was made by Director Budge and seconded by Director Hidahl, and passed by a unanimous vote that:

- Resolution No. 2023-05-02: Adoption of FY 23/24 Capital Improvement Budget

Item 6c: Authorizing the Chief Executive officer to enter into a consulting services agreement of up to \$66,035 with a qualified consultant to provide environmental surveys support for the natural surface trail.

Public Comments were made by Kris Payne and Don Rose. A motion was made by Director Hume and seconded by Director Budge, and passed by a unanimous vote that:

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

- Resolution 2023-05-03: Authorize the Chief Executive Officer to enter into a consulting services agreement of up to \$66,035 with a qualified consultant to provide environmental surveys support for the natural surface trail

Item 6d: Amendment to Reciprocal Use and Funding Agreement in connection with RT Double-Tracking Project

Public comment was made by Kris Payne. A motion was made by Director Budge and seconded by Director Sander, and passed by a unanimous vote that:

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

- Resolution 2023-05-04: Amendment to Reciprocal Use and Funding Agreement in Connection with RT Double-Tracking Project

Item 6e: Study Session: Upcoming renewal of license agreement with Placerville & Sacramento Valley Railroad (PSVRR) for excursion rail services

Jim Harville gave a presentation. Public comments were made by Robert Goss, Jim Perman, Bruce Cline, Don Rose, Kris Payne, and Bill Anderson. Board members give

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY

Minutes of the Regular Meeting of the Board of Directors on
May 8, 2023

direction that an ad hoc committee will be formed including Director Hidahl and Chair Aquino regarding this item.

Item 6f: Information: CEO/Member Agency Staff Reports. The following staff members reported on activity along their respective sections of the corridor.

- i. Brett Bollinger, CEO/City of Folsom: Staff will post the bridge and culvert inspections RFP before the Board meeting in August. For the City of Folsom, the RUFA amendment for the easement will go to Folsom City Council on June 13, 2023.
- ii. Vickie Sanders, El Dorado County: The county is working on repairing the washout and coordinating with FEMA. They are meeting with them in 2 weeks. They have submitted a request for 1.5 million for this project.
- iii. Matt Darrow, Sacramento County: Reported on the following JPA adjacent projects. Phase 1 of the Folsom Blvd Complete Streets Project is complete between Bradshaw Rd. and Mayhew Rd. The project includes bike lanes, sidewalks, streetlights, and ADA improvements. They will move west down the same corridor to Mayhew and Starfire for phase two of the same project. They are starting on the Hazel and Interstate 50 interchange, including improvements to the interchange and grade separation of Folsom Blvd. light rail.
- iv. Michael Cormia, Sacramento Regional Transit: Springtime landscaping and vegetation clean-ups are underway. Homeless encampment work along the right of way is continued. Work on Folsom double track section is underway.

Business from the floor/good of the order

Public comment was made by Kris Payne, Jim Harville, and Bill Anderson.

The next meeting will be the Regular Board Meeting on August 7, 2023

The meeting adjourned at 11:05 a.m.

I hereby certify that the Board of Directors approved the foregoing minutes at its Board Meeting on May 8, 2023.

Jennifer Thiot, Board Secretary

STAFF REPORT

Board Meeting Date: August 7, 2023

Page 1 of 2

INFORMATION: Quarterly Budget Update for the Fourth Quarter of Fiscal Year 2022/23

**AGENDA ITEM
NO. 5b**

DISCUSSION:

It has been recommended that staff include a quarterly update of the JPA budget in each Board agenda. The Board Secretary has prepared the following summary, which covers the fourth quarter (April to June) of Fiscal Year 2022/23.

SPTC-JPA Budget Reconciliation Fiscal Year 2022/23

| | |
|---|---------------------|
| Starting JPA "Bank Account" for FY 2022/23: | \$315,895.51 |
| • Operating Budget Expenses 2022/23: | \$ 68,007.00 |
| • Capital Program Budget Expenses 2022/23: | \$ 24,851.42 |
| • Annual Contributions 2022/23: | <u>\$110,000.00</u> |
| • Reserve Account 2022/23: | \$333,037.09 |

OPERATING BUDGET

| OPERATING BUDGET/ LINE ITEM | ADOPTED FY 2022/23 BUDGET | EXPENDED 4 th QUARTER FY 2022/23 (April-June) | EXPENDED YEAR TO DATE FY 2022/23 | REMAINING FY2022/23 BUDGET |
|--------------------------------|---------------------------------|---|--|----------------------------------|
| 1. Administrative | \$50,000 | \$18,636 | \$19,161 | \$30,839 |
| 2. Legal | \$17,000 | \$5,585 | \$17,214 | (\$214) |
| 3. Audit Fees* | \$9,000 | \$19,000 | \$19,420 | (\$10,420) |
| 4. Accounting | \$6,000 | \$5,774 | \$5,774 | \$226 |
| 5. Maintenance | \$12,000 | \$0 | \$5,099 | \$6,901 |
| 6. Insurance | \$10,000 | \$0 | \$1,339 | \$8,661 |
| 7. Contingency | \$6,000 | \$0 | \$0 | \$6,000 |
| TOTAL | \$110,000 | \$48,995 | \$68,007 | \$41,993 |

*Fiscal Year 2020/21 audit expense was included in the Fiscal Year 2021/22 operating budget and Fiscal Year 2021/22 audit expense was included in the Fiscal Year 2022/23 operating budget. Both audits were completed and expended in Fiscal Year 2022/23. Going forward, there should be only one year of audit expenses per fiscal year.

CAPITAL PROGRAM BUDGET

| | |
|--|---------------------|
| Capital Program Budget FY 2022/23: | \$ 28,075.00 |
| Increased 08/01/22 per Reso. No. 2022-08-01: | <u>\$100,000.00</u> |
| Total: | \$128,075.00 |

| | |
|--------------------------------------|---------------------|
| Expended - Permits: | \$ 365.00 |
| Expended - Environmental Consultant: | <u>\$ 24,486.42</u> |
| Total Expended to Date: | \$ 24,851.42 |

| | |
|-----------------------------------|--------------|
| Capital Program Budget Remaining: | \$103,223.58 |
|-----------------------------------|--------------|

BOARD ACTION:

Information only; no Board action is required.

STAFF REPORT

Board Meeting Date: August 7, 2023

Page 1 of 1

Resolution: Approve Independent Audit for FY 20/21 and FY 21/22

**AGENDA ITEM
NO. 5c & d**

DISCUSSION:

Mann Urritia Nelson CPAs & Associates, LLP (MUN CPA) has completed the audit of the JPA's records for FY 20/21 and FY 21/22.

The audit report has concluded that there are no findings of non-compliance and that the JPA's operations are in conformity with generally accepted accounting principles. The management letter accompanying each audited financial statement notes recommendations for improved financial reporting practices. Recommendations include performing bank reconciliations in a timely manner and financial reports be submitted to the Board of Directors on a timely basis.

In response to the audit recommendations, Staff has reviewed procedures and implemented a process to ensure that bank reconciliations are completed in a timely manner. Additionally, Staff has decided to provide the Board with a quarterly financial report to be included in the meeting packet at each quarterly Board Meeting. The first of these reports is included in the packet for this meeting as item 5d.

BOARD ACTION:

Staff recommends that the Board approve the audited financial statements for FY 20/21 and FY 21/22.



July 18, 2023

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, 2021. 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 February 17, 2023. 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. There were no significant estimates affecting the Authority's financial statements.

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 July 18, 2023.

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 management's discussion and analysis and the 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,

A handwritten signature in blue ink, appearing to read "Mann Urrutia Nelson CPAs", written in a cursive, stylized font.

Mann, Urrutia, Nelson CPAs & Associates, LLP



Management Letter

July 18, 2023

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 Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year ended June 30, 2021, 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 July 18, 2023. This letter does not affect our report dated July 18, 2023, 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,

Mann, Urrutia, Nelson CPAs & Associates LLP

Sacramento-Placerville Transportation Corridor Joint Powers Authority
Communication of Control Deficiencies and Recommendations
June 30, 2021

Financial Reporting

During our audit we noted bank reconciliations were not performed timely and there was no indication of review and approval of the reconciliations. In addition, we noted financial information is not provided to the Board of Directors for review on a regular basis. We recommend the Authority review policies and procedures to ensure monthly bank reconciliations are completed and financial reports are submitted to the Board of Directors on a timely basis.

Sacramento-Placerville Transportation Corridor Joint Powers Authority
Status of Prior Year Control Deficiencies
June 30, 2021

Financial Reporting

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.

Status

Partially implemented.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
ANNUAL FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
TABLE OF CONTENTS
JUNE 30, 2021

| | <u>Page</u> |
|---|--------------------|
| Independent Auditor's Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 5 |
| Basic Financial Statements: | |
| Authority-wide Financial Statements | |
| Statement of Net Position | 6 |
| Statement of Activities | 7 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Fund | 8 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | 9 |
| Notes to the Basic Financial Statements | 10 - 18 |
| Required Supplementary Information: | |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 19 |
| Notes to Required Supplementary Information - Budgetary Accounting and Control | 20 |
| Other Reports: | |
| 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 <i>Government Auditing Standards</i> . | 21 |



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

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, 2021, and the related notes to the financial statements, which collectively comprise Sacramento-Placerville Transportation Corridor Joint Powers Authority's basic financial statements as listed in the table of contents.

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 Sacramento-Placerville Transportation Corridor Joint Powers Authority, as of June 30, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sacramento-Placerville Transportation Corridor Joint Powers Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 July 18, 2023, 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
July 18, 2023

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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 fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

The Authority's annual operating budget for fiscal year 2020/2021 was \$110,000, which is the same as fiscal year 2019/2020 budget of \$110,000.

The fiscal year 2020/2021 operating budget of \$110,000 was funded by a \$27,500 contribution from each member agency.

The Authority's capital asset value is \$14,839,553.

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 on pages 6 - 9.

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

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. The governmental fund balance sheet provides a reconciliation detailing the difference between the governmental fund and the governmental activities.

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 10 - 18 of this report.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

AUTHORITY-WIDE FINANCIAL ANALYSIS

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Summary of Net Position
Authority-Wide Activities
As of June 30, 2021 and 2020**

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Increase/(Decrease)</u> |
|------------------------------|----------------------|----------------------|----------------------------|
| Assets | | | |
| Current Assets | \$ 325,122 | \$ 280,596 | \$ 44,526 |
| Other Assets | <u>14,839,553</u> | <u>14,839,553</u> | <u>-</u> |
| Total Assets | <u>15,164,675</u> | <u>15,120,149</u> | <u>44,526</u> |
| Liabilities | | | |
| Current Liabilities | <u>44,308</u> | <u>3,019</u> | <u>41,289</u> |
| Total Liabilities | <u>44,308</u> | <u>3,019</u> | <u>41,289</u> |
| Net Position | | | |
| Investment in capital assets | 14,839,553 | 14,839,553 | - |
| Unrestricted | <u>280,814</u> | <u>277,577</u> | <u>3,237</u> |
| Total Net Position | <u>\$ 15,120,367</u> | <u>\$ 15,117,130</u> | <u>\$ 3,237</u> |

Net position represents the difference between the Authority's resources and its obligations. At June 30, 2021, approximately 98% of the Authority's net position was invested in land.

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Statement of Activities
Authority-Wide Activities
As of June 30, 2021 and 2020**

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Increase/(Decrease)</u> |
|-------------------------------------|----------------------|----------------------|----------------------------|
| Revenues | | | |
| Program revenues | | | |
| Charges for services | | | |
| Permit fees | \$ 118,650 | \$ 1,250 | \$ 117,400 |
| Interest income | 2,897 | 3,616 | (719) |
| Contributions | | | |
| Member contributions | <u>110,000</u> | <u>110,000</u> | <u>-</u> |
| Total Revenues | <u>231,547</u> | <u>114,866</u> | <u>116,681</u> |
| Expenditures | | | |
| Land preservation | <u>228,310</u> | <u>27,699</u> | <u>200,611</u> |
| Increase (Decrease) in Net Position | 3,237 | 87,167 | (83,930) |
| Fund Balance - July 01, 2020 | <u>15,117,130</u> | <u>15,029,963</u> | <u>-</u> |
| Fund Balance - June, 30, 2021 | <u>\$ 15,120,367</u> | <u>\$ 15,117,130</u> | <u>\$ 3,237</u> |

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

AUTHORITY BUDGET ANALYSIS

The Authority's Board of Directors approved the proposed 2020/2021 budget in May 2021. The budget-to-actual schedule for the year is shown on page 19.

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 \$280,814. The Authority's major source of revenue is from member contributions. The Authority's typical major expenditures are for management fees and legal fees. Capital assets are not shown on the fund statements since they are not available for near term financing of the Authority's operations.

CAPITAL ASSETS

As of June 30, 2021, 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In May 2020, the JPA board adopted an operating budget in the amount of \$110,000 for the fiscal year 2020/2021, which is same as the fiscal year 2019/2020 budget (\$110,000).

The member agencies annual contributions for fiscal year 2020/2021 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 2019/2020 and 2020/2021 is under the limit set by the Continuing Funding Agreement.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial statement 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
JUNE 30, 2021**

ASSETS

| | |
|-------------------------------|-----------------------------|
| Cash and investments (Note 2) | \$ 324,300 |
| Interest receivable | 822 |
| Capital assets (Note 4): | |
| Non-depreciable | <u>14,839,553</u> |
| Total Capital Assets, net | <u>14,839,553</u> |
| TOTAL ASSETS | \$ <u>15,164,675</u> |

LIABILITIES

| | |
|--------------------------|----------------------|
| Accounts payable | \$ <u>44,308</u> |
| TOTAL LIABILITIES | <u>44,308</u> |

NET POSITION

| | |
|---|-----------------------------|
| Investment in capital assets | 14,839,553 |
| Unrestricted | <u>280,814</u> |
| Total Net Position | <u>15,120,367</u> |
| TOTAL LIABILITIES AND NET POSITION | \$ <u>15,164,675</u> |

The accompanying notes are an integral part of these financial statements.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|------------|-------------------------|-------------------------|--|
| | | Charges for Services | Member Contributions | |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities: | | | | |
| Land preservation | \$ 228,310 | \$ 118,650 | \$ 110,000 | \$ 340 |
| Total governmental activities | \$ 228,310 | \$ 118,650 | \$ 110,000 | 340 |
| | | | | |
| General revenues: | | | | |
| Interest income | | | | 2,897 |
| Total general revenues | | | | 2,897 |
| | | | | |
| Change in net position | | | | 3,237 |
| Net position - July 1, 2020 | | | | 15,117,130 |
| Net position - June 30, 2021 | | | | \$ 15,120,367 |

The accompanying notes are an integral part of these financial statements.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2021**

| | <u>General Fund</u> |
|--|-----------------------------|
| <u>ASSETS</u> | |
| Cash and investments | \$ 324,300 |
| Interest receivable | <u>822</u> |
| Total Assets | \$ <u><u>325,122</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | |
| LIABILITIES | |
| Accounts payable | \$ <u>44,308</u> |
| Total Liabilities | <u>44,308</u> |
| FUND BALANCE | |
| Unassigned | <u>280,814</u> |
| Total Fund Balance | <u><u>280,814</u></u> |
| <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i> | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of accumulated depreciation of \$2,470. | <u>14,839,553</u> |
| Net position of governmental activities | \$ <u><u>15,120,367</u></u> |

The accompanying notes are an integral part of these financial statements.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

| | <u>General Fund</u> |
|--------------------------------------|-------------------------|
| <u>REVENUES</u> | |
| Program Revenues | |
| Charges for services | |
| Permit fees | \$ 118,650 |
| Interest income | 2,897 |
| Contributions | |
| Member contributions | <u>110,000</u> |
| Total Revenues | <u>231,547</u> |
| <u>EXPENDITURES</u> | |
| Land Preservation | |
| Administrative | 171,490 |
| Legal | 48,588 |
| Maintenance | <u>8,232</u> |
| Total Expenditures | <u>228,310</u> |
| Change in Fund Balance | 3,237 |
| Fund Balance - July 01, 2020 | <u>277,577</u> |
| Fund Balance - June, 30, 2021 | <u>\$ 280,814</u> |

The accompanying notes are an integral part of these financial statements.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Authority, 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 over its respective allocated portion of the Rail Corridor. Under the terms of the perspective 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 were as follows:

| | |
|---------------------------------------|----------------------|
| City of Folsom | \$ 3,239,931 |
| Sacramento Regional Transit Authority | 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.

A. 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 about the reporting entity as a whole.

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
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

C. Governmental Fund

The Authority reports the following major governmental fund:

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.

D. 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.

E. Cash

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

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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, over the following estimated useful lives:

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

G. 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 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.

H. 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.

I. 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.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2020, the Authority implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Authority adopted this accounting guidance for its June 30, 2021 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

Governmental Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The Authority adopted this accounting guidance for its June 30, 2021 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

K. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2021 or later.

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the Authority's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the Authority's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the Authority's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Authority's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2025.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2021 were classified in the accompanying financial statements as follows:

| | |
|----------------------------|--------------------------|
| Pooled Funds: | |
| Cash in County Treasury | \$ <u>324,300</u> |
| Total Cash and Investments | \$ <u><u>324,300</u></u> |

The County of Sacramento maintains a cash 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 is appropriated 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.

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.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|-------------------------|--|---|
| 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 | 20% | 10% |
| Shares of a Money Market Mutual Fund | Per SEC regulations | | |
| Collateralized Mortgage Obligations | 180 days | 20% | 10% |
| Local Agency Investment Fund (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, 2021, the weighted average maturity of the investments contained in the Treasury investment pool was 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 3: MEMBER CONTRIBUTIONS

Contributions from members for the year ended June 30, 2021, consisted of the following:

| | |
|---------------------------------------|--------------------------|
| City of Folsom | \$ 27,500 |
| Sacramento Regional Transit Authority | 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
JUNE 30, 2021

NOTE 4: 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, 2021, was as follows:

| | Balance at July 1, 2020 | Additions | Retirements | Balance at June 30, 2021 |
|---|------------------------------------|------------------------|------------------------|-------------------------------------|
| 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> |
| Total Capital Assets, net | <u><u>\$ 14,839,553</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 14,839,553</u></u> |

There was no depreciation expense for the year ended June 30, 2021.

NOTE 5: 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 \$22,102 for the year ended June 30, 2021.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 18, 2023, which is the date the financial statements were available to be issued. No events occurred subsequent to the balance sheet date that require accrual or adjustment to the carrying balances of assets and liabilities in the balance sheet.

REQUIRED SUPPLEMENTARY INFORMATION

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget Positive (Negative)</u> |
|-------------------------------|-------------------------|----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | |
| <u>REVENUES</u> | | | | |
| Program Revenues | | | | |
| Charges for services | | | | |
| Permit fees | \$ - | \$ - | \$ 118,650 | \$ 118,650 |
| Interest income | - | - | 2,897 | 2,897 |
| Contributions | | | | |
| Member contributions (Note 3) | <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>231,547</u> | <u>121,547</u> |
| <u>EXPENDITURES</u> | | | | |
| Land Preservation: | | | | |
| Chief Executive Officer | 50,000 | 50,000 | 22,102 | 27,898 |
| JPA general counsel | 17,000 | 17,000 | 48,588 | (31,588) |
| Annual audit | 9,000 | 9,000 | - | 9,000 |
| Treasury services | 6,000 | 6,000 | 6,390 | (390) |
| Maintenance allowance | 12,000 | 12,000 | 31,558 | (19,558) |
| Insurance | 10,000 | 10,000 | 1,272 | 8,728 |
| Permit expenses | - | - | 118,400 | (118,400) |
| Contingency | <u>6,000</u> | <u>6,000</u> | <u>-</u> | <u>6,000</u> |
| Total Expenditures | <u>110,000</u> | <u>110,000</u> | <u>228,310</u> | <u>(118,310)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 3,237 | <u>\$ 239,857</u> |
| Fund balance - July 1, 2020 | | | <u>277,577</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ 280,814</u> | |

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2021**

Budgetary Information

The amounts reported as the original budgeted amounts in the budgetary schedule reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary schedule reflect the amounts after all budget amendments have been accounted for.

Budgetary Controls

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget requests are submitted by the Authority's staff to the Board of Directors for review and approval.

Expenditures in Excess of Appropriations

The General Fund had an excess of expenditures over appropriations as follows:

| | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess of Expenditures Over Appropriations</u> |
|-------------------|-----------------------|---------------------|---|
| Land preservation | \$ <u>110,000</u> | \$ <u>228,310</u> | \$ <u>118,310</u> |

OTHER REPORTS



**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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 18, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
July 18, 2023



July 18, 2023

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, 2022. 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 February 17, 2023. 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. As described in Note 1 to the financial statements, the Authority adopted Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in 2022. 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. There were no significant estimates affecting the Authority's financial statements.

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. The material misstatements in Attachment A were detected as a result of audit procedures and were corrected by management.

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 July 18, 2023.

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 management's discussion and analysis and the 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

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
SUMMARY OF AUDIT ADJUSTMENTS
JUNE 30, 2022**

| Description | Effect - Increase (Decrease) | | | | |
|--------------------------------------|--|--|--------|---------|-----------|
| | Assets / Deferred Outflows of Resources | Liabilities / Deferred Inflows of Resources | Equity | Revenue | Expenses |
| To accrue accounts payable | \$ - | \$ 24,604 | \$ - | \$ - | \$ 24,604 |
| Total Income Statement Effect | | | | - | 24,604 |
| Balance Sheet Effect | \$ - | \$ 24,604 | \$ - | | |



Management Letter

July 18, 2023

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 Sacramento-Placerville Transportation Corridor Joint Powers Authority (the "Authority") as of and for the year ended June 30, 2022, 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 July 18, 2023. This letter does not affect our report dated July 18, 2023, 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
Communication of Control Deficiencies and Recommendations
June 30, 2022

Financial Reporting

During our audit we noted bank reconciliations were not performed timely and there was no indication of review and approval of the reconciliations. In addition, we noted financial information is not provided to the Board of Directors for review on a regular basis. We recommend the Authority review policies and procedures to ensure monthly bank reconciliations are completed and financial reports are submitted to the Board of Directors on a timely basis.

Sacramento-Placerville Transportation Corridor Joint Powers Authority
Status of Prior Year Control Deficiencies
June 30, 2022

Financial Reporting

We recommend the Authority review policies and procedures to ensure monthly bank reconciliations are completed and financial reports are submitted to the Board of Directors on a timely basis.

Status

Not implemented.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
ANNUAL FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
TABLE OF CONTENTS
JUNE 30, 2022**

| | <u>Page</u> |
|---|--------------------|
| Independent Auditor's Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 5 |
| Basic Financial Statements: | |
| Authority-wide Financial Statements | |
| Statement of Net Position | 6 |
| Statement of Activities | 7 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Fund | 8 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | 9 |
| Notes to the Basic Financial Statements | 10 - 18 |
| Required Supplementary Information: | |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 19 |
| Notes to Required Supplementary Information - Budgetary Accounting and Control | 20 |
| Other Reports: | |
| 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 <i>Government Auditing Standards</i> . | 21 |



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise Sacramento-Placerville Transportation Corridor Joint Powers Authority's basic financial statements as listed in the table of contents.

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 Sacramento-Placerville Transportation Corridor Joint Powers Authority, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sacramento-Placerville Transportation Corridor Joint Powers Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 July 18, 2023, 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
July 18, 2023

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

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 fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

The Authority's annual operating budget for fiscal year 2021/2022 was \$110,000, which is the same as fiscal year 2020/2021 budget of \$110,000.

The fiscal year 2021/2022 operating budget of \$110,000 was funded by a \$27,500 contribution from each member agency.

The Authority's capital asset value is \$14,839,553.

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 on pages 6 - 9.

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

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. The governmental fund balance sheet provides a reconciliation detailing the difference between the governmental fund and the governmental activities.

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 10 - 18 of this report.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

AUTHORITY-WIDE FINANCIAL ANALYSIS

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Summary of Net Position
Authority-Wide Activities
As of June 30, 2022 and 2021**

| | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>Increase/(Decrease)</u> |
|------------------------------|----------------------|----------------------|----------------------------|
| Assets | | | |
| Current Assets | \$ 316,394 | \$ 325,122 | \$ (8,728) |
| Other Assets | <u>14,839,553</u> | <u>14,839,553</u> | <u>-</u> |
| Total Assets | <u>15,155,947</u> | <u>15,164,675</u> | <u>(8,728)</u> |
| Liabilities | | | |
| Current Liabilities | <u>24,604</u> | <u>44,308</u> | <u>(19,704)</u> |
| Total Liabilities | <u>24,604</u> | <u>44,308</u> | <u>(19,704)</u> |
| Net Position | | | |
| Investment in capital assets | 14,839,553 | 14,839,553 | - |
| Unrestricted | <u>291,790</u> | <u>280,814</u> | <u>10,976</u> |
| Total Net Position | <u>\$ 15,131,343</u> | <u>\$ 15,120,367</u> | <u>\$ 10,976</u> |

Net position represents the difference between the Authority's resources and its obligations. At June 30, 2022, approximately 98% of the Authority's net position was invested in land.

**Sacramento-Placerville Transportation Corridor Joint Powers Authority
Statement of Activities
Authority-Wide Activities
As of June 30, 2022 and 2021**

| | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>Increase/(Decrease)</u> |
|-------------------------------------|----------------------|----------------------|----------------------------|
| Revenues | | | |
| Program revenues | | | |
| Charges for services | | | |
| Permit fees | \$ 300 | \$ 118,650 | \$ (118,350) |
| Interest income | 2,082 | 2,897 | (815) |
| Contributions | | | |
| Member contributions | <u>110,000</u> | <u>110,000</u> | <u>-</u> |
| Total Revenues | <u>112,382</u> | <u>231,547</u> | <u>(119,165)</u> |
| Expenditures | | | |
| Land preservation | <u>101,406</u> | <u>228,310</u> | <u>(126,904)</u> |
| Increase (Decrease) in Net Position | 10,976 | 3,237 | 7,739 |
| Fund Balance - July 01, 2021 | <u>15,120,367</u> | <u>15,117,130</u> | <u>-</u> |
| Fund Balance - June, 30, 2022 | <u>\$ 15,131,343</u> | <u>\$ 15,120,367</u> | <u>\$ 10,976</u> |

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

AUTHORITY BUDGET ANALYSIS

The Authority's Board of Directors approved the proposed 2021/2022 budget in May 2021. The budget-to-actual schedule for the year is shown on page 19.

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 \$291,790. The Authority's major source of revenue is from member contributions. The Authority's typical major expenditures are for management fees and legal fees. Capital assets are not shown on the fund statements since they are not available for near term financing of the Authority's operations.

CAPITAL ASSETS

As of June 30, 2022, 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In May 2022, the JPA board adopted an operating budget in the amount of \$110,000 for the fiscal year 2022/2023, which is same as the fiscal year 2021/2022 budget (\$110,000).

The member agencies annual contributions for fiscal year 2022/2023 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 2021/2022 and 2022/2023 is under the limit set by the Continuing Funding Agreement.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial statement 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
JUNE 30, 2022**

ASSETS

| | |
|-------------------------------|-----------------------------|
| Cash and investments (Note 2) | \$ 314,416 |
| Interest receivable | 1,978 |
| Capital assets (Note 4): | |
| Non-depreciable | <u>14,839,553</u> |
| Total Capital Assets, net | <u>14,839,553</u> |
| TOTAL ASSETS | \$ <u>15,155,947</u> |

LIABILITIES

| | |
|--------------------------|----------------------|
| Accounts payable | \$ <u>24,604</u> |
| TOTAL LIABILITIES | <u>24,604</u> |

NET POSITION

| | |
|---|-----------------------------|
| Investment in capital assets | 14,839,553 |
| Unrestricted | <u>291,790</u> |
| Total Net Position | <u>15,131,343</u> |
| TOTAL LIABILITIES AND NET POSITION | \$ <u>15,155,947</u> |

The accompanying notes are an integral part of these financial statements.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|------------|-------------------------|-------------------------|--|
| | | Charges for Services | Member Contributions | |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities: | | | | |
| Land preservation | \$ 101,406 | \$ 300 | \$ 110,000 | \$ 8,894 |
| Total governmental activities | \$ 101,406 | \$ 300 | \$ 110,000 | 8,894 |
| | | | | |
| General revenues: | | | | |
| Interest income | | | | 2,082 |
| Total general revenues | | | | 2,082 |
| Change in net position | | | | 10,976 |
| Net position - July 1, 2021 | | | | 15,120,367 |
| Net position - June 30, 2022 | | | | \$ 15,131,343 |

The accompanying notes are an integral part of these financial statements.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

| | <u>General Fund</u> |
|--|-----------------------------|
| <u>ASSETS</u> | |
| Cash and investments | \$ 314,416 |
| Interest receivable | <u>1,978</u> |
| Total Assets | <u><u>\$ 316,394</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | |
| LIABILITIES | |
| Accounts payable | \$ <u>24,604</u> |
| Total Liabilities | <u>24,604</u> |
| FUND BALANCE | |
| Unassigned | <u>291,790</u> |
| Total Fund Balance | <u><u>291,790</u></u> |
| <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i> | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of accumulated depreciation of \$2,470. | <u>14,839,553</u> |
| Net position of governmental activities | <u><u>\$ 15,131,343</u></u> |

The accompanying notes are an integral part of these financial statements.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

| | <u>General Fund</u> |
|--------------------------------------|-------------------------------|
| <u>REVENUES</u> | |
| Program Revenues | |
| Charges for services | |
| Permit fees | \$ 300 |
| Interest income | 2,082 |
| Contributions | |
| Member contributions | <u>110,000</u> |
| Total Revenues | <u><u>112,382</u></u> |
| <u>EXPENDITURES</u> | |
| Land Preservation | |
| Administrative | 83,834 |
| Legal | 10,995 |
| Maintenance | <u>6,577</u> |
| Total Expenditures | <u><u>101,406</u></u> |
| Change in Fund Balance | 10,976 |
| Fund Balance - July 01, 2021 | <u>280,814</u> |
| Fund Balance - June, 30, 2022 | <u><u>\$ 291,790</u></u> |

The accompanying notes are an integral part of these financial statements.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Authority, 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 over its respective allocated portion of the Rail Corridor. Under the terms of the perspective 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 were as follows:

| | |
|---------------------------------------|----------------------|
| City of Folsom | \$ 3,239,931 |
| Sacramento Regional Transit Authority | 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.

A. 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 about the reporting entity as a whole.

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
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

C. Governmental Fund

The Authority reports the following major governmental fund:

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.

D. 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.

E. Cash

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

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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, over the following estimated useful lives:

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

G. 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 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.

H. 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.

I. 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.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2021, the Authority implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Authority adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Authority adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the Authority's financial statements as a result of adopting this standard.

K. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the Authority's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Authority's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 were classified in the accompanying financial statements as follows:

| | |
|----------------------------|--------------------------|
| Pooled Funds: | |
| Cash in County Treasury | \$ <u>314,416</u> |
| Total Cash and Investments | \$ <u><u>314,416</u></u> |

The County of Sacramento maintains a cash 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 is appropriated to each fund based on its average balance.

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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 pool is the same as the pool shares. These investments are not categorized since these funds and pool 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.

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.

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|-------------------------|--|---|
| 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 | 20% | 10% |
| Shares of a Money Market Mutual Fund | Per SEC regulations | | |
| Collateralized Mortgage Obligations | 180 days | 20% | 10% |
| Local Agency Investment Fund (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, 2022, the weighted average maturity of the investments contained in the Treasury investment pool was 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 3: MEMBER CONTRIBUTIONS

Contributions from members for the year ended June 30, 2022, consisted of the following:

| | |
|---------------------------------------|--------------------------|
| City of Folsom | \$ 27,500 |
| Sacramento Regional Transit Authority | 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
JUNE 30, 2022

NOTE 4: 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, 2022, was as follows:

| | Balance at July 1, 2021 | Additions | Retirements | Balance at June 30, 2022 |
|---|------------------------------------|------------------|--------------------|-------------------------------------|
| 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> |
| Total Capital Assets, net | <u>\$ 14,839,553</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,839,553</u> |

There was no depreciation expense for the year ended June 30, 2022.

NOTE 5: 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 \$22,033 for the year ended June 30, 2022.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 18, 2023, which is the date the financial statements were available to be issued. No events occurred subsequent to the balance sheet date that require accrual or adjustment to the carrying balances of assets and liabilities in the balance sheet.

REQUIRED SUPPLEMENTARY INFORMATION

SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive Negative |
|-------------------------------|-------------------------|----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>(Negative)</u> |
| <u>REVENUES</u> | | | | |
| Program Revenues | | | | |
| Charges for services | | | | |
| Permit fees | \$ - | \$ - | \$ 300 | \$ 300 |
| Interest income | - | - | 2,082 | 2,082 |
| Contributions | | | | |
| Member contributions (Note 3) | <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>112,382</u> | <u>2,382</u> |
| <u>EXPENDITURES</u> | | | | |
| Land Preservation: | | | | |
| Chief Executive Officer | 50,000 | 50,000 | 22,033 | 27,967 |
| JPA general counsel | 17,000 | 17,000 | 10,995 | 6,005 |
| Annual audit | 9,000 | 9,000 | - | 9,000 |
| Treasury services | 6,000 | 6,000 | 30,010 | (24,010) |
| Maintenance allowance | 12,000 | 12,000 | 37,096 | (25,096) |
| Insurance | 10,000 | 10,000 | 1,272 | 8,728 |
| Contingency | <u>6,000</u> | <u>6,000</u> | <u>-</u> | <u>6,000</u> |
| Total Expenditures | <u>110,000</u> | <u>110,000</u> | <u>101,406</u> | <u>8,594</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 10,976 | <u>\$ (6,212)</u> |
| Fund balance - July 1, 2021 | | | <u>280,814</u> | |
| Fund balance - June 30, 2022 | | | <u>\$ 291,790</u> | |

**SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2022**

Budgetary Information

The amounts reported as the original budgeted amounts in the budgetary schedule reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary schedule reflect the amounts after all budget amendments have been accounted for.

Budgetary Controls

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget requests are submitted by the Authority's staff to the Board of Directors for review and approval.

OTHER REPORTS



**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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 18, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
July 18, 2023

STAFF REPORT

Board Meeting Date: August 7, 2023

Page 1 of 2

RESOLUTION: Authorize Chief Executive Officer to Execute Contract with Dokken Engineering in the amount of \$129,680 for Bridge and Culvert Inspection Services and Approve Budget Amendment.

**AGENDA ITEM
NO. 6a**

DISCUSSION:

At the August 1, 2022 meeting, Board members discussed conducting a comprehensive master plan process for the SPTC-JPA corridor. The Board recommended staff investigate going through a master plan process to determine future uses within the JPA corridor. This included authorization to evaluate the trackage and bridge structures between the Folsom Wye property and Missouri Flat Road to have background information on the condition of the corridor in order to conduct a JPA-directed master planning process. At the meeting the Board approved Resolution No. 2022-08-01 to increase in the CIP Budget in the not to exceed amount of \$100,000 for Trackage and Bridge Evaluations.

Currently there are three uses on and adjacent to the JPA corridor. One is the Excursion Rail run by P&SVRR from Folsom to El Dorado County line with the license agreement expiring in 2023. Another is Western Railroad that operates within El Dorado County from Shingle Springs to Placerville. The other use is the Natural Surface Trail project that is currently under construction.

On June 30, 2023, a Request for Proposals (RFP) was issued to qualified and experienced engineering consultants to provide inspection services along the SPTC-JPA corridor. The requested bridge and culvert facilities inspections services would span approximately 33 miles of the tracks from the Wye property, at the intersection of Folsom Boulevard and Bidwell Street in the City of Folsom, to Missouri Flat Road in the City of Placerville.

Five criteria were used to evaluate the proposals for a total of 100 points: (1) Understanding of Work – 30 points; (2) Experience with Similar Work – 20 points; (3) Project Team – 20 points; (4) Proposal Quality – 20 points, and (5) Cost – 10 points. After reviewing the proposals, the review team deemed Dokken Engineering as best qualified to provide bridge and culvert inspection services for the SPTC-JPA based on the five scoring criteria.

Dokken Engineering demonstrated the expertise, capacity, and ability to complete the scope of services which entails project management, public workshop facilitation, bridge design, and cost estimation. The cost proposal from Dokken Engineering is \$129,680, which is \$29,680 over the amount approved in the original authorization for this matter on

August 1, 2022 in the FY 2022-23 Capital Improvement Plan budget which authorized \$100,000 in the CIP Budget for Trackage and Bridge Evaluations.

SPTC JPA BUDGET IMPACT:

In FY 2022/23 a total of \$28,075 was allocated in the Capital Improvement Program for the Natural Trail Project. In addition, \$100,000 was allocated for the Bridge and Trackage Evaluations which was the funding for this proposed professional services contract. A total of \$24,851 was spent within FY 2022/23 associated with the Nature Trial Project.

SPTC JPA Budget FY 2023/24

| | |
|--|------------------|
| JPA Account Balance start of FY 23/24 | \$333,037 |
| Annual Contribution FY23/24 (Folsom) | \$ 27,500 |
| Annual Contribution FY23/24 (Sac County) | \$ 27,500 |
| Annual Contribution FY23/24 (EDC) | \$ 27,500 |
| Annual Contribution FY23/24 (SacRT) | \$ 27,500 |
| Subtotal | \$443,037 |

FY 23/24 Budget Authorizations

| | |
|---|------------------|
| Operating Budget FY 23/24 | \$110,000 |
| Bridge & Track Inspections (Reso No. 2022-08-01) | \$100,000 |
| Bridge & Track Inspections (Budget Authorization Request) | \$ 29,680 |
| Capital Program Budget (Natural Trail Env Surveys) | \$ 66,035 |
| Capital Program Budget (Natural Trail Supplies) | \$ 10,000 |
| Subtotal | \$315,715 |

| | |
|---|------------------|
| SPTC JPA Available Funds FY 2023/24 | \$443,037 |
| FY 23/24 Budget Authorizations Detailed Above | \$315,715 |
| Total SPTC JPA Available Reserve Funds | \$127,322 |

The Fiscal Year 2023-24 CIP Budget inadvertently did not include the prior fiscal year's budget authorization of \$100,000 approved on August 1, 2022, for the bridge and culvert inspections. Therefore, the CIP Budget needs to be amended to authorize the funds for this bridge and culvert inspection services by increasing the Fiscal Year CIP Budget authorization by \$129,680. The JPA has sufficient funds in its reserve account to accommodate this budget amendment and contract award.

BOARD ACTION:

Staff recommends the Board approve to authorize the Chief Executive Officer to execute a contract with Dokken Engineering in the amount of \$129,680 for bridge and culvert inspection services along the SPTC-JPA corridor in a form as approved by legal counsel. In addition, staff recommends the Fiscal Year 2023-24 CIP budget be increased with a new line item in the amount of \$129,680 for the bridge and culvert inspections.

STAFF REPORT

Board Meeting Date: August 7, 2023

Page 1 of 1

INFORMATION: Natural Trail Project Update

**AGENDA ITEM
NO. 6b**

DISCUSSION:

Don Rose of Folsom Auburn Trail Riders Action Coalition (FATRAC) will make a brief presentation to the JPA Board to provide an update on the Natural Trail Project.

In 2016, the JPA began the initial planning and environmental clearance for a proposed trail along the JPA corridor between Folsom and Placerville. The trail was intended to be used by hikers and mountain bike riders primarily, and, therefore, would not be a paved or graded trail; rather, the trail would be cut out of the brush grass growing adjacent to the railroad tracks and would feature only modest improvements at creek crossings to make them easier to traverse – thus the trail was named the “Natural Trail.”

Work on the Natural Trail was intended to be performed by volunteer groups, such as trail enthusiasts, bike riding groups, etc., with minor financial support provided by the JPA, primarily to purchase construction materials or pay for necessary permits. Currently, FATRAC, Friends of the El Dorado Trail, and Mother Load Trail Stewardship are all actively working on the project.

The original contract between Foothill and Associates (now Helix Environmental Planning, Inc.) and the SPTC-JPA was executed in June 2018. Invoices paid to date to Helix since 2018 total \$77,793. At the May 1, 2023 meeting, the SPTC-JPA Board approved a total of \$76,035 for environmental permit notifications to agencies and to conduct necessary environmental surveys before volunteer work on the trail can begin in the fall.

The existing Natural Trail Project contract with Helix includes approximately ten (10) miles of trail from U.S Highway 50 to Latrobe; seven (7) miles of trail in El Dorado County and three (3) miles in Sacramento County. In the El Dorado County section, volunteers have installed five (5) box culverts, three (3) round culverts, two 15-foot punching bridges, and trail reroutes to move the trail onto higher ground. In the Sacramento County section, volunteers have done weed abatement but had to stop work pending the completion of environmental surveys.

The remaining natural trail work includes the installation of ten (10) culverts in the Sacramento County section, plus additional weed abatement of the entire trail alignment. In the El Dorado County section, planks are needed to be installed between the railroad

tracks where the trail crosses the track in several places and installation of additional culverts.

Due to the infrequency and time of year of the work on the natural trail takes place, it is unknown the amount of additional funds needed for environmental permit notifications and surveys to complete the natural trail project from Latrobe Road to White Rock Road. Each year that the natural trail project work is not completed requires the environmental permits notifications to agencies and environmental surveys to be redone for work to restart on the natural trail project.

SPTC Natural Trail Project Proposed 2023 Work Plan (Don Rose)

For 2023, the work plan for the SPTC Natural Trail Project will primarily be centered in the 1.5-mile section in Sacramento County, from White Rock Road south to Carson Creek Bridge. The primary work in that area will be installation of culverts in ten (10) creek crossings in accordance with the trail improvement plan. Weed abatement in that section will also continue along with trail grading. Weed abatement in approximately 2/3 of the section was recently completed and the remaining 1/3 will still need to be finished. Additionally, regrowth in the section already abated will likely need to be removed, which qualifies as maintenance of an existing trail. Trail grading will primarily be completed at the approaches to creek crossings, where steep embankments will be cut down to provide a more user-friendly slope, and the material removed used to backfill over culverts. The work is scheduled to be completed by February 1, 2024. Given the current timing of the summer season, work is anticipated to begin in fall of 2023.

In El Dorado County, there are two locations where the trail crosses the railroad track. Installation of 4x12 planks between the rails with ramps on each side will provide a more user-friendly crossing. All work will be completed within approximately 5 feet from the center line of the track, on the gravel ballast, which will be equivalent to maintenance work done by the railroad.

The following is a list of the specific locations.

| | SPTC Natural Trail Creek Crossings and Rail Crossings Numbers conform to 2023.01.25 Natural Trail Plans |
|----------------|---|
| | White Rock Road to Carson Creek Bridge – continue weed abatement and trail grading along entire section |
| Sections 21-30 | Install culverts |
| Section 51 | Trail crosses rail – install planks between rails and ramps on each side |
| Section 58 | Trail crosses rail – install planks between rails and ramps on each side |

BOARD ACTION:

Staff is seeking Board direction on how to address the remaining work for the Natural Trail Project.

STAFF REPORT

Board Meeting Date: August 7, 2023

Page 1 of 1

INFORMATION: PSVRR Ad Hoc Committee Update

**AGENDA ITEM
NO. 6d**

DISCUSSION:

At the May 8th meeting, the JPA Board held a study session to enable both the Board and staff to make informed decisions about the future of PSVRR excursion rail activities on the corridor and the associated license agreement. As a result of the discussion, Chair Aquino and Director Hidahl formed an Ad Hoc committee to further explore options for the PSVRR excursion rail activities on the corridor.

BOARD ACTION:

Information only; no Board action is required.